

10 March 1921

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

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FIRST SESSION  
OF THE  
LEGISLATIVE ASSEMBLY, 1921



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# LEGISLATIVE ASSEMBLY.

*Thursday, 10th March, 1921.*

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

## QUESTIONS AND ANSWERS.

### CULVERTS AND WATERWAYS ON THE BENGAL AND NORTH-WESTERN RAILWAY.

419. **Rai Bahadur L. P. Sinha:** (a) Are the Government aware that the inadequate provision of culverts and waterways on the Bengal and North-Western Railway line from Barauni Junction to Katihar Junction causes a great deal of distress to the people of the locality during the floods every year?

(b) Are the Government further aware that the few culverts which exist on the line are also closed by the Railway authorities at the beginning of the monsoon every year with the result that considerable damage is annually caused to the fields and properties of the residents of the localities south of the railway line?

(c) Do the Government know that in a suit brought by Babu Satish Chandra Basu, a Pleader of Beguserai against the Bengal and North-Western Railway Company in 1919, it was held by the Courts that the action of the Railway Company in closing the culverts was illegal?

(d) Did the Railway Company in view of the findings of the Courts keep the culverts on the line open during the monsoon of 1920? If not, why not?

(e) Do the Government propose to consider the desirability of impressing upon the railway authorities the extreme necessity of providing a sufficient number of culverts and waterways on the line and of keeping them open throughout the year?

**Colonel W. D. Waghorn:** (a) Judged by ordinary conditions this section of the line is not provided with waterways to the extent that would be normally considered necessary and Government are aware of the fact.

This, however, is in accordance with the decision arrived at on 5th December 1898 by a Committee representing the several interests concerned, which met to consider the question at Bhagalpur.

The existence of the Railway bank does not make a very material difference to the country south of the line during the Ganges floods (except in raising to some extent the level of what would in any case be a high flood). On the other hand, the bank saves the places to the north of the line and on the whole, the local inhabitants stand to gain more than they lose by the existence of the bank.

(b) The culverts were never intended to be flood openings, but to deal with impounded water from local rainfall. These culverts, even running full the whole time, would make no noticeable difference in the flood.

(c) The answer is in the affirmative. The points held to be established in that case by the sub-judge, were :

(1) that the land sloped towards the north and could drain only in that direction ;

(2) that there was on this occasion no danger to the railway bank.

(3) that the Railway could close the culverts in case of danger, etc.

(d) Government have no information on the point, but if the safety of the line was involved, the probability is that they did close the culverts.

(e) In the light of the facts already stated, the provision of extra culverts would have a prejudicial effect on the country to the north of the line during the Ganges floods, while the amount of relief to be secured in the flooded area would be negligible and of no real utility.

#### HIGHER GRADE POSTS IN THE RAILWAY, POSTAL AND TELEGRAPH DEPARTMENTS.

420. **Rai Bahadur L. P. Sinha :** (a) Will the Government be pleased to state :

(1) The number of posts in the higher grade of services in the Railway, Postal and Telegraph Departments, and

(2) the number of such posts held by Indians and non-Indians, respectively, according to nationality ?

(b) Will the Government be further pleased to state how many natives of Bihar and Orissa have been offered such posts in the superior grade during the last three years ?

**Mr. C. A. Innes :** (a) (1) Railway 469, Post Office 256, Telegraph Department 120.

(2) Held by Indians 228

Held by Non-Indians 611

Vacant 6

(b) Three natives of Bihar and Orissa have been appointed to posts in the higher grades of the Post and Telegraph Department during the last three years. I am unable to say how many persons have been offered such posts. In the Railway Department no record is kept of the province from which appointments are made.

#### BHAGALPUR-BAUSI BRANCH LINE.

421. **Rai Bahadur L. P. Sinha :** (a) When was Bhagalpur-Bausi Branch line of the East Indian Railway dismantled, and why ?

(b) Has it been decided to restore the line for the convenience of the general public ?

If so, when is it likely to be restored and in working order ?

If not, why not ?

**Colonel W. D. Waghorn :** (a) The Bhagalpur-Bausi Branch of the East Indian Railway was dismantled in October to December 1917 for purposes connected with the prosecution of the war.

(b) The reply to the first part of (b) is in the affirmative. With regard to the second and third parts I may explain for information that the line will be restored as soon as requisite permanent-way material becomes available. No specific date can however be given at present.

#### LOSS TO THE PAPER CURRENCY RESERVE.

422. **Mr. B. Venkatapatiraju:** Will the Government be pleased to state:

(a) the actual loss in rupees to the Paper Currency Reserve, caused by the transfer of a portion of the Reserve to London through Council Drafts and its retransfer to India through Reverse Councils?

(b) Whether it amounts to 35 crores or thereabouts?

**The Honourable Mr. W. M. Hailey:** The number of rupees received for the Reverse Councils sold during 1919 and 1920 amounted to about 49½ crores, while the number of rupees paid in the immediately preceding years for a corresponding amount of Council Bills amounted to 70½ crores. The difference of 21 crores may be taken as representing the loss caused by the transfer of funds to London through Council drafts and their retransfer to India through Reverse Councils; it should be explained that the bulk of the sales of Councils during this period were at a much higher rate than 1s. 4d. These transfers of funds were not entirely effected through the Paper Currency Reserve. Also no portion of the loss fell on the Paper Currency Reserve, but it has been made good entirely from Treasury balances either in cash or by the issue of Indian treasury bills which will be paid off gradually.

2. The sum of Rs. 35 crores mentioned by the Honourable Member represents approximately the difference between the rupee value at which the British Government's securities in the Paper Currency Reserve which were sold in order to meet reverse bills on London were held in the Reserve and the rupee proceeds of the reverse bills.

It is necessary however to mention two points with reference to this figure of 35 crores. In the first place, out of this total Rs. 23 crores represent the deficiency in the rupee value of the sterling securities owing to their revaluation on the basis of £1 = Rs. 10; this loss was not due to the sale of reverse bills and would have occurred whether these bills were sold or not, the only difference which the sale of the bills made being that the loss occurred earlier as the bills were sold instead of in lump when the securities were revalued on the 1st October 1920. The second point is, that if the reverse bills had not been sold, exchange would have stood at a much lower level than it actually did during the period of the sales, and the loss on our other remittance transactions would have been greater than it actually was. Some portion of the balance of the loss which I have mentioned above, viz., 12 crores, would thus have occurred even if we had altogether abstained from the sale of reverse bills.

#### BRANCHES OF THE ARMY DEPARTMENT.

423. **Mr. A. B. Latthe:** (a) Has the attention of the Government been drawn to the allegations about 'widespread, well-known corruption and inefficiency that have come to characterise all branches of the Army Department' contained in the *Bombay Chronicle* of 24th February 1921?

(b) Do the Government propose to hold an inquiry, through a Committee likely to command public confidence, into these allegations and call upon the public including the editor of the said *Bombay Chronicle* to submit any evidence that may be available?

**Sir Godfrey Fell:** (a) Government have seen the article in question which appeared, however, in the *Bombay Chronicle* of the 23rd February and not in that of the 24th February as stated in the question.

(b) The answer is in the negative.

#### SURPLUS AND CONDEMNED MILITARY STORES.

424. **Mr. A. B. Latthe:** (a) Will the Government state (1) the total price of surplus military stores, and (2) the total price of the condemned military stores that have been sold by auction or otherwise since the close of the war? What is the total loss that the Government has suffered as a result of these sales?

(b) Will the Government be pleased to state the total price of (a) condemned, and (b) surplus stores which are still to be sold by the Military Department?

**Sir Godfrey Fell:** I would invite the Honourable Member's attention to the reply given by the Honourable Mr. Hailey to a somewhat similar question in the Legislative Council on the 16th September 1920. The surplus military stores that have been disposed of since the end of the war are almost entirely the property of His Majesty's Government, so that the debits on purchase and credits on sales are matters affecting the finances of His Majesty's Government. The loss, if any, does not fall on the Government of India. There is a Disposals Commissioner in India who has been sent out on behalf of the Home Government, and who will be ready to give the Honourable Member further information on the subject if he so desires.

#### POLITICAL SECTION OF THE HOME DEPARTMENT.

425. **Sir P. S. Sivaswamy Aiyer:** (a) How long ago was the Political Section of the Home Department created?

(b) Has any Indian member of the Home Department office establishment been ever attached to this section? If so, how many were so attached since the creation of the Department and for what periods?

(c) Is secret and confidential work done in other sections of the Home Department, besides Political?

(d) Is it a fact that files of the Political Section of the Home Department when referred to other Departments of the Government of India or to the Office of the Director, Intelligence Bureau, are dealt with by the Indian members of those Departments without any objection?

(e) If the answers to (c) and (d) are in the affirmative, do the Government propose to throw open the Political Section of the Home Department also to the Indian Superintendents, Assistants and Clerks of the Department?

**Mr. S. P. O'Donnell:** (a) The Political Section of the Home Department was created in 1907.



(b) It has not been the practice to put Indians in the Political Section but Indians have been employed as stenographers on secret and confidential work.

(c) Yes.

(d) Yes.

(e) It is not proposed to reserve the section for Europeans and Anglo-Indians. At the same time there are a large number of Indians in the Department and their distribution among the several sections of the office is a matter which must naturally rest with the Head of the Department responsible for its efficiency.

#### REVISION OF PAY OF THE IMPERIAL SECRETARIAT ESTABLISHMENTS.

426. **Sir P. S. Sivaswamy Aiyer:** (a) Is it a fact that the recent revision of pay of the Imperial Secretariat establishment has not equally benefited all persons holding similar or corresponding positions in the different departments and possessing similar qualifications?

(b) Is it a fact that promotions in some Departments of the Secretariat office establishment have been liberal and in others much less so owing to different Departments interpreting the orders in different ways?

(c) If the reply to (b) is in the affirmative, do the Government propose to equalise promotions in the different Departments?

**Mr. S. P. O'Donnell:** (a) There are always difficulties in applying general principles to individual cases, and the difficulties were particularly great in the matter of reckoning previous temporary or officiating service. To meet this difficulty Secretaries in each Department were given discretion to allow broken periods of service to count for increments provided the service rendered was consistently satisfactory.

