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THE
LEGISLATIVE ASSEMBLY DEBATES
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(12th March to 25th March, 1931)

FIRST SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1931



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1931
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Legislative Assembly.

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LEGISLATIVE ASSEMBLY.

Friday, 13th March, 1931.

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

QUESTIONS AND ANSWERS.

INCOME-TAX REALISED FROM COAL COMPANIES.

920. *Kumar Gupteshwar Prasad Singh: Will Government be pleased to state:

(a) the amount of income-tax realised from the coal companies under the management of the following firms during the last five years:

- (i) Messrs. Andrew Yule & Co.
- (ii) Messrs. F. W. Heilgers & Co.
- (iii) Messrs. Anderson Wright & Co.
- (iv) Messrs. H. V. Low & Co.
- (v) Messrs. Balmer Larri & Co.
- (vi) Messrs. Shaw Wallace & Co.
- (vii) Messrs. Octavius Steel & Co.; and

(b) to what province the provincial share of this income-tax has been credited?

The Honourable Sir George Schuster: With your permission, Sir, I will answer this and No. 921 together.

Part (a) of both questions. I am precluded by section 54 of the Indian Income-tax Act from giving the Honourable Member the information for which he asks.

Part (b) of both questions. The information will be obtained and communicated to the Honourable Member.

INCOME-TAX REALISED FROM THE TATA IRON AND STEEL COMPANY.

+921. Kumar Gupteshwar Prasad Singh: Will Government be pleased to state:

(a) the amount of income-tax realised from the Tata Iron and Steel Company for the last five years; and

(b) to what province the provincial share of this income-tax has been credited?

+For answer to this question, see answer to question No. 920.

PROTECTION FOR THE TANNING INDUSTRY.

922. *Mr. Jamal Muhammad Saib: (a) Has the attention of the Government of India been drawn to certain recent changes in the customs tariff of the United States of America and their effect on the tanning industry of India?

(b) Do the Government of India propose to give protection to the tanning industry by referring the case of the industry to the Tariff Board?

(c) Will Government be pleased to state whether any policy has been laid down by the Railway Board regarding the fixation of railway rates for the carriage of indigenous raw materials to places of manufacturing centres and the carriage of indigenous manufactured articles to places of consumption or export?

The Honourable Sir George Rainy: (a) Yes.

(b) No.

(c) I would refer the Honourable Member to a Press communiqué issued in May, 1915, a copy of which and of the letter referred to therein, has been placed in the Library. The attention of Railway Administrations was drawn to these instructions in August, 1920, when they were asked to render such assistance to local industries as might be possible.

Communiqué.

The Railway Board have addressed the subjoined letter to Railway Administrations on a subject which is of considerable commercial importance, especially at the present time. Applicants for particular concessions of the nature alluded to in the letter frequently are unaware of the complexity of the issues raised by a proposed alteration of Railway rates. Such a change in one rate may frequently involve a variety of considerations as regards its effect on a number of others. Questions of competition with similar traffic elsewhere, undue preference, etc., to name merely one or two of the issues arising from an apparently simple proposal, are often far-reaching and important and call for careful examination before a decision can be arrived at.

These considerations can best be taken into account by the administrative officers of the Railway or Railways directly concerned and it is to them that interested persons should address themselves.

To enable Railway officers to form a fair opinion of the prospects held out by a proposal of the kind, it is essential that they should be given full information as to the nature of the consignments, the probable amount and destination of traffic likely to be offered, etc. If full particulars be supplied, the Railway Board are confident that every encouragement will be secured to the special industries to which the letter refers.

—————

Letter No. 706-T., dated 18th May, 1915, from the Government of India, Railway Department (Railway Board).

To

The Agents, Assam-Bengal, Barri Light, Bengal and North-Western, Bengal-Nagpur, Bombay, Baroda and Central India, Burma, East Indian, Eastern Bengal, Great Indian Peninsula, Guzerat, Madras and Southern Mahratta, North Western, Oudh and Rohilkhand, Rohilkund and Kumaon and South Indian Railways.

I am directed to address you on the subject of the assistance to be rendered by railways in the development of industries in this country. The question has been raised specifically of late by applications which the Railway Board have received for the reduction of rates. These applications had reference as a rule to the special circumstances of the time, but the matter has all a general aspect.

2. The administrations of railways have it in their power to do much for the encouragement of new industries by the quotation of favourable rates for the carriage of the raw material required in manufacture and of the finished product. The permanent establishment of industries in adjacent areas cannot fail directly or indirectly to increase the business of a railway, and to secure these advantages it may even be found remunerative to incur a temporary loss during the initial stages of development. The Railway Board are confident that these considerations already influence the policy of Your Company but they think it desirable to bring them prominently to your State Railways attention at a time like the present when the exceptional conditions created by the war offer an unique opportunity for the revival of certain existing local industries which have hitherto languished owing to foreign competition, and for the possible creation of others. Many articles hitherto imported have been excluded from the Indian market, while the cost of others has been largely increased. As you are aware the Government of India are making a special endeavour to take advantage of this opportunity, and the Railway Board's object in inviting your attention to the subject is to secure your co-operation in doing all that is possible for the encouragement of indigenous industry.

3. The Railway Board are of opinion that cases will occur in which the quotation of special rates at the present time will lead to the establishment of industries with much less initial difficulty than would be met with in normal circumstances, and that there is an ample prospect that these industries will lead to a permanent increase of the productivity of the areas in which they have been begun to the mutual advantage of railways and their clientele.

APPOINTMENT OF MUHAMMADANS TO THE POSTS AND TELEGRAPHS DEPARTMENT.

923. *Lieut. Nawab Muhammad Ibrahim Ali Khan: (a) Referring to their answers given in reply to parts (a), (b) and (c) of starred question No. 416 asked by me in the Legislative Assembly on the 11th February, 1931, is it not a fact that only one Muhammadan is holding the selection grade in the Engineering Branch of the Posts and Telegraphs Department?

(b) If so, what steps do Government propose to take in order to give their due share to the Muhammadans in that branch of the Posts and Telegraphs Department?

(c) Is it not a fact that two Muhammadans passed the selection grade examination in 1929, and that they have not been promoted to the selection grade? If not, why not?

(d) Will Government be pleased to state the number of Hindus, Christians and others employed as clerks in the Engineering Branch of the Posts and Telegraphs Department as compared to 42 Muslims?

Mr. H. A. Sams: (a) Yes.

(b) The Honourable Member is referred to the reply given to part (d) of his starred question No. 416 alluded to by him.

(c) Yes, because the examination is a qualifying one for eventual promotion to the lowest selection grade according to seniority combined with fitness of the passed officials, on the occurrence of vacancies.

(d) Information asked for by the Honourable Member has been called for and will be furnished to him in due course.

PAY OF AN OFFICER ON SPECIAL DUTY IN THE INDIAN AUDIT AND ACCOUNTS SERVICE.

924. *Lieut. Nawab Muhammad Ibrahim Ali Khan: (a) What is the permanent pay of Mr. I. S. Puri in his permanent rank as an officer of the Indian Audit and Accounts Service?

(b) What pay is he getting now as officer on special duty for compiling the Railway Account Code, etc.?

(c) What is the total number of officers of the Indian Audit and Accounts Service who are senior to Mr. I. S. Puri but who are getting less pay than Mr. I. S. Puri?

(d) Will Government be pleased to state why officers senior to Mr. Puri but getting less pay are not appointed to do the work on which he is employed? Is it because of administrative convenience that Mr. Puri continues in this appointment?

(e) Do Government propose to consider the case of those officers who are senior to Mr. Puri? If so, what steps do Government propose to take in the matter?

Mr. A. A. L. Parsons: (a) Rs. 1,125. But before being lent for service in the Railway Accounts Department he was drawing Rs. 1,500 in a temporary post in the Audit Department.

(b) Rs. 1,560.

(c) to (e). Mr. Puri was selected because he was considered the most suitable officer available for the work. This, and not seniority, is the factor to be considered in filling such special temporary appointments.

PAY OF CERTAIN OFFICERS ON SPECIAL DUTY .

925. *Lieut. Nawab Muhammad Ibrahim Ali Khan: (a) Will Government be pleased to give all information similar to what has been asked for in parts (a) to (e) of the previous questions (regarding Mr. I. S. Puri) in the case of Mr. Ram Gopal who is writing a Railway Audit Code?

(b) Is it a fact that there are at present two more officers who are compiling codes in the Railway Board?

(c) Will Government please state the permanent pay and present pay of these two officers?

(d) Will Government please state why the two officers mentioned in part (b) are getting a much smaller percentage above their permanent pay as compared with Messrs. Puri and Ram Gopal for doing similar work?

Mr. A. A. L. Parsons: (a) Mr. Ram Gopal's permanent pay is Rs. 800 per mensem and his present pay is Rs. 1,200 per mensem.

(b) to (d). Yes. One officer draws Rs. 1,275 plus £30, and the other Rs. 1,300. Both are at present drawing special pay of Rs. 250 in addition. The pay to be attached to such temporary appointments is determined in each by the nature and responsibility of the duties and the pay already being drawn by the officers selected to fill them.

APPOINTMENT OF MUSLIM GUARDS IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

926. *Lieut. Nawab Muhammad Ibrahim Ali Khan: Will Government be pleased to state how many Muslims have been appointed as first grade guards in the Allahabad Division of the East Indian Railway during the last five years?

Mr. A. A. L. Parsons: With your permission, Sir, I will reply to questions Nos. 926, 927 and 928 together. I am obtaining the information for the Honourable Member from the Agent of the East Indian Railway.

APPOINTMENT OF A MUSLIM CONTROLLER IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

†927. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** Is it a fact that there is no Muslim Controller in the Allahabad Division of the East Indian Railway?

APPOINTMENT OF MUSLIM GUARDS IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

†928. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** Will Government be pleased to state how many relieving guards are there in the Allahabad Division of the East Indian Railway and how many of them are Muslims?

PAY OF TEACHERS IN THE EAST INDIAN RAILWAY HIGH SCHOOLS OF THE ALLAHABAD DIVISION.

929. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** Is it a fact that the provincial scale of pay has not been introduced in its entirety in the East Indian Railway High Schools of the Allahabad Division? If so, what are the reasons for not doing so?

Mr. A. A. L. Parsons: The pay of teachers in all the Indian High Schools of the East Indian Railway has been revised to give effect to the orders of Government that the rates of pay shall be the same as those given in the provinces concerned, subject to the condition that the new rates of pay would apply to each of the existing incumbents, on the condition that he possessed educational qualifications equivalent to those laid down by the Local Government for teachers on corresponding rates of pay.

PERCENTAGE OF MUSLIMS IN INSTITUTES ON THE EAST INDIAN RAILWAY.

930. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** What is the percentage of Muslims in the several Institutes of the East Indian Railway?

Mr. A. A. L. Parsons: Government have no information. Membership of Institutes provided for Indian staff on the East Indian Railway is voluntary.

UNSTARRED QUESTIONS AND ANSWERS.

APPOINTMENT OF SUPERINTENDENT OF THE PRIVATE SECRETARY TO THE VICEROY'S PRESS.

299. **Mr. S. C. Mitra:** (a) Is it a fact that a clerk of the Government of India Press, Simla, has been appointed as Superintendent of the Press of the Private Secretary to His Excellency the Viceroy? If so, will Government be pleased to state:

(i) what are the technical and educational qualifications of the said clerk and what experience has he got in the printing line;

†For answer to this question, see answer to question No. 926.

(ii) whether he can hold a composing stick and impose and print a forme with his own hand; and

(iii) if he is capable of giving technical instructions to the workmen?

(b) Is it a fact that several men possessing technical qualifications applied for the post? If so, what were the reasons for selecting a non-technical man to fill a technical appointment?

(c) Is it a fact that Messrs. Kanade and Rajagopalan two technical men with European qualifications holding ministerial appointments in the office of the Controller of Printing and Stationery are on the waiting list for technical appointments? If so, why were their claims overlooked?

Mr. J. A. Shillidy: (a) Yes; the post held by him in the Government of India Press, Simla, was the combined post of Head Clerk and Accountant.

(i) He was technically trained previous to joining the Simla Press and he had studied up to the Matriculation class at a High School.

(ii) and (iii). Yes.

(b) Yes. He was selected because he possessed technical knowledge combined with knowledge of Press accounts.

(c) Mr. Kanade is already holding a post on a higher scale of pay and did not apply for this appointment. Mr. R. Rajagopalachari was on leave out of India at the time of the appointment and was not an applicant.

EXPENDITURE INCURRED ON THE REORGANISATION OF STORES ACCOUNTS OF THE EAST INDIAN RAILWAY.

300. **Mr. S. C. Mitra:** (a) Will Government be pleased to state the expenditure incurred up to the end of February, 1981, on the additional staff sanctioned in the several departments of the Stores Accounts Reorganisation work on the East Indian Railway?

(b) Is it a fact that Messrs. Martin and Jones were engaged on clearing the arrears in that office in Stores Accounts in accordance with the orders of Mr. Scott, in pursuance of his own assurance (to place the work on a satisfactory basis) given to the Public Accounts Committee in August, 1929?

(c) Is it a fact that Mr. Mitra, Controller of Railway Accounts, removed Mr. Martin from Stores Accounts work in that office when the present Stores Accounts Reorganisation was inaugurated on the 1st August, 1930? If so, why?

(d) Is it a fact that the experiment of mechanisation of Stores Accounts on the East Indian Railway was suspended from the date such reorganisation was commenced and that Mr. Jones, officer on special duty for mechanisation and arrear clearing, was absorbed in the reorganisation staff?

(e) Is it a fact that Mr. Jones has been removed from the reorganisation work? If so, will Government be pleased to state the reasons for his removal?

(f) Are Government prepared to consider the desirability of restricting their mechanisation experiments to one Railway only, preferably the Great Indian Peninsula Railway, in order to effect economies in every direction and reduce their expenditure on special duty Officers?

Mr. A. A. L. Parsons: (a) The information is not at present available.

(b) Messrs. Martin and Jones were employed on the work mentioned.

(c) In order to complete the work as rapidly as possible, it was decided to put it in charge of a whole-time Deputy with special experience of stores accounts. This left no place for Mr. Martin.

(d) The actual facts are that, though a machine had been obtained, the experiment of mechanising the stores accounts on the East Indian Railway was not started.

(e) The work on which Mr. Jones was employed came to an end in December, 1930, and he was then transferred to other duties.

(f) The experiments in mechanisation to which the Honourable Member refers are practically finished, and, as the Honourable Member will see if he refers to Annexure C to Demand No. 11, only very small sums are provided in next year's budget for their completion; even these sums represent mainly expenditure on salaries for March which will be disbursed in April.

APPOINTMENTS IN THE SUBORDINATE RAILWAY ACCOUNTS SERVICE.

301. Mr. S. C. Mitra: (a) Are Government aware that separate rules for determining the relative seniority of the several classes of employees who are eligible to be promoted to the grade of accountants in the Subordinate Railway Accounts Service have not yet been promulgated by the Financial Commissioner for Railways as provided for in rule 15 of the Director of Finance, Railway Board's Memorandum No. 5565-F, of the 31st July, 1929?

(b) Are Government aware that though such rules have not yet been promulgated, confirmation in and promotions to the grade of accountants in the several offices under the control of the Financial Commissioner for Railways, have been ordered by the Controller of Railway Accounts?

(c) Will Government state the reasons why these orders have been issued? Has the issue of these orders in any way been caused by the necessity to confirm or appoint the relatives of high officials, for example:

- (i) Mr. V. S. Krishnaswami to Grade I accountant—brother of the Deputy Controller of Railway Accounts;
- (ii) Mr. G. Rama Rau to Grade I accountant—a relative of the Director of Finance, Railway Board;
- (iii) Mr. J. L. Kumra to Grade I accountant—a relative of an officer on special duty under Mr. Scott in the Railway Clearing Accounts Office, Delhi;
- (iv) Mr. P. G. Bhandari to Grade II accountant—a step-brother of the Accountant General, Bengal;
- (v) Mr. R. K. Puri to Grade II accountant—a relative of Mr. I. S. Puri, officer on special duty with the Controller of Railway Accounts;

and so on?

(d) Is it a fact that accountants of the East Indian Railway who used to be allowed to remain in service till the age of 60 have been refused permission to remain in service beyond the age of 55 or their present

extensions of service? If so, is it for the purpose of making room for others whom the Controller of Railway Accounts desires to confirm in their places?

(e) Is it a fact that appointments of accountants have been ordered in vacancies that have been arranged for to happen in the course of the year 1981-82?

Mr. A. A. L. Parsons: (a) The draft of the rules has been prepared and I anticipate that they will be settled very shortly.

(b) and (c). Confirmations and promotions have been made in accordance with the terms settled at the time of the separation of Accounts from Audit. It was not possible, in justice to the staff, to delay all confirmations and promotions until the somewhat complicated matter of framing rules to determine relative seniority was settled. There is no ground whatsoever for the insinuation contained in the latter part of the Honourable Member's question.

(d) Where extensions have been refused it has been entirely in the interest of efficiency. The allegation against the Controller of Railway Accounts made in the latter part of this question is entirely unfounded, and Government wish to record their complete confidence in his probity and impartiality.

(e) No. In order to equalise promotions as far as possible on the local cadres of the several railways in future, it has been arranged in making initial appointments on the various cadres, that certain surplus men on the East Indian Railway and the Railway Clearing Accounts Office should be formally appointed, in the first instance, to the Eastern Bengal and North Western Railways, respectively, and that, as vacancies occur on the parent cadres, the men should be taken back on their own systems.

APPOINTMENT OF ACCOUNTANTS IN THE OFFICE OF THE CONTROLLER OF RAILWAY ACCOUNTS.

302. **Mr. S. C. Mitra:** (a) Will Government state what principles have been followed in confirming accountants in the office of the Controller of Railway Accounts?

(b) Has any consideration been made to (i) the date of appointment, i.e., length of service and (ii) the date of promotion to the grade?

(c) If so, is it not a fact that many junior men have superseded many senior men and have been confirmed over them? If so, why? Is it a fact that these men are related to high officials?

Mr. A. A. L. Parsons: (a) and (b). Subject always to the principle that the best qualified men in all respects are selected for confirmation, the procedure adopted has been as follows. First, men who were already permanent accountants in the cadres of the East Indian, Great Indian Peninsula, and Burma Railways were confirmed in the cadres of the various railways. Then probationers, who were appointed during the experimental stages of separation on the East Indian Railway and in the Railway Clearing Accounts Office, were confirmed if they were well reported on. In filling the remaining vacancies, length of service, the provisional local seniority lists prepared by the Chief Accounts Officers, the efficiency reports on the men concerned, and the passing of the departmental examinations, were taken into consideration, and it was made clear that in all cases the question of relative seniority would be decided later.

(c) The application of this procedure has resulted in some better qualified junior men being confirmed before senior men. The allegation in the latter part of this question is entirely unfounded.

APPOINTMENTS IN THE ACCOUNTS DEPARTMENT OF THE EAST INDIAN RAILWAY.

908. **Mr. S. O. Mitra:** (a) Is it a fact that no "reserved" posts were earmarked in the Accounts Department of the East Indian Railway for men on the list of the then Accountant General, Railways (Director of Railway Audit), as done for other Railways?

(b) If so, is it not a fact that Messrs. M. M. Chatteraj, N. N. Mukherjee, T. M. Chatterjee, and E. Staples have recently been imported to the East Indian Railway as accounts officers?

(c) Is it not a fact that prior to this Messrs. C. G. Jones, C. A. Pinto, W. W. Morgan, K. C. Choudhury, C. N. Myers, S. M. Kaul, C. A. Thomas, P. K. Sarker, K. M. Sinha, etc., were brought to the East Indian Railway as accounts officers after the Railway was taken over by the State and separation of accounts from audit was introduced?

Mr. A. A. L. Parsons: (a) to (c). The total number of reserved posts was fixed for the Railway Accounts Department as a whole, no specific number being assigned to any particular Railway Accounts Office, and the distribution of the total number among the different Railway Accounts Offices being made according to administrative convenience. Under this arrangement the gentlemen mentioned by the Honourable Member are serving on the East Indian Railway.

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

DEMAND No. 19—OPIMUM.

Mr. President: The House will now proceed with the further discussion of the Demands for Grants.

The Honourable Sir George Schuster (Finance Member): Sir, I move:

"That a sum not exceeding Rs. 71,56,000 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, 1932, in respect of 'Opium'."

Retrenchment.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, I beg to move:

"That the Demand under the head 'Opium' be reduced by Rs. 7,15,600."

We read, Sir, every year that the Government of India declare at the League of Nations that they are trying to reduce the production and consumption of opium in this country. But we find this year that they have contracted to buy from the Mewar States for 10 years to come opium worth 7½ lakhs of rupees. They say that the Mewar States have got a surplus of opium which, if not bought by the Government of India, will be sold out to the Indian States directly, and in order to utilise those stocks, they maintain that the only means of doing it is that the Government of India should buy them and re-sell them to the States. Sir, the Government of India stopped the export of opium to China and other places on

[Sirdar Harbans Singh Brar.]

moral grounds, but those moral grounds do not apply to the consumption of opium in India. Sir, they have not even taken an undertaking from the Mewar States that, after 10 years, when the present stocks are bought by the Government of India, they shall not have any more cultivation of opium

The Honourable Sir George Schuster (Finance Member): On a point of order, Sir. I do not wish to interfere at all with my Honourable friend, but I understand that it had been settled as a question of procedure in this House that questions of policy were not to be discussed except upon a token out. The Honourable Member's motion in this case is for a reduction of 10 per cent., as I understand it, on the ground of retrenchment, but he is now proceeding to discuss the whole of the Government's opium policy. I submit that that is not in accordance with the procedure which, with your approval, Sir, had been adopted in regard to these debates.

Sirdar Harbans Singh Brar: I only wish to say that this 10 per cent. cut covers the opium from the Mewar States.

Mr. President: Order, order. As the Honourable Member is aware, the House has decided to divide the cut motions into two groups—one for retrenchment and the other for consideration of policy. The Honourable Member has given notice of a cut of Rs 7,15,000, which can relate only to retrenchment. The Honourable Member will have, therefore, to restrict his remarks to questions of retrenchment only.

Sirdar Harbans Singh Brar: Sir, what I really meant was that a contract for buying the Mewar States opinion should not be carried out by Government as a measure of retrenchment. They should not buy those stocks and thus they will save about Rs. 7,30,000 and that amount is covered by my cut. With these remarks, I move my cut.

The Honourable Sir George Schuster: Sir, as I understand it my Honourable friend's motion is really intended to give him an opportunity to protest against the Government's policy as embodied in this contract for the purchase of the old stocks of opium in Mewar State. Under that policy the Government will be setting aside a sum of Rs. 7,30,000 each year for ten years for purchasing these old stocks of opium. I think, if my Honourable friend had really intended to raise that question, it would have been more appropriate if he made his cut one for Rs. 7,30,000 and not for Rs. 7,15,600 which represents 10 per cent. of the grant which I have moved before the House. I think I shall not be incorrect if I conclude from this evidence that my Honourable friend must have changed his intention after he tabled his motion. I would further say, Sir, that if his intention is to raise the question of retrenchment, the cutting out of this particular item is hardly appropriate because the stocks that are bought in this way will also be sold, and the net result as far as Government are concerned, will not be a loss of money. I do not think that it would be appropriate in this debate for me to enter into a long discussion of the policy involved in this particular purchase. Actually it represents an item of expenditure incurred in pursuance of the recommendation of the States Opium Enquiry Committee, that the Government should buy up all the old stocks of opium in the States. Our object is if possible, to

secure the ultimate extinction of the cultivation of opium in the States, so that we may be in a position to arrange with the States that they should obtain all the opium that they require from the Ghasipur factory on payment. The Committee's conclusion, after an examination of the whole facts, was that unless we bought up these old stocks of opium, we should not be able to obtain control of the market. The purchase represents really a self-denying act on our part which we are undertaking in order to respond to the pressure which has been put upon us from outside by all those who get together at Geneva, and who are interested in the gradual extinction of opium consumption. It is certainly not an act for which the Government should be criticised by those who favour the policy of the gradual extinction of opium consumption. It was an act to which, I, as the Finance Member, agreed unwillingly, from the point of view of finance, because it involved the locking up of a certain amount of public money, but as we had decided on full consideration to work for the discontinuance of opium consumption, on that high ground, I felt that mere financial objections should not stand in the way. Therefore, Sir, I think, if I have understood my Honourable friend, the Mover, aright, he, in moving this cut, is really going against the policy which he himself has at heart; and I have, therefore, no compunction in offering unqualified opposition to his motion.

