

9th March 1921

THE
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

FIRST SESSION
OF THE
LEGISLATIVE ASSEMBLY, 1921



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(Second Stage).

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LEGISLATIVE ASSEMBLY.

Wednesday, 9th March 1921.

The Assembly met in the Assembly Chamber at Eleven of the Clock. The Honourable the President was in the Chair.

MEMBER SWORN:

11 A.M. Mr. Mahomed Ali Hajeebhoy, M.L.A.

STATEMENT LAID ON THE TABLE.

Mr. H. Sharp: Sir, I beg to lay on the table the information promised in reply to a question by Beohar Raghubir Sinha on the 17th February* 1921, regarding the withdrawal of students from Government and Government aided colleges and the number of pleaders who have suspended their practice in pursuance of the Indian National Congress Non-co-operation Resolution.

Statement showing official information regarding the number of students who have so far withdrawn themselves from Government and Government aided colleges and the number of pleaders who have suspended their practice in pursuance of the Indian National Congress Non-co-operation Resolution.

Presidency or Province.	Number of students who have withdrawn.	Number of pleaders who have suspended practice.	REMARKS.
Madras	Not exceeding 40.	No instance officially reported.	
Bombay	†	23	† Absentees, mostly due to non-co-operation, from Government aided or recognised colleges, number 241. This figure is not quite complete.
Bengal	115†	9	† Including 17 expelled from Dacca College.
United Provinces	340	5	
Punjab	25	17	
Burma	509	Nil	
Bihar and Orissa	198	13§	§ This figure is probably incomplete.
Central Provinces	155	30	
Assam	1	1	Excluding 56 absentees.
North-West Frontier Province	Nil	Nil	
Coorg	Nil	Nil	
Delhi	22	Nil	
Administered Areas	54¶	1	¶ Excluding 2 absentees whose intentions are doubtful.

NOTE.—Most of the above figures have reference to the condition of things existing in the first part of February.

* Vide pages 181 and 182 of Legislative Assembly Debates, Volume I, No. 4.

Sir Frank Carter: Sir, may I ask whether this statement of provisional meetings of the Legislative Assembly during March, dated the 17th February, can be relied upon?

The Honourable the President: I think the Honourable Member may rely on the statement, but the fact that it contains the word "provisional" indicates its character.

Sir Frank Carter: I wish to know, Sir, whether the dates of the Assembly meetings for March are fixed?

The Honourable the President: Is the Honourable Member reading from a circular of the Department?

Sir Frank Carter: Yes, I am, Sir.

The Honourable the President: The last circular issued by the Department shows the dates as fixed on the date on which it was issued.

THE BUDGET—LIST OF DEMANDS.

THE SECOND STAGE.

Expenditure from Revenue.

Mr. C. A. Innes: Sir, I beg to move

'That a sum not exceeding Rs. 66,95,000 be granted to the Governor General in Council to defray the charge which will come in the course of payment during the Customs. year ending the 31st March 1922, for the administration of Customs.'

Sir P. S. Sivaswamy Aiyer: Sir, I beg to move this Demand, that the item

Rao Bahadur T. Rangachariar: My motion on this head comes first, Sir.

The Honourable the President: The motion which stands first on the original list of motions is one which can only be moved when the vote as a whole is put from the Chair at the end. Demands for individual reductions of parts of the vote must be put first, otherwise the Honourable Member's motion excludes all the others.

LIVERIES AND CLOTHING FOR SUPERIOR OFFICERS.

Sir P. S. Sivaswamy Aiyer: Sir, I beg to move

'That the item on page 2 of this* Bluebook under the head of Customs, Liveries and Clothing for Superior Officers, Rs. 1,000 be cut out.'

I can understand the necessity for liveries and clothing for inferior officers or menial servants, but I do not understand the necessity for liveries for superior officers, or for clothing for superior officers, or for making a provision for these things at the expense of Government. That is my reason for this proposal to cut out the item Liveries and Clothing for Superior Offices.

Mr. C. A. Innes: I should like to explain, Sir, that the different Local Governments are responsible for the direct administration of Customs, and

* Demands for grants for expenditure of the Central Government for 1921-22.

they prepare these Budgets. I have no definite information as to what Liveries and Clothing for Superior Officers means, but I think I am correct in saying that it is a grant of a small amount of Rs. 30 a year which is given to Preventive Officers for the uniform which those officers are required to wear. In the circumstances I hope that the House will allow this small charge to stand. It does not actually refer to superior officers. I do not think it is intended to supply the Collector of Customs with khaki shorts and shirts. It is only intended for these Preventive Officers.

Sir P. S. Sivaswamy Aiyer : What is the pay of these officers?

Mr. C. A. Innes : Their pay ranges from Rs. 40 to Rs. 300.

The Honourable the President : The question is,

'That the item on page 2 of this Bluebook under the head of Customs, Liveries and Clothing for Superior Officers, Rs. 1,000 be cut out.'

The motion was negatived.

REVISION OF ESTABLISHMENT OF MADRAS CUSTOMS HOUSE.

Mr. B. Venkatapatiraju : I beg to move

'That lump provision for revision of establishment at the Madras Customs House be reduced by Rs. 50,000.'

At page 3 we find that the lump provision for revision of establishment at the Madras Customs House is Rs. 1,50,000. My proposal is to reduce it by Rs. 50,000. My chief ground is that of economic considerations.

I think if the Government will take into consideration the present situation and deficit in the Budget, they might as well be satisfied with a less amount, and I think that this amount of Rs. 50,000 can very well be spared.

Mr. C. A. Innes : This provision is for the revision of the pay of the establishment of the Customs House. I agree with the Honourable Member that the provision which is being made by the Government of Madras is excessive having regard to the existing cost of these establishments. I am quite prepared to agree to the reduction of the grant by Rs. 50,000.

The Honourable the President : The question is,

'That lump provision for revision of establishment at the Madras Customs House be reduced by Rs. 50,000.'

The motion was adopted.

Mr. J. K. N. Kabraji : May I ask if clause (a) has been dropped in Mr. Venkatapatiraju's motion?

The Honourable the President : Clause (a) happens to be printed in the wrong place—it refers to all votable items under Customs. Therefore, the motions for reduction dealing with each Government item in particular take precedence of motions dealing with the whole.

ESTIMATE FOR LOCAL ALLOWANCES.

Mr. B. Venkatapatiraju : Sir, on page 4 I see that last year in the Budget, Rs. 69,576 was the estimate for local allowance. This year it is Rs. 94,139 I beg to move

'That the Government reduce it to last year's estimate.'

Mr. C. A. Innes: These local allowances are given to meet the high cost of living in Bombay. The only explanation I can offer for the increase in the estimate for local allowance is that, as will be seen from the details of establishment on page 4, the establishment has been increased. That increase is probably the reason for the increase in the amount of local allowances.

Mr. B. Venkatapatiraju: May I ask why, in the Budget for 1919, there was no provision for local allowances?

Mr. C. A. Innes: I can only suggest, Sir, that the local allowances were given owing to the increased cost of living during the last two years. My friend Mr. Aiyer has explained to me that the Local Government has given these allowances to its own staff, and that the Customs establishment are given allowances on the same scale.

The Honourable the President: The question is, that local allowance (page 4) be reduced from Rs. 94,139 to Rs. 69,576.

The motion was negatived.

CUSTOMS RECREATION CLUB.

Sir P. S. Sivaswamy Aiyer: Sir, I rise to move

'That the item at the end of page 4, 'Contribution towards the maintenance of the Customs Recreation Club Rs. 2,400,' be cut out.'

I am not aware of any principle underlying this proposal to contribute towards the maintenance of the Customs Recreation Club. I do not know that the Government make any provision for recreation clubs for other departments, and I see no reason why a recreation club should be provided for the Customs Department alone. In any event, there is no justification for this provision, and I move that it be cut out.

Mr. C. A. Innes: I must explain, Sir, that this contribution towards the maintenance of the Customs Recreation Club is made from certain fees which are collected from steamers and owners for work done on Sundays. We collect from steamers and owners fees for overtime, that is, we charge them for the work performed by our preventive officers, who have to be on duty when steamers work at night or on holidays and Sundays; and in order to reduce, as far as possible, the working of steamers on Sundays, we make a special additional charge for Sunday work. It has been ruled by the Secretary of State—and I think rightly—that as this charge is levied for this particular object, that is for the purpose of reducing Sunday working, that Government ought not to make any profit out of these special fees. The consequence is that these fees or the bulk of income are devoted to charity in Calcutta and Rangoon and also in Bombay to a less extent. I quite agree that the whole question of the disposal of these fees requires looking into, and I have now on my table a file which I have not yet had time to study—regarding these Sunday fees. I hope to be able to regularise the distribution of these fees on uniform lines throughout all ports. But I think this House will recognise that since the fees are derived from the work of the preventive officers on Sundays, it is only right that we should devote a small portion of these fees to welfare work among our preventive officers. It is a small

contribution and one of long standing. In these circumstances, I hope the House will not accept the motion.

Babu K. C. Neogy : May I inquire whether the Club is open to the Indian employees of the Customs Department?

Mr. C. A. Innes : I have no information, Sir. It is a Customs House Club and I presume therefore that it is open to all.

Sir Jamsetjee Jeejeebhoy : May I inquire where the Club is situated. Is it in the three ports the Honourable Member mentioned just now?

Mr. C. A. Innes : I think that in all major ports there are these Recreation Clubs. In Calcutta we make a small contribution from the Sunday Fees Fund not to any Club, but to a service fund established to help junior Preventive Officers and Members of their family in cases of sickness. In Rangoon a very small contribution is made to the Customs Club, and in Bombay, as I have explained, this small contribution is similarly made to the Recreation Club.

Dr. H. S. Gour : May I inquire what proportion this Rs. 2,400 represents to the total amount of fees realised?

Mr. C. A. Innes : The answer to that is that the rule is that any contributions made from these fees must not exceed the amount of fees levied in the year.

Mr. Eardley Norton : Is there any separate Recreation Club in Madras?

Mr. C. A. Innes : There are no Sunday fees in Madras.

Mr. S. C. Shahani : May I inquire if overtime allowance is given to those who work on Sundays?

Mr. C. A. Innes : Yes.

Mr. E. L. Price : What is done with the overtime fees and Sunday fees that we pay in Karachi?

Mr. C. A. Innes : Overtime fees are paid entirely to the men. As regards the disposal of Sunday fees in Karachi, as I have said I have got the question now under examination. I think that Government takes most of the special Sunday fees. If so, the practice is not in accordance with the standing orders. That is why I propose to examine the whole subject.

The Honourable the President : The original question was,

'That a sum not exceeding Rs. 66,95,000 be granted to the Governor General in Council to defray the charge which will come in the course of payment during the year ending 31st March 1922 for Customs'

since which an amendment has been moved,

'That the provision of Rs. 2,400 for contribution towards the maintenance of the Customs Recreation Club be omitted.'

The question is, that that reduction be made.

[The President.]

The Assembly divided as follows :

AYES—51.

Agnihotri, Mr. K. B. L.
Ahmed, Mr. K.
Alli Buksh Muhammad Hussain,
Mr.
Amjad Ali, Mr.
Ayer, Sir Sivaswamy.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Baipai, Mr. S. P.
Barua, Srijiut Debi Charan.
Bhargava, Mr. J.
Bishambhar Nath, Mr.
Currimbhoy, Mr. R.
Dalal, Sardar B. A.
Das, Babu Baraja Sundar.
Dwarkanadas, Mr. J.
Ghose, Mr. S. C.
Ghulam Sarwar Khan, Mr.
Chaudhuri.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Hajeebhoy, Mr. Mahomed.
Hussanally, Mr. W. M.
Iswar Saran, Mr.
Jatkar, Mr. B. H. R.
Jejeebhoy, Sir Jamsetjee.

Lakshmi Narayan Lal, Mr.
Latthe, Mr. A. B.
Mahadeo Prasad, Mr.
Majumdar, Mr. J. N.
Misra, Mr. Pyari Lal.
Mitter, Mr. N. C.
Mohammad Schammad, Mr.
Mudaliar, Mr. Sambanda.
Muhammad Hussain, Mr. T.
Mukherjee, Babu J. N.
Neogy, Babu Khitiah Chandra.
Pyari Lal, Mr.
Ramji, Mr. M.
Ranga-Chariar, Mr. Tiruvenkata.
Rao, Mr. P. V. Srinivasa.
Reddiyar Mr. M. K.
Samarth, Mr. N. M.
Shahani, Mr. S. C.
Singh, Babu B. P.
Sinha, Beohar Raghubir.
Sinha, Mr. S.
Sohan Lal, Mr.
Subrahmanayam, Mr. C. S.
Ujagar Singh, Baba Bedi.
Venkatapatiraju, Mr. B.
Vishindas, Mr. Harchandrai.

NOES—39

Ahmed, Mr. Zahir-ud-din.
Aiyar, Mr. A. V. V.
Bryant, Mr. J. F.
Carter, Sir Frank.
Crookshank, Sir Sydney.
Fell, Sir Godfrey.
Ginwala, Mr. P. P.
Habibullah, Mr. Mahomed.
Hailey, The Honourable Mr. W. M.
Herbert, Lieut.-Col. D.
Holland, The Honourable Sir Thomas.
Hullah, Mr. J.
Hutchinson, Mr. H. N.
Ikramullah Khan, Mr. Mirza Md.
Innes, Mr. C. A.
Joshi, Mr. N. M.
Kabraji, Mr. J. K. N.
Kamat, Mr. B. S.
Keith, Mr. W. J.
Maw, Mr. W. N.

McCarthy, Mr. Frank.
Mitter, Mr. U. K.
Nabi Hadi, Mr.
Nayar, Mr. Kavalappera Muppil.
Norton, Mr. Eardley.
O'Donnell, Mr. S. P.
Percival, Mr. T. E.
Pickford, Mr. A. D.
Price, Mr. E. L.
Renouf, Mr. W. C.
Sapru, The Honourable Dr. T. B.
Sarfaraz Hussain Khan, Mr.
Sen, Mr. Nishikanta.
Sharp, Mr. H.
Sircar, Mr. N. C.
Spry, Mr. H. E.
Waghorn, Colonel W. D.
Watson, Sir Logie Pirie.
Yamin Khan, Mr. Muhammad.

The motion was adopted.

Mr. B. Venkatapatiraju : Sir, I do not propose to move the first amendment on page 5, but I shall move the next amendment.

Sir, on page 5, against Sind Division, Preventive Officers, there is an increase in salaries from Rs. 50,000 to Rs. 77,000. Though I wanted this to be reduced to Rs. 60,000, I do not propose to move it. But at the same time, I propose to move the next amendment.

LOCAL ALLOWANCES, SINDH DIVISION.

Mr. B. Venkatapatiraju : I beg to move :

• That the local allowance be reduced from Rs. 62,187 to Rs. 42,639 (page 5). •

There was no local allowance before and this has been provided for only from last year and they want to increase it to Rs. 62,137. I therefore submit that the amount be reduced to Rs. 42,639.

Mr. C. A. Innes: These local allowances are allowances either given on account of the special cost of living in Sind or, as is more probable, they are allowances which have been sanctioned by the Local Government temporarily pending revision of pay. It will be found that on page 6 a lump provision has been made for revision of establishments. When the revision of establishments is made, as I hope it will be made shortly, then these local allowances will disappear. In the circumstances, I have no objection to accepting the Honourable Member's proposal.

The Honourable the President: The question is,

'That the local allowance be reduced from Rs. 62,137 to Rs. 42,639 (page 5).'

The motion was adopted.

Mr. B. Venkatapatiraju: My next amendment is

'That the local allowance (page 7) be reduced from Rs. 5,839 to Rs. 2,756'

For the reasons I gave on my previous motion I beg to move that the amount be reduced to that suggested in the last Budget.

Mr. C. A. Innes: The same remarks as I made on the last motion apply here also, but I should like to point out that the Honourable Member cannot have it both ways. He has also a motion to reduce the provision for revision of establishments. As long as the provision for revision of the salaries of establishments, namely, Rs. 6,000, remains, I am prepared to accept the proposal that the provision for local allowances be reduced from Rs. 5,039 to Rs. 2,756.