(b) The discretion permitted to Secretaries may have had this result in certain cases, and it has been stated in a memorial received that some Departments have interpreted the rules more liberally than others.

(c) This memorial is being examined and the question of applying these principles in the same way to all those similarly affected is under consideration.

#### MEMORIAL OF ASSISTANTS AND CLERKS.

427. **Sir P. S. Sivaswamy Aiyer:** Is it a fact that the Assistants and Clerks in the Secretariat memorialised the Government a second time about their pay about six months ago and that no orders have yet been passed on their representations?

**Mr. S. P. O'Donnell:** Three memorials have been received from the assistants and clerks in the Secretariat, the last one in August 1920. No orders have as yet been passed, but they are now under consideration.

#### INSPECTOR OF OFFICE PROCEDURE.

428. **Sir P. S. Sivaswamy Aiyer:** What are the functions of the Inspector of Office Procedure? When was the appointment created and how many departments of the Secretariat have received the benefit of his inspection and with what result?

**Mr. S. P. O'Donnell:** The attention of the Honourable Member is invited to parts (a) and (f) of the answer given to Babu Khitish Chandra Neogy's question No. 316 at the meeting of the Legislative Assembly on the 1st March 1921.

The appointment of Inspector of Office Procedure was created on 1st June 1920.

#### GORTON CASTLE AND PHAGLI QUARTERS.

429. **Sir P. S. Sivaswamy Aiyer:** (a) Is it a fact that Gorton Castle in Simla is situated on a stiff height from the Indian clerks quarters at Phagli and are Government aware that clerks living in those quarters find it a hardship to ascend the height after their meals in the morning?

(b) If the answer to (a) is in the affirmative, do Government propose to grant a conveyance allowance to clerks living in those quarters and direct the building of further quarters in more suitable places?

**Colonel Sir S. D'A. Crookshank:** (a) Government are aware that there is a stiff climb from the clerks' quarters at Phagli up to Gorton Castle in Simla. Phagli was chosen after much deliberation as being the most suitable area on which to build clerks' quarters, and any inconvenience that may be felt must be set down to the natural configuration of the country.

(b) The Government of India do not consider that the hardship involved by the climb is sufficient to justify the grant of a conveyance allowance, nor do they at present contemplate building quarters elsewhere for Indian clerks.

#### FORTHCOMING CENSUS.

430. **Mr. Syed Hadi:** (a) Is it a fact that no sub-sect of any religion other than the Christian religion is to be recorded in the forthcoming Census? If so, why?

(b) Do Government propose to issue orders to the Census authorities to record every sub-sect of all religions against the name of every individual?

**Mr. H. Sharp:** (a) It is not the case that sub-sects of religions other than the Christian are not to be recorded. But it is left open to the Local Governments, as stated in paragraph 4 of the Resolution of the Government of India of the 14th June 1920, to have a record made of such sub-sects, and this information is being collected in certain provinces. The reason why the record of such sub-sects is not obligatory is as follows. An experiment in this direction, tried in 1901 on a considerable scale, proved a failure. It was found that the entries recorded were vague, inaccurate and incomplete and the results therefore were of little statistical or practical value. The Honourable Member is further referred to paragraph 153 of Sir E. Gait's Report of the last Census for a full discussion of the value of a record of sects. The provincial Governments are in the best position to decide whether there is any general desire for the record of any particular sect. The Government of India have no reason to believe that any such desire, where expressed, has been unsympathetically treated.

In the case of Christian denominations the matter is different. Practically every person in India professing Christianity belongs to or is associated with

some distinct branch of the Christian Church which is definitely distinguished from the other denominations by difference of organisation and rubric.

(b) In view of the conditions explained in (a), the Government of India do not consider it necessary to issue any further instructions in the matter. Further, it would not be possible to issue new orders at this late date, even if it were desirable to do so.

#### FORCED LABOUR.

431. **Mr. N. M. Joshi:** (a) Will Government be pleased to state whether 'forced labour' and 'impressment of carts and other conveyances' are permissible in India under any legislative enactments, central or provincial, or by any executive orders?

(b) If so, will Government be pleased to mention such enactments and place on the table copies of such executive orders?

(c) Do Government propose to take steps to discontinue this system? And if so, will they be pleased to state what they propose to do?

**Mr. J. Hullah:** (a) and (b). In certain enactments the requisitioning of labour in emergencies and in exceptional circumstances is provided for, and such provision is made in the following laws:

- (1) The Northern India Canal and Drainage Act, VIII of 1873.
- (2) The Bombay Irrigation Act, VII of 1879.
- (3) The Madras Compulsory Labour Act, I of 1858.
- (4) The Burma Canal Act, II of 1905.
- (5) The Burma Village Act, VI of 1907.
- (6) The Burma Embankment Act, IV of 1909.

This list is possibly not exhaustive, and the Government of India have not ascertained what executive orders exist in the provinces on the subject, since they consider that the matter is one in which the initiative for reform, if necessary, should be taken in the provinces. Most of the provisions on this subject in the Acts which I have mentioned relate to emergencies when there is danger from breaches of embankments or irrigation works, and they require that the labour shall be paid for at rates equal to or higher than the highest rates prevailing for similar work in the neighbourhood.

(c) So far as provinces which have Legislative Councils are concerned, the Government of India do not propose to take the initiative in effecting reforms or changes in the laws and orders regarding compulsory labour or the provision of supplies and conveyances. They, however, undertake to investigate the subject in so far as it concerns territories which have no Legislative Councils.

#### BREACH OF CONTRACT OF SERVICE.

432. **Mr. N. M. Joshi:** (a) Will Government be pleased to state under which legislative enactments, workmen artisans, and labourers are criminally punishable for any breach of contract of service?

(b) Will Government be pleased to state the number of cases filed, in different provinces, under these enactments, together with their results, during the last three years?

**Mr. S. P. O'Donnell:** (a) The special laws referred to by the Honourable Member are apparently :

- (1) the Workman's Breach of Contract Act, 1859 (XIII of 1859), as amended by Act XII of 1920 ;
- (2) Chapter XIX of the Indian Penal Code ;
- (3) the Assam Labour and Emigration Act, 1901 (VI of 1901) ; and
- (4) the Madras Planters Labour Act, 1903 (Madras Act I of 1903).

The relevant penal sections of the Assam Act, namely, sections 193 and 198, were withdrawn in 1915 by a Notification issued by the Local Administration under section 221 of the Act. Under the Workman's Breach of Contract Act also a labourer is not criminally punishable for a breach of contract of service but for failure to comply with an order of a Magistrate or for failure to enter into a recognisance or to furnish security, as required by a Magistrate. The Act also only applies in cases in which the workman has taken an advance of money.

(b) The information required by the Honourable Member will be obtained from the Local Governments and laid on the table, but it will take some time to collect.

#### PRESENT SYSTEM OF EDUCATION IN GOVERNMENT SCHOOLS.

433. **Mr. Mahmood S'Channad Sahib Bahadur:** (a) Is Government aware that the present system of education in Government schools is now largely condemned as quite undesirable, being devoid of religious training ?

(b) Do Government still hold that it is against their policy of religious neutrality to impart religious instruction in Government schools ?

(c) If not, do Government propose to have religious instruction imparted in all Government schools ?

(d) If Government do not interfere in this, education being a transferred subject, do Government propose to sanction a special Imperial grant-in-aid for this purpose ?

(e) If not, do they at least propose to inform Provincial Governments about their policy regarding religious instructions ?

**Mr. H. Sharp:** (a) The Government of India have observed certain complaints owing to the absence of religious training in certain classes of schools, but Government is certainly not aware that the present system of education in Government schools is largely condemned as quite undesirable.

(b) Religious instruction has already been allowed in Government or other publicly managed schools in certain parts of India under certain conditions. The Government of India are willing to see further relaxations in this direction but they think that certain conditions will still be necessary and, in special, that such instruction should not be made compulsory upon pupils other than those whose parents desire it.

(c) The matter is entirely one for consideration and action by Local Governments in their Ministries of Education.

(d) The Government of India are not in a position to sanction a special Imperial grant-in-aid for this purpose.

(e) The Government of India will address the Local Governments in the matter.

ACT XX OF 1859.

434. **Mr. Mahmood S'Chamnad Sahib Bahadur** : Will Government be pleased to say :

(a) Whether they propose to repeal or modify Act XX of 1859 ?

(b) If not, do they at least propose to refer this Act also to the Committee proposed to be formed to consider the advisability of repealing or modifying repressive Acts ?

**Mr. S. P. O'Donnell** : (a) The Act referred to is one of purely local application.

(b) The question of its retention or repeal is therefore one which primarily concerns the Local Government, to whom a copy of the question and answer will be sent.

THE BUDGET—LIST OF DEMANDS—*contd.*

SECOND STAGE—*contd.*

*Expenditure from Revenue—contd.*

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

'That a sum not exceeding Rs. 1,50,73,000 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 Opium.'

**The Honourable the President** : The question is :

'That a sum not exceeding Rs. 1,50,73,000 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 Opium.'

DISTRICT STAFF OF SUB-DEPUTY AGENTS AND ASSISTANT AGENTS.

**Mr. B. Venkatapatiraju** : Sir, I beg to move :

'That provision of Rs. 5,31,300 for the District Staff of Sub-Deputy Agents and Assistant Agents be reduced by 1 lakh.'

At page 39, Sir, you will find that for Assistant Agents and Sub-Deputy Agents, the figure was raised from Rs. 3,40,000 to something like Rs. 5,31,000.

I think to increase the amount of last year by about Rs. 1,90,000 is rather too much and I, therefore, submit that it should be reduced.

**The Honourable Mr. W. M. Hailey** : Sir, my answer to this would be to request the Members of the Assembly to look at the column on the left-hand side to look at the pay we are giving to our Sub-Deputy and Assistant Agents and to judge for themselves whether in view of the present prices and of the responsible work which that agency has to do it is excessive or not. There has, I admit, been an increase in pay, but the question before the House is this: Is the present rate of pay an excessive rate of pay or not? This Department, Sir, earns us a considerable amount of money. If you take the figures that you find in the Budget, our total demand is for Rs. 1,50,73,000 plus about a lakh unvoted and our receipts are Rs. 3,72,85,000. That means a profit of Rs. 2,21,06,000 or 221 lakhs. I do not think the Assembly would desire to starve the establishment which earns that very handsome revenue.