Sirdar Harbans Singh Brar: I beg leave to withdraw the motion.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 71,56,000 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, 1932, in respect of 'Opium'."

The motion was adopted.

DEMAND No. 20—STAMPS.

The Honourable Sir George Schuster: 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, 1932, in respect of 'Stamps'."

The motion was adopted.

DEMAND No. 21—FOREST.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 8,36,000 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, 1932, in respect of 'Forest'."

Administration of the Forest Department.

Mr. N. B. Gunjal (Bombay Central Division: Non-Muhammadan Rural): (Speaking in Hindustani) moved.†

"That the Demand under the head 'Forest' be reduced by Rs. 8,36,000."

†A translation of the speech will be printed later as an Appendix to these proceedings.

Mr. G. S. Bajpai (Government of India: Nominated Official): Sir, the Honourable Member yesterday levelled a reproach against the Government Benches of complete ignorance of any vernacular. So, if I have your permission, I shall attempt to deal with the Honourable Member in his own Hindustani.

An Honourable Member: Speak in Mahrathi, please.

Mr. G. S. Bajpai: But the Honourable Member spoke Hindustani and not Mahrathi.

Mr. President: The Honourable Member must address the House in English.

Mr. G. S. Bajpai: Very well, Sir. I am sorry that I have to employ language which my Honourable friend opposite professes he does not understand. The only point that I have to make in regard to his speech is that this Demand relates hardly to forest administration which, even though it be a reserved subject, is a reserved provincial subject, and that the difficulties which he has mentioned are difficulties primarily for the consideration of Local Governments. The main demand here relates to the Forest Research Institute at Dehra Dun. It is true that a small sum of Rs. 63,000 in that is included to meet the salary of the Inspector General of Forests. But the Inspector General of Forests, who is Inspector General of Forests more in name than in fact, is really the President of the Forest Research Institute, Dehra Dun. Now, Sir, none of the complaints which my Honourable friend has addressed against the Forest Department—I am not saying whether they are justified or unjustified, that is not the issue here at all—not one of those can be levelled against the Forest Research Institute at Dehra Dun; the primary business of which is to train Indians for research, and to devote its energy to the industrial utilisation of the forest products of India. I think if my Honourable friend's cut is carried it will be a calamity to this country, because the Institute has been doing very useful work indeed. Only yesterday I was reading a note from the Railway Board saying how the work done in one section of the Institute, namely, the section which deals with the preservation of timber, has resulted in a saving to the Railway Board of over three lakhs of rupees. That is the kind of work which is being done at the Institute; and I am sure it will also interest the House to know that this particular piece of work has been done, among others, by an Indian whom we trained first at the Institute and then subsequently abroad. It seems to me that in the circumstances any attempt to curtail the activities of the Institute, which aims at promoting the industrial development of India, and what is more, which employs Indians as the agency for this development, would really be wholly unjustified and inconsistent with the traditions and general policy of the House.

Mr. N. B. Gunjal: Sir, I beg leave to withdraw the motion.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 8,36,000 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, 1932, in respect of 'Forest'."

The motion was adopted.

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

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 16,47,000 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, 1932, in respect of 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works'."

Supply of Water to Cultivators.

Mr. N. B. Gunjal (Speaking in Mahrathi) moved the following motion:

"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works' be reduced by Rs. 16,47,000."†

Mr. J. A. Shildy (Secretary, Industries and Labour Department): I regret I have not been able fully to appreciate all that the Honourable Member has said. But I would point that he wishes to cut out the whole of the voted portion of the grant. I regret that however fine and Napoleonic these gestures may be, they are hardly practical policy and I am afraid I must oppose the motion.

Mr. President: Does the Honourable Member wish to withdraw his motion?

Mr. N. B. Gunjal: Yes, Sir.

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

Want of a River Canal from Bukhtiarpore on the Ganges to Nawadah via Bihar.

Mr. Badri Lal Rastogi (Patna cum Shahabad: Non-Muhammadan): Sir, I beg to move:

"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage' be reduced by Rs. 100."

Sir, the deplorable poverty of the masses of our country has been the theme of endless discussion here and elsewhere. If we compare the economic condition of the masses of our people with that of more fortunately situated countries in Europe, this truth forces itself upon our attention with painful impressiveness. However, among the several causes which are at the bottom of our sufferings, this one, and the most important cause, is famine and the cause of famine is want of rain, and this want of rain can be easily made up by an artificial supply of water called irrigation. Two years back, Sir, almost the whole of India had experienced such a drought that even the wells that used to supply water to the people dried up, and as a result of this drought innumerable lives were lost. Therefore, the value of irrigation cannot be denied on the occasion of a widespread failure of the rains. It is the clear duty of the State to take sufficient steps towards improving and extending the existing irrigation and taking new works in hand. In my opinion, among the means that may be adopted for giving India direct protection from famine arising from drought, the first place must unquestionably be assigned to works of irrigation. Irrigation is the direct protection in years of drought and it is valuable not only in years of drought, but in seasons of average rainfall as well, giving certainty to all the agricultural operations and increasing the outturn of the crops considerably. Accordingly I suggest, or

†A translation of the speech will be printed later as an Appendix to these proceedings.

[Mr. Badri Lal Rastogi.]

rather appeal, to the Honourable the Finance Member that a river canal, which is urgently needed by the agriculturists in the provinces of Bihar and Orissa, may be constructed, emanating from the Ganges at Bukhtiar-pore to any convenient place near Nawadah *via* Bihar. With these words, I move the motion.

Mr. J. A. Shillidy: Sir, I have no doubt that a canal at the place mentioned might do good work, but we have absolutely no information nor have we received any proposal of any kind for a canal at this particular place. I would also suggest that it is not really a matter to be brought before this Assembly but one to be brought before the local Council and the Local Government. I would suggest that the Honourable Member might withdraw his motion on that ground.

Mr. Badri Lal Rastogi: In reply I have only to say, Sir, that I know that this is a provincial subject; but I think the Central Government should help the Local Government with funds in doing this work and that is my reason for moving this cut.

Mr. President: Do you wish to put it to vote?

Mr. Badri Lal Rastogi: Yes, Sir.

Mr. President: The question is:

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

The motion was negatived.

Interest charged on Canals in Orissa and Ganjam.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): Sir, I move:

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

Sir, it is about sixty years ago that these canals were dug. The Orissa canal was dug after the famine of 1866, when some officers reported that this canal should be dug. I think it is well known to Honourable Members that Orissa is always troubled with floods, and there are so many rivers there. Orissa always suffers from high floods and inundation and so on. Practically therefore there was no necessity for a canal. But in those days of our grandfathers, the British Government and the East India Company managed things merrily as they liked and as some officers reported, to the effect that canals were necessary, and they were dug. We do not know what was actually spent in digging these canals. There was no body to check any account. But the interest charge has been heavy and the Indian Government have always been realising it. For sixty years more or less they have been realising interest at the rate of 6 per cent. That is a very heavy burden on poor Orissa: it means that in 60 years they have realised about 360 per cent. The rule of *damdapat* must apply. No moneylender trying to recover more than the principal by way of interest should be so permitted yet the Government of India have been receiving so much interest all this time. In fact when we asked for the formation of an Oriya Province they say our revenue is not sufficient. It is the Government of India which is responsible for this

heavy burden laid on us which impoverishes us. The interest charge on account of these canals, which are of no use to the people, is unjust. In fact we are always troubled with floods in the Mahanadi and the many other rivers in our province, and these canals do no good to us. In spite of that we have to pay the same interest every year on money spent of which we have no account, which was not done with our consent. We are charged about 6 lakhs of interest—we do not know actually what amount they spent to realise this interest, and that is how Orissa becomes poorer and poorer and they say Orissa is a poor country and cannot maintain itself and so on.

The same is the case with the Ganjam canal known as Rusikulya canal. There also the Madras Government pay a very heavy interest charged by the Government of India. That was what they reported when the question of the formation of an Oriya province was before the Simon Commission; both the Governments said that the Government of India claimed heavy interests and that Orissa had not got any money left to maintain a separate Government. The whole of the interest comes to about 12 lakhs for these two canals, the Cuttack or Mahanadi canal and the Rusikulya or Ganjam canal. My object in moving this out is to draw the attention of the Assembly to the fact that the Government have already realised so much by way of interest that it is high time that they should refund something to Madras and to Orissa: or if they cannot refund anything now, they can at least stop charging any further interest. That is my submission.

The Honourable Sir George Schuster: Sir, this is one of those cases where if the case is considered by itself, there might be some *prima facie* ground for accepting the justice of the claim which we have just heard. But it has to be considered in its setting and as part of the general arrangements which were made between the Central Government and the Provincial Governments. Under rule 24 of the Devolution Rules it is laid down that, "The capital sums spent by the Governor General in Council upon the construction in the various provinces of productive or protective irrigation works and of such other works financed from loan funds as may from time to time be handed over to the management of Local Governments shall be treated as advances made to the Local Governments from revenues of India", and the rule goes on to lay down how the interest is to be calculated on those sums. When the provincial finances were separated, it was necessary to make some adjustment in regard to these capital charges. That is the general position as between the Central Government and all Provincial Governments. Now, I quite admit that in the case of Bihar and Orissa, and in the particular case of this particular canal to which my Honourable friend has referred, they may feel that they have some grievance. Actually the canals to which he referred had cost up to 1920-21 over 2½ crores. Those canals were commenced in 1868 by the East India Irrigation and Canals Company. They were afterwards taken over by the Government against the payment of the full capital cost, and when they were taken over in 1871, a return of 16 per cent. on the capital cost was anticipated. Actually that calculation proved to be incorrect, and I am quite prepared to accept my Honourable friend's statement that the province receives no benefit from that expenditure. But this must be taken together with all the rest of the picture, and there are certain other projects in Bihar and Orissa which are

[**Sir George Schuster.**]

productive, for instance the Sone Canal, which cost 2½ crores. That again is being treated in the same way, and that, I believe, is an extremely beneficial project.

Now, I am sure that no one would expect the Government to be able to consent to an arrangement that interest charges on projects which had proved not to come up to the original expectations should be borne by the Central Government, while the benefit of all the successful enterprises should accrue to the province concerned. We must take these things together. Having said as much as that, I am quite prepared to admit that the financial position of the province of Bihar and Orissa is an extremely difficult one, and it certainly would be necessary in any financial re-arrangement which is made to take those difficulties into account. But, the attitude of the Government of India on all these questions has been this, that we cannot attempt to make piecemeal adjustments and that if an adjustment is to be made, it must be made as part of the general plan when the new Provincial Governments have been set up. We all of us hope that those arrangements can be discussed in the very near future, and I also hope that it will be possible to devise some redistribution of revenue which will at least go a long way to satisfy those very eloquent speakers on behalf of the interests of Orissa to whom we listen so often and with such pleasure in this House. For the present, Sir, however, I am afraid I must oppose this cut.

Mr. B. N. Misra: Sir, in view of the assurance given by the Honourable the Finance Member, I beg to withdraw my motion.

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

Mr. N. R. Gunjal: Sir, I don't wish to move this.*

Mr. President: You don't wish to move any one of these?

Mr. N. R. Gunjal: No, Sir.

Mr. President: The question is:

"That a sum not exceeding Rs. 16,47,000 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, 1932, in respect of 'Irrigation (including Working Expenses), Navigation, Embankments and Drainage Works'."

The motion was adopted.

DEMAND No. 28—INDIAN POSTS AND TELEGRAPHS DEPARTMENT (INCLUDING WORKING EXPENSES).

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 11,47,94,000 be granted to the Governor General in Council during the year ending the 31st day of March, 1932, in respect of the 'Indian Posts and Telegraphs Department (including Working Expenses)'."

"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works' be reduced by Rs. 6,900. (Pay. of Officers)."

Retrenchment.

Sirdar Harbans Singh Brar: Sir, I beg to move:

“That the Demand under the head ‘Indian Posts and Telegraphs Department (including Working Expenses)’ be reduced by Rs. 1,14,79,400.”

Sir, we find that during the last few years the Indian Posts and Telegraphs Department, instead of being run at a profit, is being run at a distinct loss to the taxpayer. Formerly this Department used to give us a profit of about a crore of rupees, and now this Department is run at a loss of about 99 lakhs. Sir, in no other country is the Posts and Telegraphs Department run at such a loss; on the other hand, it always brings in a good profit. I am afraid there is something inherently wrong somewhere in this Department, or it is overburdened with expenditure due to overstaffing, and that is why the Department is working at such a huge loss. I would suggest to the Government of India that in this year of depression and unfavourable economic conditions in the country, they should carry out some adequate retrenchment in staff and overhead charges in this Department and run it at a profit, or if they feel that they are unable to do it, I would suggest that they should hand over the working of the Department to a private company on a contract basis. (*An Honourable Member:* “Oh!”). Certainly, the country must not lose on this Department. Every country is making money somehow from its Posts and Telegraphs Department; therefore I do not see any reason why the Government of India should incur a loss on this Department. The taxpayer cannot bear the burden every year and provide for the losses incurred in these Departments on account of the inefficient administration of the Government of India. They must look into the whole question very thoroughly and take the advice, wherever necessary, of experts with a view to reduce the establishment and other charges wherever possible, so that Government might be able to give us some relief in future.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I draw the attention of this House to the colossal sum spent on the Radio system nursed by the Posts and Telegraphs Administration. What work, as a commercial Department, does this branch do at all? What is the proportion of Revenue Traffic carried on the Radio system as compared with the Telegraph Department on their land lines?

Is this not purely a service maintained for strategic purposes and not a commercial Department at all? Why should it not be transferred to the Army Budget or wound up, since it is merely a drag on the civil charges without any adequate return or justification? Could it not be more aptly budgeted with Army estimates and the Telegraph Department pay its way, when recourse or use is made of this Branch of Tactical Communications during break-downs on the commercial side? This amount, therefore, is an unjustifiable demand on the civil revenues and devised merely to blot out the success of the Telegraph Department as a solvent concern. Cannot the Telegraph Department carry on without the Radio? If so, why have it at all, and budget it in the Telegraphs and Post Office section and still treat them as purely commercial services that ought to pay their way as solvent concerns? I claim, that the whole expenditure of the Radio system should be budgeted in the Army estimate and that the sum should be withdrawn from the civil estimates.

[Mr. Muhammad Azhar Ali.]

The recurring incidence of budget losses after excluding the Radio figures calls for the serious concern of Government as much as any shareholder would be concerned in the results of a Company's balance-sheet. I would like to know what is wrong and where? Is it that the whole system under the present organised methods is unwieldy and irksome to manage or control, or is it that the Direction are unequal to the responsibilities? It can only be the one or the other, and it is for Government to explain to this House, where they consider the fault lies? Compared with other administrations, efficiently conducted and controlled, how is it, that an institution like the British Post office shows a net profit of £9,250,000 during a similar period and the Imperial Radio Telegraph Company of Bombay, claims to have paid their shareholders nothing less than 12 per cent. as a dividend? This I say, Sir, is a baby enterprise yet. Just picture the position of the Posts and Telegraphs Department, if you and I were shareholders in the concern. This is the position, Sir, and I do say that is an appalling position to place a Department in, which is an essential public service throughout the length and breadth of this land?

Amalgamation of the Posts and Telegraphs: It is not very clear why this was ever undertaken or with what object in view? I do say, Sir, that part of the evils of the Budget of the last few years has more or less been the direct issue of the system of compounding these two large branches, so wide flung, with the result that neither the one nor the other gets its due share of administrative care and executive protection and in this respect, and with the object of thinning down responsibilities at the head, I should advise splitting up the branches, should the next budget, once more prove a failure. Here again the position is anomalous in that, so far, as we see. Postal officers, who have had no previous Telegraph experience and Telegraph officers, who are in the same position without prior postal experience and knowledge of postal administration are appointed as full-fledged Postmasters-General of provinces or Circles. What should you expect but failure in their administrations? Could it be otherwise, I reasonably ask? Sir, my humble submission is that the whole fabric of administration should be completely overhauled and each Circle should be able to show in their Provincial Budgets, year after year, how they stand as regards solvency in their own administrations, demarcating the Postal and Telegraph figures separately. It is only then that the trouble could be eliminated and not otherwise. For this reason, I should like the Budget figures to be shown separately under each province or Postal Circle—under Telegraphs and Posts—separately and it will also act as an acid test to gauge the efficiency of Postmasters-General concerned, who, at present delegate their authority on the Telegraph side to a Deputy, in other words a man who has merely qualified in a most elementary test that might befit him to manage light duties of supervision in a Telegraph Office and certainly does not qualify him to administer a Circle, beyond that of a mere clerk. This must lead to failure surely. Personally, I am not averse to men rising in their respective branches to the highest posts open to them. But this I say, should be by regular examinations from stage to stage and devised specifically on lines to eke out the man's worth for the particular duties, more so, of an administrative nature, where a great deal of efficiency and responsible capacity is in requisition, as Deputy Postmasters-General Traffic, not

held by mere telegraphists, who might have passed the Telegraph Master's test, which, I suggest is no test of capacity for such posts. Had these officers proved to be up to the standard, I do not see why a Traffic Controllership is necessary. Each Circle ought to manage its own traffic requirements, in which case the former's retention is unjustified. The sooner this expensive billet is done away with, with all the touring and establishment charges, the better, I consider.

The waste on the Engineering side is unjustified and Government could supplant this cadre, especially in the subordinate services by a fully competent and efficient service by substantially lowering the wages if direct recruitment is resorted to instead of drawing from the telegraphist cadre, as at present, as the work entailed is of a mediocre standard. Too much money is frittered away on manifolding petty engineering jobs into small compartments, whereas, efficient men introduced in the Engineering, Electrical and kindred branches could be efficiently managed by one and the same man. There is no use of Baudot Supervisors as a class, when Electrical Supervisors are attached to offices. All this spells waste. It is for the Department to explore avenues of economy and act honestly and boldly in any practical scheme. Government must ensure this, and the only way they could convince this House of their effort in this direction is by the ensuing Budget, which, I reckon, should be a solvent Budget at least, if no profits are indicated. We cannot have a monopoly service any longer to be a drag on Central revenues.

Mr. S. O. Shahani (Sind: Non-Muhammadan Rural): Sir, I find that the gross receipts of the Posts and Telegraphs Department come to Rs. 10,96,05,000 and that the working expenses amount to Rs. 11,50,26,000, involving a deficit of Rs. 54,21,000. To this deficit would have had to be added the cost of the Indo-European Telegraph Department, if it had not been abolished from the 1st March, 1931. We would have wished very much to have separate statements with regard to receipts and expenditure of Posts and Telegraphs, and I trust that in the future these accounts will be separately shown. These are important Departments and Honourable Members of this House should be in a position to see what the receipts of these Departments amount to and what the . . .

Mr. H. Shankar Rau (Government of India: Nominated Official): The accounts are separate.

Mr. S. O. Shahani: If the accounts are separate, then separate statements might have been profitably given in the Explanatory Memorandum. I did not think that this demand would be reached today; otherwise, I would have come better prepared. (Laughter.) I have, however, to remark that in posts the number of officers is certainly too large, and that the average expenditure upon an officer has been calculated at Rs. 496 per head, when the average expenditure on a subordinate per head amounts to Rs. 42 only. There is a tendency to do away with subordinates and to keep the officers intact. This tendency ought to be counteracted. I have nothing more to say at present with regard to this cut.

The Honourable Sir Joseph Bhore (Member for Industries and Labour):

12 Noon. Sir, I should like at the outset to express my entire sympathy with the intention underlying these motions for drastic reductions in expenditure. That intention, Sir, I take to be to emphasize the need for the most rigid economy in order to secure a

[Sir Joseph Bhore.]

balanced Budget and I can assure the House and the Honourable Members who have spoken that we have been pursuing and are pursuing to the utmost of our ability the search for means and expedients to ensure such economy. But I would like to enter one caveat, if I may, and it is this—that economy ceases to be economy when it sets in motion the law of diminishing efficiency. My Honourable colleague, the Finance Member, has already explained to the House the procedure we are adopting in our quest for the avoidance of all unnecessary expenditure. Nevertheless, the importance of this subject justifies me, I think, in reading this relevant extract from his Budget speech. He said :

“As regards the Posts and Telegraph, Honourable Members are aware that a special committee to be presided over by a distinguished Member of this House has just been appointed to examine the working of the system of commercial accounts for that department. This committee will throw light on an important question which exercises the minds of Honourable Members, namely, whether the account figures as now shown present a fair picture of the commercial working of the service. When that committee has reported the way will be open for Government to explore means and methods by which this department may most effectively and rapidly but without detriment to its efficiency be placed on a sound commercial basis and made to cease its drain on general revenues. If after that the Assembly consider it desirable that a further search for economy should be pursued Government will consult them as to the best way of giving effect to this.”

The House is aware that both here and outside this Chamber the contention has been advanced that the present system of accounts and accounting imposes a most unfair burden on the budget of the Post and Telegraphs Department and it results in showing a deficit even in a normal year when the Department may perhaps even be working at a profit. When the committee over which my Honourable friend, Sir Cowasji Jehangir, is presiding has made its report we shall, I hope, be able to get this difficult question once and for all out of the way. When that has been done, we shall be in a position either to remove the reproach of continuing deficits, or if that is not possible, to demand and secure from all ranks of our staff loyal co-operation in an endeavour to secure such further economies as may then be found to be necessary. But, Sir, I should not like the House to go away with the impression that our searches after economy are merely dreams of the future. For many months past now the Director General and officers of the Directorate have been functioning as an economy board. The thoroughness and the meticulous care with which they have examined the various operations and activities of the Department is evidenced by the wide range of economies which have already resulted from their endeavours, and of which I should like to give one or two examples to the House merely by way of illustration of what is being done. We have already in the cost of mail bags alone been able to secure during the past year a saving of over Rs. 80,000. We have in the matter of contingencies saved a lakh and a quarter. We have in travelling allowances saved over a lakh of rupees. We are exercising the greatest care in order to prevent transfers which can be avoided and to curtail inspections which can be curtailed without loss of efficiency. We hope to be able to make a considerable saving in our stationery and printing bill by the exercise of the most careful supervision over our stocks and over our requirements. Through the revision of motor mail contracts we have been able to save during the current year something in the neighbourhood of 4 lakhs, and I hope by

the revision of one such contract alone we shall be able to save something like 2½ lakhs in the coming year. This merely covers a portion of the ground which we are searching for economy, but I hope it will serve to give Honourable Members of this House some idea of the efforts we are making. But, Sir, I would like to make it quite clear to the House that the value of its criticism in regard to the financial results of the working of the Department will be seriously impaired if it does not take into account two factors of the greatest importance which very largely influence those results. The first of these, Sir, is the extent to which business, trade and commerce contribute to our revenue. The experience of the past year has laid the most painful emphasis on the extent to which we rely upon these activities for our receipts. When depression overtakes them, as in the past year, we are able to do little or nothing to counteract the heavy loss of income which of necessity must be out of all proportion to such small savings as reduced traffic may render possible. Even in a lean year we must be prepared for any sudden revival which may take place. We have to keep our staff ready and we have to keep facilities available, and therefore it is impossible for us to contract our expenditure in anything like the same measure as the contraction in our receipts. The other factor is the serious effect on the Posts and Telegraphs Budget of the revisions in recent years of the salaries of the lower paid employees of the Department. Out of a total expenditure of about 12 crores, 8 crores represent our salaries bill. Since 1925-26, this item has grown steadily. It has increased from 608 lakhs to 799 lakhs and of this increase, except for a sum of about 50 lakhs, which represents the cost of actual increases in staff, the whole of the balance is due to improvements in pay. Now, Sir, I would like to point out that, of this very large increase of nearly 141 lakhs, the increase which is due to the cost of improvements in the pay of officers drawing more than Rs. 300 a month amounts to the comparatively small sum of about 3 lakhs. The overwhelming bulk of the increase is due to improvements in the pay of officers drawing less than Rs. 300 a month. Nor, Sir, have we reached the peak of the expenditure on this account yet. It has been calculated that we must face an addition of approximately Rs. 50 lakhs to the expenditure of the coming year before the revision of the salaries already granted to the lower-paid employees of the Department will cease to enlarge the departmental salary bill. I would like to give to the House just one or two examples of these improvements in salary taken from the Bengal and Assam Circle. Departmental branch Post Masters and overseers and officials in similar categories, who used to be in the receipt of pay ranging from Rs. 15 to Rs. 30, are now getting a scale of pay of Rs. 50 rising by increments of Rs. 5 to Rs. 100. Postmen who before May 1928 were in receipt of a salary of Rs. 18, rising by quarter of a rupee to Rs. 24, are now in receipt of a pay of Rs. 20, rising by one rupee to Rs. 40. ("Hear, hear" from some Non-Official Benches.) Sir, I merely mention these two factors because I should like the House to know where to search for some explanation of the financial results which are confronting us today, and also that it may be able to realize some at any rate of the difficulties which face those who seek to make retrenchments. Now, Sir, my Honourable friend, Sirdar Harbans Singh, said that in no other country in the world is this Department running at a loss. It so happens, that just two days ago I was able to get figures for the Canadian Post Office. I do not know whether my Honourable friend based his statement on

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any figures or was in possession of any figures. In 1927, the Postal Department in Canada had a deficit of 1,620,000 dollars. In 1928, the deficit rose to 1,850,000 dollars. In 1929, there was a deficit of 2,312,000 dollars, and in 1930, there was a deficit of 2,067,000 dollars.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): May we know what their postal and telegraph rates are?