Mr. E. L. Price: I do not know why the Mover of these amendments should be attacking particularly Sind, a province which is, I think, so far remote from his observation and about which he knows so little.

Mr. C. A. Innes: The amendment relates to the Cotton Excise establishments at Bombay and not to Sind.

The Honourable the President: The question is that this reduction be made.

The motion was adopted.

Mr. B. Venkatapatiraju: I am not moving (g), Sir, viz.—

'That the figure of revision of establishment be reduced from Rs. 6,000 to Rs. 5,000 (page 7).'

EXECUTIVE SUBORDINATES.

Mr. B. Venkatapatiraju: Sir, I move:

'That the provision for Executive Subordinates be reduced from Rs. 5,25,000 to 15 lakhs of rupees (page 8).

On page 8 you will find, under the head 'Preventive Establishment' for Executive Subordinates, that what was spent in 1919-20 was Rs. 4,15,495. That was increased to 5 lakhs in the revised estimate. Now, it is proposed to increase it by another Rs. 25,000. I appeal to the Government to reduce that extra Rs. 25,000 so that the figure will be 5 lakhs.

Mr. C. A. Innes: I should like to point out that this is a mere matter of estimating. The numbers of clerks are known, their rates of pay are known, and it is known when the increment of each clerk is due. The pay of these clerks is incremental. We must expect it therefore to be slightly bigger in

[Mr. C. A. Innes.]

the coming year than it is in the current year. It would, I think, be foolish to make this small reduction, and I oppose this motion.

Mr. E. L. Price: Sir, I understand that if this reduction is made, it means that the men working in those Departments will not get the monthly increments that they are entitled to.

Mr. C. A. Innes: Yes.

The Honourable the President: The question is,

'That the provision for Executive Subordinates be reduced from Rs. 5,25,000 to 5 lakhs of rupees (page 8)?'

The motion was negatived.

LUMP PROVISION FOR REVISION.

Mr. B. Venkatapatiraju: Sir, I move:

'That the lump provision for revision be reduced from Rs. ³83,000 to two lakhs of rupees (page 8).'

In spite of the increase of Rs. 1,10,000 the Government in the plenitude of their wisdom have thought it necessary to increase it to Rs. 3,83,000. Therefore I propose that it should be reduced to two lakhs.

Mr. C. A. Innes: I do hope, Sir, that this House will realise that, when they are dealing with this Budget, they are not dealing with figures, but with flesh and blood, the pay of their own establishments and officers down in the Provinces. Every reduction which this House may make in this Budget may mean loss to these men, and may set up discontent and agitation with which the Government will find it very difficult to deal. I do hope this House will realise that labour in India is becoming more and more organised, and that labour hopes, and has a right to expect, that the Government, now it has been reformed, will continue to deal with it fairly and to meet its just claims.

The position as regards this provision is as follows: We have not yet received from the Bengal Government their proposals for the revision of the pay of clerks and servants of the Calcutta Customs House, of whom there are 348. Does Mr. Venkatapatiraju, does this House, suggest that because, owing to pressure of work and owing to the numerous claims upon them, the Bengal Government and the Government of India have not yet been able to deal with the pay of the ministerial establishment of the Customs House in Bengal, and because this Government has been reformed, no revision is to be sanctioned for these men and that they are to remain on the same pay as they are at present and as they have been for years past? There are also in Calcutta 233 Preventive officers, and certain proposals for improving the pay of these men were sanctioned last year. The men, however, are not satisfied, and both the Collector and the Local Government have stated that the proposals which they submitted last year and which we sanctioned do not go far enough. They have therefore submitted revised proposals asking that they may be given retrospective effect. The question of sanctioning these proposals is now under consideration in the Finance Department of the Government of India. It will depend on that Department whether they are sanctioned or not. In the meantime, we are merely asking for a Budget provision in case all these proposals are sanctioned. This Budget provision does not necessarily mean that the proposals will be sanctioned. The proposals will have to come before the Government of India. They will be scrutinised both in the Com-

merce and in the Finance Departments, and this House may rest assured that they will be scrutinised most carefully. In the meantime, I suggest that this lump provision, which will not necessarily be spent, may be allowed to stand.

Rao Bahadur T. Rangachariar : Sir, the Honourable Mr. Innes has apparently forgotten that there are such things as supplementary estimates. Now, these lump provisions figure very largely in this Budget. As this question has now arisen, my motion to reduce the demand by 10 lakhs was mainly based upon this lump provision. The Honourable Member will find these lump provisions on page after page. On page 14 there is a lump provision for revision of establishment of Rs. 3,21,800. Again, at page 6, there is a provision of Rs. 2,25,000 for revision of establishment. Mr. Innes himself admitted, in the case of one of these lump provisions, that it was an over-estimate and that he was willing to reduce it by Rs. 50,000. I think this spirit of asking the House to sanction loose budgetting we must object to at once. If we allow it, our power over the purse will really be nominal, and I therefore insist on the Departments placing these demands before the Finance Committee in the first instance, and then bringing it up by supplementary estimates. All these appeals for treating subordinates fairly have been readily responded to. But the figures have not been examined properly. We do not know what pay these officers are getting, what the proposed increase to that pay is, whether it is really needed or not—all these questions have to be carefully gone into; and I think this method of sanctioning lump sums cannot be too severely condemned, and I therefore strongly support the motion before the House.

The Honourable Mr. W. M. Hailey : Sir, the Honourable Member, Mr. Rangachariar, has referred to a point which, I think, I ought to argue to the House. He says there are such things as supplementary estimates. That is perfectly true; but I should like to ask a question in return. If you cut these items out now, leaving it for us to bring the matter up on a supplementary estimate, where are we going to get the money? You could no doubt reduce the deficit now anticipated by cutting out the items now in dispute; subsequently your standing Finance Committee would find that certain expenditure had to be incurred on them; and we would bring the matter up to you on a supplementary estimate in September next. Then if you sanctioned it you would either have to sanction money for which we have made no provision at all, or you would have to agree to fresh taxation then or adopt the undesirable expedient of again indenting on floating debt for the purpose. I claim that we have done the right thing by the House. Knowing that certain demands are bound to be made upon us, knowing that we cannot give definite details yet until they have been examined, we have quite correctly placed them in the budget as a warning to the House that the money, or a greater part of it at all events, will have to be met. I do not think myself, Sir, that the proposal of the Honourable Member to leave everything to supplementary estimates is one which in the circumstances of the present year could be commended to the House. If we were budgetting for a very large surplus it might be a very reasonable proposal. But as we are budgetting for a deficit and as we have to provide the money somehow, I say that the proposal to leave this amount to be brought up later by a supplementary estimate is an unsound one.

Mr. T. V. Seshagiri Ayyar : I am sorry, Sir, I am unable to agree with me friends on this question of a lump provision. I have very bitter experience of what took place in Madras regarding the pay of munsifs and subordinate judges. We had been agitating for a long time to increase the pay of

[Mr. T. V. Seshagiri Ayyar.]

munsifs and subordinate judges from year to year; the matter was being inquired into by the Madras Government and again by the Government of India, but there was no lump provision for a long time. Ultimately when the increased pay was sanctioned, we found that these people had to be paid for some years back. Then the Madras Government, I think, said 'we are not going to pay for a number of back years,' and it came up to the Government of India; and although the Government of India said that they had no objection and that the Madras Government could do what they liked, the Madras Government, I understand, said that they could not find the money and that they were not going to give back pay as arrears; and these poor men, I am afraid, may have to remain without any compensation for the period during which they were encouraged to expect increased emoluments. I think, therefore, a lump provision is the proper way of dealing with such questions. I hope that when the matter is being gone into by the Finance Department, they will very carefully scrutinise as to whether there should be these increases or not; and if they come to the conclusion that there should be these increases, the payment to these underpaid men will come out of this lump provision. Under these circumstances, I do not think it is wise or reasonable to object to this lump provision for improving the pay of the ministerial establishments.

Sir P. S. Sivaswamy Aiyer: Sir, notwithstanding the explanation which has been offered by the Honourable the Finance Minister, and notwithstanding the inconvenience which he has pointed out, I still think that it is objectionable in principle to make lump provisions in the budget. I object to it for more reasons than one. My first objection is this, that we shall be foregoing our right and our duty to criticise and watch the expenditure carefully and see to what objects the expenditure proposed is going to be applied. At present we do not know the details of the scheme for reorganisation or of any other purpose for which this lump provision is asked to be made. We are simply asked to make a provision in the gross. Now, it may be that when the details are brought forward we shall find it necessary to take objection to one matter or another. We shall be foregoing our right to take objection to those items if we commit ourselves beforehand to this lump provision. I do not think it will be proper on our part as persons responsible for the expenditure of the country, to forego our right.

In the next place, the departments which are responsible for the preparation of schemes have a tendency to slackness if they know that their schemes can be sanctioned in advance in this rough way, even though the details are not ready. It ought to be insisted upon that every department which wishes to bring forward any scheme of expenditure must submit it in proper time with all the available data, so as to obtain the sanction of the authorities concerned in time for it to be voted upon at the time of the budget. Now, if we are to give way to the demand on this occasion and allow these lump provisions, they will have no inducement whatever to prepare their schemes and plans in sufficient detail in time. The temptation to slackness is a thing which ought to be discouraged. For this reason also I object to making any lump provision.

As regards the question how we are to find ways and means for these schemes, if they are eventually sanctioned, I am not aware that there is any insuperable obstacle to coming up with an additional measure devising additional ways and means. Now, we have to find ways and means for financing

the present estimates so far as they go. If later estimates show the necessity for additional expenditure, means can be found for financing that expenditure. Suppose there is some extraordinary circumstance, let us say a war, a famine or some other emergency which calls for additional expenditure, say to the extent of 2, 3 or even 10 millions; what will the Finance Minister do in that case? In a case of that sort the Finance Minister will be obliged to come up to us for finding additional ways and means, and he will have to propose some suitable measure for that purpose. It is a correct principle in budgetting to make provision only for such schemes as are already ripe. In all other cases we ought not to waive our right to criticise, or be content with the scrutiny of our Finance Committee, but should insist that the final voice shall rest with us, and that the power of saying 'yes' or 'no' on any application for a grant should be in our hands and our hands alone. I am sure that just as the Honourable Mr. Hailey will have no difficulty whatever in devising suitable ways and means for unforeseen cases of heavy expenditure, so also he ought to have no difficulty in this case; he can come up with a supplementary budget; he can come up with a supplementary Finance Bill, and there is no special difficulty in this case which cannot be overcome by the department.

The Honourable Sir Thomas Holland: Sir, as this is a matter of principle bearing on a large number of the Resolutions of which we have received notice, I think it is wise that the House should be given as many ideas as possible to guide them in deciding the question now before us. Now I suppose everybody here agrees with most of the copy-book headings which my friend Sir P. S. Sivaswami Iyer has quoted. It is quite true that the House is responsible for our expenditure, and it is quite true that the House cannot judge of the expenditure, unless full details are given. But at the end of every year in making the budget there must be a certain number of cases which are not quite ready for complete analysis. Merely because the charge is entered as a lump provision it does not mean in any sense that the expenditure is extravagant or unjustified. Quite often it is entirely the reverse; and I will notice an instance of the sort which explains why I am speaking now; for I want, if possible, to save more speaking on my part and therefore more listening on your part later on.

I notice that further on in the programme for to-day, Sir Sivaswami Aiyer is attacking a lump provision of Rs. 7 lakhs for improvement of our salt sources. I will give you that as an illustration of the way in which a lump provision may be an economy and not an extravagance. The provision which we wish to make for the improvement of our salt source at Sambhar, if carried out in the way in which every adviser tells us we ought to do, will cost something like 23 lakhs. We have also other schemes for the improvement of the salt sources in the Punjab, costing another 15 lakhs. We are told, however, by the Finance Department that it is impossible this year to finance both these schemes or even the whole of one of them. Our problem then is,—which of the items shall we cut out? The details which constitute this lump have been worked out with the greatest care and were put before the Finance Department in full detail. The Finance Department tell us that we cannot get any more this year than Rs. 7 lakhs, and we are now driven to cut up our programme, first by cutting out certain items that we are doubtful about carrying through, but if we cut these out we destroy certain other parts of the programme. And we are not able to say at this stage whether we can get the labour for one part of the programme, or whether we can get rails—that is one of our difficulties; whether we can get water pipes to carry the water, whether we can get certain parts of machinery necessary to complete

[Sir Thomas Holland.]

other parts of our programme, etc. These are things which we are unable to say for certain that we can do, and so the Finance Department have told us to do our best within 7 lakhs on behalf of this object of improving the salt sources. Otherwise, we should have had to cut out the whole budget, and if we did that your salt sources will degenerate; and it will not be I who will pay for this but my successor. These salt sources can go on quite happily as they are for another four or five years, and would see me out of office, whilst none of you would ever find out that I had been treating your property badly; my successor would come in for the results. This is a case in which it is economical to act now, and for this purpose we have a lump provision of Rs. 7 lakhs. If we do not act now, we shall lose the next monsoon, and if we lose the next monsoon the country will be short of salt in the following dry weather. I am merely quoting that as an instance of how a lump provision is a real economy, and is the result of our being pruned down and not the result of our being given a lump sum of money to play with. It is the result of the Finance Department trimming us down to the very bone, until there is nothing else left for us but to call it a lump provision, because we really cannot carry out our programme in full

Sir P. S. Sivaswamy Aiyer: Is it for works or establishments?

The Honourable Sir Thomas Holland: It happens to be for works, mainly; of course, there is a large amount of establishment involved.

Sir Sivaswamy Aiyer talks about budgetting for war, but that is in no way analogous. Here we are asking you to provide for a charge that we are certain must come some time in the year. There is not a business man in this House who does not budget in this way for what he knows must come but cannot state in detail. The whole principle of company promotion is that. When you form a company, you state your nominal capital and you call up a certain amount of the capital. When you do so, you give a rough idea of what you hope to do, but it is impossible to say in advance how you are going to spend every penny of that money. When you come to practical questions here—and this is a business proposition that we have before us—who is to say that you should cut down Rs. 1,27,000 by Rs. 25,000? Why Rs. 25,000? Why not Rs. 30,000? Why not Rs. 20,000? Has the Honourable Member who makes a proposal of that kind gone into the matter in detail that he is able to name the exact figure of Rs. 25,000? And this matter cannot be met by supplementary votes, as Mr. Hailey has explained to you. The Assembly will probably not meet again till September; meanwhile, the men who are concerned are out of their pay, they lose their increments and are suffering severely. It is not just to them, and what is more, it will react on the country in consequence of the production of strikes. I hope, therefore, that the Assembly will treat these questions on businesslike lines and this suggestion I will make to you. It is impossible in the whole of this Assembly to go into the merits of each of these proposals, many of which have only been received by us to-day. It is quite impossible for us now to discuss in detail the merits of proposals as to whether Rs. 25,000 or Rs. 20,000 should be cut off. But I am willing to make this offer on behalf of my own group of departments, and I have no doubt that the Honourable Mr. Hailey will support it. We are quite willing that any one of these challenges before us to-day shall be put before the Finance Committee, and, subject to the criticism of the Finance Committee, the Government is prepared to act. If the Finance Committee will examine each of these in turn and

go into the question in our offices and look into the books and look into the details, we are quite willing to receive their assistance in the work of revision; because there is not a Member of the Government who does not wish, and has not tried, to cut down the estimates. There has not been a single estimate that has not been pruned down to the very bone. This has been done, first of all, by the administrative department, and then in a much more vicious way by the Finance Department, and I should advise you, gentlemen, as you have the interests of the country at heart, to realise that cutting down is not the only form of economy. It may be a very very false form of economy, and I should advise you to leave questions of detail of this sort to the investigation of the Finance Committee, and I speak only as a practical man of business speaking to business men on a purely business question.

Mr. Wali Mohamed Hussanally: I beg to suggest, Sir, that if all the lump provisions are removed from the Budget and placed as an unappropriated balance earmarked for being spent on the revision of establishments and to be spent only after the supplementary budget is passed, it will meet the case.