**The Honourable the President :** The question is :

'That provision of Rs. 5,31,300 for the District Staff of Sub-Deputy Agents and Assistant Agents be reduced by 1 lakh.'

**Mr. P. P. Ginwala :** Sir, I am one of those who find a great deal of difficulty in dealing with this Budget. When the Budget is sent to us we are expected to know all about the various departments with which it deals. It may be that some Honourable Members are familiar with the working of all the departments of the Government of India but for myself I frankly confess, that unless a great deal more is given to us by way of information by any Honourable Member who moves for a demand, we are not in a position to take any intelligent interest at all in this mass of figures which is called the Budget. I will make my position clear if I can. The idea of a discussion on the Budget is that it first of all gives the Government an opportunity of taking from us such sums of money as the Government thinks it requires for its purposes, but if we are following the parliamentary procedure I think one of the objects of the Budget discussion is also to give the Government an opportunity on the one hand to tell us what its policy is in regard to any particular demand with which we are dealing at the time and to give the House an opportunity on the other of discussing and raising points of policy which are covered by the demand. Dealing with this question of opium, for instance, the Honourable Finance Member is of course willing to give us any information that we ask him for but how are we in a position to say, Sir, whether this sum needs to be spent or not? Speaking generally . . . .

**The Honourable the President :** Order, order. That is precisely the form of speech that is out of order. The Honourable Member may not speak generally. He must speak to the particular question raised by the motion.

**Mr. P. P. Ginwala :** Yes, Sir, I am referring to the amendment. Now, if we are going to vote on the demand at all we must know how that amendment if carried by the House is going to affect the opium revenue and the Government interests under the head of opium. I should have expected that the Honourable Finance Member would explain to us some of the items, in regard to the amendment that we are dealing with. For instance, he ought to be able to say that such and such a sum is required for such and such a purpose. If we are not given this information the result is that we are absolutely groping in the dark. Since yesterday we have not arrived at any concrete result. We asked for the deletion of certain figures and we were told that they could not be deleted or reduced because the Government had such and such a policy to work out. I am merely asking the Honourable Member to make our position easier by introducing his demand on a particular subject so that we can follow better what is intended. That was done in dealing with the question of salt yesterday and I am sure it was very much appreciated by the House. Now take, Sir, for instance here, on this opium question.

Opium compensation—page 40, for instance.

**The Honourable the President :** Order, order. That is an instance that the Honourable Member cannot discuss. I must ask him to address his remarks to the particular motion for reduction now before the House.

**Mr. P. P. Ginwala :** Very well, Sir. Take any item that you like. It is impossible for us to understand what these particular items refer to and I invite the Honourable Finance Member to explain to us at least some of the

items with which we are dealing before they are debated on, so that we may know which way to adopt.

**The Honourable Mr. W. M. Hailey :** Sir, have I the indulgence of this House while I deal with the question which has been put by the Honourable Member in regard to this particular item?

As the House no doubt knows, we have from the beginning of things strictly controlled the production of opium within British Indian territory ; control meaning the prohibition of cultivation save under licence, and the requirement that all opium produced should be passed to Government at a fixed price. At one time we had direct control over a very large area indeed in the United Provinces and the upper part of Bengal. With the falling off in demand for export opium, owing to the change in our relations with China, we abandoned the production of opium in Bengal itself. That is to say, that whereas we had two agencies before, one in the United Provinces and one in Bengal, the work of such agencies being to give out licences for the cultivation of opium, and to receive that opium at a fixed price from the cultivator,—with the falling off of the demand we abandoned the agency in Bengal. We now confine our operations to the United Provinces. The opium we so receive we work up in our Ghazipur factory : it is then utilised for two purposes.

In the first place, we have our export supply. That, as the House knows—certainly those Members of the House who were interested in public affairs at a time when opium used to bulk so largely on our receipts side—that has now fallen off very largely indeed ; the falling off may but be expressed by stating that there has been a decline of about 4 million pounds of revenue. But we are still supplying something like 1,200,000lbs to the outside world. We supply none to China. About 3-4th of our total export goes to certain Governments like Hongkong, the Straits, Macao, the French Settlements, etc., who take a fixed quantity at fixed prices ; the remainder is sold by auction for export under licence. That accounts, as I have said, for 1,200,000lbs. About an equal quantity goes for the supply to licensed vendors in India itself.

Now, as I have said, we have reduced very largely indeed the total cultivation of opium ; I think that it is now something like 150,000 acres against a former maximum of 640,000 acres. In order to supplement the supply which we receive from the United Provinces, we buy a certain amount of opium from Malwa, that is to say, from the Native States of Central India, and this goes with the United Provinces opium to be worked up in the Ghazipur factory. Now the demand for expenditure under discussion relates to the district staff which controls our United Provinces cultivation. The staff is under the charge of the United Provinces, and is actually administered by the Board of Revenue in the United Provinces ; it is that Government which has in the first instance fixed the pay of the subordinate staff. The upper staff, the sub-deputy agents and the like, are equally under their administrative control, but the pay has been fixed by us on the representation of the United Provinces.

The Honourable Member will see that the Assistant Agents, who control the supply in the United Provinces on the system I have already outlined to the House, are paid at practically the same rates as the Provincial Service ; indeed our effort has been throughout to frame their rates of pay on those of the Provincial Service. The sub-deputy agents who are charged with the work of supervision, a somewhat more responsible task are paid from

[Mr. W. M. Hailey.]

Rs. 900 to Rs. 1,400, and it is because I think that men in charge of that responsible work are not overpaid at these rates, that I put it to the House that no reduction is feasible or reasonable. If the reduction of one lakh of rupees is made, I do not think it will be possible for us to reduce the rates of pay, and all that we could do would be to dispense with a certain proportion of the staff. If we did so, I advise the House that it would be impossible for us to collect the requisite amount of opium to comply with the requirements for our external demands and for the Indian market.

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

The motion was negatived.

#### DEMAND UNDER HEAD 'OPIMUM.'

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

'That the Demand under head Opium be reduced by 20 lakhs.'

In addition to my objection to the lump figures, it will be noticed by Honourable Members that on page 39, there is a special item in which there is a very large increase, namely, payments for cultivation in Malwa. In 1919-20, it was Rs. 7,32,345. The revised estimate for 1920-21 was Rs. 17,70,000. Now the Budget estimate goes up to 38 lakhs, and there is no explanation either in the memorandum or here as to why this large outlay is needed and whether this outlay is likely to produce an enhanced income. If such were the case, no doubt it would be unobjectionable. Honourable Members will also find, if they turn to page 40, that the total expenditure for 1919-20 was Rs. 130 lakhs and 1920-21 Rs. 122 lakhs. Now it is proposed to incur an expenditure of Rs. 151 lakhs and odd. It seems to me a very large addition, and compared with the Revenue which they expect for the year of Rs. 287 lakhs, whether this large expenditure of Rs. 150 lakhs is a necessary investment to produce that revenue of Rs. 287 lakhs is a matter also which requires to be considered. I therefore think that this estimate is extravagant and I ask for its reduction.

**The Honourable Mr. W. M. Hailey:** I quite appreciate the difficulty which has been put before the House by Mr. Ginwala and the difficulties which are implied in Mr. Rangachariar's last speech. I quite see that if we had had more experience of the needs of the House in discussing our Budget, we should, in issuing it, have put forward a memorandum explaining the exact effect of the various figures presented. I can undertake that next year the House shall have a running memorandum with the Budget which will show exactly the increases proposed and the reasons for those increases. I can only say, Sir, that if we have not done so this time, it is because we are novices equally with the Assembly in the needs and requirements arising from the new manner of dealing with the Budget. I can only, if an apology is needed to the House, offer it in the practical terms of a promise to put very much fuller information before them next year.

Now, Sir, supposing that we had such a memorandum it would have cleared up at once Mr. Rangachariar's point. There is an increase in the total sum which we demand for expenditure on opium ; it is made up mainly of the following items. There is an increase, as he himself points out, from Rs. 17 lakhs to Rs. 38 lakhs for payments for special cultivation in Malwa. There is also an increase of Rs. 9 lakhs also for payments for cultivation of opium in



our own territories. That accounts at once for a considerable portion of the increase. The remainder of the increase, I think, will be found in the item which we have already discussed, namely, increase in salaries. I think that accounts for practically the whole of the increase.

Now, let me take the items individually. The first item is the heavy increase in the payments 'for special cultivation in Malwa'. As I explained to the House just now, in what was I am afraid only a very brief outline of our opium transactions, we obtain a considerable quantity of opium from our own territory, namely, from the United Provinces; the remainder we buy from the Malwa States. We have a running arrangement with the States that we will buy up to a certain number of maunds every year—I think 40,000 maunds a year. They have had two bad harvests and last year and the year before were unable to give us anything like the usual quantity; they have had better rainfall since and expect in the coming financial year to give us an increased number of maunds. We shall pay for it approximately the same price—I think exactly the same price per maund, but of course an increased quantity of maunds will mean increased outlay. Now, Sir, that increased quantity of maunds next year is necessary if we are to keep up our contracted supply with those Governments with whom we are under an obligation to supply opium. I may say that as a matter of fact, the position has caused us considerable anxiety this year because our reserves are so low. It takes a long time to work up opium to the state in which it is exported, and the amount we are now purchasing is essential unless these reserves are to be seriously depleted. Every penny of the money Sir, will be well-spent, because, it will go to form part of that export on which we are still making a considerable revenue. I hope the House will consider this explanation to be satisfactory. We are taking more this year because we took a great deal less in the two previous years; and if we do not take so much more this year we may fall short of the demands of the market in the year following.