The Honourable Sir Joseph Bhoze: I am not in a position straightaway to give that information, but I will do so later if desired. Sir, I hope, however, I have said enough to satisfy the House that we are fully seized of the necessity for economy and that for many months past we have been searching every avenue of retrenchment. When the Postal Accounts Committee has made its report, I hope we shall be able better to realize on what lines and to what extent further economies should be pursued.

Sirdar Harbans Singh Brar: I beg to ask for leave, Sir, to withdraw my motion.

Mr. President: The Honourable Member wishes to withdraw his motion. Has he the permission of the House to do so?

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

Pandit Ram Krishna Jha (Darbhanga cum Saran: Non-Muhammadan): Sir, as I see that some of my Honourable friends have proposed amendments to the Finance Bill on the same point, I do not wish to move my motion.*

Representation of Depressed Classes in the Posts and Telegraphs Service.

Rao Bahadur M. C. Rajah (Nominated Non-Official): Sir, I rise to move:

"That the Demand under the head 'Indian Posts and Telegraphs Department (including Working Expenses)' be reduced by Rs. 100."

Sir, I tabled this motion with a view to bring before the House the necessity of recruitment from among the depressed classes to the Posts and Telegraphs service. Sir, speaking on this question of the employment of the depressed classes in these services, I wish to point out that this question has not received the earnest consideration of the Government. I wish to ask, Sir, what have the Government done for the representation of the depressed classes in these services? Did Government make any endeavour in the past to secure recruits from among the depressed classes, a minority community which is not represented in the Posts and Telegraphs services?

It will be within the recollection of the House, Sir, that on the 23rd February, 1928, the House had adopted a Resolution in the following terms:

"This Assembly recommends to the Governor General in Council to issue directions to all Local Governments to provide special facilities for the education of the untouchables and other depressed classes, particularly by reserving seats in teachers' training classes for them and also for opening all public services to them."

*"That the Demand under the head 'Indian Posts and Telegraphs Department (including Working Expenses)' be reduced by Rs. 1,00,000. (Re-introduction of one pice postcard.)"

Sir, might I ask what have the Government done to give effect to that Resolution? I hope the Government have not treated it as a mere scrap of paper or as an untouchable Resolution. Sir, the Posts and Telegraphs services should afford plenty of opportunities for members of the depressed classes, inasmuch as these two services have a number of appointments in the different grades from the postal peon to the Superintendent of Post Offices. There are plenty of qualified men in community, Sir, possessing the requisite qualifications. Perhaps in some cases they may be a little over-aged. In that case they should be given exemption from the age limit. I submit, Sir, that the depressed classes should get their due share in these services, and I want the Government of India to set a better standard of justice in its dealings with the depressed classes, to be followed by the other Provincial Governments.

Sir, if there could be any subject fit for the solicitude of the Government of India, I beg to submit that it is the elevation of the depressed classes within a reasonable time. What have the Government of India done in this matter? Have they at least made a beginning, seeing that responsible government is to be granted to India?

In these circumstances, Sir, not to recognize the caste spirit of the people and devise ways of counteracting its mischief in public bodies as well as in the public services, while bestowing larger powers on them, is simply to enlarge the opportunities of caste rule. Sir, if the scale of justice is to be held evenly in the public administration of the country, it is very necessary that all classes should be properly represented in the public services. Our men, Sir, are most anxious to associate themselves with the Departments of British administration. Sir, official posts carry with them, not only official and administrative authority, but also political influence. The presence of men of a particular class in the public services brings social prestige, political influence and educational opportunities to that community.

If men belonging to my community, who are depressed by poverty and social contempt and are not therefore able to secure attention to their grievances and to occupy responsible posts in the public services, are appointed, I am sure, Sir, that the grievances of my people will be attended to more readily than they are at present. In that case fewer obstacles will be placed in the way of their getting the grievances redressed, and my community will be much more respected than it is at present. Sir, we want a powerful and effective representation in the public services.

It should be remembered, Sir, that the holding of Government posts acts like magic upon the public mind in divesting it of the stupid notions of untouchability. It is the investing of the depressed classes with Government authority and responsibility which will drive this devil of untouchability out of the country.

Sir, it is for this social, moral and political effect that I ask Government for an effective representation of the depressed classes in these services, and that the minimum qualifications required by the rules relating to recruitment to the public services should be considered sufficient.

There are a hundred different positions in which the members of my community could have acquitted themselves with honour to themselves and with profit to the Government and to the country if only they had their fair chance. I hope the Honourable Sir Joseph Bhore, the Member

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in charge of this Department, who has the interests of the depressed classes at heart, will issue instructions to the Postmasters General in this matter, and I also hope that my Honourable friend, Mr. Sams, who I know is a sympathetic officer, will during his tours discuss the question with the officers concerned and see that the members of the depressed classes are employed in the Departments under his control.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, we all feel depressed here; I am a depressed politician. Mr. Rajah also feels depressed because of the large number of people that he represents in this House, though by the nominated backdoor, who do not find adequate representation in the services. Whether they are Hindus, Mussalmans or Christians, I hope my Honourable friend Sir Joseph Bhore will look into the matter of their adequate representation in the Postal Department. That does not mean, however, that my friend Sir Joseph Bhore should increase the expenditure of the Postal Department to which he alluded a few minutes ago. He referred to the policy of increment in the scale of salaries in the Postal Department that was given effect to a few years ago and said that, to complete that policy, Government will have to spend 50 lakhs of rupees more. Personally, I think it was a mistake to give a wholesale rise to the employees of the Postal Department. Under the present circumstances, if a Retrenchment Committee is appointed, they should see if the salaries of the employees of the Postal Department cannot be reduced from top to bottom. On that condition, the depressed classes can find representation. My friend Sir Joseph Bhore alluded to the committee which will be presided over by Sir Cowasji Jehangir, and I was surprised to hear from him when he quoted a passage from my Honourable friend Sir George Schuster's speech, where he said that the Accounts Committee, which will be presided over by Sir Cowasji Jehangir, will work out the necessary retrenchment. I will just read one passage from the Government Circular which gives the constitution of the Posts and Telegraphs Accounts Committee. It says:

"The Committee on Public Accounts recommended the constitution of a small committee to consider, how far the system of accounting at present in force in the Indian Posts and Telegraphs Department really provides a true picture of the commercial working of the Department, and, as the chief part of the inquiry, to investigate the actual results of the existing provision for depreciation and to consider, in particular, its adequacy having regard to replacements which are likely to be necessary, and to the foundation on which the Capital account as it stands at present is built up."

Mr. H. A. Sams (Director General of Posts and Telegraphs): Is the Honourable gentleman discussing the depressed classes?

Mr. B. Das: My friend Mr. Sams will soon know, as I develop my point, that I am advocating that Mr. Rajah's community should find adequate representation in the Postal Department. I will establish at the same time that there should be adequate retrenchment, so that the two things may be accomplished together. In the same connection, I shall see that my Honourable friend Sir Joseph Bhore receives a reply to a speech which he made a few minutes ago when he pleaded against retrenchment.

Mr. President: The Honourable Member should restrict himself to the motion before the House.

Mr. B. Das: I will try my best to do so. Sir, while I whole-heartedly support the view that the depressed classes should find adequate representation in the services, I do not agree with my Honourable friend Sir

Joseph Bhore that there is no ground for retrenchment or that he will need another 50 lakhs to raise the salaries. Sir, in the Postal Department there is about 20 per cent. extra staff, whose duty is to provide for leave absence and to act for those people who go on leave. I think that when the Postal Department is not paying its way, there should be a reduction in this leave reserve. Sir, I hope I will get another opportunity when I will be able to challenge my Honourable friend Sir Joseph Bhore's statement.

Mr. President: The Honourable Member should restrict himself to the representation of depressed classes.

Mr. B. Das: Being a depressed politician and having no chance to take part in the deliberations of the Members on the Treasury Benches to reduce the expenditure properly, I feel depressed to point out how my friend Sir Joseph Bhore can whole-heartedly join the Finance Member to reduce the expenditure of his Department. Sir, I congratulate my friend Mr. Rajah for his advocacy, whether it is on the floor of this House, outside this House, or even in England, for the 60 million people whom he represents. In the near future he will not be the only gentleman to represent the depressed classes on the floor of this House, and I hope my friend Sir Joseph Bhore will give them adequate representation in the Departments under him on the ground of merit and at the same time he will see that the administrative cost of his Department is reduced.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, being one of those who are anxious to secure proper representation of all communities in the services of the country, I whole-heartedly associate myself with the motion of Mr. Rajah. In the interests of efficient administration of the country, and in order to secure peace in the country, which is a condition precedent to the attainment of Swaraj or Home Government in this country, there should not be, in my opinion, domination of one community in the Government service. Sir, nobody wants that efficiency should suffer for the sake of any communal representation. In fact, communal representation is desired only in order to introduce nationalism in this country. We want communal representation in order to destroy the demon of communalism in the name of nationalism. Sir, communalism is rampant in this country, and whenever any demand is made for the representation of any community which requires particular protection in this matter, it is always argued in this House that the Mover of that Demand is a communalist and that he wants to introduce communalism. But, Sir, that communalism is brought in only to break the other communalism which prevails in the country. It is a greater communalism which has taken hold of all the Departments of the Government of India. Sir, there is no reason why the depressed classes, who form a majority of the population in Southern India, should not get such a share in the services of that province as other communities have got, especially the minority communities.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Are there no depressed classes in Upper India?

Maulvi Muhammad Yakub: I alluded to Southern India only, because there is a large percentage of their population in that part of the country.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): And there is greater Brahmin domination there!

Maulvi Muhammad Yakub: Yes. I do not see what difficulty there can be in the way of an appointment like that of a postman, for which no special qualification or expert knowledge is needed. Sir, when it is the case of filling up a technical appointment, it is always said in reply, that as it was a technical post, therefore a technical man was required for it. We know, Sir, that the post of a postman does not require any special or technical knowledge, and there is no reason why some members of the depressed classes should not find adequate representation even in getting the post of a postman or an overseer. Sir, while associating myself with this motion, I wish also to congratulate my Honourable friend Sir Joseph Bore and the Director General of Posts and Telegraphs for raising the pay of the postmen. I would say, Sir, that I do not grudge that increment. On the other hand, I would be still more glad, if some more increment was given to this poorly-paid service. The lot of a postman is the hardest in the country, and if any Department of the Government of India deserves our approbation and approval, it is, I should say, the Postal Department. (Hear, hear.) In the frosty air of December and in the scorching sun of Jhansi and Bundelkand, the poor postman has to take our letters, and deliver them in time; he has also to carry the news from one place to another place, and his lot really deserves our greatest sympathy and consideration. I am very glad that something has been done for this poorest paid and hardest worked servant of the Government, and I hope, whenever, it is possible, something more will be done to help this Department, for in this Department, Sir, you will find that there is no leave and no holidays. Even on days of their national festivities, the Post Office people have got no leave, but they must work from morning till evening.

Mr. President: The Honourable Member objected to Mr. Das, but he himself is now dealing with matter which is not relevant.

Maulvi Muhammad Yakub: I conclude, Sir, and sit down.

Mr. H. A. Sams: I have listened with great interest to the speeches of my Honourable friends, Mr. Das and Maulvi Muhammad Yakub, but I imagine that I am really replying to my Honourable friend Mr. Rajah about the recruitment of the depressed classes and not to the woes of depressed politicians. I shall, therefore, confine my remarks strictly to the recruitment of depressed classes. Now, Sir, this Department prides itself on being a democratic and representative Department. One way of attaining that result has been our method of purely local recruitment. We have in the past, even before the issue of the orders of the Government of India, and particularly since then, done our best to try to adjust communal preponderance. I should like, if I may, to give some idea of the percentages that now exist in the clerical classes. The composition of the clerical cadres of the Department is:

- Hindus, 66·3 per cent.
- Muhammadans, 21·6 per cent.
- Domiciled community, 1·8 per cent.
- Sikhs, 2·5 per cent.
- Indian Christians, 3·1 per cent.
- Other communities, 4·7 per cent.

I cannot, of course, say exactly how far the depressed classes come into this figure of 4·7 per cent., but I imagine that we now actually have a good many of that particular class.

The Revd. J. C. Chatterjee (Nominated Non-Official): When he is giving these figures of the depressed classes, is the Honourable Member sure that a great many of the depressed classes do not class themselves as Hindus?

Mr. H. A. Sams: That, I cannot say, Sir, till I have the actual figure. But the figure I just now gave is of other communities. We have not separate statistics about the depressed classes. I presume also that when a man applies, he does not say that he belongs to the depressed class. He simply puts in an application and gets the appointment. As I was saying, Sir, we are arranging to adjust the communal preponderance, as the House very well knows, by reserving one-third of the vacancies for communities which are not properly represented. I welcome Mr. Rajah's suggestion that I should discuss this question with certain officers when on tour, and I shall certainly do so and shall instruct my touring officers to do the same. At present, I am afraid, the whole proposition is rather vague. I should like to discuss the question with Mr. Rajah, personally, to see how we can really get down to some methodical way of bringing in representatives of his class. Later on, if Mr. Rajah will meet me, I should be very glad to get down to that subject. In the meantime I must oppose the motion.

Rao Bahadur M. C. Rajah: Sir, I am very thankful to my Honourable friend, Mr. Sams, for his sympathetic reply, and I beg leave to withdraw the motion.

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

Denial of Calcutta-Delhi Transfer Concessions to certain Clerks of the Director General's Office.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I beg to move:

"That the Demand under the head 'Indian Posts and Telegraphs Department (including working expenses)' be reduced by Rs. 100."

Sir, in moving the above motion, I desire to bring to the notice of this House a case of glaring injustice done to a few clerks in the Office of the Director General of Posts and Telegraphs, most of whom belong to my community. This is a story five years old. Time and again we have tried to have this grievance redressed by causing various questions on the subject to be answered on the floor of this House but to no effect.

In 1926, certain concessions were granted to the clerks of the Office of the Director General of Posts and Telegraphs on the occasion of the transfer of the headquarters of that office from Calcutta to Delhi. These concessions were granted not only to those clerks whose services were actually transferred with their headquarters, but also to those Bengalis who were in Simla at that time and satisfied certain conditions. In granting these concessions, the Government imposed two principal restricting conditions, namely, (1) the clerks should maintain homes in or around Calcutta on the date of the orders granting the concession, and (2) that they should be Calcutta recruits. I cannot but take strong exception to

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the mentality which was responsible for imposing these conditions and thereby debarring only 19 out of 220 clerks in that office from being eligible for these concessions.

There are now only 15 men who are affected, as of these affected clerks, two are ladies who were given the benefit of local recruitment, and two have since been promoted. These four clerks do not stand to lose much. The Department will not be put to any great expenditure if they now extend to these 15 men the concessions, which are merely recoverable advances and advance increments which are to be absorbed in future increments. In all, Government may have to incur expenditure to the extent of Rs. 3,000 to Rs. 4,000 if the concessions are granted. For this paltry sum of money Government can, however, remove a grievance. They have spent quite a large amount of money in granting these concessions to about 200 clerks, and it is not understood why they should not spend a little more to remove a just grievance.

There might have been justification, although I have my doubts in this respect, of withholding these concessions at a time when the affected men did not stand to lose anything by the transfer of the headquarters of their office from Calcutta to Delhi. It needed no foresight to see at that time that they would ultimately be the worst losers and required liberal compensation. All these men having now been transferred permanently to the Delhi office have been deprived of the allowances they were receiving from the date of their appointment. They have thus been put to a loss of about Rs. 1,000 to Rs. 1,200 each in his emoluments per year. Government have saved about Rs. 15,000 or more from the pay and allowances of these poorly paid clerks. Is it too much to expect that Government will forego about one-third of this amount to compensate them? Sir, if Government find the rock of prestige standing in their way to extend the concessions to these men now that they have been permanently stationed in Delhi and made to lose a considerable amount per year, I would suggest that they should be given the benefit of their past service in the recently introduced local rates of pay. This may be done without affecting the question of seniority of other clerks in order to protect them from the loss and in view of the fact that they are and have been considered as local recruits.

Somehow or other these clerks must be compensated. It is against all canons of justice and equity to make these poor men suffer so heavily in these hard times. You may imagine how a man, who had been getting about 1,500 to 1,600 rupees per year since his appointment and up to 31st December last year, can make both ends meet with only 600 or 700 rupees per year from the 1st of January this year.

With these words, Sir, I move the cut of Rs. 100 from the Posts and Telegraphs Budget and I hope I will have the support of Honourable Members in favour of this motion.

Mr. H. A. Sams: Sir, my Honourable friend has painted a somewhat black picture, but I think I can explain in a few words what actually happened. As the House probably knows, the office of the Director General of Post Offices, and later on of Posts and Telegraphs, has for many years been in Calcutta. It was removed to Delhi in two batches during 1926 and 1927. Now, a large majority of the present clerks were recruited definitely in Calcutta and were expected to serve the whole of their time

in Calcutta. They had their homes there, and their children were at school there. There were other clerks who, although they were recruited in Calcutta, came up to Delhi at the time of the reforms and worked in the Director General's camp office. There was a third category who were recruited definitely in Delhi and Simla, and knew from the first that they were going to serve in Delhi and Simla. Now, Sir, the Government of India very carefully considered these three categories. They realised the hardship that first category would suffer from being uprooted from Calcutta and transferred to Delhi, and they therefore gave them somewhat liberal concessions. With regard to the other ones who had been here for some time, the Government of India considered that they too should have a certain amount of concession; but they did not see any reason whatever why, simply for the sake of uniformity in giving concessions, they should give it to people who had definitely been recruited in Delhi and Simla. I know the attitude of my office perfectly well. They look upon these concessions as pure *baksheesh* and they say that if A and B got a *baksheesh*, why should not C also get it? That is not the case at all. A got it because his hardship was greater than B, and B got it because his hardship was greater than C, and C did not get anything because the Government of India did not recognise there was any hardship at all.

Mr. M. Maswood Ahmad: Sir, the grievance has been placed before the House to draw the attention of the Honourable Member to it and I hope he will consider these cases very carefully. Sir, I do not want to press the motion to a division.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 11,47,94,000 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, 1932, in respect of 'Indian Posts and Telegraphs Department (including Working Expenses).'"

The motion was adopted.

DEMAND No. 24—INDO-EUROPEAN TELEGRAPH DEPARTMENT (INCLUDING WORKING EXPENSES).

The Honourable Sir George Schuster: 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, 1932, in respect of 'Indo-European Telegraph Department (including Working Expenses).'"

Diwan Bahadur T. Rangachariar: Sir, may I ask for some information with regard to this Demand? My idea is that this Department is going to be abolished in the course of this year. I want to know whether it is a fact or not.

Mr. H. A. Sams: The Department was abolished with effect from the 1st March and it no longer exists.

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, 1932, in respect of 'Indo-European Telegraph Department (including Working Expenses).'"

The motion was adopted.

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

The Honourable Sir George Schuster: Sir, I beg to move:

“That a sum not exceeding Rs. 3,27,09,000 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, 1932, in respect of ‘Interest on Debt, and Reduction or Avoidance of Debt.’”

Appointment of a National Investment Board.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I beg to move:

“That the Demand under the head ‘Interest on Debt and Reduction or Avoidance of Debt’ be reduced by Rs. 100.”

Sir, there is considerable discontent in Indian financial circles in regard to the manner in which the Government of India manage and administer the various investment funds in their hands and raise loans in this country and in England. There are funds such as the proceeds of Postal Cash Certificates, Savings Banks, Famine Insurance Fund, the Railway Depreciation and Reserve Funds, the contribution to the various sinking funds and various other deposits, the administration of which is in the hands of the Finance Department of the Government of India. The Paper Currency Reserve and the Gold Standard Reserve form altogether a different category of reserves. These funds are at present practically mingled with the Treasury balances and go to help the Ways and Means programme.

My Honourable friend Mr. Shanmukham Chetty pointed out in his speech on the general discussion of the Budget the other day how unsatisfactorily the Ways and Means affairs are handled and how much saving can be effected if they are judiciously administered. He urged also the necessity to make arrangements to purchase Government stock now, and then when they depreciate in value the credit of the country may be maintained and the market rate of interest of public loans be stabilised.

The main object of this motion is to suggest that a standing committee may be appointed, consisting of representatives of various interests, into whose hands may be transferred the banking and investment functions of the Government. They will work under the close control of the Treasury. They will look after the investments of the reserve and sinking funds of the various Departments, and the purchase of securities in the market on behalf of those funds. To this body may be entrusted the functions connected with all the branches of the public debt. These functions would be the issue of public loans and their conversion, the purchase and sale of securities in the market, the payment of interest on the debt and its discharge. Most of these functions are now performed by the Secretary of State and the Bank of England, and there may be considerable difficulty and opposition from vested interests for the transfer of such control. But if things are to be done from a purely national point of view, the difficulties have to be surmounted. There was widespread dissatisfaction in this country when it was announced recently that the Government were raising a loan of £12 millions at $5\frac{1}{2}$ per cent. at 97, when the bank rate of interest was between 2 and $2\frac{1}{2}$ per cent. in England. Even in this country safe and secured investments do not fetch as much

interest, and people felt that Government were showing a partiality towards the British investors. Simultaneously with the Government of India issue the London and National Property Company raised a debenture loan of £2 millions at 5 per cent., secured on their properties, which was subscribed at 99. If you will compare the rate of interest and the discounts of the Government of India loans and those of Australia, Canada and South Africa, which were issued in the same period during the last ten years, you will be convinced that there is sufficient ground to complain that our loans are not raised in England to our best advantage.

Most of the civilized countries having a public debt have a National Debt Commission to control the debt transactions. Great Britain and Australia have also got a Public Works Loans Board for financing the needs of local bodies. South Africa, Australia, Japan and France all have their National Debt Commissions. In France they have a *Caisse D'Amortissement*, an organisation to look after the national debt and provide for the sinking funds and extinction of debts, established in 1926 by M. Poincare's Government.