Mr. Harchandrai Vishindas: I am sorry to say, Sir, that I am not quite convinced by the reasoning of Sir Sivaswamy Aiyer. In the first place he did not give any answer to the remarks of Mr. Seshagiri Ayyar. In the next place he forgets that he is not going to wipe out the whole of the lump provision, but only a part, and therefore all his arguments fall to the ground. As Sir Thomas Holland has pointed out, what is the data for Sir Sivaswamy Aiyer to fix on a particular amount for reduction, and why not more or less? On the other hand, the Government departments know the ropes and must be approximating to a particular figure. The figure which they are proposing is, in all probability, the figure that would be wanted actually. That is one thing.

Another point is, that if we were to follow Sir S. Aiyer's arguments there should be no lump provision at all. But I think that all people who have dealt with budgets—and I have dealt with them—know that lump provisions are inevitable and we cannot do without them. For Sir S. Aiyer to call upon Government to be prepared with all the details in advance so as to give the exact figure which will be required for a particular work is a very tall order, because there are so many things for which it is impossible, in advance, to make a full and exact estimate. I think we will not be doing our duty by the public or by the Assembly if we in any way interfere with these lump provisions. Government have not arrived at these figures haphazard or arbitrarily; they must have worked on some data. All those who give employment and have establishments on a large scale have this experience, that you cannot have every thing cut and dried in advance and therefore lump provisions are necessary, and in this matter we should trust the experts who have charge of these Departments for having arrived at a roughly reasonable figure.

Rao Bahadur C. S. Subrahmanyam: Sir, the argument of the last Honourable Member that we ought to place implicit trust in the Government is certainly an argument which we might bring into this discussion because nobody here doubts the capacity or the sincerity of the Department of Government with which this question of whether there should be a lump provision or not, is concerned. The question is that we in this Assembly have or have not got to see that the provision made by Government is necessary. We have got to scrutinise the Budget. We have got to pass it and make ourselves respon-

[Rai Bahadur C. S. Subrahmanyam.]

sible as regards all the items shown there that we have seen evidence of them and are satisfied *prima facie*.

Then Sir Thomas Holland said that certain works should be undertaken—works which would cost a large sum. I think that that is a question on which we should have further information and when it comes to every individual item having tacked on to it the item of 'lump provision', then I think that we ought to know what it is. As this is the first time under the new system of scrutiny by the Assembly that item after item is taken up for sanction, no doubt Government would not be prepared to furnish us with details. And in order that they may be aware of the nature of the information we ask for, I would ask this Assembly that as soon as a member of the Government gives us an explanation in regard to the particular item, we, with the most cursory view, should pass it if it is satisfactory. We do not propose, as it were, that they should lay down the money at once. Now this lump provision is not intended for things not really connected with the heads of expenditure. It would be as the lawyers say—cases of *ejusdem generis*.

The preparation of budgets is a question with which we, who were connected with local boards and municipalities, are well acquainted and it is not that we have no experience of dealing with lump provision; the desirability of dealing with this question without opposition is raised. As for Sir S. Sivaswamy Aiyer, I think we can give him credit for an extensive connection with budget preparation. Then Mr. T. V. Seshagiri Ayyar said that the Government of Madras were willing to give the Munsifs the increases they asked for, but that they did not give it is not due to the absence of lump provisions, it is unwillingness to pay. It is one thing to make lump provision and another thing for the Administrative Department to pay out the money. That we do recognise. The question really is that we want some definite explanation as to the lump provision. But as regards the details of the lump provision, I suppose to ask for them would really be a very tall order.

Mr. F. McCarthy :—Sir, I think it would meet a great many objections that have been raised in this debate to-day if Government would consent to put all these lump provisions together as a lump sum and place it at the disposal of the Finance Committee of this House. The lump sum could then be divided off amongst the various departments as occasion arose.

Mr. B. Venkatapatiraju :—Sir, in replying to the various criticisms, I should like to say that it is an anomalous position we occupy, because we are all aware that in no legislative body will such motions be made because any motion passed will turn out the Executive Government. That is the reason why such motions are not made. Here we are in this position that we are not able to turn them out, but we are asked to share their responsibility. I do not know how we can share that responsibility unless we scrutinise all provision made. Now we see that the lump provision for revision is Rs. 3,83,000. Now let us be a little more economical and be satisfied with 2 lakhs.

We know very well where we have to spend money, but in this case there is no provision and there is no clear data that the amount is absolutely necessary. I do say that the Government should reduce the amount. In this case it is suggested that we should place it as a lump sum at the disposal of the Finance Committee so that they can provide for different departments. I shall have no objection whatever to this proposal if the Government are prepared to spend no more than what the Finance Committee recommends. But I

am sure that if the Government get their Budget passed from the 1st of April, they will entertain an establishment to spend the full amount, and then it would be difficult to reduce, human nature being what it is. If we allow them a free hand in this way, I see no reason for discussing the Budget at all.

Mr. C. A. Innes: Sir, I should like to get this debate back to its proper *point namely, the question whether Rs. 3,83,000 should be allowed to stand in this Budget. That is the practical point before us. I quite agree, however, that there are difficulties which have made themselves felt to-day. They arise from the fact that we are passing through a transitional period, and that this is the first time that a Budget has been dealt with by this House. I am not in a position to say whether the suggestion of Mr. McCarthy will be accepted because that is a point for the Honourable the Finance Member to decide. But I do hope that next year we shall be able to place our Budget before a Finance Committee so that everything can be properly threshed out before it is brought before this House.

Both Mr. Venkatapatiraju and Sir Sivaswamy Aiyer objected that they did not know what this lump provision was for. They said that they did not know what the details are, or anything about them. Well, I have tried to explain that we know that the Bengal Government are coming up with proposals for the revision of the pay of the clerical establishment of the Customs House, and that they have come up with proposals for the revision of the pay of the Preventive Staff. They estimate that the cost of these proposals will be Rs. 3,83,000. As I have already tried to explain Budget provision is a very different thing from administrative sanction, and I was very surprised to find Sir Sivaswamy Aiyer falling into that error. The mere fact that this provision is made does not necessarily mean that the proposals will be sanctioned. The Administrative Departments have reason to know this, and even if the Administrative Department accepts the proposals, they have still to be passed by the Finance Department, and I can assure the House that these days the Honourable the Finance Member is a very difficult snag.

Sir Sivaswamy Aiyer said that we ought to arrange our revisions so that they can come up in time to be considered in detail by this Assembly. I suggest, Sir, that it is not the business of this House to spend its time on the details of revision schemes. This House has a more important duty.

It is quite right that they should hold the Executive Government responsible to them. We should be held responsible for such revisions as we make. But I suggest that it is not the business of this House to go into details. The Reform Scheme Sir, will never work if the Legislature interferes in details and refuses to place any trust in the Executive Government. All these schemes are examined with the greatest care and are most carefully scrutinised. I am quite sure that this process will go on. I have already explained that we have made this lump provision in order to meet the cost of the revision of pay of clerks and servants in the Customs House in Bengal and of the Preventive Officers, and I hope the House will not accept the amendment.

The Honourable the President: The original question was,

'That a sum not exceeding Rs. 66,95,000 be granted to the Governor General in Council to defray the charge which will come in the course of payment during the year ending 31st March 1922 in respect of Customs'

since which an amendment has been moved :

'That Lump provision for revision be reduced from Rs. 3,83,000 to Rs. 2,00,000 only (page 8)'

[The President.]

The question is, that the proposed reduction be made.

The Assembly divided as follows :

AYES—44.

Abdullah, Mr. S. M.
Agnihotri, Mr. K. B. L.
Ahmed, Mr. K.
Amjad Ali, Mr.
Ayer, Sir Sivaswamy.
Bagde, Mr. K. G.
Bajpai, Mr. S. P.
Barua, Srijut Debi Charan.
Bhargava, Mr. J.
Bishambhar Nath, Mr.
Chaudhuri, Mr. J. C.
Das, Babu Braja Sundar.
Ghose, Mr. S. C.
Ginwala, Mr. P. P.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Hussanally, Mr. W. M.
Iswar Saran, Mr.
Jatkar, Mr. B. H. R.
Joshi, Mr. N. M.
Lathe, Mr. A. B.

Mahadeo Prasad, Mr.
Majid, Sheikh Abdul.
Majumdar, Mr. J. N.
Man Singh Bhair.
Misra, Mr. Pyari Lal.
Mitter, Mr. N. C.
Mudaliar, Mr. Sambanda.
Mukherjee, Babu J. N.
Nabi Hadi, Mr.
Nag, Mr. Gish Chandra.
Neogy, Babu Khitish Chandra.
Pyari Lal, Mr.
Ramji, Mr. M.
Ranga-Chariar, Mr. Teruvenkata.
Rao, Mr. P. V. Srinivasa.
Sen, Mr. Nishikanta.
Sinha, Mr. S.
Sircar, Mr. N. C.
Sohan Lal, Mr.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Yamin Khan, Mr. Muhammad.

NOES—46.

Aiyar, Mr. A. V. V.
Ayyar, Mr. T. V. Seshagiri.
Bryant, Mr. J. F.
Carter, Sir Frank.
Crookshank, Sir Sydney.
Currimbhoy, Mr. R.
Dentith, Mr. A. W.
Dwarkanadas, Mr. J.
Fell, Sir Godfrey.
Gidney, Lt.-Col. H. A. J.
Habibullah, Mr. Mahomed.
Hailey, The Honourable Mr. W. M.
Hajeebhoy, Mr. Mahomed.
Herbert, Lt.-Col. D.
Holland, The Honourable Sir Thomas.
Hullah, Mr. J.
Hutchinson, Mr. H. N.
Innes, Mr. C. A.
Jejeebhoy, Sir Jamsetjee.
Kabirji, Mr. J. K. N.
Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.
Mahmood Schamnad, Mr.

Maw, Mr. W. N.
Mitter, Mr. D. K.
Muhammad Hussain, Mr. T.
Nayar, Mr. K. M.
Norton, Mr. Eardley.
O'Donnell, Mr. S. F.
Percival, Mr. T. E.
Pickford, Mr. A. D.
Price, Mr. E. L.
Raja S. P. Singh.
Rao, Mr. C. Krishnaaswamy.
Reddiyar, Mr. M. K.
Renouf, Mr. W. C.
Samarth, Mr. N. M.
Sapru, The Honourable Dr. T. B.
Sarfray Hussain Khan, Mr.
Shahani, Mr. S. C.
Sharp, Mr. H.
Sinha, Babu Adit Prasad.
Spry, Mr. H. E.
Vishindas, Mr. Harchandrai.
Waghorn, Colonel W. D.
Watson, Sir Logie Pirie.

The motion was negatived.

Mr. B. Venkatapatiraju : I do not move 2 (j), Sir, viz.,

'That another Lump provision in revision be reduced from Rs. 25,000 to Rs. 15,000 (page 8)'.
(page 8)'

OVERTIME AND HOLIDAY ALLOWANCES.

Mr. B. Venkatapatiraju : Sir, again we have a provision on page 8 under the heading 'Overtime and Holiday allowances' in which there is an increase from Rs. 2,26,000 to 3,75,000. I propose to reduce it. I beg to move

'That it be reduced to Rs. 3,05,000 which was the figure in the Revised Estimate for 1920-21'.

I do not understand why in Overtime and Holiday allowances there should be such an increase as Rs. 1,50,000 in two years.

Mr. C. A. Innes: It is quite evident from Mr. Venkatapatiraju's motion that he does not understand the system on which these overtime fees are collected and distributed. As I explained earlier in the day, steamers, which naturally want to get away as quickly as possible, frequently work at night, and on holidays and Sundays. Now when the steamers are working we must have our preventive staff there to see that smuggling does not go on, and since the preventive staff are required to work overtime and on holidays, we pay them overtime allowances. The steamers are required to pay fees for working at night and on Sundays, and so necessitating preventive duty, and these fees are distributed among the preventive officers. The debit here therefore is purely a book transaction. On the one side, the receipt side, we credit the fees collected from the steamers. On the other side, we show a debit of the fees paid to these officers. The fact that the amount shown in the Budget is bigger than it was last year, is bigger than it was in 1919-20, is simply due to the fact that the Local Government thinks that in the Hooghly more ships will be loading or unloading cargo in the coming year and that more of them will be working on Sundays and holidays, and therefore that the credits from overtime fees will be greater, and consequently the payments of those overtime fees to the staff will also be greater. In these circumstances, I am quite sure that Mr. Venkatapatiraju will withdraw his motion.

Mr. B. Venkatapatiraju: Is this due to an increase in rate or in fees?

Mr. C. A. Innes: There is no increase in rate at all. The increase is simply due to the fact that these fees, which are paid for overtime, are likely to increase this year, owing to the fact that the Local Government thinks that there will be more steamers in the port.

Mr. B. Venkatapatiraju: If there is no increase in rates, Sir, then I do not press my amendment.

The Honourable the President: The question is, that the amendment* be withdrawn.

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

LUMP PROVISION FOR REVISION OF ESTABLISHMENT.

Mr. B. Venkatapatiraju: Page 14 Sir, there is also a lump provision here for revision of establishment which was not mentioned in the budget of last year. I propose to move

'That the amount† be reduced to two lakhs'.

I think there was some misapprehension that these provisions would be placed before the Finance Committee before the amount is spent. I do not think there is any such intention on the part of Government. The matter will come up for discussion before the Finance Committee, but that does not mean that they are not going to spend this amount without the sanction of the Finance Committee, and I therefore strongly press that this amount should be reduced.

* Vide page 810 of these Debates.

† Rs. 3,21,900 given in Blue Book.

Mr. C. A. Innes: This lump provision, Sir, is provision which has been made by the Burma Government to allow for the revision of the pay of the clerks in the Burma Customs Offices and to provide for an increase of staff in those establishments, to provide for the revision of pay of the preventive staff and appraising staff. The Local Government has wired to say that they are considering the details of these various revisions and has explained that these proposals will very shortly be submitted to the Government of India. It has also explained that the pay of the other subordinate staffs in Burma has been revised with effect from the 1st March, 1920, and it has suggested that the Customs staff will have a legitimate cause for discontent if, merely owing to the fact that accidentally or otherwise their revision has been taken up last, they should be deprived of the benefit of revision of pay also from March, 1920. Now, Sir, I explained when we were discussing the lump provision for Bengal establishments that these proposals will be examined by the Commerce Department and again by the Finance Department. The amount put down, namely, 3,21,800, is merely an estimate of the amount which will cost to revise the pay of these establishments. It does not mean that the revision schemes as sanctioned will necessarily cost that amount, but I think there will be great discontent on the part of these establishments if the House reduces the provision.

The Honourable Mr. W. M. Hailey: I feel that this lump provision question is still one which is troubling the minds of many Members in this House, and it would, I think, be in the interests of the House and of ourselves if we could arrive at some common line which we could take upon it. It is perhaps a misfortune that we have had to open to-day with estimates many of which have been prepared by the Local Governments, and the consequence is that we are neither able ourselves to give you in the House as full information about them as we should like, nor has it been found feasible to draw up the printed estimates exactly in the form in which they would have been drawn up had we had in advance that full information. That is the reason why the lump estimates are shown in this particular form—simply ‘Lump provision for revision of establishment’ and the like. I acknowledge that the task of the House would have been easier if we had indicated the exact details for which they were required. Then the House might have felt disposed to say: ‘Well, we recognise that provision must be made for revision; we will leave it in your hands, but our Public Accounts Committee will subsequently see whether you have or have not spent it within the scope of the demand which we have given to you.’ That is one course, and I believe there are many Members of the House who think that if we could give these matters in sufficient detail here and now, they would be prepared to pass them on the understanding that the Public Accounts Committee would certify that they were duly spent within the scope of the demand.