Then, Sir, as regards payments for cultivation of opium in our own territory: the House will see that there is an increase of Rs. 9 lakhs this year. For some years the cultivation of opium has not been as attractive to the cultivator in the United Provinces as in the past. No doubt the fact will rejoice the hearts of those people—perhaps there are not so many in this country as there are in the United States and in England—who desire to see the total abolition of our opium supplies both to the outside world and to India. But it is not a point which could be expected to rejoice our hearts at Budget time, because it may imply a very considerable loss of revenue. Prices of food-grains and sugar have gone up, and the cultivator prefers in very many cases to give his worst land to opium and his best land to food-grains; we have found that we shall have to pay him more per seer for his opium if we are to keep up the necessary supplies from the United Provinces. It is because we have had to budget for an increased payment for our opium that the sum has gone up from Rs. 81 lakhs to Rs. 90 lakhs, and I am convinced, Sir, that if we do not pay this extra sum we shall not get our opium and therefore we shall not earn our estimated opium revenue.

**Rao Bahadur T. Rangachariar:** I beg to withdraw my motion,\* Sir.

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

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

**The Honourable the President:** The question is :

'That a sum not exceeding Rs. 1,50,73,000 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 Opium.'

The motion was adopted.

**Mr. J. Hullah:** I move, Sir :

'That a sum not exceeding Rs. 9,67,000 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 Land Revenue Administration.'

**The Honourable the President:** The question is :

'That a sum not exceeding Rs. 9,67,000 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 Land Revenue Administration.'

#### PROVISION FOR COORG.

**Mr. T. V. Seshagiri Ayyar:** Sir, my motion before the Assembly is :

'That the provision of Rs. 1,02,750 for Coorg be reduced by Rs. 50,000.'

Sir, this motion is brought forward partly with a view to eliciting information, and partly, to drawing the attention of the Government to the anomalous state of the administration of this little province near Madras. The province itself in extent is just two times the size of a taluk in Madras. Well, it has a commissioner, and a number of officers serving under him, and the cost of the administration is very much like the cost of administration of a district. If these two taluks had been added to a district in the Madras Presidency, the cost of the administration would be reduced to one-third of what it is at present.

That is not the only matter which this House should take into account. There are anomalies regarding the administration of civil and criminal justice. So far as the criminal administration is concerned, the European British subjects in that province have the right of getting a committal to the Madras High Court. The other subjects of His Majesty have to come under the jurisdiction of the Resident in Bangalore. As regards civil administration, I believe there are munsifs and there is a commissioner, and ultimately appeals have to go before the Resident. So, it is a divided administration so far as jurisdiction as to appeals is concerned. Part of it goes to Madras, part of it goes to the Resident. One cannot understand why a province so far from Delhi should be administered from here, whereas we have got a Presidency, the Presidency of Madras, which can easily administer it with less cost and more efficiency. It is for the purpose, as I have said at the outset, of eliciting information from the Government as to why a move has not been made to annex this province to Madras and why they allow this anomalous state of affairs to continue, that I have brought forward this motion.

**The Honourable the President:** The question is :

'That the provision of Rs. 10,27,250 for Coorg be reduced by Rs. 50,000.'

**Sir P. S. Sivaswamy Aiyer:** Sir, with due deference to my esteemed friend, Mr. Seshagiri Ayyar, I must protest against this proposition with

regard to the expenditure on Coorg. He wishes to raise the question of the annexation of Coorg to the Madras Presidency, the question whether it should remain directly under the Government of India or under the Government of Madras. Though it may be possible to bring this proposition within the limits of a discussion on the Budget, I do not think that it is quite legitimate to do so. This is really an important question, whether a particular province should retain its integrity and its independence or be annexed to some other province, and I do not think that this is the right way of raising the question in this Assembly and securing a decision. The proper way of bringing forward this question before the Assembly is to raise the issue squarely upon a separate Resolution brought forward, not during the Budget season, when we have a thousand and one questions before us, but after due notice, after the public have had time to consider it, and after the people of the province have had time to consider it. There are many things to be considered in a matter of this kind, and I take it that the wishes of the people of Coorg are also a matter to be taken into consideration. I have visited Coorg and I have spoken to men in that province. I know that a great many of them would desire to be attached to the Madras Presidency because they think that they may acquire greater political privileges. On the other hand, I have heard an expression of opinion to the contrary, no doubt, chiefly from European friends, who think that Coorg is treated very much better by the Imperial Government than it would be by the Provincial Government, and that Coorg gets much more handsome grants from the Imperial Exchequer than it is likely to get from the Madras Government. But, whatever may be the merits of this controversy, whatever may be the wishes of the people or of the authorities, I respectfully submit that it is not a question which ought to be gone into by us at the Budget stage. I would, therefore, suggest to this Assembly that this question should not be entertained during the Budget discussion.

**The Honourable Sir William Vincent:** Sir, I was not aware that the question of the administration of Coorg was going to be brought before the Assembly to-day. It has, however, come up in a somewhat indirect way, and as the point has been raised, I may explain that our information is—and I believe it is correct—that the people of Coorg, as a whole, prefer to be a separate entity under the Government of India to amalgamation with Madras. We have, therefore, put forward certain separate proposals for the reform of the Government in that province. These include a Legislative Council on the lines of the Morley-Minto scheme with certain modifications. If, at any subsequent time, it is thought advisable in the interests of Coorg and in accordance with the wishes of the residents who, I understand, are different in many respects, from the residents in the Madras Presidency, to investigate this question of amalgamation with Madras, the Government of India will be quite prepared to consider it. But I may put it to this Assembly that it is a little embarrassing to Government to have a motion of this kind suddenly thrown at its head under the guise of a motion for reduction of the grant to Coorg, when it is quite impossible for the Government of India or for any of the Members of this Assembly to acquaint themselves with the facts of the case or the wishes of the people affected. I hope I can also satisfy the Assembly that a reduction of the grant is impossible for other reasons. For they will see for themselves, that if any such vital change in the whole administration of the province were to be undertaken, it would be quite impossible to give effect to it in the present year and the grant in this year's

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Budget, therefore, would have to be made in any case, unless, of course, this Assembly decides that the whole administration of the province is to stop.

**Mr. J. F. Bryant :** Sir, I admit that this motion has come before us somewhat as a surprise. I knew of it only yesterday evening and I regret I have not had time to study the matter in the manner in which it should be studied. But I have had one advantage, that is, that I have been actually in Coorg itself. I spent a considerable time there. I was in intimate contact with the people there throughout the whole of my stay. I learnt, that the province did not come under the Government of India in the same way as other provinces have come under it. The people desired that it should come under the Government of India. I believe, amongst the original arrangements by which it came under British rule, there is a stipulation that it should not come under the Government of Madras.

So long as we take the wishes of the people into consideration, so long shall we be debarred from making any motion detrimental to the people of Coorg without first consulting them. The people of Coorg, Sir, are mostly planters. The staple industries are coffee and pepper cultivation. The politics of that province deal solely with the question of labour. The people prefer the Government of India's legislation dealing with labour to the legislation imposed by the Government of Madras. So long as there is a difference between the Madras Act I of 1893 which regulates planting labour in the province and the Government of India Act, XIII of 1859, which regulates planting labour for Coorg, people in Coorg will continue to prefer to be under the Government of India.

The Government of India Act suits them better and it is for them to determine whether they shall continue to prefer the rule of the Government of India. Sir, it will be anomalous for us to consider this motion without full notice being given to the people themselves who are mainly concerned.

**Mr. T. V. Seshagiri Ayyar :** Sir, after listening to the speeches just delivered I have not been able to realise the gravity of the offence I have committed in bringing forward this motion before the House. I began by saying that I wanted to elicit information and I wanted to draw attention to the anomalous state of affairs. Sir P. S. Sivaswamy Aiyer, — probably he has been thinking of the days when he was a Member of a Council, — has been so stiff-necked that no Member sitting on the other side of the bench would have been so uncompromising as my learned friend has been. It is rather unfortunate for me that at the very outset, Sir P. S. Sivaswamy Aiyer should begin with a protest against the very idea of a motion like this being entertained. All I wanted to do was to draw the attention of the Government to the point so that the Government at some future time may consider the desirability of annexing Coorg, making the administration less costly and also making the administration of civil and criminal justice more efficient and better than it is at present. It was for that purpose that I drew the attention of the House to it and I am glad that Sir William Vincent has made a promise that at some future time, when conditions improve and if the people of the province desire it, the province will be annexed. As a matter of fact, the Government of India is in the habit of removing districts from one presidency, and adding them to another presidency. I do not know whether the Government have always been very solicitous of ascertaining the wishes of the people concerned.

Then why this solicitude now with regard to Coorg? I do not want to press the matter further, but I do want that the Government should apply itself to considering this question and to seeing that the people of Coorg receive justice and that they are not in the anomalous position in which they are at present. I beg to withdraw my amendment.

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

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

#### LAND REVENUE DEMAND.

**Mr. S. C. Shahani:** In the Memorandum explaining the details of the Estimates I find that Rs. 8,07,000 have been estimated for the revenue of India general and that the expenditure amounts to Rs. 6,09,000. The expenditure appears to me excessive. There must be some explanation for it and I request that the explanation be offered. What I have said with regard to the first item is also applicable to the remaining items.

**The Honourable the President:** The question is:

'That a sum not exceeding Rs. 2,67,000 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 head 'Land Revenue' administration'.

The motion was adopted.

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

'That a sum not exceeding Rs. 1,29,000 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 'Excise'.

The motion was adopted.

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

'That a sum not exceeding Rs. 4,21,000 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 expenditure on 'Stamps'.

The motion was adopted.

**Mr. J. Hullah:** I move, Sir:

'That a sum not exceeding Rs. 25,70,000 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 'Forests'.

#### WORK IN PORT BLAIR.

**Sir P. S. Sivaswamy Aiyer:** There is a motion against my name with regard to the lump provision of 2,71,000 appearing on page 52 in respect of work in Port Blair. In view of the somewhat disquieting accounts that we have heard as to the state of things in Port Blair, we should like to have some information as to the purpose for which this sum is going to be applied and whether any attempt will be made to improve the state of things that now exists there.

\* Vide page 856 of these Debates.

**Mr. J. Hullah :** That sum is largely made up by an item of Rs. 2,18,000 for the substitution of free labour for convict labour. It has been found that free labour is more efficient, and it is, moreover, very difficult to maintain discipline over the convicts when they are allowed to work in the forests. The policy of substituting free labour for convict labour has already been in force for a couple of years, and we hope that very soon, possibly next year, we shall be able to dispense with convict labour altogether. The rest of the sum is made up by Rs. 50,000 for the extension of the saw mill which we have in the Andamans and a sum of Rs. 8,000 is provided for the purchase of a steam-cutter.