Mr. Layton, the Financial Adviser to the Simon Commission, suggests the desirability of instituting an organisation for the control of our provincial loans. Since his Report was written, we have advanced very much and we are thinking more in terms of the nation now. Of course, this work may also be included in the legitimate sphere of the Commission's work. It is time the railway and other funded loans and the loans lent to the provinces were separated and transferred from the hands of the Government of India and managed by a separate body. I cannot do better than quote the late Finance Member, Sir Basil Blackett, from his Budget speech in the year 1925:

"I look forward to the day when the Fund (Provincial Loans Fund) may be administered by an Indian body corresponding to the National Debt Commissioners or the Public Works Loan Commissioners in England, and the money required for advances from the fund raised in the open market by the controlling body, on the security of the assets of the Fund. . . . I am confident, however, that considerable benefits will accrue to the finances of India when the day comes on which the advances made by the Central Government to Provincial Governments will be excluded from the Public Debt of the Government of India. . . . Not only these advances to the Provincial Governments, but also the Railway debt of the Government of India may be ultimately separated from the ordinary debt and raised subject perhaps to the Government of India guarantee, not on the general credit of the revenues of India, but on the security of the assets of the Provincial Loan Fund and of the Railway undertakings or the State, respectively."

Sir, though six long years have passed since that was spoken on the floor of the Assembly by the then Finance Member, no effort has been made in the direction of achieving that end, an end that will go a long way to assuage the distrust and suspicion prevailing among a large class of my countrymen.

Sir, I move.

Dr. Zia-ud-din Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I have very great sympathy, Sir, with the object of the Mover, but I think it is not desirable to take this problem as a straw problem. There are other questions of equal importance on the financial side which ought to be considered simultaneously. Not only the question of debt, but the question of interest, the question of sale of reverse bills, the question of the exchange policy—all these things will have to be considered

[Dr. Zia-ud-din Ahmad.]

together and so I think it is desirable that we should wait at this stage after drawing the attention of the Finance Member. Probably the question may be taken up at the Round Table Conference; and therefore though I have great sympathy with the object of the Mover I think this question cannot be taken up as a stray question independent of the other financial problems.

The Honourable Sir George Schuster: Sir, I do not know whether I should be right in taking the opinions expressed by the last speaker as representing the opinions of this House; but I think perhaps I may assume, from the fact that the motion has not evoked further oratorical efforts than those to which we have listened, that the general feeling of the House is that they do not wish to discuss this subject at very great length today. I am a little handicapped in replying to the first speaker, because I am afraid I found it somewhat difficult to follow all his remarks. I would only like to say now that he appeared to me to cover a very wide field and to some extent to confuse a number of different subjects. There is first of all the question of establishing a body of National Debt Commissioners or something of that kind. That involves a piece of machinery which might be useful in the future and which would be concerned with the administration of sinking funds and matters of that kind.

Then there is another question, the question as to who should be the various borrowing authorities, whether we can look forward to a time when the Provincial Governments or a Provincial Loan Board should borrow direct on the security of the Provincial finances, without involving the credit of the Central Government, or also a time when the railways might raise their own loans direct, without involving the general credit of the Government. That brings up another very important question, which is obviously deserving of serious study.

Lastly, there is the question of the control of the actual policy of borrowing by the Central Government; and when I say control of the policy of borrowing, I mean not merely the control of the Government's capital expenditure programme, which after all does come before this House at the time of the Budget, but rather the control of the actual arrangements for the raising of loans from time to time when those have to be raised.

All these three points are points of completely different significance, and they raise entirely different considerations. I shall not attempt to deal with them now, but will only ask Honourable Members to clear their minds on the subject when they are considering this general question referred to under the heading of Debt Policy, and not to confuse those three issues. That is all I wish to say this morning, and I think I may take it, as I have already said, that the general feeling in this House is that this is not the time to debate any of these three subjects fully. With these words I venture to ask the Mover of the cut to withdraw his motion.

Mr. K. P. Thampan: Sir, although I am not satisfied with the reply which the Honourable the Finance Member has just made, I
1 P.M. do not wish to press my motion. If the House will allow me, I wish to withdraw it.

Mr. President: Do you wish to withdraw the motion?

Mr. K. P. Thampan: Yes, Sir.

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

Debt Position.

Mr. B. Das: Sir, I beg to move:

"That the Demand under the head 'Interest on Debt and Reduction or Avoidance of Debt' be reduced by Rs. 100."

Sir, I have given notice of this cut with a view to discuss the Debt position. I do not want to anticipate the discussion that might take place outside this House, but I want to know from the Honourable the Finance Member the exact debt position and the position that our decisions might lead to in subsequent years. Sir, the debt position had been discussed this year on three or four occasions, and the Honourable the Finance Member had been good enough to tell us on two or three occasions that India's credit is sound and good. I am not going to discuss today whether India's credit is sound and good. I am going to ask the Honourable the Finance Member whether his method of manipulation of India's debts is just what it should be or whether there could be any improvement on it. If I turn to page 17 of the Explanatory Memorandum, I find the debt is increasing as usual. On the 31st March 1923, the productive debt was 881 crores; now it stands at 1,160 crores for the current year ending the 31st March, 1931. For these heavy debts the railways are alone responsible, because they have raised their capital from 517 crores on 31st March 1923, to 745 crores in the present year. Sir, we all knew when the Railway Budget was discussed that the railways were running at a loss, and the question naturally arises whether the present policy of increasing or adding to the capital expenditure of the railways every year is a sound one, although it has been noted this year that the Railway Board have reduced their capital expenditure to the tune of 11 crores; yet, I think the position of the railways is very dangerous, because 200 crores of capital have been added to the railways without making any provision, or without thinking of the provision, as to how the interest charges on those debts should be met.

Then, Sir, I want to discuss the irresponsible way in which the Central Government advance money to the Provincial Governments and the Indian States. Of course, I do not hold my Honourable friend Sir George Schuster responsible for following the frenzied financial policy that a predecessor of his initiated in 1921-22. Sir, at that time the Provincial Governments were probably inspired by the Central Government and by the British Government to incur as much capital expenditure as they could, so that British industries could thrive and the Central Government was there all the time to foot the Bill. Whether the Central Government was in a position to do so or not, I cannot say, but the Central Government, I think, in those years did not examine the position whether the Provincial Governments were in a position to pay the interest charges on the loans advanced to them. Although through the Audit Department the Central Government exercised control on loans incurred by the Provincial Governments, I do not think the Central Government possessed or even now possess any machinery to examine those capital projects for which the Provincial Governments came to the Central Government for loans. The Honourable the Finance Member just now observed that a time might come when the Railways and the Provincial Governments would incur loans on their own account. I hope that day will never come. (*An Honourable Member:* "Why?") Who asked me why?

Diwan Bahadur A. Ramaswami Mudaliar: I asked why?

Mr. B. Das: I think my Honourable friend, who has recently returned from the Round Table Conference, might be in a mood to see such power transferred to the provinces. I am not one of those who want that the Railways should be a statutory body, as suggested by the Round Table Conference held in London, and to which my Honourable friend was a party

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I was never a party. That is another statement which has been repeated without understanding the proceedings of the Round Table Conference.

Mr. B. Das: I do not care to understand the proceedings of the Round Table Conference, but it is a fact that you gentlemen, who were there, yielded, and you have yielded that the Railways should be a

Diwan Bahadur A. Ramaswami Mudaliar: Nothing of the sort.

Maulvi Muhammad Yakub: How can the Honourable Member address another Honourable Member of this House, Sir? Should he not address the Chair?

Mr. B. Das: I would remind my Honourable friend Maulvi Muhammad Yakub that at times in the heat of the moment a sentence can be addressed in the terms of "You". Sir, I am not one of those on this side of the House who would advocate that the Provincial Governments should have complete power to raise their loans. I hope that the time will never come when the Railways will be a statutory body and the Railways can raise any amount of capital they want, because we all know now that the Railways are completely mismanaged, and they have not the means or wherewithal to pay the interest on the public debt. I should be very glad to hear, when I sit down, my friend Mr. Mudaliar to expound his views as to how he would like the Provincial Governments to be free completely from the Councils or the Federal Assembly to which he is a party; I would like to hear him tell us as to how he would like the Provincial Governments to do anything they like in the matter of their public borrowings. Now, I should just like to read a few extracts from the proceedings of the Public Accounts Committee for the year 1927-28, for the benefit of my friend Mr. Mudaliar. I am reading from page 89.

Mr. President: I would remind the Honourable Member that there is a 10 minutes' time limit for speeches.

Mr. B. Das: Very well, Sir, I shall not take very long.

"Mr. Burdon," who was Finance Secretary, "further explained that when these schemes were embarked upon they were expected to be productive and that the Government of India had considered that in the special circumstances it was not equitable to raise the rate of interest merely because at a later stage the anticipations of revenue proved unlikely to be realised. The Chairman explained that the question of the rules for fixing rates of interest under the Provincial Loans Fund was now under consideration in consultation with the Provinces. His own view at present was that the rules as framed were unlikely to attain their object. . . . He thought therefore that the distinction between productive and unproductive schemes should be made according to the nature of such scheme at the beginning and that in the case of loans for unproductive schemes it would be better rather to insist on a comparatively short period of repayment, instead of merely adding $\frac{1}{4}$ per cent. to the rate of interest charged."

My point is that the Provincial Governments make extravagant schemes and they put the Government of India in a hole, and they cannot provide the necessary interest charges from the schemes they launch.

Sir, about the Indian States I made some observations the other day. I again repeat that when the Government give them loans, they should see that there is a guarantee at least that there will be an adequate return

Mr. President: The Honourable Member's time is up.

Mr. B. Das: I will now conclude. The other day I saw in the newspapers that even now loans are given at 3 or 4 per cent. to certain people. I do not think that it is a right policy that the Government should borrow money at 5 or 6 per cent. and give loans at 3 per cent. As my time is up, I hope that the Honourable the Finance Member will reply to me not only as regards his policy about productive debt, but also as regards unproductive debt.

Mr. President: The Honourable Member is going on still.

Mr. B. Das: I have finished, Sir.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, before the year 1925 there was no definite scheme according to which provision was made for a sinking fund; it was done in a more or less haphazard manner according to the revenue position of each year. But from the year 1925-26, Sir Basil Blackett inaugurated a definite scheme of debt redemption, and he chalked out a scheme for five years. It was then understood, and, in fact, he gave a definite promise to this House that at the end of the five years he would consult the non-official Members of this House whether it would be advisable to revise that scheme, and, if so, in what directions. According to that scheme, the arrangement that was then arrived at terminated in the year 1929-30, but my Honourable friend is still continuing to make provision for the sinking fund on the same basis that was adopted in the year 1925-26. It is said in this Explanatory Memorandum that, "It has been decided pending further consideration of the scheme along with the Railway Convention, that provision from the year 1930-31 onwards should be made on the same lines". I fail to understand how the scheme of a sinking fund has anything to do with the scheme of Railway Convention, and in this connection, I would like to know from my Honourable friend what exactly he proposes to do in this matter. So far as the scheme of Railway Convention is concerned, a committee of this House was set up a year ago and that committee has been allowed to go to sleep, and for every scheme we are told that nothing could be done pending revision of the constitution, I would like to know exactly what is the position of the Government of India in the matter of the sinking fund scheme. Is it their intention that in the discussions that will take place later on on the constitutional revision they would press for a definite arrangement to be made for certain sums to be set apart for the reduction or avoidance of debt, and if so, have they thought out a scheme, and would they take the non-official Members on this side of the House into their confidence and give them an idea of the scheme that the Government of India propose to place before the Round Table Conference?

[Mr. R. K. Shanmukham Chetty.]

There is a great deal of misconception about our debt position. Whatever might be the justification or otherwise of the origins of our debt, I am not one of those who feel alarmed at our debt position. If Honourable Members will refer to page 47 of the Explanatory Memorandum, they will find that the total public debt of India, interest-bearing obligations of the Government, comes to the enormous figure of Rs. 1,160 crores. On the face of it, one might be led to think that our debt position is very bad indeed; but if you read these figures carefully, you will find that out of the Rs. 1,160 crores more than Rs. 987½ crores are invested in productive enterprises, so that our non-productive debt, or deadweight debt comes to only Rs. 193 crores, which is not a very alarming position. This is a factor which is not appreciated in very many quarters. I am one of those who are of opinion that you must provide a sinking fund only for the unproductive portion of our public debt, and if you consider the fact that the unproductive portion of your public debt is only Rs. 193 crores, well, I beg to submit that to set apart from current revenues Rs. 678 lakhs as sinking fund is dealing rather unjustly with the revenue position. I would, therefore, like to know from my Honourable friend whether the Government of India have any definite scheme for revising this provision for the sinking fund.

Mr. President: The House will now adjourn till 2-30 P.M.

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

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

STATEMENT LAID ON THE TABLE.

REPORT OF THE COMMITTEE ON SALT.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to lay on the table the Report of the Committee on Salt.

Report of the Salt Industry Committee of the Legislative Assembly.

1. The Committee accept the principle that it is desirable to make India independent of foreign salt, and that this in fact means that India should be able to produce from Indian* sources a sufficient quantity of that quality of salt which is now imported for consumption in the markets of Bengal, Bihar and Orissa and Assam.

2. They agree with the Tariff Board that if it were possible to devise a scheme for the stabilisation of the price of salt of this quality at a level which represents a fair selling price then a double purpose might be achieved.

*NOTE—The Committee agree with the Tariff Board that Aden should, under existing circumstances, be regarded as part of India for this purpose.

That is to say :

- A. On the one hand Indian producers being assured a steady price at a level which gives a fair margin of profit over the cost of production would have an assured basis on which to develop Indian sources of production, and to continue manufacture without fear of cut-throat competition by foreign manufacturers, and
- B. On the other hand the consumer would be assured of salt at a fair price and be protected against the danger of the formation of rings and profiteering.

3. The Committee have carefully considered the proposals of the Tariff Board for the final establishment of a marketing board. They consider that there may be strong arguments in favour of the establishment of such a board which are dealt with more fully in a subsequent paragraph, but in agreement with the Tariff Board they recognise that this is a measure requiring very careful preliminary study and the construction of a complicated organisation which cannot be accomplished in the immediate future, and that some interim measures may be necessary.

4. The Committee have therefore considered the proposal of the Tariff Board for the interim measure of assumption by the Government of the control of imported salt (*cf.* para. 101, Tariff Board Report). They feel, however, that this is a measure which might have unforeseen reactions and which involves the necessity of preparation and thought almost to the same extent as the final scheme of a marketing board. They consider, moreover, that it might involve the Government in unknown but possibly very heavy liabilities; while they cannot leave out of account the representations which have been received from many quarters against this proposal.

5. On the other hand the Committee consider that there is an urgent need for some interim or emergency measure. Since the report of the Tariff Board was published the urgency of taking steps to secure purpose A referred to in paragraph 2 above has greatly increased. The price of Red Sea salt which was about Rs. 53 per 100 maunds *ex-ship* Calcutta when the Tariff Board wrote (Report paragraph 79) is now in the neighbourhood of Rs. 36 per 100 maunds.

6. In view of these developments the Committee consider that there is a real danger that some of the Indian producers may be forced out of business, and they believe that there is a definite and strong public demand that immediate action should be taken to prevent this. The Committee have therefore directed their attention to devising some form of emergency action simpler than that of Government control.

7. The Committee therefore recommend the following scheme :

- (a) That an additional duty of annas 4 pies 6 per maund on all salt, Indian or foreign, imported by sea into British India should be immediately imposed.
- (b) That the Executive should have power to increase this duty from time to time by amounts up to a total of 1 anna per maund if at any time the price of foreign imported salt should fall below its present level, the object being to adjust the price of such salt *plus* duty as nearly as possible to the level of the fair selling price as defined by the Tariff Board.
- (c) That a rebate equal to the additional duty should be granted on imported Indian salt on the producer's undertaking to deliver a stipulated quantity of salt to the Government (or such smaller quantity as might be requisitioned) at any time at the fair selling-price fixed by the Tariff Board.

8. Taking the present price at Rs. 36 per 100 maunds *ex-ship* Calcutta a duty of annas 4 pies 6 per maund would raise the price by Rs. 28-2-0 per 100 maunds. It would then stand at Rs. 64-2-0 per 100 maunds *ex-ship*. The Tariff Board considered that the control agency should buy at Rs. 63-11-0 per 100 maunds *ex-ship*. The effect of a duty of annas 4 pies 6 per maund is thus to raise the price realised by the Indian producer to a figure very slightly in excess of what the Tariff Board regarded as reasonable. This would afford to the indigenous industry the measure of protection contemplated by the Tariff Board.

As regards protection of the consumers against an undue enhancement of the price to them, that would, it is hoped, be secured by the Government's power to buy salt at the stipulated standard prices. If this expedient failed to keep the price of salt at a reasonable level the additional duty on imported salt might have to be reduced.

9. This scheme would be free from two serious objections to which the Tariff Board's scheme is open. The Government would not be exposed to the risk of having to buy foreign salt at an exorbitant price and sell it at a loss, and there would not be the same interference with the free play of competition as between the various possible sources of Indian manufacture and in this way there would be avoided any tendency to stereotype existing conditions and to discourage the development of fresh indigenous sources of supply. We recommend that the scheme should be regarded as an interim measure only and that in the meanwhile energetic steps should be taken :

- (a) to explore and encourage the development of Indian sources of supply,

(b) to study the Tariff Board's final scheme for the establishment of a Marketing Board.

As to the latter our view is that it would be of little benefit to the consumer unless its scope were extended so as to include the control of retail distribution and prices. The next step, therefore, is the investigation, in consultation with Local Governments, of the practicability of such control, including possibly such experimental measures as the opening of model shops selling salt of standard quality and at standardised prices in selected areas.

10. We have finally to consider the application of the proceeds of the additional import duty which may be collected during the operation of the interim or emergency scheme which we have proposed.

As to this we are impressed by the fact that the immediate effect of imposing this duty will be to raise the price of salt to consumers in those areas which now rely on the importation of foreign salt, *viz.*, Bengal, parts of Bihar and Orissa, Assam and Burma.

We recognise that this result is *prima facie* inconsistent with one of the main objects of any action, *viz.*, the protection of the interests of Indian consumers. Such a result could only be justified if it could be regarded as a prelude to developments which would have the ultimate effect of stabilising prices for Indian consumers so that in the long run they might be assured of getting salt on an average over a period of years at prices which would not exceed and might possibly be less than what they could expect under present conditions.

These considerations lead us to the following conclusions :

- (a) The proceeds of the additional duty should not go to benefit the general revenues of the Central Government.
- (b) They should be earmarked primarily for the establishment of a supply of salt at a stabilised and fair level to Indian consumers.
- (c) Subject to (b) there is a strong equitable case for application of the proceeds for the benefit of the special classes of consumers on whom the burden of the immediate effect of increasing prices will fall.

11. Having regard to these considerations we recommend the following arrangements as an immediate measure.

The proceeds of the duty, which at annas 4 pies 6 per maund would amount to about Rs. 34 lakhs, would be earmarked for the following objects :

- (1) The development of certain Northern India sources in the manner recommended by the Salt Survey

Committee (*e.g.*, increase of production at Kbewra, geological survey at Pachbadra, etc.).

- (2) The investigation of the possibility of the development of other sources of supply in India, for example in Bengal and Bihar and Orissa and generally on the East Coast, including possibly actual experiments in suitable methods of manufacture, and
- (3) any further measures that might be found necessary in the light of experience to secure the stabilisation of prices, *e.g.*, the establishment of a Marketing Board, and the provision of working capital and reserves for such a Board. Subject to the above, consideration should be given to the distribution of any balance between those Provinces that consume imported salt, and would therefore be bearing the burden imposed by the extra duty.

12. We consider that this Committee should remain in existence and that the whole position should be reviewed by us as early as possible in the light of (a) the experience in the working of the import duty, and (b) the results of the enquiries which we have recommended.

13. In conclusion we wish to emphasise that we consider that the imposition of the differential duty which we have recommended is only justifiable if it will help both to ensure the full development of Indian sources of supply and to maintain stability of prices for the consumers of the salt which is at present imported. We could not have made our recommendation unless we felt that there was at present a danger of the extinction of some of the existing Indian sources of supply and of the resumption of control of prices by foreign producers which in the end might prove very damaging to the Indian consumer.

R. K. SHANMUKHAM CHETTY.

B. DAS.

S. C. SHAHANI.

G. MORGAN.*

S. C. MITRA.

N. N. ANKLESARIA.

HAJI ABDOOLA HAROON.

L. V. HEATHCOTE.*

C. C. BISWAS.*

GEORGE SCHUSTER.

* Subject to a minute of dissent.

Minutes of Dissent—I.

In the interests of the Bengal consumer I must record my emphatic dissent from the report. When I speak of Bengal, I include the markets of Bihar and Orissa and Assam, which derive their supplies of salt through the port of Calcutta. I feel, Bengal is being sacrificed at the altar of Aden—in the name of the protection of the indigenous salt industry in India. Aden is not India, and even if for certain administrative purposes it may, in existing circumstances, be treated as a part of the Indian Empire, it is not unlikely that in the coming constitutional changes, the position of Aden may be completely changed, and it may be taken over by the Imperial Government, like Gibraltar, as being a key position on the inter-Dominion trade route.

Apart from that, there is no case made out for the protection of Aden, even as a temporary measure. The Tariff Board themselves in their Report (paragraph 65) admit that the salt works at Aden have for many years faced foreign competition unaided, and that no claim for the protection of the industry can be substantiated. Even excluding Aden, they add, assistance on strictly economic grounds cannot be justified. It is not necessary for me to recapitulate the arguments which the Tariff Board have put forward in this connection: all that I need say is that I look in vain in the report of my colleagues for any reply, or even an attempt at a reply, to those arguments.

The Committee take the view that there is urgent need for some emergency measure, and that emergency is supposed to have arisen by reason of the steady drop in the prices of foreign salt in the Calcutta market during the past few months. But I venture to submit that even if emergency action has to be taken, it must be only after a full and thorough investigation of the whole question. Prices were falling at the date the Tariff Board wrote their Report: still Government thought it proper to wait so long, presumably because they were not satisfied that they had sufficient materials in that Report justifying such action. All that has happened since is the inquiry by Sir Chunilal Mehta's Committee as to the possibilities of certain sources of production in India. I am not satisfied that the report of that enquiry is full or adequate and that it gives us all the data on which alone certain conclusions can be based. Admittedly, it does not deal with the cases of all the available centres of production. The case of Bengal or Orissa, for instance, has not been considered. I do not know what led Government to select Sir Chunilal Mehta for this inquiry: if I may say so, he was coming to the work with pre-conceived ideas. As Chairman of the Conference of Salt producers held in Bombay on the 23rd September last, he had sent a telegram to the Government of India, urging emergency action on the lines of the recommendations of the Tariff Board in the interests of the Aden

manufacturers among others. It would have been much better if the enquiry had been entrusted to some one who was not committed in advance to an acceptance of the Tariff Board's proposals. It seems to me, therefore, that without a full and adequate examination of the whole question, any emergency legislation such as is now proposed is not only unwise but unjust.

I am not much impressed with the proposals which have been put forward. There is no guarantee, so far as I can see, that even with the differential duty proposed, the foreign competitors will not be able to under-sell in the Indian market, if they were really out on a throat-cutting competition, as seems to be assumed without adequate evidence. In that case, the duty will benefit nobody, not even the pet producers of Aden, while it will hit the Bengal consumer, and hit him hard. The Tariff Board have nowhere shown that the imported salt is being sold at present at a price below the cost of production. Then, where is the guarantee that within the protective wall which is being raised, it will not be possible for the Aden manufacturers to cut the throats of the Bengal consumer? I notice that with a view to avoid any such contingency, the Committee make the proposal contained in paragraph 7, clause (c) of their Report, namely, that a rebate equal to the additional duty should be granted on imported India salt, on the producer undertaking to deliver a stipulated quantity to Government at any time at the standardised fair selling price. How far in actual working this will have the desired effect is more than I can say.

Then, there is no assurance that for the next few years at any rate during which period the existing centres of production in India will not and cannot have been sufficiently developed, Bengal will be able to get the salt she is now getting, both as regards quantity and quality. I think it will be agreed that it is not fair to Bengal that she should be forced to consume a quality of salt inferior to what she has been used to.

The protection that is being offered to Aden,—it practically amounts to such,—is in my opinion meaningless. There is nothing to show that as a result of this protection, the industry in question will reach a stage at which it will be able to supply the commodity at a price below that which the foreign producer is now charging.