There are other Members of the House who hold the view that these matters fall properly within the purview of the other Committee—the Standing Finance Committee. We have indeed had placed before us a concrete proposal by Mr. McCarthy that the whole of these lump grants should be taken together and put at the disposal of the Standing Finance Committee. There is one objection to this—a technical objection—which I feel many of my friends will feel here, namely, that if we take all these lump sums together and place them under one head as a reserve to be dealt with by the Standing Committee, they will come to a large sum which will not be limited to the exact purpose of the different grants as they are now. If under

the present circumstances, we have a lump provision under 'Customs' we cannot employ it for 'Income-tax' or the like. But if the lump grants are all amalgamated as is sometimes done in Local Government budgets—it is clear that between us, that is to say, between the Government and the Standing Finance Committee, we should have greatly enlarged powers. It would perhaps suit us to adopt that course; but on sound financial grounds, I am afraid that I could not as a responsible adviser recommend it to the House.

Now a third course—it is a combination perhaps of the first and second—is that we should here and now give as full information as possible as to what these grants are intended for, and, secondly, that we should, wherever it is possible to do so, place them before the Standing Finance Committee. The Standing Finance Committee cannot always be with us much as we should like their constant attendance and advice. I feel that many of them, as business men, would not be able to sit continuously with us day by day; but, wherever possible, we would put these grants before the Standing Finance Committee; we would take their advice on them and we would ask them in each case to report to the House as to the measures we have taken as regards their expenditure. Now, Sir, if this combination of numbers (1) and (2)—with of course a reservation as to the powers of the Public Accounts Committee—will satisfy the House, we are perfectly willing to take that course. My proposal therefore is that we should now explain to the House exactly what we intend the money for, and where the matter is not of sufficient urgency—and sometimes, as the House will realise, it is a matter of great urgency where establishments are clamouring for revision. I remember a case where I had to sanction the revision of a police establishment during lunch on a Sunday afternoon by a clear-the-line telegram; but wherever it is possible, we should place them before the Standing Finance Committee, and in every case they would report to the House how the money is being expended.

Rao Bahadur T. Rangachariar: Sir, I wish to explain the difficulty which I feel in this matter. I have complained here very loudly that the cost of Government establishments has been mounting up by crores, and these lump provisions, I find, are for revision of pay or re-organisation of establishment. I have examined item after item and I find that these lump grants come in only for that purpose. An appeal has been made to our hearts by saying that these grants are intended for improving the position and pay and prospects of the subordinate services, most of whom are Indians and that therefore Indians will profit by it. But whether they are Indians or Europeans, the matter should be examined from a business-point of view. My feeling is that many people who do not deserve any increase of pay have got increases of pay and allowance. There is one matter which has now been elicited in the Madras Council, namely, that the High Court Judges are starving on Rs. 4,000 a month and are wanting more pay. I believe the proposal is seriously before the Government of India. That is what was elicited in the Madras Council. If people on Rs. 4,000 a month can be said to be starving and they want horse allowance and carriage allowance and what not, then that is a matter which requires close investigation—not merely investigation by officials, but, I say, it must be investigated carefully by a Committee of this Assembly before such reorganisation or revision of pay is sanctioned. We have had enough of reorganisation and of revision of salary. I may mention another instance here—the case of travelling allowance. How many of you know that a Munsif when he is transferred from one place to another gets three first class fares for himself, and then he is said to be a loser. It is easily done—three first class fares for a Munsif on Rs. 200 or Rs. 300 a month, and

[Rao Bahadur T. Ranghchariar.]

I daresay many a Deputy Collector, to say nothing of Collectors and Deputy Commissioners, get more. We do not know these things ; we want to go into them. What is the good of our being called here to pass this Budget, on this lump sum method. If we do, I put it to you on principle that we are encouraging extravagance by this sort of looseness on our part. We are not discharging our duty to our people by allowing this sort of thing. We must insist on the Departments coming up with definite proposals which should be closely examined before they are sanctioned by this House. It is not administrative sanction ; it is a kind of moral sanction. I have been on the Committee of the Madras Corporation and I know how difficult it is to deal with men who clamour for more pay. They come up in batches, and when you have appointed a committee to go into the grievances of one Department, another Department comes up and says 'Oh, the Postal Department have not got anything,' or 'The Europeans have had an increase ; Indian officers have not had an increase,' and so on. And the Government says 'Well, there is a liberal flow from the tap, let all get the water.' If we allow this sort of finance, our national finances are bound to go to ruin. And what is the good of our coming here if we do not exercise the power which the law has given us in this respect.

Sir P. S. Sivaswamy Aiyer : - Sir, I should like the House to bear with me for a few minutes if I again claim their attention on a question which seems to me to involve very important constitutional principles. Let me first clear the ground by saying that I do not desire the House to go into small petty details of the working of the administrative machine. That is not a thing which it is possible for us to undertake. It is for the Government to devise suitable schemes for the working of their machine, and for us to criticise it in important matters.

But while I am perfectly aware of the impracticability of this House taking upon itself the function of the Executive Government and going into matters of detail, it is of the very greatest importance that all these schemes should be put forward in detail for sanction ; and my reason is this : that the very fact that they are obliged to come forward to this Assembly with details will compel them to be careful. There is the light of publicity which will be thrown upon all their proposals which will necessarily compel them to take every possible care in the preparation of their estimates. That is one object which I have in view in insisting that all these proposals should be brought forward before us. Another object is, that it will give us an opportunity of criticising any really important proposals which may seem to us to be open to exception. There may be questions of reorganisation, there may be questions of principle in it, and there may be large increases of salaries sanctioned, as to which we may have no idea at all ; but if they do come forward with all these proposals at the time of the Budget, we shall have an opportunity of expressing our opinion on such questions. These are the two objects which I have in view in desiring that these schemes should be brought forward in detail. A third reason, perhaps is this, that it is a matter of constitutional principle for us as custodians of the public purse, if I may use that expression, to be jealous of our powers and to maintain them. Now, there are various solutions which have been suggested ; and I shall explain to the House the difficulty I feel in accepting some of those solutions as satisfactory. For instance, it has been suggested that there is a Public Accounts Committee which in its scrutiny of the accounts will consider whether monies which have been voted by this House have been properly applied or not. But the Public Accounts

Committee can go into the scrutiny of accounts only of the year which has closed, after the event, and all that it can decide is whether monies which have been voted have been spent in a proper way and applied to the objects for which they were sanctioned. Where there is a lump provision of this sort, even supposing that it is explained as involving so much for reorganisation, so much for construction of works and so on, it will be difficult for the Public Accounts Committee to say that so much should not have been paid on this sub-head, or that so much increase should not have been granted to certain members of the staff or so much should not have been granted by way of travelling allowance and so on. They would be exceeding their powers if they did it, and they would have no sufficient data if they went into criticisms of that sort, where they had only a lump provision to consider. The Government would thus have a free hand in dealing with these lump provisions, unless they gave us the full details; and the Public Accounts Committee would not be in a proper position to exercise any scrutiny over the expenditure if the allotment was made in a vague and general form.

Then, again, another safeguard was suggested and that was that scrutiny might be exercised by the Finance Committee. The difficulty that I feel here with regard to the Finance Committee is this: under the Statute it is only a consultative body; it cannot possibly vote any monies, and the Government are not bound by the advice of the Finance Committee. If the Government undertake—I do not say statutorily—but at least by way of convention to be bound by the recommendations of this Finance Committee, that would go a long way towards mitigating the objections which I have on principle to these proposals. I do not know whether the Finance Department will give an undertaking that they shall be bound by the recommendations of the Finance Committee. If they are not prepared to give an undertaking like that, but will at least give an undertaking that on matters where they differ from the Finance Committee, they will refer the matter to the Assembly, there would be some sort of a guarantee that the expenditure will be properly scrutinised. I am not aware that the Government are prepared to give any undertaking of that sort. I have now explained my difficulties in accepting the Public Accounts Committee or the Finance Committee as providing sufficient safeguards for the scrutiny of public expenditure. The other difficulty is that constitutionally the power of voting monies rests with us, and not with the Finance Committee.

The objection that the Honourable Mr. Hailey pointed out to lumping these sums together is, I must confess, a sound one, if I may venture to express my concurrence with him. There is a difficulty in lumping all these sums together. There is also an advantage in showing these lump sums under different departments, because you know what the expenditure in each department is. It may perhaps be useful also to know what the lump sums all together amount to. Now, in the present Budget, the addition of all these lump sums which are provided will, I am afraid, amount to some crores of rupees. There is one thing which I think the House may perhaps do, and it is to give a certain sum, say half a crore, and place it at the disposal of the Finance Department for meeting all these lump sum provisions out of it. But I do not think it will meet their purposes; they will not be satisfied with it; they will require a very much larger sum for meeting their various schemes. Now except by setting apart a small sum, say half a crore or a crore for meeting these lump provisions, or by having an undertaking from the Finance Department that on all matters they will be guided by the Finance Committee, and, in case of difference of opinion, refer it to this House, I do not see how we

[Sir P. S. Sivaswamy Aiyer.]

can properly abdicate our functions and commit ourselves to all this expenditure. It is really a question of constitutional principle, and let me ask the House once again to take it from me that I do not have the least desire that this House should take upon itself the function of deciding whether ten peons less or ten peons more should be employed or any trumpery matters of that sort. The question of deciding how many officers are necessary for the efficient administration of a department is one which a large body like this cannot easily or possibly undertake. There is a Resolution standing in my name where I seek to cut down the pay of two Deputy Commissioners. My object is simply to elicit information and nothing more. I trust, Sir, that I have made my difficulties clear to the House. I think really it is a question of constitutional principle, and I am jealous of our powers and anxious that we should not part with them lightly. Under all the circumstances of the case, as a solution of the practical difficulties which have been experienced in this, the first year of the reform budget, I would make the suggestion that, if the Government agree to place all the details of all these schemes before the Finance Committee and obtain their concurrence, we may waive our objections; if there is any difference between the Government and the Committee, they should come to us.

Rai J. N. Majumdar Bahadur : Sir, I have listened carefully to what

the Honourable the Finance Member had to say; he says that these estimates are budget estimates of figures supplied by Local

Governments and that he had no hand therefore in framing them. But one thing I cannot understand. I believe that each Local Government is represented here by its delegate. Are those delegates simply here to vote on the Government side, or to help the Finance Minister in explaining the details of the lump provisions there?

Are they simply to draw so much salaries and allowance to vote on the side of Government or to come to our rescue just at the time when we are unable to explain these things ourselves? The Finance Department says 'these things came from the Local Government, we have no hand in the matter, therefore you, gentlemen, must vote blindly for these things as we are not responsible.' If that is the case, I think the Government might dispense with the practice of Local Governments sending up their delegates.

It is quite right for the Honourable the Finance Minister to say that the Members of this House should not be over punctilious over these small items; but, as it is said, 'Many a mickle makes a muckle,' and these small things drop by drop go to make up the large sums. It is not in the interests either of the Finance Minister or of the Government or of this House that these little things should be left to the sweet discretion of the local officers who can spend the money just as they like. There is a suspicion at the back of the minds of some of us that whenever we make lump provisions for anything, the money does not go towards the promotion of Indian officers, but towards the promotion of European officers. I personally do not share it, but rightly or wrongly that is the impression; therefore it is right that the details should come to this House and that we should be in a position to scrutinise whether they are necessary or not. Otherwise there is no use our being here. Government might as well say, 'We are all wise men, we are all well paid to do this work, we devote our time to this, therefore there is no need for you to scrutinise them.'

Mr. P. E. Percival : The Honourable Member who spoke just now suggested that the representatives of the Provincial Governments should make

some remarks on the subject. I propose therefore to make one or two remarks, though not quite on the lines that the Honourable Member expects. My only point is this, speaking as a district officer—and district officers, district Judges and Magistrates will support me—that the chief trouble we have is the great delay that occurs in these matters. The Honourable gentleman who raised the present objection seemed to imply that Government worked with extraordinary rapidity, that they were very lavish, and their great forte was extravagance and rapidity. I submit, Sir, that that is not the case. The chief characteristic of Government is delay. I venture, Sir, to give just one instance of this. It is the case of the allowances of the bailiffs and peons in the judicial and revenue districts. During the war, as everybody knows, expenses went up, and a war allowance was sanctioned for the bailiffs and peons. None of us had great fault to find with the rate of that allowance; but my point is that the allowance was not sanctioned until after the war was over. It took three years to sanction the allowance. The proposal was made in 1916 and was carried out in 1919. I am not charging the Secretariats in connection with this; it is the system of the Secretariat. The Honourable Members who took objection to the items before the Assembly seemed to imply that these things are rushed through the Secretariat, and that no full inquiry is made. That is not at all the case. The mills of the Secretariat grind slowly, but they grind exceedingly small; and what happens is that these most important and necessary increases get quite unduly delayed. The present proposal would tend to delay them even more.

Of course I know nothing about the particular item at present before the Assembly; it arises from the Customs Department. But as a general principle I do say, and I beg to support the Honourable the Finance Member in his contention, that these are matters for Government rather than for scrutiny by the Assembly; I mean the lump provisions. Of course if an Honourable Member holds that a particular officer ought to receive a smaller increase, it is quite right that that should be discussed; but to decide generally that these lump provisions should be reduced from Rs. 3 lakhs to Rs. 2 lakhs, say, the only result of such action will be that the already excessive delay will grow even worse.

The Honourable Mr. W. M. Hailey: May I crave your indulgence, Sir, to speak again on this question and to put a concrete proposal before the House? It is this; that in regard to all these lump provisions, we should now explain as fully as possible what they are for, and that if passed by the House, we should incur no expenditure under them until we have placed the case before the Standing Finance Committee. That is to say that if the Standing Finance Committee agrees, we shall incur expenditure against them, and if not, we shall hold the matter up until we have had an opportunity of taking the opinion of this House by Resolution or otherwise. That would be subject only to one stipulation. I think Government ought to make this and I hope that this House will accept it. There are some cases of extreme urgency. We frequently have cases in which we receive wires from Local Governments and it must be remembered that these are largely establishments employed by Local Governments on our behalf—stating that unless we can agree to a revision of pay the work of these establishments will come to an end. I think it will be cheaper on the whole, and more economical if the House were to give us power of emergent action in this behalf, because if you suddenly bring to a stop the work of your customs establishment (for instance, you also bring to an end the receipts of your customs revenue. I would only ask, then, Sir, that the House should agree that we should have this power

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of emergent action, and where we take this action we shall, of course, report to the Standing Finance Committee that we have done so.

Mr. B. Venkatapatiraju : Sir, in view of the assurance given by the Honourable Mr. Hailey that these lump sum provisions will be placed before the Finance Committee, I do not wish to press my motion.

The Honourable the President : The question is, that the amendment* be withdrawn.

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

The Honourable the President : I understand the Honourable Finance Member proposes to make a proviso at the end of the motion moved by Mr. Innes. Would he supply me with the form which satisfies him?

Mr. B. Venkatapatiraju : I do not propose to move my next one.

Rao Bahadur T. Rangachariar : In view of the happy termination of the last hour's debate I do not think that I need press my motion. My objection was mainly to the local allowances and to these lump grants. The former the Government have promised to examine and in regard to lump sum grants we have come to a satisfactory arrangement and, therefore, I do not propose to press my amendment.

The Honourable the President : I must first call on Mr. Innes to withdraw his motion.

Mr. C. A. Innes : I beg leave to withdraw the motion.

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

The Honourable the President : The question is :

'That a sum not exceeding Rs. 66,21,000 be granted to the Governor General in Council to defray the charges which will come in the course of payment during the year ending the 31st day of March 1922 in respect of Customs.'

The Honourable Mr. W. M. Hailey : As an addendum to that I beg to move the following proviso, Sir :

'Provided that, in the case of items entered as 'lump provision' in the estimates, no expenditure should be incurred save with the concurrence of the Standing Finance Committee, subject always to the right of Government to incur emergent expenditure against the lump provision, under immediate report to the Standing Finance Committee.'

The Honourable the President : The original question was :

'That a sum not exceeding Rs. 66,21,000 be granted to the Governor General in Council to defray the charge which will come in the course of payment during the year ending the 31st March 1922 in respect of Customs.'

Since which the following proviso has been moved :

'Provided that, in the case of items entered as 'lump provision' in the estimates, no expenditure shall be incurred save with the concurrence of the Standing Finance Committee, subject always to the right of Government to incur emergency expenditure against the lump provision, under immediate report to the Standing Finance Committee.'

The question is, that that amendment be made.

The motion was adopted.