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

#### EXTRA ASSISTANT CONSERVATORS.

**Mr. B. Venkatapatiraju :** Sir, I beg to move :

‘That provision of Rs. 1,57,940 for Extra Assistant Conservators and other superior officer (page 53) be reduced by one lakh.’

Perhaps, Sir, it is my duty to explain at some length why such amendments are moved. The Honourable Mr. Innes has told us ‘Why not leave the administrative business to executive officers?’ I respectfully ask the Government what portion of the responsibility is left to us. Are we not even to dictate the policy? Therefore, in order to economise the administration, we have to move amendment after amendment whether accepted by the Government or not. And the complaint was made by the Honourable Mr. Ginwalla that we are unable to sift the matter thoroughly. I am in as much difficulty as is Mr. Ginwalla himself in understanding it, because the same papers are placed in his hands as are placed in mine. All the same we have to take a broad view of the question to see whether we cannot suggest in the case of abnormal growth of expenditure any reduction in any particular figure. With reference to the salaries of these officers—I am only dealing with superior officers and am leaving out the subordinate establishment—at page 53 you find the whole was increased from Rs. 2,05,000 to Rs. 5,46,000, more than 106 per cent., and with reference to the particular item about which I move from Rs. 53,000 they want to increase it to Rs. 1,57,000, that is nearly treble. With reference to developmental functions, *i.e.*, those which will produce any additional income, we should not grudge spending any amount. When I notice there are only 8 officers increased and yet we have an increase in expenditure of nearly 3 lakhs, from 2 lakhs to 5 lakhs; I ask, is it necessary that we should spend all this amount? I could very well understand if a larger number of people were employed in order to bring about this forest improvement and forest development in a large part of the country, but I find that with these 8 persons, they want to saddle the general tax-payer with an additional sum of 3 lakhs of rupees. In this matter we must either wholeheartedly criticise the Budget or leave it to the Executive to do whatever they please; there is no use of suggesting any amendment and not pressing for it. Therefore, Sir, I earnestly request that, unless you are satisfied with the explanation given by the Executive, you must reject this abnormal increase.

**The Honourable the President :** The question is :

‘That provision of Rs. 1,57,940 for Extra Assistant Conservators and other superior officers be reduced by one lakh.’

**Dr. Nand Lal :** Sir, I will invite the attention of this Honourable Assembly to this particular item, which does seem to me to be exorbitant. No reason has been assigned for the great difference. The Honourable the Mover has already pointed out the difference between the item which was demanded last year and the sum which is being demanded now. I can assist you by inviting your attention to the same question, so that you may be able to realise that this large demand is not called for at all. Under the heading 'Budget Estimate, 1920-21,' it is Rs. 53,220 and then under the head 'Revised Estimate, 1920-21' it is Rs. 51,780. What is demanded now is Rs. 1,57,940, a tremendous difference. And no explanation, no reason for this great difference has been given.

Therefore, I trust, this Honourable Assembly will accept the Resolution which has been moved.

**Mr. J. Hullah :** I admit, Sir, that I am not able to justify the full provision that has been made in the item under discussion. That, however, does not mean, as I shall show later, that I can accept the Resolution.

The provision for Extra Assistant Conservators and other special officers is meant to provide not only for the existing staff of these officers in the Andamans, Baluchistan, Ajmere and Coorg, but also for an expansion of staff at the Dehra Dun Research Institute. We have in the forests of India an enormous industrial and commercial asset and we have now a scheme,—in fact it has already been introduced,—for developing our Research Institute at Dehra Dun so as to make it a first class research and experimental station. Apart from scientific officers who will deal more especially with pure forestry, such as officers in silviculture and botany, we have also employed, or propose to employ, experts in forest chemistry, tanning materials, minor forest produce, paper pulp and cellulose, wood seasoning and wood technology. These officers, most of whom were provided for in last year's Budget and are also provided for in this year's Budget, will be assisted by officers of the provincial and sub-ordinate services, and the provision for such assistants is comprised in the figure now under discussion and includes the pay of two assistant botanists, one assistant silviculturist and two assistant chemists. They, in all, will cost Rs. 36,000, the existing staff in the Andamans will cost Rs. 26,000, in Baluchistan 4,400, in Ajmere Rs. 5,800 and in Coorg Rs. 13,420. Now, the total of this comes to only Rs. 85,000 and the figure put down in the Budget is Rs. 1,57,000. There is, therefore, room, it would seem, for a reduction of Rs. 72,000. But, now, I have to draw attention to the very large provision made for probable savings on the whole of the establishments Budget. At the time when the Budget was framed, we were not in a position to know exactly what staff would be required at Dehra Dun and to inform the Finance Department, and they, therefore, while making full provision for officers of the classes now under discussion made an enormous allowance for probable savings on the whole Budget. We are helpless in this matter. I understand that the Accountant General, on his previous experience and his future anticipations, cuts out a lump figure. You will see that in last year's Budget only Rs. 90,000 was deducted on that account, while this year the deduction is Rs. 2,84,000; and although I am not able to give the House details of the savings which the Accountant General anticipates, I am confident that a very considerable amount of these has been estimated for under the provision that we have made

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for the establishment at Dehra Dun. I, therefore, although I am not able to justify this figure as it stands, am unable to accept the proposal brought forward.

**Mr. R. A. Spence:** Sir, I too should like to oppose this Resolution for cutting down the sum of money provided for these extra assistant conservators. It is very often stated that Departments of Government are not run on businesslike lines or for the benefit of India from a commercial point of view. From what I know of the Forests of India and the work they are doing, I can say that this work specially is going to be of very great value to India from the commercial and business point of view. And just as the Forests are waking up and are going to be of such great use and benefit to the country, I think it would be very bad policy indeed to reduce the money that is being spent on the Forests.

**Rao Bahadur T. Rangachariar:** I should have understood the position better if the Honourable Member in charge, or the Honourable Mr. Spence, had thrown some light upon the productive nature of the expenditure which is going to be incurred. As it is, the particular item under consideration relates to particular officers, the provision for whom has been raised from Rs. 51,000 to Rs. 1,57,000. The Honourable Member who spoke for the Government spoke wide of the mark altogether. He went on justifying the expenditure at Dehra Dun and various other places. We have nothing to do with Dehra Dun in connection with this motion. This relates to a particular item, and why there should be this sudden increase from Rs. 51,000 to Rs. 1,57,000 is a matter which cannot be allowed to remain unchallenged. The Government have not justified it, and the Honourable Member admitted he was not able to justify it. Unless they are able to justify it, we should not allow it to stand.

**The Honourable Mr. B. N. Sarma:** Sir, we approached the Finance Department with a much larger figure under the head of Forests, because we hoped to be able to improve the Forest Research Institute at Dehra Dun considerably, so as to enable us to impart the highest education possible in Forestry in India, and as a preliminary thereto and to promote research, also improve the Research Institute and various other departments of activity which are auxiliary to the main purposes. But the Finance Member ruthlessly cut down that expenditure and has made a provision only for 25 lakhs and odd.

The Honourable Member asked as to whether we have not been providing too much under the head of salaries when we ask for a provision of Rs. 5,46,000. In making provision for salaries, etc., for the Department as a whole, it is impossible for us to say exactly how much of it will be spent, because we do not know how many officers, we expect to recruit, will be recruited, either in England or here. That is one of the difficulties under which we are labouring. We hope to increase our establishment. There are a good many vacancies in the Forest Department, speaking generally, and both the Secretary of State and the Government of India are trying to recruit as many officers as possible owing to the shortage in personnel in every department. But we have to make provision in the meantime, and we have accordingly provided Rs. 1,57,400, with a deduction provided elsewhere. If these appointments can be made either by the Secretary of State or by the Government of India,



then the greater part of the amount really provided will possibly be spent. At the same time, as I have said, under the whole head the amount has been cut down, because if our experience of last year is repeated this year we may not be able to recruit as many officers, build as many buildings and secure as much apparatus as may be necessary to start the Institute in full working order. I hope, therefore, the Council will be satisfied that under Forests, which requires considerable development, there should not be any undue economy and that every pie that can be spared should be provided for and spent. As far as the increases in the salaries of Imperial officers are concerned, that is a non-voteable subject. I do not think any economy which can be effected in this respect in the other services and branches will go far to meet the wishes of those Honourable Members who think the present salaries are already too large. There have been complaints from the officers concerned that the Secretary of State has not gone sufficiently far in that direction. But that is a side-issue. I hope this explanation will show that we have not asked for one pie too much, and that the grant will be sanctioned.

**Sir P. S. Sivaswamy Aiyer :** Sir, there is one point upon which I should like to have some further explanation from the Honourable the Revenue Minister. He has told us that when his Department put forward demands for money, he opened his mouth very wide. I am quite prepared to believe it, but what I do not understand, is this. There are at present 10 extra assistant conservators on the establishment during the current year 1920-21. It is proposed to increase the number to 15 in the next year. Therefore the addition of five extra assistant conservators in the next year has to be made. The salaries are said to range from Rs. 200 to Rs. 1,000. Generally, when you add more officers to an existing cadre, you start those officers at the lowest rung of the ladder and not at the topmost rung. Now, supposing you start these five extra assistant conservators at the lowest rung of Rs. 200 per mensem, it would come to Rs. 24,000 per annum extra, whereas we find that the Honourable Member has succeeded in getting a Budget provision of Rs. 1,06,000 more, which does not seem to be adequately justified by the explanation he has given. Let us suppose, on the other hand, that these five extra assistant conservators are to be started at the topmost grade of Rs. 1,000 a month. That would come to Rs. 12,000 a year for each man, and for five men Rs. 60,000. Even then the proposed addition of Rs. 36,000 has not been properly explained. I submit, that the proper way of making additions to your cadre is by beginning at the lower end and not the higher. Otherwise after a few years the men will complain that they have not had any increment for a long time.

I should like to have a word of explanation on this matter from the Honourable the Revenue Member.