The Committee state at the end of their report that their proposals are intended to secure the ultimate benefit of the Bengal consumer. By that, I suppose, they mean that their proposals will secure the consumer against the operation of rings and combines on the part of foreign manufacturers to manipulate prices to a level higher than the fair selling price. Whether that is a real or a near danger, I do not know, but it is not shown how by the mere imposition of a protective duty, without any measures to control retail prices, speculation can be wholly prevented or the

consumer effectively protected against rings and combines on the part of a different class of people. It is to be seen that the Committee have neither suggested nor formulated any scheme for the control of retail prices,—probably for the very good reason that such a scheme is well nigh impossible.

I cannot too strongly emphasise the injustice that is being done to Bengal. This impost is being levied on Bengal, notwithstanding the unanimous protests of all concerned in Bengal, official and non-official. I desire to refer, in particular, to the representations of the Government of Bengal and of the Bengal National Chamber of Commerce. The Committee, I am persuaded, also felt the injustice involved in their proposals. That explains their anxiety to add in their report clause (c) in paragraph 10, where they say that "there is a strong equitable case for application of the proceeds (of the new duty) for the benefit of the special classes of consumers on whom the burden of the immediate effect of increasing prices will fall." This is, however, poor comfort to the consumer in Bengal, for it seems to be almost certain that nothing will actually come out of this pious expression of opinion. Government will not be willing to admit the implications involved in this statement.

If Government are really anxious to help the salt industry in India, let them take off the existing excise duty, and let them render all possible facilities to the indigenous producer, but instead of doing this, it seems to be cruel mockery for them to try and dive still deeper into the pockets of the poor consumer in the name of securing his ultimate good.

The Bengal consumer is now paying less than Rs. 40 for 100 maunds of fine white crushed salt. To achieve his ultimate benefit in an uncertain future, he must forsooth now pay over Rs. 64. That sums up the position in a nutshell.

C. C. BISWAS.

The 12th March 1931.

I agree with exception of last para. but one.

G. MORGAN.

II.

I have signed the above report subject to the reservations which I make as follows :

I agree that a procedure on the lines recommended by this Committee would be justified in the present circumstances of cut-throat competition between foreign suppliers of salt to the

Calcutta market, if it is quite certain that the production of suitable qualities of indigenous salt can be increased to the extent necessary to take care of the whole demand of the market at a price very closely approximating to the Tariff Board's fair selling prices.

From the brief perusal of the Salt Survey Committee's report, which, alone, the short time at our disposal made possible, I am by no means convinced that it will be possible to achieve the optimistic estimates, more particularly as to the cost of supply, upon the strength of which our Report has been framed.

On the contrary, I see a very serious danger of the large benefit which a protective duty of 4½ annas per maund will give to the Aden manufacturers being utilised so to strengthen the position of these manufacturers that the full development of continental India's production will be retarded.

If in the future constitution of India, Aden does not remain within the Indian Empire, so that Aden salt becomes liable to the protective duty and loses the rebate, it will only be possible to continue to stabilise the price of salt at "the fair selling price" at considerable expense to general revenues.

L. V. HEATHCOTE.

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

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

Debt Position—contd.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I shall be very brief in the remarks that I shall address to this House on this motion. I should like to point out in the first place that there is a good deal of misunderstanding regarding the proposed statutory Railway Board and the suggestion that was made in the Government of India's despatch and the Simon Commission's Report which we had the privilege of reading at the Round Table Conference. There was no discussion on the subject, and I want to assure Honourable Members about it. There was no discussion on the subject in the Federal Structure Committee, but we found, in the final stages when the Report was actually placed before us, a sentence relating to the constitution of such a Board. At that time the Right Honourable Srinivasa Sastri was a member of the Committee. He and various other members questioned the propriety of bringing up a proposal that had not been discussed at any stage by the Federal Structure Committee. I understand that the full proceedings of this particular Committee are going to be published by His Majesty's Government and when that book is out, my statement will be substantiated. At a later stage when this Report

came up for the consideration of the Plenary Session, my friend Mr. Jayakar said :

"In this connection the Sub-Committee take note of the proposal that a statutory railway authority should be established and are of opinion that this should be done. I do not quite see what the statutory railway authority means. If the intention is to give a statutory basis of what is called the Railway Board at the present moment, I note my dissent from that proposal, Sir. I have already said that in my speech before the sub-committee, but I just want to state briefly what my point is. There is at present a Railway Board established which has no statutory basis. If the intention is to give a trial period of continuance to that Board, with perfect freedom to the Railway Minister to control that Board and to make arrangements with regard to its constitution, functions and powers, I have no objection to a further continuance of that Board; but if the proposal is to give a statutory basis to that Board, then you will kindly note my point of dissent on that."

Mr. Jinnah pursued the matter and said :

"I just want to say a word. I have no objection whatever to the expert examination on this question, but I am not to be taken to commit myself to agreeing to a statutory Railway Board being established. I have no objection to the examination and I reserve my opinion till after the result of the examination as to whether it should be made a statutory authority or not."

I should not have referred to these matters but for the fact that on perusing the former proceedings of this House, I found the Leader of the House stating that this matter had been considered by the Federal Structure Committee's Report and that it was inaccurate to say that this question was not fully discussed there. I am here as a member of that Committee to say that it was not discussed, that for the first time in the Report of Lord Sankey we found a suggestion about the statutory Board and later on member after member in the Federal Structure Committee entered his caveat against the suggestion and later this matter was further pursued in the Plenary Session.

The Honourable Sir George Rainy (Member for Commerce and Railways): Will my Honourable friend give me the reference? I do not remember making the statement he attributes to me and in that form?

Diwan Bahadur A. Ramaswami Mudaliar: All I had in mind in any case was that single sentence in the Report of the Federal Structure Committee. I was not basing my remarks on anything more than that. I did not charge the Leader of the House with any misstatement of fact. All I stated was that the Honourable the Leader of the House was under the impression from the sentence in the Federal Structure Committee's Report that it ought to have been fully considered by that Committee. I am here as a member of that Committee to say that in point of fact it was not done. I believe the reference is to the reply which my Honourable friend gave to Mr. Neogy when he moved his cut with reference to this question on the Railway Budget. I therefore want to assure my Honourable friends, who seem to be perturbed over the suggestion of the statutory Board, that this has not been considered, neither finally nor even in the preliminary stages, and that therefore there is no room for any of the misapprehensions that are entertained.

With reference to the question of Provincial Governments borrowing loans, I only want to say that this question was to a very slight extent gone into in the deliberations of the Round Table Conference. At the present moment the Provincial Governments are in a position to raise loans on their own securities. They need not always come to the Government of India and wait for the distribution of amounts from the Government of India raised by them by way of loan. They could raise it on

[Diwan Bahadur A. Ramaswami Mudaliar.]

their own securities provided they satisfy certain conditions and that the loan to be raised is sanctioned by the Government of India or the Secretary of State. If that is the position under a unitary government, it follows obviously that under a federal government, with fairly substantial autonomy to the provinces, the Provincial Governments cannot be in a worse position than they are today and that therefore the Provincial Governments will have the authority to raise these loans. Of course it must be a matter of adjustment between the Federal Government and the Provincial Government as to how far this latitude will continue uncontrolled by the Federal Government. It has to be remembered that Provincial Governments cannot compete with the Federal Government in the money market in raising these loans or with each other, so as to disturb the entire conditions under which loans can be raised, but these are matters of negotiation and adjustment. I venture to think, without going too far into the future, that the provincial Finance Ministers and the Federal Finance Minister will hold conferences annually before they decide on their respective policies with reference to the loans, but I want at once to enter a caveat against the position that my friend Mr. Das has taken up. He seems to be an out and out advocate of the unitary system of government. Provincial Governments cannot be spoon-fed in this matter, as in many other matters hereafter. We have definitely gone in for a stage of federation. Whether it is an all-India federation or a British India federation, I venture to think that Mr. Das will find himself in a very small minority in putting forward his views on an unitary and paternal form of government in the centre trying to control and curb the activities of provincial governments in these matters.

Mr. M. Maswood Ahmad: Sir, dealing with the public debts, first of all we must see what are the broad principles of the public debts of a country. We may say that the public debt of a country is incurred to meet the part of State expenditure which cannot be met out of normal revenues and is so imperative that it cannot or should not be postponed to a later date or the debt is incurred for the good of the country and for the good of the people of the country.

Sir, the question of a public debt is very serious. Waste of public money is possible by many means but the point most significant in this connection is that whereas wastage of revenue affects one generation, the wastage of the proceeds of a public loan is a burden on generations yet unborn.

Sir, the public debt was unknown in India before the days of the East India Company, *i.e.*, in ancient India. However worse the Muhammadan period or the Hindu period was, there was no public debt in those days. When the reign of the East India Company ended in 1858, the Indian taxpayers were left with a burden of nearly one hundred million sterling of public debts. All these debts were not for India but for the benefit of the Company. All the debts were incurred for war purposes, for conquering India, for ruining trade and skill and for ruining the ancient civilisation of India.

In 1792, the total Indian debt was 7 million pounds and in 1856 it had risen to 69½ million pounds. Was it not fair, Sir, that most of these items ought to have been borne by the Company itself?

Then, Sir, came the Mutiny, bringing the total debt beyond £100 million. The compensation paid to the East India Company for its stock was about £12 million. The tragedy of the situation was that, while India paid for the property, the ownership went to Great Britain. This was the dawn of the day. Then, again, Sir, the cost of the Abyssinian War and the Chinese War was similarly debited to India, and these together with other items of expenditure raised the total of Indian debts to £212 million at the close of the last century.

If I remember correctly, Sir, India contributed to Great Britain about £100 million at the time of the Great War. As there was no surplus money to contribute so the major portion of it was put on the shoulders of the public in the shape of the public debt. In the post-war period the new debt incurred was £200 million in the last decade. The increased civil and military expenditure, I submit, Sir, is solely responsible for this debt.

In short, Sir, at the end of 1929-30 we have reached the net debt of 68.54 crores, and it has been estimated in the present Budget to be Rs. 28.39 crores. But, Sir, while it was estimated in 1930-31 to be Rs. 25.60 crores, the revised estimate shows Rs. 53.12 crores. Sir, it is a very great trouble for all of us that unreliable figures are always estimated.

From this history of the Indian public debt, it is quite clear that wars in India and outside India are only responsible for the public debts. May I ask, Sir, whether these wars were for the benefit of India, or were for the benefit of some other country and for the purpose of quenching the thirst of the politicians of other countries? Sir, the Government of India have two kinds of debt—one under the rupee obligations and the other in the shape of sterling obligations, and again these two heads can be subdivided into many heads, of which I want to deal at this stage with two heads mainly, i.e., the long-term debts, and the short-term debt which is generally called Treasury Bills. Sir, first dealing with the last item, i.e., the Treasury Bills, I can say that the Government of India have also attempted to utilise Treasury Bills as a regulator of the money market and as a weapon in credit-restricting operations. At this stage I do not want to say more than this, that the Government's Treasury Bill policy in regard to the regulation of the money market and credit has not been either successful or beneficial in its results, has been responsible for much bitter criticism in financial circles, and has resulted in real misunderstanding between the Government and the bankers. And last, but by no means least, I emphasize the need for the total reconsideration of the Treasury Bills policy. The questions involved in Treasury Bills merit a close attention. The Government have utilised Treasury Bills not only for the purpose of replenishing their cash balances, but also as a regulator of the money market. In this connection I would like to draw attention to the authoritative comments contained in an article which appeared in *The Banker* of London in its issue of October, 1929. The writer of the article comes to the conclusion that:

"In so far as the issue of Treasury Bills is concerned, Government would be well advised to restrict them to their recognised purpose, namely, to bridge gaps between the revenue seasons during a financial year, and not to attempt to utilise them as a dynamic lever for currency and exchange control."

[Mr. M. Maswood Ahmad.]

Sir, let me say that no other operation of the Government has evoked such bitter criticism and antagonised the bankers so completely as the sales of Treasury Bills at rates which have been fully one per cent. higher than the open market rates quoted by banks for deposits. I am one of those who believe, Sir, that Treasury Bills constitute a necessary and useful instrument in the money market, provided the Treasury Bills policy is correct and scientific. And a Treasury Bills policy can be said to be correct and scientific only if Treasury Bills are issued at rates which do not impair Government's credit nor divert banks' deposits, nor betray a loss of control on the part of the Government over the situation. Further, steps should be taken to create a free market in Treasury Bills so that they can change hands freely during the period of their currency. In short, Sir, Treasury Bills must be made a real instrument of mobility, which they are in theory supposed to be.

Before I conclude, Sir, I would like to discuss, as briefly as possible, the ethics and economics of foreign loans. If India was under no political obligation to Britain, the problem of foreign loans would present no great difficulties. The peculiarity of India's borrowing in the London market is that there is always a suspicion, not unjustified, that England, by virtue of her political position, takes undue advantage of India's dependence on her, both in regard to the rate of interest which the latter is made to pay on her loans, and also in regard to the utilisation of the proceeds of such loans for the purchase of British materials, whether the prices of these materials are competitive or not, in relation to the materials manufactured by, or available in, other countries. It is this suspicion, Sir, which has invested the discussion on the foreign loans of India with a great degree of rancour and bitterness.

Sir, there are other factors which also complicate the position in regard to foreign loans. They are (1) exchange exigencies, that is, there are occasions when India has to borrow money in London not because she is short of funds, but because the process of remittance from India to London is made difficult. In other words, the obligation which the Government have assumed in regard to the ratio—a ratio which was installed against the unanimous protest of the Indian public—makes them borrow monies in London, even though their cash position may not require such borrowings; and (2) the financial interests in London have by no means been friendly to the political aspirations of India, and they have been inclined to think that, because they have lent monies to India, the only safety for that money is that the present system of administration must continue for ever; and whenever there is any strong movement expressive of the political aspirations and ideals of the nation, the London market has chosen to become panicky, disseminating alarmist reports about conditions in India, and utilising those occasions for screwing out of us inordinate rates of interest on such borrowings as had to be made. If the policy of borrowing abroad is to be continued,

Mr. President: Order, order. The Honourable Member's time is up.

Dr. Ziauddin Ahmad: Sir, I do not like to decide such an important question as the public debt after a casual discussion on a token cut. But I take this opportunity to bring to the notice of the Honourable the Finance Member two very important points. The first is that the non-official

Members are very much dissatisfied with the present policy of the Government about the debt, and though we may not be able to find a satisfactory solution just at present, it is possible for the Finance Member to take the public into his confidence, at least by referring the matter to the Finance Committee or by bringing the matter before the Assembly by means of a Resolution. The second point to which attention has been drawn by my friend, Mr. B. Das, is that the situation with regard to the loans is very disquieting. The Government have increased this year our loans by Rs. 24 crores, and the one thing which is really most disquieting is that they have increased their sterling loans by Rs. 20 crores. It really means that they have transferred part of the rupee loan to the sterling loan. That, Sir, is very undesirable. I think it would be sound financial policy to set aside something in the Reserve Fund in order to reduce the expenditure on unproductive loans, that is, loans which do not yield any income. The last thing probably I may mention is that we have invested a substantial amount in our commercial concerns. It is highly desirable that we should try to administer them well so as to get more income out of our commercial concerns.

The Honourable Sir George Schuster: Sir, I think it is obvious that I could not deal adequately with all the points that have been raised in this debate in a ten-minute speech. but I will only attempt to go over the most important issues that have been raised, shortly. The last speaker has called my attention to what he describes as two points of great importance, and he has suggested that I should take Honourable Members into my confidence on one of these questions. Sir, I am at a loss to know exactly what he means by that. I have always been perfectly frank in this House as to our position and as to our policy both in the preparation of the statements that are put before the House and in any speeches that I have had the opportunity to make. But if it is the wish of this House more fully to discuss this subject, then obviously the proper course is that it should be debated on the floor of this House.

Then, Sir, I must make one or two remarks about what was said by the last speaker but one. He said that the policy of borrowing in London was objected to in this country because of suspicions which existed that British interests were thereby benefited. I think he suggested, first of all, that British investors were given opportunities to get very good investments at a higher rate of interest than was really justifiable and also that the proceeds of the loans were applied in the purchase of British goods. Both those suspicions or both those charges are absolutely and entirely without any foundation. Honourable Members are perfectly well aware of the rules which now exist as regards the purchase of materials, and that no preference is given to British manufacturers in that respect. As regards the question of unduly high rates of interest, I should like to speak at somewhat greater length. This is a subject on which I can claim to speak with some authority. When I talk on Indian affairs, I always feel some diffidence because my experience in India has been very short. But this question of the terms for borrowing and of finance in the general sense is a subject of which I have had life-long experience. I can tell the Honourable Member that it is a privilege for us to have the position which we have in the London market. The benefit is really on the side of India. It is often suggested that we are not free to borrow where we like and that if we could go to America for our loans we could borrow on more favourable terms. If any Honourable

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Member thinks there is anything in that suggestion, I would invite him to consider the experience of Australia, a country which tried that expedient. Not only did they have to pay much more for their loan by going to New York but, as a matter of fact, what happened was that practically immediately the whole of that loan found its way to the London market. That is what happens in these cases. You can go to New York and borrow money, but New York does not always absorb the loans and the borrower does not always benefit. Honourable Members would find it interesting to examine the rates for borrowing in New York by foreign countries and then to compare with them the rates at which money can be raised in England. There have in the last years been many examples of loans which have been floated simultaneously in London and New York, and almost on every occasion the percentage rate of the New York issue has had to be fixed substantially higher than the percentage rate on the London issue. I remember, speaking offhand, amongst other instances, an Austrian loan, which was raised on a 6 per cent. basis in London but which had to be brought out on a 7 per cent. basis in New York, and so on. This is a question of fact which Honourable Members can verify for themselves. London has long been the market to which most foreign borrowers have gone, and British investors have long been accustomed to invest their money in foreign loans. In mentioning this, I am really touching on a subject of very wide economic significance; for one of the reasons for the present economic difficulties of the world is that, in the years since the war, America has become really the capitalist country of the world, a position which was formerly occupied by England, but that America does not invest her money abroad in the way in which England was accustomed to do. I think it is generally recognised now in America as well as in the rest of the world that if America wants to encourage a recovery in the world trade, she must become more ready to lend her money to foreign countries. Sir, I must apologise for having been drawn outside my subject in this way, but I do feel strongly on this point, especially when it is suggested that the British market obtains an undue advantage from the fact that Indian loans are floated there. It will be a very bad day for India when she ceases to occupy the privileged position which she has occupied till now in the London investment market. I have been intimately connected with all the recent operations for raising loans in London, and I can assure Honourable Members that if we had not had the very active and sympathetic support of the Bank of England among financial circles in London, we should have been in an extremely difficult position during these last months, which have been a period of uncertainty when the ordinary investor did not know quite what to expect of the future in India.

Sir, I will say no more on this subject but turn to matters more germane to the motion moved by my Honourable friend Mr. Das. He has raised the whole of that very wide question of the position of the public debt, and from what he said I must conclude that he fears that the public debt position is unfavourable or at least is growing less favourable than it recently has been. On the other hand I was glad to note from the speech of the Deputy President, who followed him, that he does not take a pessimistic view of the national debt position in India.

and I heartily endorse what he said in that respect. The position as regards the national debt in India is, as I have many times said, an extraordinarily favourable one. There is really no country in the world to-day which has such a favourable position as regards its national debt. It is quite unique that, out of a debt of nearly 1,200 crores, less than 200 crores represent non-productive investment of money. I only hope that India in the future will be able to maintain this favourable position. But, Sir, there is some force in what was said by the Honourable the Mover of this cut. There is force in it to this extent that, I think, we are not at a stage where there are danger signals in front of us. I think if Honourable Members have read my Budget Speeches carefully they will realize that I have taken that view for the last two years. In my very first Budget speech I pointed out that capital expenditure, however good it was, however beneficial it might be, could not safely be allowed to exceed the rate at which the country could borrow. I also pointed out that in the preceding years capital expenditure had been going on at a considerably faster rate than the amount by which we had been increasing our own fixed capital; that in fact, we had been meeting capital expenditure by drawing on our reserves. I pointed out that we could not go on with that process and that in future all capital expenditure would have to be balanced by borrowings. Therefore, I indicated that we should have carefully to consider our position, and in particular whether our credit could stand it if we were to go on taking 30 crores per annum for construction of new railways. I came to the conclusion that we could not do so, and looking back I can only feel that I was right. In fact I was much more right than I thought I was at the time; for it has proved necessary to restrict our capital expenditure on railways much more drastically than even I at that time thought would be necessary.

3 P. M. We have, as this House knows, brought down the railway capital expenditure last year to about 16 crores, and this year to about 11 crores, and I am afraid that as things are at present, we shall have to go very slow in that respect in future. We have arranged the position in such a way now that all the current projects are running off and we shall have a close control of the capital expenditure position. My Honourable friend, Mr. Das, has said, "We must ask ourselves the question whether the railway undertaking is really a paying proposition". Well, I think in some ways, Honourable Members are accustomed to think and talk in rather misleading terms on the railway position. It has become customary to talk of the railways as though they were running at a loss. That is an entirely incorrect view of the situation, because when Honourable Members talk about a loss, they really only mean that there may be some slight deficit in making up the fixed charges which the railways have to pay to the Government. But there are very few railways in the world that have been completely financed by what I may describe as debenture capital. Most railways raise some of their money on debentures, but they also raise a large part in the form of ordinary capital. Of course, if they cannot meet their debenture charges, then they are running at a loss. But if they have to reduce the dividends on their ordinary share capital from 5 per cent., say to 4 per cent or even down to nothing, you cannot really say that those railways are running at a loss. The railways of the Government of India are paying at an average—I have not the exact figure in my head at present—something like 5 per cent. on every penny invested by the Government. Even if they can do no more than that, that is in itself not an unsatisfactory position. On

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the other hand we have a new position to face now. Obviously we must proceed very cautiously in framing a programme for undertaking further work when the cost at which new money can be raised is getting up to the sort of levels that we have to pay at present. I venture to say that there is no country in the world which can safely count on being able to earn—really earn—6 per cent net profit on new lines, at any rate for the first few years of construction. I venture further to say that there are very few countries in the world which offer such favourable opportunities for building paying branch lines as India does. But even India must think very carefully before she undertakes capital expenditure on railways on a six per cent. basis. That, Sir, is really my answer to Mr. Das,—the position is entirely sound, but there are danger signals before us and at present we have got to go slow.

Then, I would refer to what was said by my Honourable friend the Deputy President, who I think suggested that I had failed to carry out an undertaking given by my predecessor, an undertaking to consider the provision for reduction and avoidance of debt, which was due for consideration in the course of the year which is closing. May I read to my Honourable friend a passage from my Budget speech of last year. I said :

“I next come to the provision for reduction or avoidance of debt. As Honourable Members will recollect, I stated in my Budget speech last year, that I proposed to bring this under review in accordance with the arrangements originally fixed and I promised to take representatives of this House into my confidence before making any change. In accordance with this undertaking, I have communicated on two occasions with the leaders of the non-official parties in the House. On the first occasion, I asked whether they had any suggestions to make, and to this request I received no response. On the second occasion, I informed them that after my own consideration of the matter, I had come to the conclusion that our arrangements in this respect were so closely connected with the arrangements for the railway convention that I thought that the two reviews ought to be undertaken concurrently with one another. My reason for this view is shortly as follows.”

I continue to read from my Budget speech of last year and this brings me to the second point which was raised by my Honourable friend :

“According to the present Convention, the Government receive, in addition to the refund of the actual interest which the Government have themselves to pay on loans raised for railway purposes, a contribution, which, although it is made up of various elements, may be regarded as a percentage on the capital advanced to the railways. Looked at in this way, it represents the distribution of even less than 1½ per cent. on the Government debt, which forms the basis of the present provision for reduction or avoidance of debt. In fact, I think it is, on broad lines, correct to regard the one as balancing the other, and we shall arrive at a truer picture of what the Government draw from the Railways if we realise that, in fact, the Government get no profit, but apply practically all that they receive, apart from a refund of their own interest payments, for the amortisation of their capital. When, therefore, the contribution falls below a certain figure the Government, if they made up their accounts on a profit and loss basis, would actually show a net loss on the year. This is not the occasion for me to examine the justice or otherwise of this arrangement, but I think that what I have said is enough to show that the two arrangements are closely inter-connected. I may say that when I represented this close inter-connection to the leaders of the various parties, the response, so far as I received any, appeared to me to indicate a general agreement with my view that the two Conventions must be considered together.”