The Honourable the President : The question is, that the original motion* as amended, be adopted.

The motion was adopted.

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. The Honourable the President was in the Chair.

The Honourable Mr. W. M. Hailey : I beg to move, Sir :

‘ That a sum not exceeding Rs. 28,38,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st March 1922 in respect of Taxes on Income.

PROVISION FOR TWO DEPUTY COMMISSIONERS (MADRAS).

Sir P. S. Sivaswamy Aiyer : Sir, I beg to move :

‘ That the provision of Rs. 37,200 for 2 Deputy Commissioners appearing on page 17 be omitted.’

Sir, my object in moving this Resolution is rather to elicit information as to the necessity for the very large proposals for expenditure upon establishments made by the Government of Madras. You will find that they propose an addition to the income-tax establishment of 2 Deputy Commissioners at a cost of Rs. 37,200, 9 Income-Tax Deputy Collectors at a cost of Rs. 32,400, and 61 Tahsildars at a cost of Rs. 1,14,120. A whole crowd of officials is proposed to be created for the purpose of administering this head of revenue. All this establishment is entirely new and the work used to be done by the ordinary revenue establishment of the District and of the Presidency town. It may be said that all this additional establishment is required in the interests of efficiency and for the purpose of a more careful collection of the Income-Tax upon which the Imperial Government is daily becoming more and more dependent. I do not know what precisely are the reasons which have induced the Government of Madras to put forward these large proposals at a cost of nearly Rs. 2 lakhs. Even supposing that as many as 61 Tahsildars and 9 Income-Tax Deputy Collectors are necessary, I do not know whether it is necessary to have 2 separate Deputy Commissioners. It may be said that the work of the Income-Tax Deputy Collectors requires to be supervised by some other authority, and that it is very necessary to have 2 Deputy Commissioners. But what has become of the Collectors, and why can they not supervise the work of the Income-Tax Deputy Collectors? A great part of the work of the Collectors has now been transferred to other persons. For instance, the whole of Local Self-Government work which used to devolve upon the heads of Collectors has now been transferred to non-officials. Most of our local bodies are now presided over by non-officials, and having been relieved of their work to a very large extent, if not wholly, it is not easy to understand why Collectors should not be charged with the work of supervising the work of the Income-Tax Department, as they have been doing hitherto. When I come to the next charge for 9 Income-Tax Deputy Collectors, I shall state my difficulty in understanding how the 9 Income-Tax Deputy Collectors are supposed to be able to do the work for the whole Presidency. However, I shall not dwell upon that now. But what I should like to have information about is the necessity for 2 Deputy Commissioners at a cost of Rs. 37,200. Of course, if it is made out that it is necessary in the interests of the efficient collection of the income-tax and that it is not possible to devolve that work upon the Collectors, I do not wish to press my motion. My object is really to elicit an explanation as to the necessity for these huge increases of establishment for the purpose of collecting the income-tax.

The Honourable Mr. W. M. Hailey : Sir, I recognise that these large increases in income-tax establishment, not only in Madras but, as the House will find on looking through our estimates, in other Provinces also, need special explanation. For some years we have found, that with the growing complexity of income-tax work, due partly to the increase of rates and the consequent increased attention that assesses themselves are paying to the preparation of their accounts and the problems of law applying to assessment, our existing establishments are insufficient to meet the case. I think that in very many cases it has been found also by assesses that they did not get the requisite attention from the ordinary revenue officials engaged in executive and general revenue work. Certainly we found on our side, that is to say, as collectors of income-tax and interested in its progressive increase, that the existing agency was by no means adequate for the purpose. We began, therefore, tentatively in the Punjab and, also, in the United Provinces by appointing a special agency. In the first place, that Agency was of the Deputy Collector or Extra Assistant Commissioner type and the result of employing this special agency was at once a very large increase in our income-tax receipts. I do not wish to delay this House unduly, but I desire to read to it an extract from a letter from the Punjab Government which advocated a further increase of their special establishment. It said that the work done by this staff gave very remarkable results, particularly in the cities of Lahore and Amritsar. Apart from increases made in the assessment of old assesses, 355 new cases were detected in Lahore yielding an assessment of Rs. 34,000 and 625 new cases in Amritsar yielding an assessment of Rs. 40,000. It added that advantages of the operation were not limited to increased assessments. The burden was also adjusted more equitably.

Small men who ought not to have been included in the assessment lists had been removed from them in the light of fuller information obtained and friction had been reduced to the minimum. There are some interesting figures regarding the rates of increase obtained in different towns as a result of putting on a special staff of the class I have described. Excluding the increase due to enhancement of rates and excluding also remissions on objection, the increase had been in Lahore 49 per cent., in Amritsar 38 per cent., in Ferozepore 28 per cent. and so on for other towns. No doubt, Sir, there are certain Members of this Assembly who come from those towns who may have cause individually to deplore these increases, but I cannot help feeling that the Assembly on the whole will welcome the fact that the tax has been at the same time assessed more equitably and also more profitably to Government. Seeing the success that had followed in the Punjab and in the United Provinces—I will not read to the House the results of the United Provinces, but they have been much the same—we proposed to other provinces the appointment of a similar staff purely for income-tax work. Now that special staff takes two forms. In the first place in the large presidency towns we are trying to get experts for the purpose. Let me take one example. I am sure the Members of the Assembly who come from Burma will bear me out as to the result that has followed from the employment of an expert in Rangoon. The Local Government's evidence on the subject was that there was no doubt that the Act was much more efficiently administered in Rangoon than in any other part of the province, and they ascribe the efficiency to the superintendence of the special Collector, Mr. Holdsworth. It is interesting to note how concurrently with

Mr. Holdsworth's appointment the annual income in Rangoon at once began to exceed all previous records for the province. The figures are :

	Lakhs.
1916-17	25
1917-18	32
1918-19	50
1919-20	69

That was the result of employing an expert in Rangoon itself. Meanwhile what was happening in the other districts of the province, in which there was no special establishment? The figures are curious :

1916-17	8,27,000
1917-18	8,58,000
1918-19	9,20,000
1919-20 back again to	8,21,000

Well, Sir, that was one part of our proposals to employ a highly expert establishment, in the big commercial centres. The second part of our proposals was to employ a special establishment not so highly expert of course but of the nature of a special revenue establishment, working in the districts and the towns generally of the provinces. That establishment was to be superintended by a Commissioner for income-tax. The Commissioner would have under him two or more (according to the size of the province) Deputy Commissioners who would be promoted from the special staff recruited for the purpose, who would carry out the major assessments and hear appeals for all minor assessments. They would be of the rank of Senior Deputy Collector or Extra Assistant Commissioner; under them would be Assistants of the type of Provincial Service officers who would carry out all minor assessments. Those proposals have been accepted by the Punjab, the United Provinces and the Central Provinces. They will, I admit, lead to a very considerable increase in expenditure, but I myself believe and I think the House will agree after what I have read out to it that the increase of expenditure on the establishment is likely to be made up many times over by the increase in collections. Coming now to the particular question that Sir Sivaswamy Aiyer has put to us, I may point out that the two Deputy Commissioners in Madras are the first provisional appointments for realising an establishment of this nature. Madras has not yet got out its full proposals for the extended specialised income-tax establishment, but it proposes to begin with two Deputy Commissioners. They will, I assume, hear the appeals, at all events appeals on minor amounts, from the assessing officers in the province. I think I have given the reason why in my opinion the ordinary Revenue Collectors to whom Sir Sivaswamy Aiyer referred are really no longer capable of undertaking this highly expert work of income-tax assessment. I would remind my Honourable friend that it was only a few days ago a Member of the Assembly from his presidency, Mr. Narayandas Girdhardas, brought forward a Resolution in this House, which pointed out what he described as an inequitable arrangement, from which certain assesseees in the province, namely, the Guzarati and Marwadi traders, were suffering. He complained of a rule passed by the Madras Government in regard to the preparation of their accounts. We attributed that rule entirely to the fact that the Madras Government had not up to date employed a specialised establishment for income-tax work and we told him, and I think he was satisfied with our answer, that we proposed to ask the Government of Madras in appointing the specialised establishment to make provision for the particular difficulty to which he referred in his Resolution. That the need for an increase in the Madras income-tax establishments is a real one, I really believe, because I notice that both in this House and in the other

[Mr. W. M. Hailey.]

House a very large number of questions have been directed to us from Madras regarding income-tax assessments and collections; and it is on this ground that I would ask the House to accept this, the initial step in the appointment of a specialised staff in that presidency.

Rao Bahadur T. Rangachariar: In arguing against the motion the Honourable the Finance Member has pointed out the advantage which accrues to the Government from employing a specialised staff. That I readily admit. We know from our own experience that whenever a specialised staff is employed for a special department, there is always a tendency to show up the income.

There was one curious feature in the statement read to us to-day by the Honourable Mr. Hailey in giving us an account of the operations in the Punjab. The figures are given of the increases and credit is taken for having excused certain people who ought not to have been on the books; but curiously enough the number of such cases was not given. A special Department always means working up—they desire to work up and to show progress, and the only way in which Revenue officers show progress is by showing collections. The working of the Income-tax Act has caused, I know, a great deal of heart-burning in the Madras Presidency. I do not know how it is in the other Provinces. The Honourable the Finance Member, in justifying the extra burden, has referred to the Resolution moved by my Honourable friend, Mr. Narayandas Girdhardas, as a justification for his measure. What that motion has to do with the present question I fail to see. He asked that certain Marwadi and other merchants in the Madras Presidency should not be asked to keep their accounts in two languages, and that the authorities should make their own arrangements to examine their accounts. I wonder if the Honourable the Finance Member considers that the employment of these two Deputy Commissioners is going to relieve that situation. They will be, whether they belong to the Provincial Service or the Civil Service, persons wholly ignorant of the two languages with which we are concerned, and I do not see how that is an argument for introducing this new system.

My objection to this is twofold. In the first place, the ordinary Revenue Department have not got enough work to do. You have got a very costly Revenue Board in Madras—which all attempts to remove have failed; and with that Revenue Board in existence the Collectors should have been relieved of a number of their other duties, as was pointed out by Sir Sivaswamy Aiyer. I can understand transposing some officials from that Department and making them do special work; but my objection is to creating new officers which will add to the burden on the tax-payer. We want every pie we can save to be saved. What is the necessity for introducing this set of highly paid new officers when our old officers continue and they have been relieved of a lot of their other work, continue in larger numbers. As has been admitted by the Honourable the Finance Member, this is the thin end of the wedge. This proposal this year to employ two Deputy Commissioners and nine Deputy Collectors is the beginning of a system that means, Sir, I do not know in how many divisions the Madras Presidency is to be divided. You have eight divisions for agriculture and other things and I suppose you will have the same number. That is, you will have eight Deputy Commissioners and an army of Deputy Collectors. This multiplication of departments, and multiplication of officers, adds directly to the burden on the Exchequer and adds indirectly to the burden on the people. We know that all these officers go on circuit and the poor villagers have to find provisions, etc., for them. You

have already got a lot of these Departments, Forest, Salt, Police, and you have the ordinary Revenue; and you are now going to add this special Revenue, and all this means a heavy burden on the people. I do think, Sir, that this should not be encouraged, and while I admit the importance of specialisation, I do not think there is any need for creating new officers. It is a question whether you cannot divide the work among the existing officers.

Mr. J. K. N. Kabraji: Sir, I should like to supplement the information given to the House by the Honourable the Finance Member by what is within my own knowledge regarding the working of the special income-tax establishment in Bombay. It is not a new feature there but has been in force for some years now, and there it has been found advisable and desirable to increase the special establishment in more and more districts as a result of the experience of their work. It is not merely, as Mr. Rangacharair suggested, it is not merely that their work is to increase the income-tax collections; but I have generally found that the special establishment, by their expert knowledge, are in a position to satisfy the assesses themselves in more ways than one. Not only has the employment of the special establishment enabled the district authorities to knock off a good many assesses who were not rightly assessed, but in a large number of cases it has been found that the assesses whose income-tax has been increased by the special establishment have not thought it necessary to appeal, and I remember particularly well that in one district where I was—in Bijapur, I mean—when the special establishment was newly introduced there, a large number of supplementary assessments were made, but very few of them were appealed against. This is a result which I think must be satisfactory to the public at large, because they feel convinced that their accounts are properly examined and overhauled, and that there is not much ground left for them to complain about. Under the former system, when the Revenue officers had to do this income-tax assessment work in addition to their other work, I must admit that they sometimes did it more or less perfunctorily. And I can understand it too, because they have not a special or expert knowledge of accounts, whereas the special establishment does nothing but this work, studies the accounts and compares them in various directions, and the result is both an increase of income-tax and a reduction in the number of appeals, since people have not much cause left to complain.

As regards the addition of these special establishments, I must say, from my experience in several districts, that it is almost impossible for the ordinary Revenue establishments to carry on this work, and if they have got to carry it on, it is so much loss to the public revenues, inasmuch as a good number of persons liable to assessment or enhancements remain to be discovered. There is, therefore, real economy in having this extra special establishment, and the expenditure is several times covered by the results.

Khan Bahadur Chaudhuri Wajid Hussain: Sir, I am extremely sorry to find that my Honourable Colleague, Mr. Rangachariar, is very hard on the sins of poor Government officials. He seemed to imagine yesterday that the subordinate Government officials were like so many vampires sucking the blood out of the anæmic body of Indian finance. And he seems to have imagined to-day that the superior executive staff have absolutely nothing to do and they spend their time fiddling away at the collectorate. All I can say is that Mr. Rangachariar has probably had nothing to do with Government officials of the subordinate branch or the superior branch. My friend from Bombay has explained to the House how it is not only in the interests of the Government, or of the Assembly to be more correct,

3 P.M.

[Khan Bahadur Chaudhuri Wajid Hussain.]

that the special staff for income-tax should be maintained, but that it is in the interests of the assesseees themselves that such a staff should be maintained. I shall explain to the House what the weak link of the existing organisation is, so far as it relates to income-tax work. Income-tax work presupposes a certain amount of special knowledge of the language in which accounts are kept. Before the present system was introduced in the United Provinces, the work of examining *Bahi Khata*s and other account books was often left to small clerks, clerks on Rs. 15 or Rs. 20 a month, who alone could understand these books. The consequence was that the over-worked executive staff had to depend almost entirely on the report, and, I am sorry to say, on the suggestions of this ill-paid staff. It was all very well for people who could put a little money into the pockets of these small clerks; but for people who were above it was a great hardship. The consequence of this was that a large number of people who should have been assessed to income-tax were left alone, and a large number of people who should not have been assessed were assessed and there was a very large number of appeals and a very great number of these appeals were accepted. But the present system has enabled the income-tax officers to personally inquire into the condition of each assessee, to personally examine the registers, and to make themselves acquainted with the tricks of the trade, and the results are exceedingly satisfactory. I will ask the permission of the House to present the results of the Lucknow district to which I had the honour of being attached 4 or 5 years ago, and where I did part of the income-tax work. The former arrangement was that all the Sub-Divisional Officers had to do income-tax work and the work of these Sub-Divisional Officers has of late been entrusted to one Deputy Collector who is known as the income-tax officer. The result has been an increase of over a lakh of rupees per annum. The number of appeals decreased immediately by half; and as for the number of appeals which have been accepted, it was reduced, if I remember rightly, to two. You will thus see, Sir, and that it is really more in the interests of the assesseees themselves,—of those assesseees of course who want to be fair and square—not assesseees who do not want to be fair and square—it is in their interests that this staff should be maintained; because, as I have said, the practice, before the introduction of this scheme, had been that the rabbits were muzzled while the great carnivores were left unmolested.

Beohar Raghbir Sinha: Sir, I have to express my agreement with what the Honourable gentleman on my left (Mr. Wajid Hussain) and my Honourable friend on the other side (Mr. Kabraji) have just said on this point.