**Mr. B. Venkatapathiraju :** Sir, we may be sympathetic towards the explanation given by the Honourable Member for Revenue and Agriculture, but I do not think we can forego our claim to decrease this amount. We are of course anxious that we should have our staff in tip-top condition; we do not complain of that, and there is provision for so many professors in the college and for experts, botanists, etc., costing Rs. 82,580. We are not at all for deducting that amount in any way; but in a case where, as the Revenue Secretary himself admits, it is not a justifiable figure, we are helping the department if we cut down this figure; because if they find it absolutely necessary they would prepare their budget correctly, so that they will be in a position to justify their demand before they ask for our vote.

[ Mr. B. Venkatapatiraju. ]

In this case they themselves provided for a probable saving of Rs. 2,84,000 ; probably it may be saved or it may not be saved ; if any additional amount is wanted, perhaps they may not be able to save it at all. Even if the explanation of the Honourable Member that we must all encourage additional expenditure on forests be accepted, I do not know whether that has anything to do with the proper preparation of the Budget with reference to the demands. Therefore, on principle alone, we must all unanimously try our best to reduce this amount, so that we might have a better Budget next time.

**Mr. J. Hullah :** Sir, I only wish to repeat that we cannot consent to reduce this provision unless the provision for probable savings is also reduced by a corresponding amount. Therefore, I am unable to accept the Resolution.

**The Honourable the President :** The question is that the motion\* for reduction be accepted.

The motion was adopted.

#### REDUCTION BY 3 LAKHS IN FORESTS.

**Rao Bahadur T. Rangachariar :** Sir, in moving

‘ That the Demand under head Forests (No. 8) be reduced by 3 lakhs, ’

my object is to draw attention to the fact that the Budget estimate does not indicate that any really important step is going to be taken to make these Forests a productive concern. I notice a large increase made in this department for revision of the pay of the offices ; and a lump provision has been made for superior officers on page 53 ; at the bottom of the same page, there is again a lump provision for revision of establishment in Port Blair ; and on page 54 lump provisions have been made for the re-organisation of the establishment of the Forest College, for the establishment of the Tanning Expert and for revision in Coorg ; there are other items like ‘ Sundries ’ etc. These are the items which go to make up the increased cost. It will be noticed on page 52, that the total expenditure in 1919-20 was Rs. 14½ lakhs, and it is now proposed to increase it to 20 lakhs. I may say at once that I should not grudge this, and I should be the foremost in approving of expenditure on forests, because it is one of the items which we have to develop, and perhaps develop at a very fast rate. so that the forest industries and the by-products from forest industries may be rapidly developed. But unfortunately I find no provision made for any machinery being brought down, nor for any experts who will develop the particular processes by which forest products may be utilised for industrial purposes ; I do not find any trace of that ; the whole increase is due to establishment and establishment alone, and I should like the Honourable Member for Agriculture to explain this, as this is my doubt on this point. If he can assure me that he is going to develop the forests so as to make them productive, so as to make the department instructive, so as to make Indians take a larger share in learning these forest industries, I shall not press my motion.

**Dr. Nand Lal :** Mr. President and Members of this Honourable Assembly, if you will kindly take the trouble of comparing these figures which are given at page 51, I think you will have to admit that the motion which is before this Honourable Assembly is sure to meet success. You will kindly see that the total expenditure is given as Rs. 29,62,000—both voted and non-voted—and the voted amount, for which this Demand is made is Rs. 25,70,000. When we go into all these details relating to all these expenses we do not find any

\* Vide page 860 of these Debates.

explanation; as for instance if, you will take the trouble of comparing some of the items printed on page 54, *e.g.*, the lump sum provision for the establishment of the Forest College, Rs. 25,000, lump provision for the establishment of the Tanning Expert Rs. 7,000, lump provision for revision in Coorg Rs. 23,200. There are other items also which are printed here, to which no sufficient explanation has been assigned. Therefore, in the absence of any explanation I feel constrained to support this motion. If the Honourable Official Member has got any explanation and that explanation is convincing, we may gladly share the view which is held by Government. In the absence of that reason or explanation, I am sorry, I shall have to request this Assembly to vote in favour of the motion which speaks for itself.

**The Honourable Mr. B. N. Sarma:** Sir, the expenditure under forests may be taken under several heads; firstly, the salaries which are paid to the Imperial Services, which are not a subject-matter of the vote; then the salaries of provincial officers and subordinate officers which have been revised to some extent, and which in some places still require revision. In the areas directly under the Government of India, *viz.*, the North-West Frontier Province, Burma, Andamans and so on, a certain amount of direct expenditure is incurred for the extraction of timber, of course both, under the revenue and expenditure heads and there is a fourth item which would interest the House very much, and that is the item primarily concerning research and higher education.

With regard to the Imperial Services, I have already stated the position in which the House stands.

With regard to the Provincial Services, I do not think Honourable Members will consider that the salaries as revised are so high as to require retrenchment when I mention that universal dissatisfaction has been expressed by the provincial service, and that except in one or two respects their position now is nearly the same as it was before the revision. I am not saying for a moment that those officers are not being paid as well as they ought to be, but I am only indicating to the Assembly that these revisions have not entailed any very considerable expenditure and have not roused any great enthusiasm.

Then, with regard to the revision of the menial establishment and so on, the expenditure does require a considerable enhancement, and I need not state the reasons. There are two items of large expenditure in which the Government of India are greatly interested and on which they hope to be able to spend more money, but unfortunately have not been able to do so, and these two items relate to the expenditure on the Andamans and on the Forest College and Research Institute. With regard to the Forest Research Institute, it was hoped that we should be able during the next year to start building operations for its proper housing. The question of the location of the Imperial Forest College has not yet been finally decided. This Assembly will have an opportunity of expressing its opinion as to where we are to have the highest type of educational centre located, whether in India or in England, but we felt that it was absolutely necessary that we should make some provision to meet the contingency of education in forestry being imparted in India, and research being pushed forward, and consequently the lump provision of Rs. 25,000 has been put in there for the re-organisation of the establishment of the Forest College. It will serve the purpose of the present Forest College, but we hope that, if further funds are forthcoming, they might be utilised as a nucleus for the purpose of starting the other institution also. I do not think Honourable Members will quarrel with that disposition of the tax-payers' money.

[ Mr. B. N. Sarma. ]

With regard to the Forest Research Institute itself, we hope to make Research so effective and efficient as to increase the material wealth of the country in the near future, and for that purpose we have imported experts, and the lump provision includes the establishment of a tanning expert.

With regard to the Andamans, I may mention, there seems to be a good deal of misapprehension. It was pointed out to us by competent officers that if we could only obtain Rs. 10 lakhs next year and make a beginning, our resources could be so augmented as to yield a very handsome profit to the extent of 40 to 50 per cent in the near future, and yet owing to financial exigencies we have not been able to do it. Honourable Members, therefore, will perceive that I am not indulging in mere vague generalities when I say that it is only a minimum grant that has been given to us under the head of 'Forests'.

The Honourable Member from the Punjab asked me as to what was meant by the lump provision for the revision of the establishment in Coorg. The various proposals submitted cannot be sanctioned finally unless they are thoroughly scrutinised, but if no provision be made in the budget, it will be impossible to meet even very urgent requirements, and so a modest sum of Rs. 23,200 has been put in under that head. I may say in passing, that Coorg is not a *minus* province and is not a burden on India, and consequently Honourable Members may feel certain that the general tax-payer is not being mulcted for the benefit of the people of Coorg. Every item of expenditure under this head will be carefully scrutinised, and I trust that Mr. Rangachariar and those who think with him will allow that item, reduced as it is already, to remain as it stands.

**Rai Bahadur Pandit J. L. Bhargava :** Sir, may I ask Mr. Rangachariar if the amount proposed by him includes the amount of 1 lakh already voted for or if it is over and above that ?

**Rao Bahadur T. Rangachariar :** I am thankful for the information just given by the Honourable the Revenue Member, and in view of the department being an infant department and that it is in charge of a Member who is enthusiastic about it, I do not wish to press my motion, and I beg leave to withdraw it.

**The Honourable the President :** The question is, that leave be given 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. 24,70,000 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 Forests.'

The motion was adopted.

**The Honourable Mr. S. P. O'Donnell :** Sir, I beg to move :—

'That a sum not exceeding Rs. 25,000 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

Registration.

Registration'.

The motion was adopted.

**Colonel W. D. Waghorn :** Sir, I beg to move :—

'That a sum not exceeding Rs. 61,68,61,000 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,

Railways.

for Railways'.

## WORKING EXPENSES.

**Mr. B. Venkatapatiraju :** Sir, I move :—

‘That the provision of Rs. 58,21,72,000 for working expenses of Railways on page 56 be reduced by 5 crores’.

Sir, when we are dealing with a matter in which I want a reduction of some crores, perhaps you will find as much difficulty in understanding it as for me in presenting it. My position is this. Before the constitution of the Railway Board our working expenses before the year 1905 were about 50 per cent. or perhaps less or say 47 per cent. for several years, for about 15 years. But since 1905 up to the present year, the expenses were increasing year by year. I cannot lay out my finger on any particular item and say whether this should be reduced or that should be reduced. My point is that this is purely a commercial question. This is not an administrative matter to decide whether we should not rule over a counter or not. When we are dealing purely with a commercial matter, we must approach the subject in a business-like spirit, and decide whether it is possible or not for the Government to reduce this high percentage of working expenses. I put it only on the ground of high percentage of working expenses. I have got the figures of England only up to 1897 as they were not managed by Government. They were 57 per cent. of the gross earnings. Some railways only spend 51 per cent. But since our railways are managed by the Railway Board, we find that the working expenses come to about 67 per cent. Now I hope Government will be good enough to explain whether, though provision will have to be made for increase of wages, increase in the cost of fuel and coal and also for renewing the wagon service, whether it is necessary to continue this process of administering railways at such high cost.

We have heard from the Honourable the Finance Minister that our nett savings under this head are growing less year after year. Is it then necessary, when our nett income is growing less and less, that our working expenses should mount up higher and higher? Is there no mode, is there no method of reducing this extra unnecessary expenditure from the point of view of the general tax-payer?