That, Sir, was my position. I tried to carry out the arrangement to discuss it with non-official Members of this House, but I am afraid, as very

often happens, the leaders of the various parties were not greatly interested in the subject when the time came up for consideration, which

Diwan Bahadur T. Rangachariar: I hope the Honourable Member is not referring to the present leaders, but only to the past leaders.

The Honourable Sir George Schuster: That, Sir, is, I think, obvious from what I have said, but if I may take up my Honourable friend's interruption I will say that if the present leaders are interested in this subject, I shall be only too glad to discuss it with them. Our trouble on these occasions is to find people who really will come in and give us a chance of sharing our responsibility with Honourable Members opposite. I think that what I have said indicates that I have done my best to give effect to the original undertaking on this subject. But I would like to say something further. If I had thought that there really was a substantial case for review, I should not have been put off by difficulties of the kind which I have mentioned. It is only because I think the present arrangement is in the present circumstances a satisfactory one that I have continued without any drastic revision. I am not quite sure what is in my Honourable friend's mind when he suggests that it should be revised. After all it is a fairly simple matter and the only question is as to whether the provision is too high or too low. I doubt if he will suggest that it is too low and that it ought to be put up. Certainly in the present circumstances, it would be extremely difficult to increase it. On the other hand, I should be very reluctant to consider a revision of the provision just at present on the basis that it is too high, and I have a special reason for saying that. Even if it might be theoretically too high as a permanent provision just at the present moment when we have concluded a year with an uncovered deficit and when, as far as the railway contribution is concerned, we have had to rely on very heavy drafts from railway reserves, I think it would be not merely financially wrong, but it would be financial madness to reduce this provision. Therefore, as a practical issue, I really feel no doubt that the best thing is to continue as we are. Honourable Members are perfectly well aware how outsiders regard with suspicion any thing that can be looked upon as a "raid" on a sinking fund provision. I think it would be most disastrous for India now to adopt any course which would be interpreted in this way. Sir, I do not think I need say anything more on that subject.

Then, lastly there was a point raised by my Honourable friend Mr. Mudaliar about provincial borrowing and the establishment of a Statutory Board for railways. I do not wish to deal elaborately with these subjects today. I regard them rather as business arrangements which have to be looked at from a business point of view. So far as provincial borrowing is concerned, I think the one thing I can say is that whether you are to limit the freedom of the provinces or not, there certainly ought, in the common interest, to be some co-ordination of policy. (Hear, hear.) After all whether you are to have a unitary Government or not, the alternative is a Federal Government, and the essence of federal government is that the various parties to the federation recognise that for certain purposes common interests should prevail over individual interests and that they should voluntarily come together to consider the co-ordination of their individual interests. That, I think, is as far as it is necessary to go on that subject today. It is a matter which will be fully

[Sir George Schuster.]

discussed in the future and the future arrangements, whatever they are, must, under a federal constitution, depend on the voluntary assent of the constituent States and Provinces. Sir, I must apologise for having taken so much of the time of the House, but the matter raised is of great importance and is difficult to deal with in a short time.

Mr. B. Das: Sir, I feel—and I can speak for this part of the House—that we are indebted to the Honourable the Finance Member for going so thoroughly into the details about the debt position of India. Not that I felt satisfied with his statement that the railways are giving 5 per cent. on capital invested. I do not think the railways are giving 5 per cent., but they are giving much less, 4·5 or something, and some of the railways are not earning even 2 per cent. That was what I was drawing his attention to. And when a man borrows money to invest it in some industrial concern, he must at least get back the interest at which the money is borrowed. Of course, I understand that the present Finance Member has that point in view, and I hope future Finance Members will take note of that before they run into new extensions on railways.

Sir, I am very glad that my Honourable friend Mr. Mudaliar made a statement on behalf of the Round Table-wallas.

Mr. President: Order, order. I do not wish the discussion on this issue to be taken to the Round Table Conference. I allowed Mr. Mudaliar to refer to it by way of a personal explanation, I do not wish that subject to be further discussed in connection with this motion.

Mr. B. Das: I was going to say that I feel greatly satisfied with his observations. Mr. Mudaliar made one pertinent observation as to the provincial borrowing policy and that was also alluded to by the Finance Member. My personal view is that even with a Federal Government in India consisting of the federated States, the borrowing policy and the finances would be controlled by the Central Government, and whatever may be the residual power, that will be in the hand of the Government of India and not with the provinces. Whatever may happen in future I cannot anticipate, but the present borrowing policy of the Provincial Governments has not given us any confidence that they are spending that money profitably.

Sir, I am very glad that my Honourable friend Mr. Chetty took part in this debate. He brought in the question of the unproductive debts, but he did not go to their origin. My Honourable friend Mr. Maswood Ahmad discussed it a little and I think my Honourable friend Mr. Chetty discussed it a little and he thought that the money we are putting in the sinking fund is very high. I think if the Round Table Conference is going to settle this thing, the time will soon come when the debt position of India will be settled by reference to arbitration. As Sir Tej Bahadur Sapru said in the Round Table Conference and Mahatma Gandhi has said so often in his statements in the Indian Press, the debt position must be revised, and any debt that has been incurred by the British Government not for the good of India but for the use of England should be allocated to England. I do not know whether my friend Mr. Chetty had that point in his mind. I could not elucidate my point when I spoke first, but I think, from that consideration the charges to the sinking fund ought to be low.

Sir, it is at times very nice on the part of the Members of the Treasury Benches to say that they occasionally consult leaders of parties over certain important issues. But they conveniently forget, and the leaders also manage conveniently to forget, these things. The proper thing to do, when such important issues like the debt position are to be considered, is for the Finance Member at the beginning of every session or every year or every term of the Assembly to bring out a standing committee of those who are interested in the debt position, say four or five people, and discuss from time to time the position with them. That will help much to clear the tangle and that will not need a full-dress debate on the floor of this House.

Sir, I think that as a result of today's discussion, much useful information has been obtained. I hope it will be useful to the present Finance Member and to those who will follow him. I do not want to press my motion out of vindictiveness, and as some useful purpose has been served, I beg leave of the House to withdraw the motion.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 3,27,09,000 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, 1932, in respect of 'Interest on Debt and Reduction or Avoidance of Debt'."

The motion was adopted.

DEMAND No. 26—INTEREST ON MISCELLANEOUS OBLIGATIONS.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 45,48,000 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, 1932, in respect of 'Interest on Miscellaneous Obligations'."

Policy and Principle underlying expenditure for Interest on Miscellaneous Obligations.

Mr. B. Das: Sir, I beg to move:

"That the Demand under the head 'Interest on Miscellaneous Obligations' be reduced by Rs. 100."

I have given notice of this motion to discuss the policy and principle underlying the expenditure under this Demand No. 26. I have never followed the exact allotment under this head. If I turn to page 135 of the Demands for Grants, I find under A. 1—"Interest on loans from the late King of Oudh". And I find the interest charges vary every year. If it were a non-productive debt then I thought the sinking fund would go down every year and part of the interest charges should be reduced every year. How is it that it varies every year? Then I find that most of this expenditure is marked "Non-voted", and part of it is marked "Voted". If non-voted expenditure means obligatory expenditure and that the State must bear it as a first charge, what is the use of marking a part of the

[Mr. B. Das.]

expenditure as "voted"? And why are the Treasury Benches so suspicious of this side that we cannot even take up the responsibility of sanctioning the payment of interest charges, and why are they marked "Non-voted"? What is the policy in marking the greater portion of Demand No. 26 and also of Demand No. 25 as non-voted and marking a very small portion of it as voted? Of course I find in Demand No. 26 a sum of Rs. 45 lakhs odd going as payment to Post Office for Savings Bank and Cash Certificate work, and therefore it is considered as voted, but I would like to have an explanation from him. I would also like to know how much of these Miscellaneous Obligations are non-productive debt, and how much of them are productive debt, and also why the interest on Uncovenanted Service Family Pension Funds and Provident Funds are shown under "non-voted".

The Honourable Sir George Schuster: Sir, as far as I could make out, my Honourable friend has raised a very important question of our policy in paying interest on loans from the late King of Oudh. That is one point as far as I could understand it; and the other was that he requires some explanation of the distinction between voted and non-voted expenditure. I am afraid that among the 240 motions which I had prepared for in coming here I have not investigated with any very great care the policy underlying the question of the loans from the late King of Oudh. That is a very ancient subject and this particular item has figured in the Budget of the Government of India for a very long time. I think my Honourable friend was puzzled at the slight differences in the amounts from year to year. That I am told is because the annual interest is not made up in steps according to our financial year but is made out according to some varying calendar year. I am really not well informed on the subject; but the differences are due to variations in dates between which interest is calculated. The interest runs on at the same rate from year to year; but if my Honourable friend is really interested in the subject I shall be glad to send him a communication later giving him the exact explanations.

As regards the distinction between voted and non-voted expenditure, the voted expenditure represents charges which are not interest charges proper. Interest charges proper, interest and sinking fund charges on loans under section 67A of the Government of India Act, are non-voted; but there are a number of other sums, inter-departmental charges for interest and charges payable to Governments for the cost of administering Post Office Cash Certificates, and that kind of thing which are included in voted expenditure. On that particular point also, if my Honourable friend wants to have a full and complete account, I shall have great pleasure in furnishing it to him. But I do not think I need take up the time of the House any longer now in dealing with those two points, because I am sure it is the wish of the Honourable Members to get on to cuts raising real questions of policy and this after all is not a question of policy; it is merely a matter of information which my Honourable friend wants.

Mr. B. Das: I ask the leave of the House to withdraw my motion.

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

Mr. S. C. Shahani: It is with peculiar pleasure that I rise to propose the cut which stands in my name

An Honourable Member: We have not yet reached the next Demand.

Mr. S. C. Shahani: I am very sorry, Sir.

Mr. President: The question is:

"That a sum not exceeding Rs. 45,48,000 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, 1932, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

DEMAND No. 27—STAFF, HOUSEHOLD AND ALLOWANCES OF THE GOVERNOR GENERAL.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 4,06,000 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, 1932, in respect of 'Staff, Household and Allowances of the Governor General'."

Room for considerable reduction.

Mr. S. C. Shahani: Sir, the House has I hope excused by impatience to move the cut which I have proposed in connection with the expenses to be defrayed in the Viceregal House. As I said, it is with peculiar pleasure that I move this cut.† My cut is intended to show that there is considerable room for economy under this head. Rs. 15,26,000 and more to be spent annually upon the staff, household and allowances of the Governor General, I think, is much too heavy. If I should be required to adduce evidence to establish the correctness of this statement, I would only refer to what happened the other day when Mahatma Gandhi, for the first time after his release, went over to the Viceregal Lodge. Quite an army of servants came out to have the Mahatma's *darshan*. Some of those that were with Mahatma Gandhi told me that they were staggered by the number of servants that emerged from the Viceregal House. I am not unmindful of the necessity of a large number of servants in the Viceregal Lodge, looking to the colossal nature of the House designed for the Viceroy. I think it was a Finance Member, not the present one, who in the course of a private conversation once remarked that the houses that were built in Delhi really involved a colossal waste; and I have always wondered why this colossal waste has been permitted. In the Federal Government I can well imagine that some of these colossal buildings in New Delhi would be devoted to education, and other nation-building purposes. They would be a worthy habitation for educational and such other institutions. Supposing the expenses that have been incurred on mere brick and mortar had been devoted to the promotion of nation-building

† "That the Demand under the head 'Staff, Household and allowances of the Governor General be reduced by Rs. 40,600.'"

[Mr. S. C. Shahani.]

departments, the whole of India would have been metamorphosed. What I am seeking to make out is that the unnecessary expenditure which is being gone in for in the Viceregal Lodge should know some control. The other day when the Railway Budget was under discussion we found it difficult to reach Demand No. 2. Under Demand No. 2, I had noticed that for 8 Government Inspectors with 23 clerks, that is, for 31 persons in all 86 chaprasis were provided for. No doubt, the chaprasis cost only about Rs. 8,000 in a total expenditure of Rs. 4,00,000,—quite a straw—but I would have certainly thrown this straw up to the Members of the Railway Board to note which way the wind blew in the sphere of railway management. I feel disposed to do the same in the case of the Honourable the Finance Member in connection with this motion. No doubt, I am here referring specifically to chaprasis. What is true of chaprasis will be true of other servants. So many chaprasis are surely not required to maintain the dignity of the Viceroy, however useful they may be in serving as an index of importance in the case of the Railway Inspectors. Sir, I may reasonably hope that I am not wanting in reverence. I revere the majesty of the representative of His Majesty the King-Emperor. I am a believer in the pieties of life. More especially do I revere the majesty of the goodness of the present Viceroy. I mentally compare the present Viceroy to Emperor Aurangzeb of India (Laughter) from one point of view, from the point of view of his stoicism. Aurangzeb's wants were very few. He is said to have made skull caps in order that he might realise money enough from the sale of these skull caps for his personal needs. Emperor Aurangzeb had a great many qualities, one of which is the one I mention here. Honourable Members therefore should not be surprised at the comparison. Sir, this much expenditure is, I repeat, altogether undesirable. Honourable Members of this House may not support my motion. (*Some Honourable Members*: "Why?"); and I fear that even my party men may not support me (*Some Honourable Members*: "Oh yes; certainly we will support you."), but that does not matter to a man like me. The other day when I pressed to division a motion for a cut to indicate the absence of prohibitive duties in respect of sugar and wheat, my attempt was regarded by some as foolhardy, but the result showed who deserved the epithet. A man like me always remembers the lines of Sheridan:

"Oh Sophronius, Sophronius! It is not given to men to command success."

He can do more. He can deserve it.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, I shall justify my friend Mr. Shahani's forecast by opposing his cut. (Laughter.) Perhaps, coming as I do from an Indian State where we view a little bit of splendour with equanimity, I cannot really understand that the august position of the representative of His Majesty the King-Emperor of India should be tried to be whittled down by a reduction of a few thousand rupees a month in order to take away the gold-coated chaprasis who are there awaiting even my friend Mr. Shahani's arrival some day to visit His Excellency. This incident reminds me of what happened years and years ago. During the late Mr. Gladstone's time some persons time after time made motions to cut from the Civil

List of the King. Mr. Gladstone threw out a challenge to the House and said:

"Either you want the institution of a King or you do not want it. If you want to keep it up in its proper dignity, do so by all means; but if you do not want it, then make a motion for its abolition, and then every pie you can save thereby from that Civil List you can utilise for your educational institutions or for repairing domes or for anything else you like."

That, Sir, is a better and fairer position to take, and if my Honourable friend can do that and say, "Oh, we do not want the Viceroy here", I can understand that. But having an institution, if we stint to keep it in its proper dignity, it is hardly a proper method to save money; it is the way to show,—well, I will not characterise it. (Laughter.) But we Indians do not understand these things. I submit, Sir, that there are many other directions in which real economy and retrenchment can be effected. I wish my friend's industry had been directed towards those items. Of course, it is very courageous on his part to plough a lonely furrow and try to move a cut in the Viceroy's Household, but let him not press his motion.

Mr. S. G. Jog (Berar Representative): Sir, I am not rising to oppose what has been said by my friend Raja Bahadur Krishnamachariar, nor do I feel inclined to see eye to eye with my friend Mr. Shahani. I do not hold the opinion that the Viceroy should go and live in a hut or in the Western Hostel or in one of the orthodox type quarters occupied by Mr. S. G. Jog, M.L.A. I think I am more discreet in the cut that I have put down because, Sir, I have qualified it, as you will see from my wording, by saying, "That the Demand under the head Staff, Household and Allowances of the Governor General be reduced by Rs. 100. (The necessity of curtailing the expenses without affecting the dignity and status of the Governor General.)" The object of my cut is this. I say that the dignity and status of the Governor General should be the first and paramount consideration, and if without affecting these two things, any curtailment is possible, we should certainly have recourse to it.

^ Sir, as I have said, I qualified my own cut both ways to maintain the personal status of the Governor General. I think I am treading on very delicate ground, though I feel that I am not treading on any dangerous or unsafe ground. I wish I should not be misunderstood, and therefore I have purposely read my whole cut as put down under Demand No. 27. I also take this opportunity of congratulating the Honourable the Finance Member, because two cases came before us in the Standing Finance Committee when we were discussing the Household expenses of the Viceroy, and I beg to observe that in all our proposals for retrenchment and curtailment of the expenses in the Household of the Viceroy, we had the full sympathy of the Honourable the Finance Member. In fact, there were many other proposals for retrenchment, and I remember on one occasion my friend said that the Finance Member is as good a national as others, but I go far and still further and say that in our deliberations I found that he was a bit of a revolutionary also. Some of us were not prepared to go with him as far as he went in connection with some of the proposals. When the Private Secretary to His Excellency came before us with his proposals and when we discussed them in the Standing Finance Committee, we sent those proposals back with a request to modify them. Then later on at a later date the Military Secretary came before us with modified proposals, and we unanimously agreed to those proposals. The

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original proposals were reduced very considerably, and from all this I find that the spirit of curtailment and retrenchment has reached the Viceroy's House. They also feel the necessity of curtailment of expenditure like other people, and I must congratulate them on the fact that they have also realised the difficulty. I am sorry that I cannot congratulate the Honourable the Finance Member on the Budget provision in this respect. I will read the figures of Demand No. 27. The revised estimates for 1930-31 come to Rs. 14,79,000, while the Budget estimate for 1931-32 is Rs. 15,26,000. Looking at the financial stringency this year, I think that the Budget provision for next year should have been reduced, if not, it should have been the same as this year. But, instead of that, we find an increase, and I do not think that I can congratulate the Honourable the Finance Member on that result. Many of us have really enjoyed the hospitality of the Viceroy's House. We have also enjoyed the garden site there, and probably it will be unfaithful on our part, after visiting that House and after having enjoyed their hospitality, to pass any comment or criticism on that House. However, I may say that this cut is not like those where my Honourable friends fight for loaves and fishes of office—Muhammadans wanting a share, the Sikhs wanting a share, the non-Brahmins wanting a share—but this cut is more or less a friendly cut. It is only a suggestion from this House that the Viceroy's household should also keep the necessity of curtailment of expenses in their view like the other Departments of the Government.

The Honourable Sir James Crerar (Home Member): Mr. President, I think that I may reasonably infer from the light-hearted manner in which the Mover of this motion laid his proposition before the House that, whether he took himself seriously or not, he had no expectation that the House would take him seriously, and I think that the words which have fallen on the other side of the House in the course of the discussion have amply justified Mr. Shahani's own anticipation. Consequently, my task in replying can be discharged very briefly. The normal annual expenditure on the objects to which this grant refers was fixed some years ago by the Government of India and the Secretary of State after very careful examination. The Honourable Member opposite, Mr. Jog, is perfectly correct when he refers to the great care with which any further proposals for expenditure have been treated. It is a fact, of which I am myself personally aware, that expenditure relating to His Excellency's household has got to pass through quite as severe a scrutiny in the Finance Department as any other administrative expenditure. Mr. Jog is also perfectly correct in saying that at the present time special care is being displayed in His Excellency's household that these sums of money should be administered with prudence and economy and with regard to the existing financial condition. Beyond that, it is unnecessary for me to add anything to what has been very sensibly urged by my Honourable friends opposite, and particularly by my Honourable friend Raja Bahadur Krishnamachariar.

Mr. S. C. Shahani: I would say just one word in reply to what has been said by way of criticism by my Honourable friend Raja Bahadur Krishnamachariar. He might not have failed to observe that I would never be against the incurring of reasonable expenditure upon the staff or the household of the Governor General. I would always be very

jealous of the dignity of the Viceroy; but my Honourable friend evidently missed the import of what I said. I am quite satisfied with what has been stated in connection with my cut. I have no mind to push my motion any further, and I therefore beg leave to withdraw my motion.

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

Hill Journey Allowances and Reduction of Extent of the Simla Exodus.

Diwan Bahadur T. Rangachariar: I beg to move:

“That the Demand under the head ‘Staff, Household and Allowances of the Governor General’ be reduced by Rs. 100.”

I may say at once that it is purely a personal motion of mine. It was with some hesitation that I gave notice of this motion under this head. I was considering whether I should give it under the next head “Executive Council” or under this head, “His Excellency the Viceroy’s Household Expenses.” Sir, with all respect and reverence, and with all humility I beg to submit for the consideration of the Government, of which His Excellency is the head, that at a time of national crisis like this, at a time of financial crisis like this, an example should be set by them in giving up some of their luxuries. I am not touching the household expenses, I am not touching any other items of expenditure. The Simla exodus is, in my opinion, a luxury, a luxury for a poor country like this. That being so, my object in bringing forward this motion is to impress upon the Government of India, including His Excellency the Governor General, that that luxury should be limited as far as possible. Sir, you will be glad to notice that an example was set in Bombay by His Excellency the Governor giving up some of the luxuries in going to the hills. I know in my own province some years ago, under the pressure of public opinion,—I think it was during the time of the incoming Viceroy, Lord Willingdon, if my recollection serves me right—we cut down the move to the hills from nearly six months to three months, and although His Excellency the Governor stays behind longer, the Members of the Government move down from Ootacamund after the expiry of three months. Sir, crores and crores of rupees have been spent in making New Delhi habitable, and hopes were thrown out at the time the Government embarked upon this huge expenditure—it was anticipated—that the Government of India would be enabled to stay for seven months in the year at least in Delhi. That was the situation. That hope was held out; that promise was held out at the time New Delhi was embarked upon. Now, Sir, what has really happened? There is hardly an effective stay of four and a half months in New Delhi. They come down in the first week of November, they take some time to settle down. They are only waiting for this Assembly to disperse on the 23rd or 24th of this month, and you will find trucks, and carriages and clerks and boxes moving up to Simla, including yourself I think,—you will also be marching up to the hills. I think that there is, with all respect if I may say so, a limit to this. There are times no doubt when Delhi will be very uncomfortable, but it is not always uncomfortable, not all these months when they want to stay away. The point which I wish to raise for the consideration of the Government is, why should the stay in the hills be so long, and why should they take up so much of the clerical establishments and the Secretarial

[Diwan Bahadur T. Rangachariar.]

establishments with them? There is a regular competition among people for going up to Simla. I know that recommendations are sought after for including people in the Simla exodus staff. There is something very attractive financially up there. I understand some of the men get separation allowances. They send their wives outside and get some allowance in addition to the Simla allowance. Apparently, not only climatically, but also financially some of these people do find it more convenient. I object on principle. When the country is in this state of things, why should Government stay away from the people for months and months? I know we will be told, "Oh, after all the expenses are very limited". I do not know under what items this expenditure is concealed. We want a clever auditor to go into that. The direct expenditure on the move to the hills may be merely a few lakhs, but if you add the contingencies and other expenses that each Department incurs, you will find that the expenditure is very large. This is a matter in which public opinion has been agitating since my student days. In Madras the agitation began, I believe, in the days of the late revered Principal of the Madras Christian College, Dr. Miller, in 1882. It was only a few years ago that the Madras Government yielded and I am glad to say that the Bombay Government have also yielded. I do not know about the Bengal Government. With modern conveniences you can make a room hot or cold as you like. You can spend as much money as you like. You have got here big airy rooms with big verandahs which I can compare with the colossal verandahs of the Rameswaram temple, which have become world famous. You have telegraphic and telephonic conveniences. Is it at all necessary to persist in carrying the whole Government to the hills for more than six months in the year and spend only a few months in Delhi? Do not the millions suffer the inclemencies of the weather in the plains? Do not three lakhs of people live in Delhi? Do they die? If you want to enjoy the luxury of the hills, you must spend out of your own pockets. Of course you may say you are turning out more work in the hill stations. Well, I am not sure about that. I shall be content with a little less work in the plains. The idea is pernicious. Not only do the Government do this, but the public also follow their vicious example. My Punjab and United Provinces friends may quarrel with me over this motion. I tried my hand at this Resolution last time with very indifferent results. The Government of India goes up to Simla and the Punjab Government also go up, and a number of people belonging to the province also go up. I dare say this is the practice in other hill stations also. By all means let the people who want to go, do so, and spend money from their own pockets. Public money should not be spent on these luxuries. I wish to impress upon the Government of India that at a time like this they should set the example of sacrifice. We are face to face with a national crisis. We are asked to vote 15 crores of new taxation. May I ask what is the self-denying ordinance of the Government of India? We find that the services have been praised for the great work that they have done for the country. Nobody denies this. But when we talk of their sacrificing some of their own personal conveniences, they will not hear of it. Now many young European officers serve in the plains as Collectors and District Magistrates and Deputy Commissioners. They toil and moil in the plains. These gentlemen in the Government Benches were only Collectors the other day. They become Secretaries and Joint Secretaries to Government and go to the hills.