Mr. Muhammad Yamin Khan: Sir, I do not know anything about other provinces except the United Provinces in this respect. I have had some experience though I am not a Government servant, but as a public man I have some experience, and I know that formerly this work was carried on almost entirely by *Tahsildars* and by their Sub-Divisional Officers who had their own work to finish; and they were so much over-burdened that they did not see this work properly. The result was, that, as Khan Bahadur Wajid Hussain has said, a lot of people who ought not to have been taxed were taxed, and a lot of people who ought to have been taxed at a higher income were not taxed properly at all. The work was carried on very inefficiently formerly. These gentlemen could not understand the big *Khata*s; they could not go through the accounts properly. Usually what they did was to leave their work in the hands of minor officials, and the result was disastrous. Now, Sir, we find that from the time the new arrangement has been made, the income-tax officers have been working very well; and we find that there

has been a considerable enhancement in the income, and there have been very few complaints made on the assessments by the present officers. I am not only a public man, Sir, but I belong to the legal profession, and I know that I used to come across a lot of appeals on the income-tax side of the assessments, and that their number has been reduced considerably since the establishment of the present system. It shows that the system has worked very well. Besides, Sir, there is another point. We ought to have as income-tax officers persons who should possess great integrity and who should be above any temptation; and for this purpose their salary should be proper. Any reduction in this will mean not only a reduction in the revenue but also it will lead to great corruption. We have found invariably that wherever income-tax establishment has been lowly paid there has been decrease of revenue and greater corruption. If we do not grudge a good salary to the income-tax officer the result will be a great benefit to the income of the Government of India. With these few remarks, Sir, I think there should be no reduction on this side.

The Honourable Dr. T. B. Sapru: Sir, there are just one or two aspects of this question which I would like to place before the House. I entirely endorse the observations which have fallen from my friend, Chaudhuri Wajid Hussain and also from my friend, Mr. Yamin Khan. Now, so far as the United Provinces are concerned, I can say from my experience as a lawyer—and that is by no means very antiquated for nearly two months ago I was in the profession—that the general feeling is that the administration of the income-tax has undoubtedly improved since the special agency came into existence.

The Income-tax Act, as it now stands, is an exceedingly complicated Act. It requires very careful study and an ordinary officer of the rank of a Deputy Collector or a Tahsildar, who has not given special thought to the administration of that Act, will, I venture to think, be found in the long run to be inefficient. I have been consulted in a number of cases arising out of the Income-tax Act in my own province, and the general impression left on my mind is that so far as the question of assessment is concerned, it has been tackled much more efficiently during the last two or three years by this special staff than used to be the case when subordinate officials used to carry on the work in a more or less perfunctory manner. Again, it must be remembered that so far as the United Provinces are concerned, we have got some big commercial centres like Cawnpore and Hathras and certain other places and then we have got a large number of money-lenders all over the province. I have had a considerable amount of experience of the kind of account books kept. I do not profess to be an expert in account books but I can say this much, that unless a man has given special time to the study of the system of account books he will never be able to deal with the various questions that may arise under the Income-tax Act. Well, I don't know anything about Madras and how things have been done, or are done there at the present moment. But I can say, from my experience of the United Provinces, that although there may be some feeling in the minds of people who want to save money at the expense of the public exchequer, yet the general view taken is that the administration has certainly improved since this staff came into existence. I would, therefore, venture to oppose the Resolution of Mr. Rangachariar.

Mr. N. M. Samarth: Sir, I believe this general discussion misses the point of the specific proposal before the House which Sir Sivaswamy Aiyer

[Mr. N. M. Samarth.]

has brought forward. I come from Bombay. Nobody can accuse Bombay of inefficiency of administration in so far as income-tax is concerned. The question is that in the column of 'Salaries' the total for Madras budgeted for next year is Rs. 89,160. If you refer to Bombay, the total under 'Salaries' is Rs. 80,700. With 1 Commissioner, 1 Collector, another Collector and Superintendent and Deputy Collector and Chief Examiner of Accounts, Bombay is able to manage very well, and manage, I think, according to even the Honourable the Finance Member, very efficiently its administration of income-tax. Now what is the income-tax in Bombay? It is more than three times that of Madras and yet, with three times more of the collection of income-tax in Bombay which has never been depreciated, at any rate to my knowledge, as insufficient or inefficient—we have been able to manage with these high officers who cost only Rs. 80,700. Is it right or is it wrong then on the part of Sir Sivaswamy Aiyer to say that for Madras at any rate, let not the higher salaries go beyond Bombay and Madras be made to pay Rs. 89,160. That is the issue before the House and I trust the House will decide in accordance with that.

Rai J. N. Majumdar Bahadur: Sir, this increase of salaries of officials reminds me of the story of a nobleman in Bengal who was very fond of buying mangoes at high prices howsoever sour the mangoes might have been. If mangoes were brought to him and he was told they cost Re. 1 each, he used to say 'excellent'. But if even five mangoes were brought to him and he was told that they were bought at 100 mangoes for Rs. 10 he used to say, they were good for nothing. So, I say, if you pay an official a high salary, he is worth much more than if you pay him a small salary. I think it will be doing great injustice to our sub-divisional officers who have been doing all this work, and to our magistrates and collectors who have been all along doing this work with great efficiency and whose administration of the income-tax has not been found fault with by the Government.

Of course, I must place great reliance upon the testimony of my Honourable friend, the Law Member, who says that the income-tax administration of the United Provinces has grown very efficient because it has got a Commissioner of Income-tax at Rs. 37,000 a year. Of course, when a man is being paid a high salary, his administration must be presumed to be very good: but I find at the same time that the pay of the chief adviser to the Government of India on income-tax is only Rs. 27,000 a year, lower than that of the Commissioner of the United Provinces. The United Provinces must be a very lucky province in that it has been able to entertain a Commissioner of Income-tax at Rs. 37,000 a year, and his income-tax administration has been very successful. We have heard from two lawyers that the people there are very contented and that their assessments have been very good. We accept that, and, following the same principle, I think it would be better to raise salaries all round in Bengal, Bombay, Madras and so on. Why not make additional grants to those provinces? Why give them poor salaries? For I find that in Bengal, poor Bengal, the Collectors of Income-tax get Rs. 1,550 and Rs. 1,500; two persons are getting only Rs. 36,000, and in the United Provinces one man is getting Rs. 37,000! Why not make them all more efficient in this way?

Simply absurd! Our Deputy Collectors are very efficient and I maintain that they are as efficient as the so-called experts. Where have these experts been trained? Is there a College of Income-tax in India where they teach them all the intricacies of accounts? It is people of the same or even

inferior qualification who are appointed to do these things. They are not indented for from England or anywhere else. The Deputy Collectors are performing the same duties and will do the same work. But as they pay high prices for mangoes, so they will become sweet.

Mr. E. L. Price: Sir, I do not think anybody yet has put forward this question from the point of view of the people it most intimately concerns, and that is the assessee. In Sind there is a constant complaint—it is tabulated at great length in the papers—to the Commissioner in Sind about the methods of the income-tax collectors, and we did hope that the whole trouble would be got over by putting some sort of Income-tax Commissioner in charge who would be able to deal with appeals and deal with the matter in an efficient way and get things put straight. I can assure Government that in Sind there is a great deal of dissatisfaction arising from the inefficient—well, alleged inefficient—methods of collection. To my knowledge, in Karachi itself, there are a great number of questions outstanding with the Income-tax Department and I say distinctly, Sir, that we do want a special staff to deal with these income-tax questions which are too complicated for a man with little or no special training in accounts.

Sir P. S. Sivaswamy Aiyer: Sir, my object in moving this Resolution is mainly to elicit information as to the necessity for these proposals and to some extent to give expression to the dissatisfaction which has prevailed with regard to the administration of the income-tax. Dissatisfaction on the administration of the income-tax is bound to prevail more or less everywhere and I do not intend to refer to that aspect. But what I do wish to draw attention to is legitimate dissatisfaction—the feeling of the assessee that their cases are not fully gone into.

I know that there is dissatisfaction, and I have had considerable experience in this matter and I know also that there is real ground for it. It may be that one advantage of a special staff is that it gives them more time to go into cases and arrive at just conclusions. If the only object of the special staff was to ensure efficiency and to deal justly with complaints, I should not care to press this motion. Having regard to the explanation given by the Honourable the Finance Member, I do not believe it would be right for me to take the responsibility of moving for the omission of this item. But I should like to press it upon his attention, that side by side with efficiency in collection, it should be impressed upon all officers concerned in the administration of the income-tax that the tax should be collected justly and not oppressively. That is the injunction that ought to be brought home to the mind of every Income-tax Collector. If this increase of establishment will facilitate the attainment of that object, I for one would not grudge this expenditure. Therefore, if the House has no objection, I am prepared to withdraw my motion.

The Honourable the President: The question is, that the motion be withdrawn.

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

Mr. B. Venkatapathiraju: Sir, I move

* That the provision for two Deputy Commissioners (Madras) be reduced from Rs. 37,200 to Rs. 12,000 by substituting two Deputy Collectors on Rs. 500 per mensem for two Deputy Commissioners on Rs. 1,550 per mensem.

Now you find there is another Deputy Commissioner and Secretary to the Chief Commissioner of Income-tax and you are having two Deputy Commissioners at a cost of Rs. 25,000 more than if you had two Deputy

[Mr. B. Venkatapatiraju.]

Collectors. Is it because they have not the power of hearing appeals, for I am not sure that the new officers are given that power. If you do not give the Deputy Commissioner the power of hearing appeals and of disposing of cases that may be brought before him in regard to revenue, then I respectfully urge you to appoint Deputy Collectors because it is useless to spend more money by employing higher salaried men. If they have not got these powers, what is the reason for employing higher salaried men?

One more factor is that we know the reasons why the appeals are fewer now, it is because they are rejected without the cases being heard sometimes. A vakil in Madras cannot appear in income-tax cases by right. They are obliged to pay income-tax assessment besides paying Vakils' fees when they are frequently rejected. Why should they pay? We in this House can see that no economic purpose would be served by having these high salaried officials. I have nothing to say against them but I do think we should manage with a low salaried official. We have got to make retrenchments and conserve our finances and I do not see any necessity for two Deputy Commissioners when two Deputy Collectors on a much less salary would do equally as well.

The Honourable the President: The question is, '*that the provision for two Deputy Commissioners (Madras) be reduced from Rs. 37,200 to Rs. 12,000 by substituting two Deputy Collectors on Rs. 500 per mensem for two Deputy Commissioners on Rs. 1,550 per mensem.*'

The Honourable Mr. W. M. Hailey: Sir, I should like to answer the question which has just been asked us by reading out a portion of a despatch which we sent to the Secretary of State on this subject. Our proposals were these:

'It has generally been agreed that in each province the specialised staff should be under the control of an Income-tax Commissioner; under the Commissioner there will be a number of Deputy Commissioners, varying according to the size of the province, and under the Deputy Commissioners a staff of Collectors. The Collectors, whose status will be generally that of officers of the Provincial Civil Service, will do the actual work of assessment, while the Deputy Commissioners will supervise the work of Collectors and also hear appeals from their assessments.'

It is exactly, Sir, in order that we might have proper proceedings for hearing appeals, that two Deputy Commissioners of this status have been proposed.

Now, my Honourable friend, Mr. Samarth, compared our proposals for Madras with those of Bombay, and he said they managed in Bombay—and managed very efficiently—with a far cheaper staff. I should like to remark that these two Deputy Commissioners are not meant as I understand for Madras City only; they are meant for the Madras Presidency as a whole, and if you compare the total scale of expenditure on income-tax establishments in Madras with those in Bombay, you will find that Bombay spends over 2 lakhs—or proposes to spend 2 lakhs—a year more than Madras.

I should like to point out to the House that big as these sums demanded for income-tax establishments may seem, they are not on the whole of an extravagant nature. Our total income-tax estimated collections are 22 crores and 39 lakhs of rupees, and our estimate of expenditure is less than 2 per cent. Now 2 per cent. for the assessment and the collection of income-tax is not, I think, a high figure when you come to consider the vast area of country over which these collections extend, and the great variety of books that have to be translated and audited for the purpose, I think you will agree with me when I say that in the circumstances 2 per cent. is not a very high figure for assessment and collection.

As for the rest of the points under discussion, I do not think I need argue them again. But my Honourable friend, Dr. Sapru, has asked me to read one paragraph from a United Provinces report to confirm what he himself said a short time ago, as his own experience gained as an outsider, regarding the improvement of income-tax work. When I have a good case, Sir, I always like to leave it for the support of other Members of this House, and I claim that I have got ample support here, and no special plea on my part is necessary at all. This is what Dr. Sapru has asked me to read out:

'The appointment of a special agency to deal with the assessment of income-tax, on the necessity for which the Board laid great stress in their last triennial review, was distinctly an experiment and has been fully justified by the financial results. But an equally important point was the need for careful assessment in the interests of the tax-payers themselves as frequently large sums are involved. When the new Act came into force, the Government of India expressed its desire that the Act should be administered in a sympathetic spirit, and in particular, that assistance should be given to assesses if they found any difficulty in filling up their returns of income.'

This object has been kept in view by assessing officers, many of whom, particularly in the larger cities and trading centres, have won the good will and respect of the assesses while not whittling down assessments. An assessment to be accepted without cavil must be understood by the assessee and the time devoted ungrudgingly by many officers to explaining the methods followed and results obtained has been amply repaid. Not that the tax has become popular, but friction has decreased in its administration.'

After that, Sir, I do not think it is in the slightest degree necessary to answer either the gibe of Mr. Venkatapatiraju regarding the bribe-taking propensities of our establishment or the suggestion that the whole of this work could be done efficiently in spite of the altered circumstances regarding Income-tax Law, by the Ordinary Revenue Collectors.

Mr. B. Venkatapatiraju: I do not press my amendment, Sir.

Mr. E. L. Price: The House is faced, I should think, with a determined effort on the part of Madras Members to get rid of competent and well-paid officers and get cheaper ones in their place.

The Honourable the President: Order, order. I understand that the Honourable Member wishes to withdraw his motion.

Mr. E. L. Price: But, Sir, I want to accept his offer and get such a good officer transferred to Sind.

The Honourable the President: The Chair cannot be expected to make itself a party to corrupt bargains! (Laughter). The question is, that the motion* be withdrawn.

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

PROVISION FOR NINE INCOME-TAX DEPUTY COLLECTORS (MADRAS).

Sir P. S. Sivaswamy Aiyer: Sir, I do not move 2 (b), viz.,

'That the provision of Rs. 32,400 for 9 Income-Tax Deputy Collectors (page 17) be omitted.'

It covers more or less the same ground as my motion regarding Deputy Commissioners.

COMMISSIONS TO PRIVATE INDIVIDUALS.

Sir P. S. Sivaswamy Aiyer: Sir, I beg to move

'That on page 17, the item 'Commissions paid to private individuals—Rs. 1,200, be cut out.'

*Vide page 827 of these Debates.

[Sir P. S. Sivaswamy Aiyer.]

I take it, Sir, that this term 'private individuals' is a euphemism for tale-bearers and informers. I think the work of the Income-Tax Department can be administered sufficiently well without the payment of *bakshish* to informers, and that we might very well trust to envy and spite to help the Department even better than to informers. It may be said, that after all, the amount involved is very small. But I object on principle to the grant of this sum to informers, and I do not think that the Department will stand to lose very much by the omission of this small sum of Rs. 1,200. On the other hand, we gain by the assertion of a principle that tale-bearers shall not be paid.

The Honourable Mr. W. M. Hailey : Sir, I must confess to ignorance. I do not really know what this Rs. 1,200 is. I surmise that as a matter of fact it is not really a commission; it is only a payment for collection which is made to certain heads of firms. If, Sir, it does really represent what my Honourable friend thinks it may do, that is, a payment to informers (which I cannot believe), I would unhesitatingly agree to cut it out. And, as it is, Sir, the sum is so small one way or the other that if the House thinks that it is undesirable, by all means let us cut it out.

Sir L. P. Watson : Up until recently Government allowed a very small commission to those employers of labour who collected income-tax from their employees, and as I was one of those who did this, it is just possible that a portion of the sum of Rs. 1,200 found its way into my pockets. It was not a bribe.

The Honourable the President : The question is,

'That the provision of Rs. 1,200 for commissions paid to private individuals (page 17) be omitted.'

The motion was adopted.

Sir P. S. Sivaswamy Aiyer : Sir, I do not wish to move the other motions. My objections to all these lump provisions are covered by the understanding we arrived at this morning.