I know some time back some inquiry was made with reference to working expenses. When the late Mr. Gokhale moved more than once in this Hall that reduction should be made with reference to working expenses, the authorities in England put pressure on the companies who are running these railways to reduce working expenses. Then, I suppose, Lord Inchcape came here to inquire into the matter. I do not know what recommendations were made or if there was any actual result in reducing expenses to a reasonable limit. I may state that in other places such as Canada and South Africa the proportion of working expenses is higher, for the simple reason that they are not able to secure labour at such cheap rates as we do in India. We are not asking Government to perform wonders. Our own Government was able to achieve something during the last 20 or 30 years; why should they not continue to adopt the same procedure instead of increasing this burden? The late Mr. Gokhale suggested that more than 50 per cent. is on any grounds not justifiable with reference to these commercial matters, and now we are nearly approaching 67 per cent. May I not ask the Government to reduce working expenses to some reasonable figure, say even 57 per cent. as it was in 1919-20? I cannot ask you to take any particular figure and to reduce it. I only ask you to compel the Government, if they are not so inclined, to reduce these expenses to reasonable limits. With that object in view, Sir, I make this motion for the reduction of 5 crores.

[ Colonel W. D. Waghorn. ]

**Colonel W. D. Waghorn :** Sir, I think before we proceed further with this discussion, it would be as well if I explained precisely what working expenses involve. Increase of wages, increase in cost of materials, these items form the principal causes of this increase of working expenses. In the particular case in question, the Honourable Member is comparing, I presume, the estimated provision voted for 1921-22 with the budget estimate for 1920-21.

I may at once explain how these particular increases have, in this instance, arisen ; they are rather special and peculiar. If Honourable Members will turn to page 2 of Appendix B and pass their fingers down column 4, they will find that the revised estimate provision for the current year is Rs. 54,12,85,000 as compared with Rs. 58,21,72,000 estimated for next year. Now, if we examine the items under which the proposed increases have been put forward, it will be seen that they come almost entirely under ' Fuel (Abstract B) ' which has been increased from Rs. 5,93,82,000 to Rs. 6,54,00,000 and ' Programme Revenue expenditure ' which has been increased from Rs. 5,86,22,000 to Rs. 9,25,00,000. That is to say, in the case of Fuel it is increased by about Rs. 60 lakhs and in the case of Programme Revenue expenditure it is increased by about Rs. 3,40,00,000. These two items alone, therefore, account for the increase of 4 lakhs over the revised budget estimate of 1920-21. These are the latest figures we have. Any explanation that I can give will be furnished with a view to showing that there is no provision for normal increase over the revised budget estimates for 1920-21. The extra provision for fuel will, I fear, prove insufficient, as it is intended to allow for the extra mileage which it is hoped we shall work and the extra cost of fuel thereby required.

In addition to this, we have a great deal of lee-way to make up in the matter of programme of renewals, renewals to locomotives, renewals to rolling stock, renewals to permanent-way, which have been left undone during the war. We had hoped to make headway with these items this year and it was proposed to spend Rs. 8 crores on revenue renewals. We have, unfortunately, not been able to work up to that figure. Had we worked up to that figure, the difference would have been less. The additional provision now required is simply to make good the deficiencies during the years of the war and I feel quite sure that no Members of this Assembly will wish us to stand fast and let things remain in the state in which they were when the war ceased. We are trying to make good the losses that have occurred, and it would be a dereliction of our duty were we to attempt to do otherwise. I do not think there is anything more. These are the causes of the increase which I think my Honourable friend, the Mover of the motion, is objecting to. He has moved for a reduction of Rs. 5 crores, which would mean our working at Rs. 1 crore less than the actual working expenses this year. This calls for no comment.

**Mr. A. B. Latthe :** Sir, the Honourable Mover of this motion said, he could not suggest under what exactly a retrenchment of Rs. 5 crores could be made ; but, from the explanation which the Honourable Member in charge of the Railway Department has given, it seems to be quite clear that the great increase in expenditure in the coming year is under the head of what is called Programme revenue expenditure, and that is explained, as Honourable Members will remember, in this Memorandum which has been supplied to the House. From paragraph 44 of that Memorandum it appears that this increase in expenditure is made for the purpose of renewals of permanent-way, renewals and heavy repairs to locomotives, rolling stock, etc. So, at any rate, it is

quite clear that we are not now dealing with any question of enhanced pay. Most of the time we have been discussing the Budget, we have found that the increases are due to enhanced salaries, and it is very difficult for the House to suggest any retrenchment in matters like that.

The proposal before us is that the Railway Board wants to spend during the coming year about 8 crores on the renewal of the permanent-ways, etc. And the question which you have to consider is whether it is necessary that so much expenditure should be sanctioned by this House. If you look at the expenditure which has been incurred in the current year, you will find that the Railway Board have been able to spend only about 5 crores. Now the budgetted amount for the current year was 8 crores and 76 lakhs, that is to say, that 5 crores and 76 lakhs were sanctioned for this purpose, but the Railway Board spent only 5 crores 86 lakhs. If a reduction under this head is made, I would suggest that it is just possible for the Department to work in the way they have been working during the year that is about to close.

If they can go on with the renewals in the way they have been going on during the past year, I do not see why there should not be a reduction of at least 3 crores by the Department, under this head.

It will be argued that the work of renewing the permanent-way and doing other kinds of repairs, was not properly taken in hand during the war and that it is therefore necessary that more money should be spent this year. Now, before giving your consideration to this argument, I would ask the House to consider a few facts regarding the administration of the railways, which will perhaps enable the House to arrive at a right judgment.

Honourable Members will remember that in the estimates for this year, a net profit of about 4 crores is estimated by the Honourable the Revenue Member. They will also remember that this profit of 4 crores is due to the increase of 5½ crores on account of the new surcharge tax which is going to be levied under the proposals of the Revenue Member. So if you put aside the additional charge we are going to recover during the coming year, under the scale of expenditure which the Railway Board wants us to sanction, there will be a net loss of 1½ crores. The estimated profit on 4 crores is due simply to the fact that we have an additional surcharge of 5½ crores according to the Honourable Mr. Hailey's proposals.

**The Honourable Mr. W. M. Hailey:** Sir, may I rise to a point of order? The Honourable Member has made a reference to a statement made by me. The figures he is now giving are not correct, because the figures of profit from railways I gave in my opening speech on Budget day did not include the estimated receipts from surcharge tax.

**Mr. A. B. Latthe:** Do I understand that the amount of 87 crores shown in the Budget does not include recoveries which are likely to be made by the surcharge?

**The Honourable Mr. W. M. Hailey:** No.

**Mr. A. B. Latthe:** After the explanation which has been given by the Honourable the Finance Member, it is of course necessary for me to withdraw the remark which I made just now regarding the profit. But all the same you will find that the profit expected this year is 76 per cent. That is the profit we expect to get from the Railway Department. It is even less than 1 per cent.

[ Mr. A. B. Latthe. ]

This profit in 1920 was 2.77 per cent. and since then you find that we have been getting less and less profit. In 1920-21 we obtained .97 per cent. profit and according to the estimates for the coming year we are only going to get .76 per cent. Perhaps the Members of this House will remember that one Honourable Member—I think it was Sir Frank Carter—said the other day that we should not look upon the railways as a source of revenue to the State, and it is just likely that the same consideration may be put forward on this occasion also. It might be argued that we should leave the railways to themselves so that any profits coming from the railways could be devoted to the development of that Department. I think that argument is likely to come before us. I submit, we need not attach much importance to that argument. I would request the House to remember that for years past the revenues of India have suffered very heavy loss on account of railways. For over 50 years the railways did not pay their way and the revenues of this country had to bear a net loss, and now that we have been getting a little profit out of the railways, I consider it is very unfair to suggest that we should not accept any profits for the State which has borne such a heavy loss for many years. Then, I am sure, that my Honourable friend, the Member in Charge of the Railways, will urge in his arguments that the repairs and renewals are very necessary. In reply to that, I would submit, that we can go on for another year in the same way as we have done during the present year. I do not think that there would be heavy loss if this large outlay was cut down. I would ask the House to remember the peculiar circumstances of this year, the difficulties we are facing with regard to the great financial deficit which we have; and in view of the fact that this deficit is heavier than any before borne by the Finance Department of the Government of India, and also in view of several other circumstances of the nature of which I need not remind the House, I think that we may in all justice to ourselves expect the Railway Board not to increase the pace of renewals, that they should be satisfied with something like 5 crores and that they should at least consent to a reduction of 3 crores under this head. That would enable us to meet the requirements of the Tariff Bill which I think will shortly come before us. Unless we make a reduction under this head I do not see that there is any possibility of the House being able to effect any improvements in the taxation proposals which will shortly come before us, and as I do not think this proposal to reduce the amount by 3 or 4 crores will result in any great damage, I support the motion before the House.

Now, Sir, it is just likely that next year we shall have better finance and we shall be able to sanction a larger amount. I do not deny that the Railway Department will try to make the best use of even 8 crores this year, nor do I deny that these renewals might be necessary. I do not deny any of these facts, but I submit, that in view of the peculiar circumstances of this year and our financial difficulties, it would be a very wise thing for this House to tell the Railway Board not to increase the pace of their improvements and to consent to a reduction of 3 crores—3 or 4 crores,—on these heads.

**The Honourable Sir George Barnes:** May I, Sir, bring the House back to the motion. It is, that the Demand under head Railway—Working Expenses—No. 10, be reduced by 5 crores. The whole of this question lies in a nutshell. The Working Expenses are shown on page 2 of Appendix B under three heads—Ordinary Working Expenses, Fuel and Programme Revenue—



**Expenditure.** The Ordinary Working Expenses are practically the same as last year. Of the other two heads, Fuel and Programme Revenue Expenditure, Fuel was Rs. 5,93,00,000 last year; it has now increased in the estimate to Rs. 6,54,00,000. I think that there are a great many commercial Members in this House who know as well as we do that the price of coal has increased. That increase of 61 lakhs is due to the increase in the price of coal. Then the remaining item, Programme Revenue Expenditure, was Rs. 5,86,00,000 last year; this year it is Rs. 9,25,00,000, that is to say, an increase of Rs. 3,39,00,000.

Well, the plain fact is that during the war we got a much larger revenue from our Railways than we ought to have had because we were unable, owing to the scarcity of material, to make good the wear and tear on our railways. Now, I cannot imagine any expenditure which is more worth doing at the present time than putting our railways into proper order.