Why cannot they take a month's holiday and go there at their own expense? I submit, Sir, that in ordinary times this move is unnecessary, but in this time of national, financial crisis, it is criminal. With all due reverence, I appeal to His Excellency. It is rather a delicate position for His Excellency now that he is not going to be the head of the Government, but still some indication may be left that there is a public feeling behind this and I wish to voice that public feeling. I say this without casting any reflection whatever. If sacrifice is called for, it is called for not only from the public but also from the Government. Sir, I move.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): Sir, I wish to make my position clear with regard to this motion. If the object of my Honourable leader who has just spoken is to do away with the Simla exodus altogether, I am quite at one with him; but if the motion is meant to stop the migration of only some of the clerks and allow the highly paid officers of the Government of India to move up to the hills, and enjoy themselves, I am not at one with him. The example which my friend wants the Government of India to set should be set by the higher officers of the Government of India. The other day I was reading that the Governor General of New Zealand or some State voluntarily agreed to surrender a portion of his salary, along with the members of his Government at a time of national crisis. I should like if possible an example like this to be set here; but I am opposed to the idea that the poor Indian clerks and chaprasis should be deprived of the pleasure of a little hill allowance, while these big officials would continue to go up to the hills for seven months in the year. So far as the question of holding the Session of the Central Legislature in Simla or Delhi is concerned, I asked some questions during recent years, and the gist of the reply I received was this—that it is more costly for the tax-payer to hold the Session of the Central Legislature in Delhi rather than in Simla. I would ask my Honourable friends whether they are prepared to forego their motor car and conveyance allowances which they get when they are having a session here in Delhi.

Diwan Bahadur T. Rangachariar: With pleasure.

Mr. Gaya Prasad Singh: Then I should like to have a Resolution recorded in this House that non-official Members are prepared to forego the right of bringing their cars and carriages to Delhi. In that case the expenditure in holding the session in Delhi will be considerably lessened. I asked a question on the 23rd January, 1925, and the reply was this, that the expenditure that would have been incurred if the May-June session in 1924 had been held in Delhi would have been Rs. 1,46,207-6-0, and the expenditure which was actually incurred in Simla was Rs. 1,11,570-15-0; so that there would have been an excess of expenditure if the session had been held in Delhi to the tune of Rs. 84,686-7-0.

4 P.M. Now if the September session of 1924 had been held in Delhi, it would have cost Rs. 1,94,122-14-0. The expenditure actually incurred in having the session at Simla was Rs. 1,44,819-4-0, so that the extra expense that would have been incurred if the session would have been held in Delhi would have been Rs. 49,808-10-0.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Would you like to come to Delhi in September?

Mr. Gaya Prasad Singh: Sir, I would like to state that at this time of national crisis, as my Honourable friend has rightly pointed out, sacrifices have to be made; but the whole point of my complaint is this, that he does not want the higher officers of the land to make sacrifices, but he wants to come down only upon the poor Indian clerks and chaprasis.

Diwan Bahadur T. Rangachariar: I am sorry, I did not say that.

Mr. Gaya Prasad Singh: I may state that if my Honourable friend is for doing away altogether with the Simla exodus, I am quite at one with him. Now I find my Honourable friend Mr. Shahani in moving a cut in this Demand said that a few chaprasis in the Viceroy's Household might be reduced. But what would be the amount of saving which would accrue if the number of chaprasis only is reduced? Nothing! (Laughter.) Well, at any rate my Honourable friend referred to a few chaprasis only, and he did not mention any other officers who might be retrenched. So my point is clearly this, and I do not want to be misunderstood. I am opposed to the Simla exodus altogether, and I know that the public wants the Simla exodus to be stopped. But I do not want that the higher officers of the Government should, at the cost of the poor taxpayers, stay in the hills for the greater part of the year while the poor clerks and others alone should be deprived of the relief by way of hill allowance, etc. And what will the big officers in Simla do without their necessary office establishments? This is all I have got to say.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, I have no mind to interfere in the domestic quarrel between the Secretary and the Leader of the Nationalist Party. (Laughter.)

An Honourable Member: It is not a party question at all.

Mr. B. Sitaramaraju: Even if it is not a party question, Sir, I cannot congratulate my Honourable friend from Muzaffarpur in that he could not come to the aid of his leader on this occasion. You know, Sir, that the expense that is involved in this exodus has been found to be enormous, and the country has always been crying out against it. It is also known, Sir, that the Government of India have come to this city, which is the graveyard of empires with its ancient tombs and modern lamp-posts, and has made a bed of their own here, and once, Sir, they have made its bed, I think it is right that it should lie on it. No doubt it is hot during some months of the year, but I am given to understand, Sir, that the Secretariat has got modern equipment, whereby it has the use of what is known as the cooling system. Some of the Departments which are left here are fitted with that system, and it may be possible for the other Departments also to be fitted in the same manner. There is, however, one point to which I wish to draw the attention of the Leader of the Nationalist Party,—that is the wording of his cut wherein he proposes to reduce the period and extent of the Simla exodus. If my information is right, Sir, most of the time is spent in Simla in un-packing and re-packing, and whatever time is left between, the Leader of the Nationalist Party intends to rob the Government of that. Therefore, Sir, if his cut is carried, it will show to the Government that it is not worthwhile to carry all these establishments up to Simla just for the sake of demonstrating this packing and unpacking of things, and for these reasons, Sir, I propose to support the cut moved.

Raja Bahadur G. Krishnamachariar: Sir, I support this cut (Hear, hear) with regard to the Simla exodus. Sir, as I have said before, I am a little old-fashioned man, and I would like to quote a little history in order to support my contention such as it is. In the days of the old Delhi Emperors, Sir, we know they remained down in the plains all the time, suffering all the inconveniences, and they did not carry their Government up to the distant hill stations. Now they could afford to have done all that when there was no Legislative Assembly inquiring into their Budget expenses. Moreover, what do the Indian States do? (Hear, hear.) It may be that we are not so very efficient as these people carrying on the administration in British India, but at least we do carry on

Mr. B. Das: On a point of order, Sir. Can we discuss here the inefficiency or efficiency of Indian States?

Raja Bahadur G. Krishnamachariar: I am only pointing out how public business is carried on in allied countries for the benefit of allied subjects so that that may serve as a precedent for the Government of India to adopt. What I do say is that we do Government work over there—although we may not do it in such a nice fashion—but we do it anyhow and at any rate the business is carried on without much complaint, but we do not go to hill stations. As my friend, Mr. Rangachariar, pointed out, none of the District officials go to the hill stations, and neither do the Judges of the High Courts. And it cannot be said that they work less efficiently. So now, when we can all do that, only the persons who become Members of the Government have got to go to the hills, and, if I may respectfully say so, they do not devote all their time to work there. (Laughter.) Upon that ground, Sir, I support the cut; and I respectfully ask Sir, that this Demand, which has been continuously pressed for nearly sixty years or over, deserves some pity at the hands of the Government and should be decided in favour of the public, and that the exodus should be completely stopped.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, my reverence for the past is at least as intensive as that of the Honourable Member who has just sat down. The Moghuls in their palmy days, Sir—with all due deference to the Honourable Member I may point out—certainly used to go to the cool heights of Kashmir. . . .

An Honourable Member: The Emperor,—not the Government.

Mr. B. V. Jadhav: and on the same analogy, His Excellency the Viceroy must go. He cannot remain here in the plains; he is not like a common mortal. If His Excellency the Viceroy goes, then his Executive Council also must go; and if they go, what can they do without their Secretaries, their Deputy Secretaries, their Under Secretaries and their Assistant Secretaries (*An Honourable Member:* "Drop the whole thing"). And how can these officers alone go without the hundreds and thousands of clerks and others with whom they carry on their important work? Then, what have the poor chaprasis done that they should not have the luxury of going to the hills? So I think it would be much better that the revenues of India should provide for the exodus of the whole town of Delhi. So I think this cut in all seriousness ought to be opposed.

Mr. Muhammad Yamin Khan: Sir, I oppose this cut. Sir, I think we have had sufficiently long debates on this question in the past, and we always came to the conclusion that the Simla exodus is a necessity, not a luxury. (Hear, hear.) Sir, you have to consider the climate of Delhi and its environments, and you have to realise that you can not get so much work put up by a clerk here in Delhi, and you have to realize how much more work that clerk can do at Simla; if you consider that, you will know that you are not asking for real economy but you are asking for a false economy. A man can work in the cool climate of Simla for six or seven hours without injuring his health, whereas you cannot get the same amount of work from him here, even under the breeze of an electric fan. Sir, what will a clerk be doing here? He will be sleeping for the greater part of the day or dosing in his room. When he has to pass his nights in the hot climate, when the hot wind, which we call the *Loo*, is blowing, the poor fellow has got to keep himself awake practically the whole night and consequently you cannot expect from him that amount of work which he ought to do. The result will be that the following day there will be reports from his superior officers about his bad work or no work at all, and he will be sacked. Then there is another thing which ought to be taken into account. About one-third of the staff will be asking for privilege leave in the month of June, another one-third in the month of July and another one-third in the month of August. When these persons are on leave, you will have to pay an extra amount to those who will officiate for them. In any case you will have to pay one-third more salary to the people than you are paying now.

Diwan Bahadur T. Rangachariar: May I ask my Honourable friend if it is so in all the Collectorates which do not move to the hills?

Mr. Muhammad Yamin Khan: If my Honourable friend goes to the Collectorate he will find out for himself what a difference there is in the work done in the Government of India and the Collectorates. I have had experience of both, and I know very well how much work is done in the Collectorates and also the quality of the work. The necessary consequence of a permanent stay in Delhi would be, as I have been saying, that most of the staff would be on privilege leave for one month every year, which you could stop. They would have to do so in order to maintain their health. This money will have to be provided for, which is not needed at the present time to this extent. That, Sir, will increase your expenditure instead of curtailing it, for which purpose you wish to move this cut.

Another factor which must not be lost sight of is the climate of Delhi. From the month of June right up to the middle of November, Delhi is a very malarious place and often cholera also breaks out here.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): Why have they invested then 14 crores of rupees on Delhi?

Mr. Muhammad Yamin Khan: My friend knows why this money was invested: it was not invested with anybody's consent here. Now, if you were to come to New Delhi in the hot weather you would find that in all probability there would not be so many flies in the whole town of Delhi, including perhaps its suburbs, as there would be in New Delhi. Even in the month of February, I have not seen so many flies anywhere

else in Upper India as are to be seen in New Delhi. So, if you compare February with the months of September and October, when there will be plenty of mosquitoes and other kinds of pests, you can imagine what will be the plight of those people who will be asked to stay here. I cannot therefore support this cut.

Mr. C. O. Biswas (Calcutta: Non-Muhammadan Urban): Sir, I do not mind if a few officials of Government are anxious to get away from the flies of New Delhi to the butterflies of Simla, but it is just as well to know what was the opinion which was expressed on this question of exodus by a former Governor of Bengal, Lord Carmichael, who was in Bengal for five years, and during all these five years was migrating to Darjeeling in the Summer. And what was his opinion as a result of five years' stay in Darjeeling? Why, he said, he was convinced that the work which the Government did in Calcutta was ever so much better and more in volume than what was done in Darjeeling. Sir, Government officials do not go to Simla for work. Not that, when they stay in Delhi, they are necessarily over-worked. Here also they have much to occupy them otherwise, but Simla affords a much better place in that way.

The Honourable Sir George Schuster: Sir, it was a question between my Honourable colleague in the Home Department and myself as to who should reply in this case, but I think the debate has taken a purely financial turn and therefore perhaps it lies rather with me than with him to deal with this motion. I entirely agree with those speakers who have taken the view that it is no use discussing half measures on this subject. If it were possible for the whole of the Government of India to stay at Delhi the whole year round, then there might be something in the idea which we have had discussed. It might then be possible to effect an economy and I have no doubt it would set a very laudable example to the rest of India. But, Sir, is that a practical possibility? I have formed the belief myself, from what I have heard said here both in the course of this debate and in private conversations at various times, that nobody would really put that forward as a practical possibility. However unfortunate it may be that the Headquarters of the Government of India are at Delhi only for a part of the year, and however unfortunate it may be that the Government of India have to incur the double expense of maintaining two Headquarters, I think no one would seriously suggest that the work could be efficiently done if the Government stayed here for the whole year round. It has been mentioned to me while this debate was going on that there are a great number of practical examples showing what objection there is felt to working at Delhi throughout the hot weather. For instance, recently an important committee largely composed of Members of this House, from the un-official Benches, I mean the "Age of Consent" Committee, when it had to do work in the months of April and May, flatly refused to do its work at Delhi. I am told it would not even go to Dehra Dun, but it insisted on going to Mussoorie. That, Sir, whatever the rights and wrongs of it, is a practical illustration of what are the practical considerations in this case.

Now, Sir, as regards the half measures that have been suggested, I am not quite certain whether my Honourable friend the Leader of the Opposition, in making his motion, intended to lay chief weight on reducing the numbers that move up to Simla or reducing the period of the stay at Simla. An experiment has already been made in reducing the numbers

[Sir George Schuster.]

that go to Simla, and I am told that it was completely unsuccessful and led to great loss of efficiency and was universally condemned as a failure. As regards lengthening the period of the stay at Delhi, it may be that that would be regarded as a good example in the rest of India and would also indicate that the Government of India were prepared to make sacrifices. But I would ask if there is any real value in that sort of sacrifice, if there is no financial advantage in it. It would merely result in a certain amount of self-mortification and discomfort. As a matter of fact, we have this year gone very carefully into the possibility of reducing the move to Simla in either direction and we have considered whether any substantial economy could be achieved thereby. The result was almost entirely negative. But if my Honourable friend thinks that there is something in it and if he will put down a question and ask for exact information as to what would be involved and what saving could be effected if the move to Simla were stopped, I shall be very pleased to do my best to supply him with that information. Or, if whatever Retrenchment Committee is set up wishes to go into this question, then again, they will have every possible opportunity for doing so. I can only inform the House that, as a result of our careful investigation, we came to the conclusion that any modification of the present plans would really be false economy. That, Sir, is I think all that I need say on the subject. This motion came up in connection with the vote for the staff, house-hold and allowances of the Governor General, but it has strayed into a much wider field, and therefore, I would only like to say this about the particular Demand in connection with which it is moved, because something was said also of the desirability of sacrifices being made in the highest quarters. I would only like to inform the House of this, that I have had a good deal of discussion with His Excellency on this question and he has been devoting his personal attention to ways and means in which economies might be effected, but I am sure, Honourable Members will appreciate his position which is in this respect an extremely difficult one, in that he can hardly be expected to commit his successor to any drastic changes in the practice which has prevailed hitherto. But, as was pointed out by my Honourable friend Mr. Jog, a member of the Standing Finance Committee, when a case recently came up where it was necessary, owing to the move to the new Viceroy's House to increase the provision for the upkeep of furniture and for the maintenance of the garden above what had been necessary in the old Viceregal Lodge and when the Standing Finance Committee expressed the view that the increased provision asked for was out of all proportion to the economy which was necessary this year, I may inform the House that, as soon as that was brought to the attention of His Excellency, he gave orders that the increase should be cut down to the minimum possible limit which could be maintained without ruining the work which had already been done; so that I do not think this House can complain that there has been any lack of attention to the economy which they desire in respect of this particular Demand. Sir, on general grounds which I have explained, I must oppose this cut.

Diwan Bahadur T. Rangachariar: I may say at once that I am thoroughly dissatisfied with the reply given by the Honourable Member, and I knew that would be the answer which I would get. I knew also that my Honourable friends like Mr. Gaya Prasad Singh would also raise an opposition, because nobody wants to be deprived when you can live well at other

people's expense and they will say, "Well, this is necessary and that is necessary, efficiency will suffer if you do not do this or if you do not do that. You cannot effect economy in this way or that way. Either the whole lot should go or nothing at all". When my Honourable friend the Finance Member says thus, my learned friend behind me cries, hear, hear, and he knows perfectly well that nobody would advocate that there should be no exodus at all for some months in the year. My learned friend says, "If you totally abolish the exodus, I am at one with you, but if it is partial abolition, I am not at one with you". I fail to see the logic of this argument except it be that he has the firm conviction that next Autumn there will be the Simla Session and he can go there.

Then, Sir, the other cry is raised, "Look at the poor Indian clerks and the chaprasis; why should they be deprived of this luxury of going to Simla?" Well, Sir, that is not an argument I can appreciate. Either you are sincere in your desire for retrenchment or you are not. We have been crying ourselves hoarse in this House for the last few days that there should be retrenchment here and there should be retrenchment there, and the usual objection taken is that by your policy of retrenchment, it is the poor Indian subordinates and chaprasis who will suffer. I have no mercy in that way, if retrenchment is indeed in the interest of the financial stability of India, and in order to prevent new taxation. That is not the sort of argument we should lightly yield to. My Honourable friend Mr. Yamin Khan spoke of his experiences. I do not know whether he is a practising Barrister,

An Honourable Member: Yes.

Diwan Bahadur T. Rangachariar: Do the Sessions Judges and do the District Magistrates go to hill stations, and does my Honourable friend reject briefs during those hot months of the year if he has to appear before those Sessions Judges and District Magistrates who live in the plains? My Honourable friends from Calcutta, the commercial magnates of Bombay and Calcutta, do they give up their business during the hot months? Do they say that their business is not well done during the hot months by living in the plains? If we can manage our business in the same way as the commercial gentlemen do in this country, we can congratulate ourselves. It is only when interested persons judge of things, they always find arguments to support the bad things they want to tolerate. Let an impartial committee go into this question whether you can really effect economy or not by reducing the period, by reducing the extent and by reducing the number of people you take. Let it not be your own committees which sit on such questions. Of course you have got your own clerks, you have got your own Superintendents, Deputy Secretaries, Joint Secretaries and Secretaries who will only put up their notes in a particular way so as to draw favourable conclusions. They will only put up those rules which are favourable to them. Let an impartial committee go into this question.

The Honourable Sir George Schuster: That is exactly what I said to my Honourable friend.

Diwan Bahadur T. Rangachariar: I want an impartial committee outside the Secretariat. That is what I want. Let us go into that question thoroughly. Let me ask my Honourable friends from Calcutta to go into

[Diwan Bahadur T. Rangachariar.]

that question. They know this thing perfectly well. It is all easy to suggest such arguments as have been advanced by my Honourable friend Mr. Yamin Khan. Does he expect to be seriously taken when he tells me that work is better done and more efficient work is done up in Simla than in Delhi? I have got my own house in the hill station in my own province. I go there at my own expense. I roam about the hills. I inhale as much fresh air as possible. I take as many sun-baths as I can. I enjoy all the amusements, I go to the theatres, I go to the dances and the balls and other things. Sir, it is all very well to talk of more efficient work on the hills; but I do not believe it. In practice it is not so. It will be doing scant justice to those honourable men to say that they will not do as much work here in the plains as they do in the hills. No Collector will be told that he is doing less work because he is in the plains. Collectors of districts have got more arduous task and they do it with pleasure. Does anybody complain that the work in the plains is not well done? Well, Sir, these arguments are simply begging the question. I do not believe them. Sir, it is not my intention to press this matter to a division, but I do submit that this sort of easy handling cannot convince anybody. No doubt my Honourable friends Mr. Gava Prasad Singh and others are very anxious to go to the hill station at other people's expense. Let me see if they will go to a hill station at their own expense for months together.

Mr. Gaya Prasad Singh: You have got a motor car up here in Delhi at other people's expense?

Diwan Bahadur T. Rangachariar: Well, Sir, this sort of argument will not weigh. It is a great national question. It has been said that if the Governor General goes to the hills, all the Members of the Council should go. That is not so in Madras. The Governor no doubt stays in the hills, but the Members of the Council come down after three months stay in the hills; and nobody has complained that work was not well done in the plains after they came down after such a short stay in the hills. All the Secretaries come down to the plains. It is easy to set up bogus arguments like these, namely, that efficiency will suffer and so on. Sir, I do not accept the weight of these. This year, at any rate, why should there not be a reduction in the period of their stay? Why should there not be a reduction in the volume of people which you take? It is opposed to all common sense to believe you when you say that either you should all go, or if you reduce the number of people, you can not save any money. It requires most careful investigation to accept an argument of that sort or a conclusion of that sort. *Prima facie* it appears unsound to ordinary people. It cannot be that if you reduce the number of people whom you take, you cannot save any money. If you were taking, say, 100 people formerly, and if you now take only 50 people, this time, you save travelling allowances, bill allowances, the extra pay they get in the hills and so on. How can it be that you cannot save anything if you take a less number of people? I cannot understand that argument. I therefore press it upon the attention of the Government that it is a matter which requires investigation. If the Government really believe in what they say, let them appoint an outside committee to go into this question and see what economies can be effected in a matter of this kind. Having regard to the nature of the motion, as it is a motion or a request to His Excellency the Governor

General to cut down his expenses, I do not think it would be fair for me to press this motion to a division, and I therefore beg leave to withdraw the motion.

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

Request to the Viceroy for some Voluntary Surrender of Emoluments for the Needed Retrenchment.

Mr. S. C. Shahani: Sir, I beg to move :

"That the Demand under the head 'Staff, Household and Allowances of the Governor General' be reduced by Rs. 100."

My object in proposing this token cut is twofold. My first object is to draw the attention of the Honourable Members and of the public to the fact that we are not allowed to concern ourselves with the total expenditure that is being incurred in connection with the Government of India. If you will kindly look into the expenditure from 1930-31, you will find that, of this expenditure, only about 44 crores are submitted to the vote of this House and that about 120 crores are non-voted.

(At this stage Mr. President vacated the Chair which was taken by Rai Sahib Harbilas Sarda.)

According to me this is an absurdly futile procedure. I should make a request to the Honourable the Finance Member to explain why this procedure is adopted. It is according to me a most amazing procedure. You make a show of referring the expenditure of the Government of India to the consideration of the House, but really out of this huge expenditure you make only 44 crores votable and the rest non-votable.

My second object in proposing this token cut is to induce, if I can, some voluntary surrender of his emoluments from the Governor General, who would, by so doing, be setting a very good example. I find in scrutinizing the Budget of the Government of India and the explanatory notes on the Demands that one frequently encounters 3, 4, and 5 thousand rupees (the highest being 20 thousand) as the salaries of the different officers entrusted with the administration of the Government of India. If you compare the allowance of His Excellency the Viceroy with the allowance of the Premier of England, you find that there is a tremendous difference. The Premier is not allowed more than £5,000 a year, and surely there is no reason why the representative of the King-Emperor here should draw more. With these words, Sir, I move my token cut.

Mr. C. C. Biswas: Sir, I am very glad that my Honourable friend has brought forward this motion. For the last few days we have been suggesting retrenchment in salaries. But, I am afraid that my Honourable friend the Finance Member has throughout missed the point involved in this demand for retrenchment. It is not so much because the proposed cuts in salaries would bring in a substantial saving in expenditure that we ask for it, but we are asking for it as a sort of gesture from the Government, a gesture which would no doubt have a tremendous effect upon the people outside. I need not labour this point, but I will only place before the House an extract from the *Economist* of London of the 10th

[Mr. C. C. Biswas.]

January, 1931. Referring to a similar proposal for a cut in the salaries of the Members of the British Cabinet, it said this :

"There is one great contribution which the Government can make, and that is one of leadership and example. We would have the Cabinet start the ball rolling in the right direction by making a cut in their own salaries and those of all public servants from the very top downward in a system of fair graduation. Our reason for advocating this step is not that our statesmen are over-paid, but because the psychological effect of such a gesture would be incalculable."