Mr. Piyari Lal Misra : Sir, my motion is a very simple one and it is this :

REDUCTION OF THREE APPOINTMENTS IN THE CENTRAL PROVINCES.

'That the sum of Rs. 1,47,720 be reduced to Rs. 96,720 by the reduction of three appointments of Income-tax officers, 1 Commissioner and 2 Deputy Commissioners, in the Central Provinces on page 23, Demand No. 2.'

Sir, by this motion I ask the House for a saving of Rs. 51,000 by cutting out three appointments, *i.e.*, one Commissioner's which carries a salary of Rs. 27,000 per year and two Deputy Commissioners' which carry a salary of Rs. 24,000 per year. Sir, it is a well-known fact that the Central Provinces is one of the poorest and backward provinces in India, and a saving of Rs. 51,000 per year will be of immense use for fostering the industries and other things which are very necessary for the province. Sir, you will notice that I have not touched the 13 Collectors under this heading whose pay is Rs. 96,720. Therefore, my submission is that these 13 Collectors are quite enough to look after the work of income-tax. The present Deputy Commissioners in the Central Provinces have, if I may be permitted to say so, very little work to do. They have besides some miscellaneous work to look after, some revenue appeals and some criminal appeals. Therefore my submission

is that this work of income-tax may be entrusted to these Deputy Commissioners in the Districts. As regards the Commissioner's work of income-tax, the present Inspector-General of Registration who is in charge of that work is quite sufficient for the purpose. There has been a lot of discussion over these Mahajan accounts and other things I wonder who these Deputy Commissioners are. As far as my experience goes, and as far as these Income-Tax Collectors whose number is put down here as 13 are concerned, about a couple of these Collectors who have recently been put in under the Department of Income-Tax are fresh from colleges. They passed out about six months ago, if not more, and they were at once put in as Collectors of Income-tax. I ask the House what experience of accounts, complicated accounts of Mahajans, they have got? Practically none. Similarly, I am not in a position to state the experience of the two Deputy Commissioners who have been put down here. But so far as I understand, and so far as my knowledge and information go, these two Deputy Commissioners are not possessing that experience which a man ought to possess in checking the accounts of these bankers and Mahajans. However, as I have submitted before, I have allowed these 13 Collectors. The remainder of the work may go to the present Deputy Commissioners and the work of the Commissioner may be taken up by the Inspector General of Registration.

This is all I have to say.

The Honourable Mr. W. M. Hailey : I think the House would join with me in wishing that Mr. Piyari Lal Misra had discovered a little earlier the iniquitous arrangement which we are proposing in the case of the Central Provinces. It would have given the House and myself a little longer time to think over it. But my answer will be a short one. If I have carried, as I hope I have, the House with me in regard to this system that we propose to introduce in other provinces there is no special reason why we should not introduce it in the Central Provinces also. Whatever the virtues of the Inspector General of Registration and similar officers to whom my Honourable friend referred, I believe that I am well advised in thinking that a special Income-tax Commissioner would probably be even more successful. Now, Sir, with regard to the particular points raised, I am afraid that Mr. Piyari Lal, if he carries this amendment of his, will find himself in the unfortunate position of one of those careful housewives who by scraping and economising make savings in their daily expenses only to find those savings taken away from them by a tyrannical husband. If the House cuts out this sum of money from this budget, the saving will not go, as Mr. Piyari Lal hopes, to his distressed province, but will be reappropriated by this Assembly for its own sinister purposes. Now, Sir, he asks us who these two Deputy Commissioners are. They are, if the Central Provinces is following the system followed elsewhere, promoted Provincial Civil Service officers.

He says that he does not think that they are experts at their art. In that case the best thing would be, when the case comes up next year, for us to propose to the House that they should be paid Rs. 1,500 instead of Rs. 1,000, in order to get special experts. For the present I should advise the House to allow that provision to stand.

The Honourable the President : The question is, that this reduction* be made.

The motion was negatived.

REDUCTION OF THE DEMAND UNDER HEAD 'TAXES ON INCOME' BY RS. 8,03,060.

Rao Bahadur T. Rangachariar: Sir, I beg to move,

'That the demand under head Taxes on Income (No. 2) be reduced by Rs. 8,03,060.'

On page 16 of the Budget Estimates Honourable Members will find the total expenditure under this head was only 8,11,809 and the revised estimate for last year or rather for the outgoing year is 11,55,000 and Honourable Members will notice that the proposed expenditure is 29,78,000, that is more than three times what it was in 1919-20, more than two times what it is in the current year. Honourable Members will also notice that for the United Provinces, for which so much credit was claimed a few minutes ago, from 1,88,000, the proposal is to increase it to more than 5 lakhs. Similarly for Bengal, the proposal is to raise the amount from 1,64,000 to nearly 4 lakhs and for Bombay from 3 lakhs to nearly 6 lakhs and for Madras from 1,78,000 to nearly 4 lakhs. It appears to me that at a time when the financial position is what we are passing through, the Department is trying to push through schemes rather hurriedly. On that ground, I appeal to the Honourable the Finance Member that he should put some check on the pace at which this Department wants to progress, for really we cannot afford at this time to spend so much, it is more than three times what the expenditure was in 1919-20. Looking at the details also, we find a number of lump provisions which were dealt with this morning, but even apart from the lump provisions, there must be some way of checking this expenditure and I await the information to be given by the Honourable the Finance Member for this extraordinary increase in this Department.

Mr. J. Chaudhuri: Sir, I would invite the attention of the Honourable the Finance Member to the increase of income-tax establishments in Bengal, which has risen from last year's revised estimate of 1,64,000 to 3,96,000 and I would also invite his attention to the fact that while the deficit in respect of Establishment charges that the Government of Bengal had to make good was 1,15,923 in 1919-20, in the current year it is put down at 1,29,000 in the 1921-1922 Budget. That is, out of the provincial share, we shall have to pay a contribution to the Government of India to the extent of 1,29,000. Now we have been demanding a share of the income-tax and we have been running our province at a deficit of 2½ crores and therefore I do not consider it at all fair to Bengal to further debit Bengal to the extent of 1,29,000. At least the Finance Member, in justice to Bengal, should give us relief to that extent and that is my submission.

Babu K. C. Neogy: In reply to my Honourable friend, Mr. Piyari Lal Misra, the Honourable the Finance Member suggested that the provinces would not gain by any reduction that we may make in the income-tax establishments. But I like to remind this House that under the new financial arrangement each provincial Government is required to pay 25 per cent. of the cost of the special income-tax establishments as a condition of being allowed to enjoy 25 per cent. of the increase of assessment over the income-tax revenue of 1920-21.

In regard to this matter I put some questions and it is quite clear now that the concession is altogether illusory, particularly in Bombay and Bengal. The reason is that the income-tax revenue of the ensuing year is calculated to fall below the revenue of 1920-21 in some provinces and also that we have to find a quarter of the cost of the income-tax establishment in each province. So

that if the cost of income-tax establishment goes on increasing and increasing, the concession which was intended to be made to the provinces by the Joint Parliamentary Committee would be altogether worthless and Devolution Rule No. 15, clause (1), would become a dead letter.

Rai J. N. Majumdar Bahadur : Sir, the other day my Honourable friend, Sir Godfrey Fell—whom, in spite of my prejudices, I have come to like for reasons which I cannot tell—said that the more you spend on the Army, the better for India. To-day I heard another Honourable Member say 'The more you spend on income-tax establishment, the better for India'. The idea seems to be that you benefit India by spending more money all round. Why indeed should one Department have the monopoly of spending? On that basis, the Honourable the Finance Minister was quite justified in saying that we should spend more on income-tax establishment. But I am rather surprised that with the same establishment, with the same officers almost, we shall have to pay more than thrice what we paid before. As I have already said, we have not opened a special college for training income-tax officers, neither are we going to indent for them on Germany or England. The very men who are now doing the work will do it in future, but all of a sudden we are raising our establishment to twice or thrice its present strength. This is serving India with a vengeance and India may well exclaim 'Save me from my friends.' The Government position appears to be that the more money we spend on income-tax establishment, the richer we shall be; the more men you appoint to do this work, the more money will they secure from people who cannot pay income-tax. That is, I think, to gradually relieve them of their all and to send them to 'the bourne from which no traveller returns'.

Now, in Bengal, there are two Income-tax Collectors at present and we are going to increase that number to three. What justification is there for that? The same incomes have to be assessed; then, why should there be three men if two men were quite enough before. Then, in place of 120 clerks we are now to have 164 clerks. All this increase means so much loss to the Government itself, because the more we increase establishment the less income comes to the Government. Therefore, I say, we ought to reduce our establishment, to economise our administration as much as possible. The Government, on the contrary, has been in the habit of spending money extravagantly for a long time and cannot show any economy even in these days of high prices.

The Honourable Mr. W. M. Hailey : Sir, I am afraid I did not gather sufficient of that somewhat confused symposium which was presided over just now by my Honourable friend, Rai J. N. Majumdar Bahadur, to reply at all effectively to the criticisms he may have given the House. No doubt those in the immediate vicinity of that cheerful conversation may have gathered more than I did of its exact purport. I merely, for my own part, gathered that he wished to be saved from his friends (which is a little ungrateful in view of the prompting he has received from them) and reproved Government for giving way to the extravagant course of paying the same officers more money for doing the same work. I have tried to point out to the House, Sir, that that is not the case. The proposed Department is in great part a new Department.

As for Mr. Chaudhuri's objection that the concession to Bengal was rapidly becoming worthless owing to the increase in the cost of establishment, I would point out, Sir, that we have made no attempt to force this establishment, or any part of the cost of this establishment, on the Bengal Government;

[Mr. W. M. Hailey.]

if the Bengal Government does not agree to an increased establishment, there will be no increased establishment in Bengal.

But, Sir, the Honourable Mover of this Resolution had a really more important point. Taking the figures on page 16, he pointed out what appeared to be a very great increase in cost as between the revised estimates of 1920-21 and the budget estimates of 1921-22. I wish to explain to the House that the figures of 1920-21 and 1921-22 both refer to the Imperial share ; but in 1920-21, this was one-half, and it is now three-quarters. That is a partial explanation at all events of the great increase that appears to have been made between the revised estimates of the existing year and the budget estimate of the year to come.

Rao Bahadur T. Rangachariar : Do I understand that we must multiply the second part by two ?

The Honourable Mr. W. M. Hailey : Yes, Sir ; he may take it that the total cost of the establishment in 1920-21 was 22 lakhs approximately.

Well, Sir, I do not think it is necessary for me to re-argue the whole case. Either we are justified in proposing what is practically a new income-tax special establishment in order both to equalise assessments and to bring in more money, or not. We have framed our estimate of revenue for the coming year on the understanding that we shall have such an establishment and shall benefit by its labours. Unless the House is willing that we shall employ such an establishment, it will be necessary for us, I am afraid, to reduce our estimates of the approximate revenue that is to come to us in the coming year.

We have deliberately, even at a time of difficulty like this, we have deliberately proposed this increase of establishment for two reasons ; firstly, in order that we may give full justice to the assessee in view of the fact that our maximum assessment, if it is accepted by the House, will now go up and secondly, in order to improve our collections. I believe that by employing the extra staff we shall earn enough to pay for it several times over.

The Honourable the President : The question is,

' That the demand under head ' Taxes on Income ' (No. 2) be reduced by Rs. 8,08,000.'

The motion was negatived.

LUMP PROVISION OF Rs. 3,88,000.

Mr. B. Venkatapatiraju : I move,

' That lump provision* of 3,88,000 be reduced by one lakh '.

If the lump provisions have to be placed before the Finance Committee, emergencies excepted, I propose to withdraw my motion.

The Honourable Mr. W. M. Hailey : Sir, you will perhaps allow me to say that I have already given a guarantee to my friends opposite that the proviso will apply to all lump estimates. I do not know, Sir, if you wish that I should formally move that proviso to the motion.

Sir P. S. Sivaswamy Aiyer : I think it is quite sufficient for us, Sir, to have the assurance of the Honourable Member ; it is not necessary that the formula should be formally repeated.

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

The Honourable the President : The question is,

'That a sum not exceeding Rs. 28,38,000 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 March 1922 in respect of Demand No. 2, Taxes on Income'.

The motion was adopted.

The Honourable Sir Thomas Holland : Mr. President, I beg to move

'That a sum not exceeding Rs. 1,17,95,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March 1922 for the provision of Salt'.

Mr. B. Venkatapatiraju : Sir, in view of the assurance given that the concession will be applicable to all these lump provisions, I do not propose to move the motion, which appears in the List of Business.

Mr. E. L. Price : Sir, may we be made aware of what is happening? Nobody ever here knows.

The Honourable the President : Order, order. I am just deciding what is happening.

IMPROVEMENT OF SALT SOURCES.

Sir P. S. Sivaswamy Aiyer : Sir, I do not think it necessary to move the Resolution which appears against my name

'That the lump provision of Rs. 7,00,000 for improvement of salt sources be omitted'.

I think it is covered by the understanding we have arrived at this morning that all these lump provisions will be subject to the scrutiny of the Finance Committee and will not be drawn upon without their concurrence except in emergent cases. I do not, therefore, propose to move it.

Mr. B. Venkatapatiraju : Sir, on page 28 of the estimates we find provision for 963 Assistant Inspectors and Sub-Inspectors has been made at a cost of Rs. 10,87,680. I beg to move

'That that sum should be reduced by one-lakh of rupees'.

My reason is this that though in previous years there were 3 more persons or 966 in all, the expenditure in 1919-20 was only Rs. 6,60,000 and the budget estimate was only Rs. 7,13,880 last year while the revised figures are only Rs. 6,72,000. I find that now after reducing the number by three, there is an increase of about 4 lakhs, or of nearly 60 per cent. I do not think that such an abnormal increase is necessary for these officers, and, therefore, I suggest it may be reduced by one lakh.

The Honourable Sir Thomas Holland : Sir, I am very sorry indeed that Sir Sivaswamy Aiyer and the other section of the Madras company on that side of the House have decided to drop all the Resolutions, because any one of them we could have defended in detail before the House without any further reference to the committee, if necessary, except this. This is an item that is not a lump provision, but it is a very complicated issue that is before us. It is a proposal that has originated in Madras and I have no doubt that the Honourable Mover has a great deal of inside information with regard to the conditions there. The real reason why we cannot at this short notice give a complete and detailed analysis of the figures to the House is due to the fact that in Madras the excise and the salt establishments are to some extent mixed together. We are now making a special examination of the establishment with a view of separating one from the other. For the time being this

[Sir Thomas Holland.]

estimate has been sent in by the Madras Government, and we have to act on it in order that the establishment may carry on. As Mr. Innes told you on several occasions this morning, it does not in any way mean that the details will be necessarily sanctioned. Now, one of the questions which will arise when we begin to separate the excise, which is as you know a transferred provincial subject, from salt which is under the general control of the Government of India - the Madras Government acting as the Government of India's agent - one of the difficulties which will arise will be the charge that might conceivably be made on behalf of the Madras Government for what I think my friend, Mr. Rangachariar, called this morning, that expensive Board of Revenue. The Madras Government will want us to bear a portion of the cost of the general supervision by taking over the expense of one Member, or at any rate the equivalent of one Member of the Board of Revenue. It is, therefore, not possible at this stage to give to this House a definite detailed assurance that all these officers are necessary, and that their scale of pay is necessary, we have to take it for granted from the Madras Government. You will notice that the item deals with a very large number, 960, of subordinate officers, Assistant Inspectors and Sub-Inspectors, ranging in pay from Rs. 60 to Rs. 200 a month. The chances are that these men are not over-paid. I know something of the other parts of the Salt Department, and I am quite willing to defend any proposals that we have made for a revision of the terms of service. There is a great deal of responsibility in the hands of these subordinate officers, a great many temptations are put in their way, and it is our duty to be quite sure that they are contented approximately with their lot, and that they can carry on their work without considering that they have any special personal grievance against the Government.

Apart from that, there is, as I said before, the danger of such a large body of compact men taking to themselves the recognised methods of forcing our hands. If the House will allow of the examination of this item, either departmentally or by the Finance Committee, I myself shall be very glad indeed to have it thoroughly sifted in that way. As I said, we got notice of this only this morning. A part of the charge has to be examined in the Commerce Department in connection with excise; and a part of the charge in my own Department in connection with salt. It has not been possible in the few minutes that we have been allowed to be absent from the Assembly, to find out in detail exactly how each constituent item of the total can be substantiated. I have not the slightest hesitation in offering that the proposals should be examined by the Finance Committee if that will satisfy the Honourable Mover.

Mr. B. Venkatapatiraju : That will satisfy me and I wish to withdraw my motion.

The Honourable the President : The question is, that leave be given to withdraw the motion.

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

REDUCTION OF THE DEMAND UNDER HEAD 'SALT'.

Rao Bahadur T. Rangachariar : Sir, my motion is

'That the demand under head Salt (No. 3) be reduced by Rs. 25 lakhs'.

My object in giving notice of that motion was to draw attention to the following items, some of which have already been dealt with :

At page 26, the lump sum provision of Rs. 7,00,000 for the improvement of the salt source at Sambhar.

I am glad Sir Thomas Holland explained this thoroughly to our satisfaction this morning. It is a very productive investment and I am thankful to accept it.

At page 25, the lump sum provision of Rs. 2,00,000 for revision of establishment.

At page 28, the provision of Rs. 5,07,050 for travelling allowance.

This seems to be a very large amount for travelling allowance.

At page 29, the provision of Rs. 71,800 for 'other contingencies'.

This seems to be a very large sum for contingencies.

At page 33, the provision of Rs. 7,00,000 for revision of establishment.

At page 33, the provision of Rs. 3,00,000 for local allowance.

This seems to be too big an item without any details.

At page 34, we have got provision for the North West Frontier which is costing us a great deal.

At page 36, the provision of Rs. 13,000 for office expenses and miscellaneous.

I cannot follow what these items are and I shall be grateful for some explanation.

The Honourable Mr. W. M. Hailey : Purely on a point of arithmetic, Sir, may I point out that these items do not amount to Rs. 25,00,000. The Honourable Member must give us some further cuttings if he wishes to bring the figures up to the full total of Rs. 25,00,000.

Rao Bahadur T. Rangachariar : I will be satisfied with an explanation on these points. The other amounts are in thousands and I do not care about them.

The Honourable Sir Thomas Holland : May I take it, Sir, that the Honourable Member, in criticising these items, wishes to have them cut out entirely even if they do not amount to the Rs. 25,00,000 mentioned in his motion.

Rao Bahadur T. Rangachariar : If no satisfactory explanation is forthcoming, I would have them cut out.

The Honourable the President : If the Honourable Member wishes to cut out any items, he ought to put down a motion on the paper to that effect. It is very hard on the Government, and it is very difficult for individual Members of the Assembly, to follow the process of his argument unless he divides it up, as other Members have done, and moves each one separately. The question he has put to Sir Thomas Holland raises quite a different point and he may put in the form of a general criticism. But when he wishes to raise points as specific as those which he has made, he ought to put them down as motions for reduction of the particular items to which he refers.

Rao Bahadur T. Rangachariar : May I explain, Sir, that I refer to them as instances requiring examination showing that this increased grant demanded under this head has not been explained. I only refer to them as

[Rao Bahadur T. Rangachariar.]

instances in support of my position that there is no need to increase the estimate from Rs. 1,56,00,000 this year to Rs. 1,58,00,000 next year.

The Honourable the President: The Honourable Member is perfectly entitled to do that, if he wishes to make a general criticism that the administration of the salt revenue is extravagant. But he is not entitled to expect the Government to be prepared with a detailed reply to criticisms on specific points unless he gives notice beforehand.

The Honourable Sir Thomas Holland: I am quite willing to meet the Honourable Member in this way. It is quite impossible for the House, obviously, to accept his illustrations, because, if you took the question of Rs. 5,70,000 say for travelling allowance and you wanted to save your Rs. 25,00,000 by using that as one of the constituent items, then all officers must stop travelling at once. There will be no inspection work done by inspectors.

If we are going to deal with the Budget in a business-like manner, we must try to introduce some form of criticism that would prevent Government—and when I say Government, I mean Local Governments too—from indulging in extravagances. I quite agree with the object of the Honourable Member, and I welcome his co-operation in helping us to check what we sometimes look upon as a slight tendency towards generosity on the part of Local Governments.

We sometimes get sent notices for the sanction of demands by Local Governments without sufficient detail to enable us to judge of the merits of the proposals and we return them when we are not satisfied, for further explanation, and one result is that we become extremely unpopular with Local Governments—I should like that unpopularity to be shared by this House. There is not the slightest doubt that we would not hesitate for a moment to allow these items to be checked by the House, as a whole, and for that matter, by any Committee. We do want the help of the House, especially in regard to checking those items that come from the provinces. It is those particular items that we are not, as Members of the Government of India, in a position to check from personal observations.

As to the points that have been raised in connection with the Northern India Salt Department—the Department which is under my administrative control—I have not the slightest hesitation on any short notice in taking up the items that the Honourable Member would like to have investigated. We, who are in touch with the progress of that Department from day to day, and thus know the reasons for each proposal that is made in the Budget. But with regard to the Provinces, we want longer notice for a question of this sort and we expect the House to meet us also in a reasonable way and not to expect detailed answers to criticisms of proposals sent up to us by the Local Governments—criticisms of questions of which we ourselves are only provided with abstract information.

Now I will take one or two of these and I hope to occupy the time of the House only a very short while. Take for instance the first one mentioned by my Honourable friend as to the provision for the revision of establishment. Well, that establishment consists mainly of the Preventive establishment of the Northern India Salt Revenue Department, a part of which is estimated to cost in extra remuneration for inspectors the sum of Rs. 61,500; the other

part will be devoted towards the improvement of the pay of the inferior establishment, namely, the sum of Rs. 1,38,600, making a total of Rs. 2,00,200.

We are told by the Commissioner of the Department that several of the officers have already left or are leaving the Department because they are not satisfied with the pay they are receiving, and it is said that others will leave soon. But apart from that we are suffering most distinctly and noticeably—in the class of officers we are able to recruit for the salaries now offered. It does not pay the Government any more that it pays business firms to employ an officer who cannot earn his salary and we are driven now, because of the low standard of pay, to accept recruits who are not quite up to the standard to which we have been accustomed in the Department.

Now I will deal with the second point which I referred to this morning and it is a much more interesting one and I know the Honourable Member does not dispute it because what he is out for is to restrain the increase of establishments. That is all very fine as far as it goes, and he may make as many speeches as he likes in this House, but he will never become so effective as my Honourable friend, Mr. Hailey, has been in the last two or three weeks, or so disagreeable to the rest of us. Take the case of the question of the improvement of the Salt source at Sambhar. I mentioned very briefly this morning the real reasons why this was put in the form of a lump provision and why it was we were forced to accept an estimate of only 7 lakhs. If we are going to reform Sambhar, we shall want 23 lakhs straight off and we shall want something like 15 or more lakhs to reform the Salt source in the Punjab. We got the whole of our Budget knocked down, as I said, to 7 lakhs and thus we were driven to reconsider our position. Well, our position is this. If we do not reform Sambhar this year, we are going to lose the next monsoon and we are going to have a shortage of salt. So far as the Punjab mines are concerned, we can go on as we are going on now and as we have gone on since the days of Akhbar. The lake is undergoing serious degeneration. The degeneration is real without any question, but it is sufficiently slow to enable me, if I wish, to shunt my responsibility, and leave my successor to pay the bill. The annual output in the case of Sambhar is something like 55 lakhs of maunds of salt. Now it is extremely variable and here comes in one reason why we want to reform our methods. One year—in the year 1918-1919—we had as much as 111 lakhs of maunds of salt. Sambhar is dependent on the monsoon, and the monsoon in Rajputana is by no means as regular as the average monsoon of India as a whole. In some years the lake at the end of the monsoon fills and covers an area of 60, 70, or 80 square miles. Then the drying process sets in at the end of the rainy season and small pans are constructed round the edge of the lake. The brine thus formed in the latter is drawn off into the concentrating pans and at the end of the manufacturing season the salt is gathered together in heaps and finally assembled in central stations for storage and disposal.

Now I have told you this long story because it gives you at a glance what it means to us when in one year we get 111 lakhs of maunds of salt and in another year we do not get more than 20. It means that this year for instance, which is the end of a bad monsoon, we are going to lose our labour because we cannot afford to keep our labour doing nothing. The lake is already dry. Our manufacturing season is over. February, March, April,

[Sir Thomas Holland.]

May and even June will be wasted and we have got to wait until the end of the monsoon and trust to a good monsoon before we can employ labour again.

Now what does it mean: It means that we lose our labour and we have got to collect it again before the end of the monsoon. If the monsoon is a good one, labour is not so easily attracted, and if the monsoon is a bad one, we have to discharge what little labour we use. That is the kind of thing we have been driven to, simply because the old salt officers who have had little or no technical training have looked upon Sambhar as a 'gift of Heaven' and that nothing should interfere with the course of nature.

For many years we have been studying these questions. At any rate I have studied it myself with a great deal of interest because it happened to come into a question of research in the old days when I lived a happy life in science.

And the result of the scientific work in those days now become the basis on which we are building schemes for reform of manufacturing systems there. In 1919, when I was acting for Sir George Barnes in the Commerce Department, I managed to get the services of Captain Bunting, a distinguished Irrigation officer, from the United Provinces. Captain Bunting went to Sambhar lake, and thereafter making a more full survey of the lake, and after a rapid survey of the situation, he went to England on leave and there he met me on my second retirement. Both of us took up the question, consulted as many experts as we could at Home, and visited the different places where we could get information with regard to the schemes which we had in hand for reforming the work of the lake. We propose to put up a bund across the narrow part of the lake where there is deep water, but laterally a series of constrictions. That will be the cheapest way of connecting the north with the south.

Rao Bahadur T. Rangachariar: I did not want an explanation of that.

The Honourable Sir Thomas Holland: May I remind the Honourable Member that he is not the only Member of this House? This is one of the items that have been challenged, and I take it for granted that the other Members are desirous of knowing what they can about this subject. Sir, it is not time thrown away to consider this question of the arrangements, because it tells you why it is we have got to deal with a lump provision. When the monsoon fills the lake, we arrange to pump the water from the main body of the lake over this narrow bund into an eastern constriction, and there we shall be able to maintain a body of brine throughout the year. There we shall continue our manufacture right up to the beginning of the next following monsoon. We shall be able in that way to retain our labour. And here comes the expenditure division of our Budget. There are two ways of handling our salt. One is by manual labour, as we are driven to now. The other is by the introduction of mechanical methods of assembling. Give me money, and I will introduce mechanical methods of assembling, and thereby in the long run save the great labour Bill. But that money is not available. The only money that is available now is money enough to construct the bund before the next monsoon. Otherwise, as I have said before, we are going to have at the end of the year a great difficulty in the manufacture of salt and a serious shortage. Now, I am entering into this general question

because my Honourable friend has raised this attack. This proposal to reduce the Budget of the Department by 25 lakhs is a general criticism of the Department as a whole. I quite agree with him that the information before the House is insufficient for this House to judge of the merits of many of the details entered into the Budget. I will go a step further and say that the information before me so far is insufficient for me to judge or in any way to give information to satisfy the House with regard to many of these items. On longer notice it is quite likely that we shall be able to obtain fuller details from the Local Governments. But we have got to remember that salt must be made, and this is an extremely delicate year for the community. As I have said before, one of our principal sources of salt has been endangered through the failure of the last monsoon. We are now making a very desperate effort to put on to the markets sufficient salt to prevent local profiteering. If you look up the prices of salt during the last few years, you will find that there is no comparison between the price of salt issued and the retail prices. Before the war we had normal ratios between the salt at the sources and salt in the market. But the ratio has recently quite changed, and one of the reasons why this change has occurred has been a local shortage of salt in the market, and the tendency on the part of merchants to undertake the game of profiteering. The only way to cure that complaint for the benefit of the poor ryot is to ensure that the market will be swamped with sufficient salt, and, as I said, we are now going through a period of great anxiety, first because of the partial failure of Sambhar and secondly because of the establishment charges that have been hitherto in force and have not been considered to be sufficient to satisfy the men, having given rise for instance to a strike of the miners at Khewra in the Salt Range. The miners are now on strike, and if we had not by chance imported a Mining Engineer with abundance of new energy and new ideas, who was able to turn into account the small amount of machinery that he could scrape together, our salt situation in North India would now begin to manifest itself in a very serious rise in prices. As it is, the Mining Engineer who has arrived has considerably helped the situation, and is now turning out salt which will satisfy for the time being the immediate demands of the northern market. But I want the Members also to remember that this is not a review of accounts. We are not reviewing the accounts of the past year. We are passing a Budget which is merely what we estimate to be the money that we may want and there is no tendency on the part of the Government to spend the money merely because it has been estimated for. The Finance Department still exercises the severest control over the other administrative Departments with regard to the detailed Budgets, and afterwards with regard to their detailed expenditure. We have in all cases of this sort, at the end of the war, and in consequence of the rapid changes in the work both with regard to the number of personnel and the nature of officers employed, and the changes which have occurred in the matter of salaries, we have naturally, during the last year, had to go through a very difficult process of revising and reviewing our establishment all through India. The result has been that we have in this Budget a larger number of so-called lump provisions or provisional budgets than we should otherwise have had. We hope next year that these will be reviewed in advance by the Finance Committee. But, meanwhile, we have to carry on, and I hope that the House will have confidence in the Government sufficiently, for the time being at any rate, to allow us to carry on and not to cut off the 25 lakhs which the Honourable Member proposes, merely because he is not quite satisfied—

[Sir Thomas Holland.]

and I do agree that I am not satisfied either—with the information at present before us. But if the House and if the Honourable Member will accept my assurance that he can come and see the details himself personally in our office, or if he wishes in accordance with Mr. Hailey's general promise, to put them before the Finance Committee, I should be very glad indeed to give every facility to see that these items are thoroughly checked. The items about which there is some doubt, or rather about which we have insufficient information, are the items sent to us by the Local Governments and we would only welcome the assistance of this House in checking their value.

Rao Bahadur T. Bangachariar : I am glad, Sir, that the Honourable Sir Thomas Holland has given a full explanation as to the improvement of the salt lake at Sambhar. The fact is that when I gave notice of these motions to this Department, he was good enough to go over to me yesterday and I showed him what my difficulties were and also showed him these very items which he has referred to. So that, so far as Sir Thomas Holland is concerned, he has no reason to complain that he did not know what items I was going to attack. He says that the points on which I wanted an explanation are all except a few matters within the knowledge of Local Governments and unfortunately the Government of India are not placed in possession of the information necessary to give details for such large items. I realise, and I daresay that the Honourable Sir Thomas Holland realises, that this is not an occasion for reviewing the administration of his Department. That was far from being my view. On the other hand, I am here performing a duty by scrutinising the Budget presented to us for sanction and in scrutinising the Budget I came across figures for which no explanation has been given either in the memorandum accompanying the Budget or in the Budget itself, and I say that if this explanation had been given in a footnote as regards the Sambhar Lake the question would not have arisen. If similar explanations had been given in regard to the other items, the question would not have arisen and so, in view of the understanding we arrived at this morning, it is unnecessary for me to pursue the subject further as regards this lump provision. They appear to me unsatisfactory. They appear to the Honourable Member also unsatisfactory and I daresay, therefore, there will be no more occasion to go into that question again. Now that I have drawn attention to these matters of the local allowance and other contingencies and other matters that require attention, and in view of the statement made by the Honourable Member about placing these items before the Finance Committee, I do not press my amendment.

The Honourable the President : The question is, whether leave be given to withdraw the motion* for reduction of the demand under head Salt (No. 3).

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

The Honourable the President : The question is,

* That a sum not exceeding Rs. 1,17,95,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March 1922, in respect of Demand No. 3 Head of Account, Salt.

The motion was adopted.

The Assembly then adjourned till Thursday, the 10th March 1921.

* Vide page 836 of these Debates.