That is, Sir the spirit in which we have been demanding this retrenchment.

The Honourable Sir George Schuster: Sir, as regards the precise motion which is before the House I think Honourable Members will appreciate from what I said in speaking on the last cut that it is an extremely inappropriate one. So far as it affects His Excellency the Governor General himself he clearly cannot at this moment make a gesture, however much he might wish to do so, which would really be a gesture made on behalf of his successor. I am sure that all Honourable Members will appreciate that and will not wish me to say any more on the subject.

(At this stage Mr. President resumed the Chair.)

Sir, when my Honourable friend who supported this motion talked about making gestures, I should like to say this. It is very easy to make gestures of that kind and to earn a certain amount of cheap applause. But those who are making these gestures have got to consider what the effect might be on others who might be committed to some course in order to follow suit with them. Those are considerations which must weigh with us who are asked to set an example of this kind. I have dealt with the question of a general reduction in salaries fully in my Budget speech and therefore I do not intend to enter again upon that subject now. I will content myself with opposing the cut on the ground which I stated at the outset. I wish to treat it solely from the point of view of what the actual effect of this particular motion would be, and I repeat that that effect is one which I am sure this House could not seriously support. The effect, as I have tried to point out, is typical of wider issues, but for the moment I content myself with dealing with that particular effect alone and oppose the cut on those grounds.

Mr. S. O. Shahani: Sir, I have always heard with interest the assurance given and repeated to the Honourable Members of this House by the Finance Member that he has applied the knife to the expenditure of the Government of India and stripped it to the very bone, and that he cannot apply the knife any further without endangering the very being of the Government of India. I have however felt that his manner of thought is radically different to my own and probably to that of many Honourable Members of this House. I have already explained the twofold object with which I have proposed this cut. I was not able to follow what the Honourable Member said with regard to my second object, namely, to understand why so much of the expenditure incurred on the Government of India should be non-votable. I find that 78 per cent, and more of the

expenditure is non-votable and only about 26 per cent. is votable. I probably did not hear the answer made, but if the Honourable Member gives an answer on the occasion of the Finance Bill it would do for my purposes.

Mr. H. Shankar Rau: Sir, I will answer that if I may.

Mr. President: The Honourable the Finance Member has already replied and I cannot therefore permit the Honourable Member to speak now.

The question is:

"That the Demand under the head 'Staff, Household and Allowances of the Governor General' be reduced by Rs. 100."

Mr. S. C. Sahani: Sir, I have no intention of pressing this motion to a division and I therefore beg leave of the House to withdraw it.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 4,06,000 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, 1932, in respect of 'Staff, Household and Allowances of the Governor General'."

The motion was adopted.

DEMAND No. 29—COUNCIL OF STATE.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 90,000 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, 1932, in respect of the 'Council of State'."

The motion was adopted.

DEMAND No. 30—LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 7,47,000 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, 1932, in respect of the 'Legislative Assembly and Legislative Assembly Department'."

Quarters for Members not Free.

Mr. Badri Lal Bastogi: Sir, I beg to move:

"That the Demand under the head 'Legislative Assembly and Legislative Assembly Department' be reduced by Rs. 100."

In my opinion it is a direct and down right insult to the Members of the Assembly when they are not provided with free quarters to live in even when they come to attend the Session. To tell the truth, people are taken aback when they come to know that Members have to pay for the

[Mr. Badri Lal Rastogi.]

quarters given to them; rather they complain against the Government that so much money is spent on such and such a thing, but still the Members do not get free quarters to live in. I therefore appeal to the Honourable Member in charge to see to it, so that the insults which the Members have to pocket sometimes may be got over. With these words I move my motion.

Mr. S. G. Jog: Sir, without giving any reasons I oppose the motion.

Diwan Bahadur T. Rangachariar: I very heartily oppose this motion. I am surprised, after my Honourable friend has been doing all that he has done during the last week, that he should have ventured to move a cut like this. Why should we have quarters free? We get allowances and why should we not pay some of the allowances for the quarters? We occupy the houses and live in them and use them. On the other hand my complaint is that they do not levy enough rent perhaps. Sir, I oppose the motion.

Mr. C. C. Biswas: We all oppose it.

Mr. J. A. Shillidy: Sir, it seems rather unnecessary for me to say anything in view of the general opposition.

Mr. Badri Lal Rastogi: I beg leave to withdraw my motion.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 7,47,000 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, 1932, in respect of the 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

DEMAND No. 31—FOREIGN AND POLITICAL DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 9,14,000 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, 1932, in respect of 'Foreign and Political Department'."

Practical Exclusion of Indians from the Foreign and Political Department.

Mr. B. Sitaramaraju: I move, Sir:

"That the Demand under the head 'Foreign and Political Department' be reduced by Rs. 1,000."

In moving this motion, I wish to draw the attention of this House to the fact that this is one of those services in which we do not find Indians occupying responsible posts in the service. We know that even in the high born order, the Indian Civil Service, we find Indians; but even those Indians who are in that service do not find a place in the service as Residents and the like in this Foreign and Political Department. We know also that it is possible that an Indian Civil Servant could occupy one of

those seats on the Treasury Benches and discharge his responsible duties, and yet when it comes to even a lower position like that of a Resident in a Native State, we do not find him occupying it. In this connection I wish to draw the attention of the House to the fact that some European powers

Mr. J. G. Acheson (Foreign Secretary): I cannot hear the Honourable Member. Will he please speak up?

Mr. B. Sitaramaraju: I was saying, there are some European powers who are admitting into the diplomatic service of the country their coloured subjects, and my information is that even on the borders of our own country at the present day, in the Kingdom of Afghanistan, in one of the Consulates there is a coloured subject employed by an European power. But the Government of India, Sir, do not place that confidence which the European powers are placing in their coloured subjects, in us and in our own country. It is said that the Indian Princes do not favour the Indian element in this service but prefer Europeans. I am given to understand that during the discussions at the Round Table Conference, the Indian Princes made it pretty plain that it was just the other way round, and that they would rather have the Indians than others. Therefore, Sir, it is high time that this discrimination was done away with and Indians should be largely employed in the Foreign and Political Department. With these few words, I place my motion before the House.

Diwan Bahadur T. Rangachariar: Sir, I heartily support this motion. I also take this opportunity to stand up now before the guillotine falls to draw the attention of the Government to the wholly inadequate time which is allotted to us to discuss the Budget. When the time for passing the Finance Bill comes, I daresay the Honourable the Finance Member will tell us, as other Finance Members have told us, that we have passed the Budget, there is a deficit to fill, there is a gap to fill up, and therefore with all these non-votable items, two-thirds of which are non-votable and with the insufficient time allotted to us, my Honourable friend will say "the Budget has been passed by the Legislature and now give me the supplies". Sir, I wish to refute the logicity of that statement and also the fictitious nature of the passing of this Budget. With these few words I support the present motion.

Sir Abdur Rahim (Calcutta and Suburbs: Muhamminadan Urban): Sir, I wish also to support the motion moved by my friend, Mr. Raju. It has a great significance in so far as the status of Indians is concerned. There is really no reason whatever why Indians should be practically excluded from the Foreign and Political service of the Government of India. I am absolutely sure that, if they were trusted, as they ought to be, they would be able to discharge their duties as satisfactorily as members of any other race. I take it, Sir, that under the new constitution, which I hope will soon be inaugurated, all this distrust and suspicion will be done away with, and I hope that as an earnest of that, the Government of India will make a new departure in this respect.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, I would just like to say that I brought this matter to the notice of the Round Table Conference in the Services Sub-Committee. The point I made was that, while it might be generally recognised that the Foreign and Political Department might be a reserved subject for a number of

[Mr. H. P. Mody.]

years, it was very essential that Indians should occupy responsible positions in these Departments, so that if and when the time came, they would be in a position to run the Department. I was given to understand by one of the Secretaries present that the policy of Indianisation had already been embarked upon and that there were several Indians in the Foreign and Political Department.

Mr. Gaya Prasad Singh: How many Indians are there in the Cipher Branch?

Mr. H. P. Mody: All I am suggesting here is that the Government should indicate to us exactly what is the strength of Indians in this Department in the superior posts, and what their policy is so that this House may be in a position to know how to vote on this question.

Mr. J. G. Acheson: Sir, I am very glad to supply the information which the last speaker has asked for, but before doing so, I should like to dispel the idea that there is any reason whatever for the accusation of lack of trust of Indians in the Department. On the contrary, many of our most trusted and most respected officers are, I am glad to say, Indians.

As regards the recruitment to this service, under the Lee Commission's recommendations we are expected to recruit Indians up to 25 per cent., and that policy has been scrupulously followed ever since the time of the Lee Commission. That, Sir, is, I think, a sufficient answer to the allegation that there is a policy of practical exclusion of Indians from this service. The selection is, as Honourable Members are well aware, in the hands of His Excellency the Viceroy; it is a very strict selection, and it is carried on under the personal supervision of His Excellency the Viceroy, who is the head of the Department. It is restricted to the I. C. S., the Indian Army, and in very exceptional circumstances, to the Provincial Civil Service. The total number of applications from Indian candidates received since the Department was thrown open to Indians is as follows:

I. C. S.—5, of whom two were selected, two rejected, and one died before appointment.

Indian Army.—17, of whom 10 were selected, five rejected and two are on the waiting list.

Provincial Civil Service.—24 (13 selected, 5 rejected and 6 are on the waiting list).

Then as regards the employment of Indians abroad, to which the Honourable the Mover of the motion referred, I may say that I have not got the figures at my finger's ends, but there are a number of Indians who have in the past held responsible consular positions abroad, and shortly I hope there will be two more.

Mr. Gaya Prasad Singh: How many Indians are there in the Cipher Bureau?

Mr. J. G. Acheson: I should like to have notice of that question.

Diwan Bahadur T. Rangaohariar: Does the term "Indians" to which the Honourable Member has just referred, include statutory Indians also?

Mr. J. G. Acheson: That is rather beyond me. I meant Indians in the ordinary sense of the term.

Mr. B. Sitaramaraju: Is there a single Indian as Resident or Agent in any single Indian State?

Sir, though I am not satisfied with the reply given by the Honourable Member in charge, I do not wish to press this cut to a division, and with your permission I should like to withdraw it.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 9,14,000 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, 1932, in respect of 'Foreign and Political Department'."

The motion was adopted.

DEMAND NO. 32—HOME DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move.

"That a sum not exceeding Rs. 6,93,000 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, 1932, in respect of the 'Home Department'."

The motion was adopted.

DEMAND NO. 33—PUBLIC SERVICE COMMISSION.

Mr. President: The question is:

"That a sum not exceeding Rs. 94,000 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, 1932, in respect of 'Public Service Commission'."

The motion was adopted.

DEMAND NO. 34—LEGISLATIVE DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,41,000 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, 1932, in respect of 'Legislative Department'."

The motion was adopted.

DEMAND NO. 35—DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,08,000 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, 1932, in respect of 'Department of Education, Health and Lands'."

The motion was adopted.

DEMAND No. 36—FINANCE DEPARTMENT.

Mr. President: The question is :

“That a sum not exceeding Rs. 10,77,000 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, 1932, in respect of ‘Finance Department’.”

The motion was adopted.

DEMAND No. 37—SEPARATION OF ACCOUNTS FROM AUDIT.

Mr. President: The question is :

“That a sum not exceeding Rs. 15,27,000 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, 1932, in respect of ‘Separation of Accounts from Audit’.”

The motion was adopted.

DEMAND No. 38—COMMERCE DEPARTMENT.

Mr. President: The question is :

“That a sum not exceeding Rs. 3,47,000 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, 1932, in respect of ‘Commerce Department’.”

The motion was adopted.

DEMAND No. 40—DEPARTMENT OF INDUSTRIES AND LABOUR.

Mr. President: The question is :

“That a sum not exceeding Rs. 5,05,000 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, 1932, in respect of ‘Department of Industries and Labour’.”

The motion was adopted.

DEMAND No. 41—CENTRAL BOARD OF REVENUE.

Mr. President: The question is :

“That a sum not exceeding Rs. 1,70,000 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, 1932, in respect of ‘Central Board of Revenue’.”

The motion was adopted.

DEMAND No. 42—PAYMENTS TO PROVINCIAL GOVERNMENTS ON ACCOUNT OF ADMINISTRATION OF AGENCY SUBJECTS.

Mr. President: The question is :

“That a sum not exceeding Rs. 87,000 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, 1932, in respect of ‘Payments to Provincial Governments on account of Administration of Agency subjects’.”

The motion was adopted.

DEMAND No. 43—AUDIT.

Mr. President: The question is:

“That a sum not exceeding Rs. 89,14,000 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, 1932, in respect of ‘Audit’.”

The motion was adopted.

DEMAND No. 44—ADMINISTRATION OF JUSTICE.

Mr. President: The question is:

“That a sum not exceeding Rs. 55,000 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, 1932, in respect of ‘Administration of Justice’.”

The motion was adopted.

DEMAND No. 45—POLICE.

Mr. President: The question is:

“That a sum not exceeding Rs. 1,96,000 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, 1932, in respect of ‘Police’.”

The motion was adopted.

DEMAND No. 46—PORTS AND PILOTAGE.

Mr. President: The question is:

“That a sum not exceeding Rs. 13,17,000 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, 1932, in respect of ‘Ports and Pilotage’.”

The motion was adopted.

DEMAND No. 47—LIGHTHOUSES AND LIGHTSHIPS.

Mr. President: The question is:

“That a sum not exceeding Rs. 12,82,000 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, 1932, in respect of ‘Lighthouses and Lightships’.”

The motion was adopted.

DEMAND No. 48—SURVEY OF INDIA.

Mr. President: The question is:

“That a sum not exceeding Rs. 33,43,000 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, 1932, in respect of ‘Survey of India’.”

The motion was adopted.

DEMAND No. 49—METEOROLOGY.

Mr. President: The question is:

"That a sum not exceeding Rs. 20,49,000 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, 1932, in respect of 'Meteorology'."

The motion was adopted.

DEMAND No. 50—GEOLOGICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,37,000 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, 1932, in respect of 'Geological Survey'."

The motion was adopted.

DEMAND No. 51—BOTANICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,54,000 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, 1932, in respect of 'Botanical Survey'."

The motion was adopted.

DEMAND No. 52—ZOOLOGICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,54,000 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, 1932, in respect of 'Zoological Survey'."

The motion was adopted.

DEMAND No. 53—ARCHÆOLOGY.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,74,000 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, 1932, in respect of 'Archæology'."

The motion was adopted.

DEMAND No. 54—MINES.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,40,000 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, 1932, in respect of 'Mines'."

The motion was adopted.

DEMAND No. 55—OTHER SCIENTIFIC DEPARTMENTS.

Mr. President: The question is :

“That a sum not exceeding Rs. 3,24,000 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, 1932, in respect of ‘Other Scientific Departments.’”

The motion was adopted.

DEMAND No. 56—EDUCATION.

Mr. President: The question is :

“That a sum not exceeding Rs. 18,72,000 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, 1932, in respect of ‘Education.’”

The motion was adopted.

DEMAND No. 57—MEDICAL SERVICES.

Mr. President: The question is :

“That a sum not exceeding Rs. 6,90,000 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, 1932, in respect of ‘Medical Services.’”

The motion was adopted.

DEMAND No. 58—PUBLIC HEALTH.

Mr. President: The question is :

“That a sum not exceeding Rs. 12,07,000 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, 1932, in respect of ‘Public Health.’”

The motion was adopted.

DEMAND No. 59—AGRICULTURE.

Mr. President: The question is :

“That a sum not exceeding Rs. 12,83,000 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, 1932, in respect of ‘Agriculture.’”

The motion was adopted.

DEMAND No. 60—IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

Mr. President: The question is :

“That a sum not exceeding Rs. 7,01,000 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, 1932, in respect of ‘Imperial Council of Agricultural Research Department.’”

The motion was adopted.

DEMAND No. 61—CIVIL VETERINARY SERVICES.

Mr. President: The question is:

"That a sum not exceeding Rs. 7,41,000 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, 1932, in respect of 'Civil Veterinary Services'."

The motion was adopted.

DEMAND No. 62—INDUSTRIES.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,74,000 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, 1932, in respect of 'Industries'."

The motion was adopted.

DEMAND No. 63—AVIATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 31,40,000 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, 1932, in respect of 'Aviation'."

The motion was adopted.

DEMAND No. 64—COMMERCIAL INTELLIGENCE AND STATISTICS.

Mr. President: The question is:

"That a sum not exceeding Rs. 5,23,000 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, 1932, in respect of 'Commercial Intelligence and Statistics'."

The motion was adopted.

DEMAND No. 65—CENSUS.

Mr. President: The question is:

"That a sum not exceeding Rs. 31,13,000 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, 1932, in respect of 'Census'."

The motion was adopted.

DEMAND No. 66—EMIGRATION—INTERNAL.

Mr. President: The question is:

"That a sum not exceeding Rs. 36,000 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, 1932, in respect of 'Emigration—Internal'."

The motion was adopted.

DEMAND No. 67—EMIGRATION—EXTERNAL.

Mr. President: The question is:

“That a sum not exceeding Rs. 2,03,000 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, 1932, in respect of ‘Emigration—External’.”

The motion was adopted.

DEMAND No. 68—JOINT STOCK COMPANIES.

Mr. President: The question is:

“That a sum not exceeding Rs. 1,16,000 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, 1932, in respect of ‘Joint Stock Companies’.”

The motion was adopted.

DEMAND No. 69—MISCELLANEOUS DEPARTMENTS.

Mr. President: The question is:

“That a sum not exceeding Rs. 6,21,000 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, 1932, in respect of ‘Miscellaneous Departments’.”

The motion was adopted.

DEMAND No. 70—INDIAN STORES DEPARTMENT.

Mr. President: The question is:

“That a sum not exceeding Rs. 6,42,000 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, 1932, in respect of ‘Indian Stores Department’.”

The motion was adopted.

DEMAND No. 71—CURRENCY.

Mr. President: The question is:

“That a sum not exceeding Rs. 48,38,000 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, 1932, in respect of ‘Currency’.”

The motion was adopted.

DEMAND No. 72—MINT.

Mr. President: The question is:

“That a sum not exceeding Rs. 26,53,000 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, 1932, in respect of ‘Mint’.”

The motion was adopted.

DEMAND No. 73—CIVIL WORKS.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,26,40,000 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, 1932, in respect of 'Civil Works'."

The motion was adopted.

DEMAND No. 74—SUPERANNUATION ALLOWANCES AND PENSIONS.

Mr. President: The question is:

"That a sum not exceeding Rs. 41,66,000 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, 1932, in respect of 'Superannuation Allowances and Pensions'."

The motion was adopted.

DEMAND No. 75—STATIONERY AND PRINTING.

Mr. President: The question is:

"That a sum not exceeding Rs. 62,57,000 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, 1932, in respect of 'Stationery and Printing'."

The motion was adopted.

DEMAND No. 76—MISCELLANEOUS.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,09,000 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, 1932, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND No. 77—REFUNDS.

Mr. President: The question is:

"That a sum not exceeding Rs. 70,78,000 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, 1932, in respect of 'Refunds'."

The motion was adopted.

DEMAND No. 79—BALUCHISTAN.

Mr. President: The question is:

"That a sum not exceeding Rs. 31,27,000 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, 1932, in respect of 'Baluchistan'."

The motion was adopted.

DEMAND No. 80—DELHI.

Mr. President: The question is:

“That a sum not exceeding Rs 43,69,000 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, 1932, in respect of ‘Delhi’.”

The motion was adopted.

DEMAND No. 81—AJMER-MERWARA.

Mr. President: The question is:

“That a sum not exceeding Rs. 16,97,000 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, 1932, in respect of ‘Ajmer-Merwara’.”

The motion was adopted.

DEMAND No. 82—ANDAMANS AND NICOBAR ISLANDS.

Mr. President: The question is:

“That a sum not exceeding Rs. 40,08,000 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, 1932, in respect of ‘Andamans and Nicobar Islands’.”

The motion was adopted.

DEMAND No. 83—RAJPUTANA.

Mr. President: The question is:

“That a sum not exceeding Rs. 5,55,000 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, 1932, in respect of ‘Rajputana’.”

The motion was adopted.

DEMAND No. 84—CENTRAL INDIA.

Mr. President: The question is:

“That a sum not exceeding Rs. 5,66,000 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, 1932, in respect of ‘Central India’.”

The motion was adopted.

DEMAND No. 85—HYDERABAD.

Mr. President: The question is:

“That a sum not exceeding Rs 3,19,000 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, 1932, in respect of ‘Hyderabad’.”

The motion was adopted.

DEMAND No. 86—EXPENDITURE IN ENGLAND—SECRETARY OF STATE FOR INDIA.

Mr. President: The question is:

“That a sum not exceeding Rs. 16,38,000 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, 1932, in respect of ‘Expenditure in England—Secretary of State for India.’”

The motion was adopted.

DEMAND No. 87—EXPENDITURE IN ENGLAND—HIGH COMMISSIONER FOR INDIA.

Mr. President: The question is:

“That a sum not exceeding Rs. 33,54,000 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, 1932, in respect of ‘Expenditure in England—High Commissioner for India.’”

The motion was adopted.

B.—Expenditure charged to Capital.

DEMAND No. 88—CAPITAL OUTLAY ON SECURITY PRINTING.

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, 1932, in respect of ‘Capital Outlay on Security Printing.’”

The motion was adopted.

DEMAND No. 89—FOREST CAPITAL OUTLAY.

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, 1932, in respect of ‘Forest Capital Outlay.’”

The motion was adopted.

DEMAND No. 90—IRRIGATION.

Mr. President: The question is:

“That a sum not exceeding Rs. 64,000 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, 1932, in respect of ‘Irrigation.’”

The motion was adopted.

DEMAND No. 91—INDIAN POSTS AND TELEGRAPHS.

Mr. President: The question is:

“That a sum not exceeding Rs. 33,09,000 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, 1932, in respect of ‘Indian Posts and Telegraphs.’”

The motion was adopted.

DEMAND No. 92—INDO-EUROPEAN TELEGRAPHS.

Mr. President: The question is:

“That a sum not exceeding Rs. 58,17,000 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, 1932, in respect of ‘Indo-European Telegraphs’.”

The motion was adopted.

DEMAND No. 93—CAPITAL OUTLAY ON CURRENCY NOTE PRESS.

Mr. President: The question is:

“That a sum not exceeding Rs. 5,000 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, 1932, in respect of ‘Capital Outlay on Currency Note Press’.”

The motion was adopted.

DEMAND No 94—CAPITAL OUTLAY ON VIZAGAPATAM HARBOUR.

Mr. President: The question is:

“That a sum not exceeding Rs. 43,15,000 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, 1932, in respect of ‘Capital Outlay on Vizagapatam Harbour’.”

The motion was adopted.

DEMAND No. 95—CAPITAL OUTLAY ON LIGHTHOUSES AND LIGHTSHIPS.

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, 1932, in respect of ‘Capital Outlay on Lighthouses and Lightships’.”

The motion was adopted.

DEMAND No. 96—COMMUTED VALUE OF PENSIONS.

Mr. President: The question is:

“That a sum not exceeding Rs. 29,80,000 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, 1932, in respect of ‘Commuted Value of Pensions’.”

The motion was adopted.

DEMAND No. 97—NEW CAPITAL AT DELHI.

Mr. President: The question is:

“That a sum not exceeding Rs. 21,63,000 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, 1932, in respect of ‘New Capital at Delhi’.”

The motion was adopted.

C.—Disbursement of Loans and Advances.

DEMAND No. 98—INTEREST-FREE ADVANCES.

Mr. President: The question is:

“That a sum not exceeding Rs. 79,29,000 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, 1932, in respect of ‘Interest-free Advances’.”

The motion was adopted.

DEMAND No. 99—LOANS AND ADVANCES BEARING INTEREST.

Mr. President: The question is:

“That a sum not exceeding Rs. 8,36,41,000 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, 1932, in respect of ‘Loans and Advances bearing Interest’.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 16th March, 1981.