These two items, Sir, make up the largest part of the 5 crores by which the Honourable Member seeks to reduce the estimate, and the Programme Revenue Expenditure, I may say, is entirely to be devoted to putting our railways into better order than they are now. The two items account for 61 lakhs *plus* 339 lakhs, and curiously enough it comes to exactly 4 crores out of the 5, by which the Honourable Member seeks to reduce this Demand.

If there is to be another crore of reduction, it must come from somewhere. It must come either out of money which we should otherwise devote to putting our lines in order or it must come out of the wages paid to the men. Well, I think that everybody knows here as well as we do that wages have increased and have rightly increased in India. We have endeavoured to act, as good employers, to pay our men a proper wage but no more. There is no way that I can see by which we can reduce our estimated expenditure and do our duty by the railways.

**Mr. A. D. Pickford:** Sir, I should like to support every word which the Honourable Sir George Barnes has said. And, first, may I say a word with regard to what Mr. Latthe said in the absence of my friend, Sir Frank Carter. When Sir Frank Carter pleaded that the surpluses should not go into the general revenues of the country, I don't think that he meant that the profits were to be divided amongst the shareholders of the different Railways or any thing of that sort.

**Mr. A. B. Latthe:** I never said that.

**The Honourable the President:** Order, order. The Honourable Member should not interrupt.

**Mr. A. D. Pickford:** I think his meaning was perfectly clear. He knew, as everyone of us who is engaged in commerce knows by the most bitter experience, that the railways are in a most parlous condition,—not merely for what may be regarded as the selfish ends of commerce but that they are not even safe for passenger traffic. And I feel sure—the newspapers have been full of it at various times—I feel sure that Members of the Assembly must have read accounts of the greatly increased number of accidents on Indian railways with great disturbance of mind, and I should imagine that the representatives of the Railway Board will support my suggestion that this is due very largely to the condition in which the rolling stock now is. So far from reducing this

[ Mr. A. D. Pickford.]

grant, I feel perfectly certain in my own mind—and I am sure that those engaged in commerce and industry will support me—that if by any chance double this sum could be found anywhere, India, in every possible branch of life, would benefit enormously within a period of not more than 5 or 6 years. Our railways in India are our very life-blood. There is not a single aspect of life, whether commercial, social, economic or any other, which is not immediately and intimately affected by facilities in communication, of which the most important must surely be our railway system. And I do not earnestly plead with those Members of this Assembly who are not in intimate relation with the working of railways—either from the point of view of running them or of using them—I do plead most earnestly with them to consider very carefully before they embark on a policy of retrenchment which will undoubtedly injure the country in a very large number of important ways.

**Mr. E. L. Price:** Sir, Mr. Lattre has supported the proposal for this reduction with a suggestion that it would be all right if the Railway Board would carry on as last year. I am sure, my Colleagues from Sind will hear that suggestion with horror. Sind is only a small part of the country, but we had one light railway, the Jacobabad-Kushmore Railway, *and*, closed off the whole of last year for want of rolling stock. We also had the Hyderabad-Badin line closed for want of rails. If this is the Railway Board's idea of carrying on as far as Sind goes, well, it is not ours, Sir, because there was no carrying on at all in this particular direction for want of rolling stock and rails. And further it has been a constant subject of outcry in both the Sind and the Punjab that the North-Western Railway, sometimes for want of coal, sometimes for want of trucks, sometimes for want of locomotives, cannot cope with the traffic to and fro between the Punjab and Sind. It would be a disaster, Sir, for the Punjab and Sind, if the North-Western Railway and its auxiliaries carry on this year as they did last year.

**Mr. Harchandrai Vishindas:** Sir, I endorse each and every word that has fallen from Mr. Pickford and Mr. Price. I myself have been awaiting an opportunity and have been jumping up once or twice to make the same kind of appeal as Mr. Pickford has made. I will appeal to this Assembly to consider that by carrying this motion for reduction, they will be doing great harm to the country. I myself have been bursting with the subject. I wish there were more funds available so that we could have the Karachi-Delhi Railway for which we have been clamouring for years and years. As Mr. Pickford has said, by reducing the grant to the Railway Board you will be reducing the wealth of the country, you will be reducing the comforts of your countrymen and you will be injuring each and every department of life. Of course, looking to the difficulties of the Finance Department, I did not like to move for this demand being increased. It was my great desire to do so. I will simply repeat what Mr. Price has said, that we Sindhis, especially the poor people, feel the need of the Hyderabad-Badin Railway and the Jacobabad-Kushmore Railway very keenly. It is not merely the rich people that will be benefited by these railways. We, merchants, find our goods held up for days and days together for want of rolling stock. We suffer a great deal economically. I, therefore, repeat what has been said by Mr. Pickford and Mr. Price. Every word of it is true, and I would earnestly appeal to this Assembly in the interests of the country, in the interests of the people, and in the interests of the wealth of the country, not to allow this reduction.

**Mr. Wali Mohamed Hussanally :** Sir, I have only a few words to say in support of what Mr. Price and my friend, Mr. Vishindas, have said. But I would like to remark that the stopping of the Jacobabad-Kushmore Railway and the Hyderabad-Badin Railway is not due to any lack of funds. The rails of the Hyderabad-Badin Railway were removed to Mesopotamia some time ago, and as far as I have been able to ascertain, Government have not been able to procure new rails from England to replace those rails. That is the reason why the Hyderabad-Badin Railway has not been put into order once more. So far as the Jacobabad-Kushmore Railway is concerned, that is also due to a similar reason, *vis.*, Government have not been able to get locomotives in place of those removed to Mesopotamia or somewhere else. Therefore, there is no question of money. The question is one of Government not being able to get the materials from England. It has been pointed out just now that there was sufficient money available for the current year, but the Railway Board were not able to spend all the money for the simple reason that they have not been able to get out the materials from England which they are very badly in need of. Nobody denies here that the rolling stock and the railway lines all over India are in a very bad way, and they require replacement and that too immediately. Nobody denies that the railways are a comfort to the people of India in every way. But the point that was made out by my Honourable friend is, that any larger allotments made by this Assembly will probably not be spent during the year, and; therefore, the allotment should be cut down. If the Railway Board can assure us that they can spend all the money this year, I would certainly support the allotment being made.

**Mr. S. C. Shahani :** Sir, I appreciate very much the remarks that have fallen from my Honourable friends, Messrs. Pickford, Price and Vishindas. But, at the same time, I must point out that the point under consideration is the abnormal increase in the working expenses of the railways. If the working expenses go on increasing, less funds will be available for the improvement of railways and railway facilities. On this account I feel disposed once again to support what Mr. Raju has said. Although I am not in favour of a reduction, I am in favour of the working expenses being more rigidly supervised. I quite realise the necessity of more funds for the requisite improvements to be effected in the railways.

**Rao Bahadur T. Rangachariar :** Sir, I rather think that my friend, Mr. Venkatapatiraju, has misplaced his hand in thinking of this side of the reduction. I understand, this increase for this year is intended for improving the rolling stock and for improving the railway lines, and in that view, I think we ought to support these items. There is only one further remark which I wish to make. It was stated by a previous speaker, that there was difficulty in buying the materials in England. I saw it somewhere stated that scrapped up materials were available in France after the war and also in America. I do not see why this difficulty in getting materials from England should stand in the way of improvement of our railways. I do not know if the Railway Board are going in for buying materials from these places. If so, we can accelerate the speed at which both new construction and improvement of existing railways may be effected.

**Mr. B. S. Kamat :** Sir, I believe the question under discussion is to be looked at from two points of view, and I trust both my European friends in this Assembly as well as my Indian friends will devote a balanced attention to

[ Mr. B. S. Kamat.]

the question. It is perfectly true that we want better rolling stock and better permanent way. On the other hand, the railway is a commercial concern. It must be our duty to see that the working expenses are cut down as low as possible. Sir George Barnes, while explaining the position of Government on this point, made out one or two points particularly. He showed us by means of figures, that the excess of 4 crores was distributed thus, namely, 61 lakhs for increase in fuel, and 3 crores and 39 lakhs for increase in the programme of revenue. But I wish to point out to this Assembly, Sir, that the total increase proposed in the present year is 13½ crores; that is to say, an increase from Rs. 45 crores and odd in the last year to 58 crores and 50 lakhs in the current year. That is to say, he has to explain an increase of 13½ crores and not an increase of only 4 crores which he has done. Now, the fact of the matter is that under ordinary working expenses, that is to say, pay and other matters, the figures will show that the increase is going up from 38 crores to something like 45 crores—an increase of 7 crores chiefly I expect, for pay. For this statement of mine I have support in the speech made by the Honourable the Finance Minister on the 1st March in this Assembly. In paragraph 15 of his opening speech, while explaining the question of Railways, he has said thus :

'It is the working expenses of railways, which have been increasing month by month, that have been mainly responsible for falsifying our estimate of net receipts; the bulk of this increase is due to increases of pay given to the railway staffs.'

It will thus be seen . . .

**The Honourable Mr. W. M. Hailey:** I regret that I must rise to a point of order, Sir. Here the Honourable Member is referring to a statement made by me. That statement of mine, Sir, referred to the increase from the revised Budget estimate for 1920-21 and not from the actuals of 1919-20. Therefore the increase I was referring to was the increase of four crores and not the increase of 13 crores.

**Mr. B. S. Kamat:** The point I am making is, that the increase of 13 crores is not entirely due to fuel and revenue programme but is also due to increase of pay. Now, I certainly admit that if prices are going up in the country, the pay of the staff must also be increased. But it is all a question of degree, and the point is, are we spending the increase on the permanent way and rolling stock as also on pay, proportionately? If we succumb to the clamour for more pay on the part of the staff, and spend an increasing sum on the pay and less on the rolling stock and the permanent way, then, I believe, we are not distributing our increase in working expenses properly.

I do admit, that there ought to be an increase in working expenses in the coming year, but surely, we must see that the staff is not clamouring for an inordinate amount of pay. I shall illustrate this point by taking one particular example, namely, the increase shown on the question of staff of the Great Indian Peninsula Railway, and, as I have some experience of that Railway, I would rather touch upon this point by way of illustration. If we take the figures for charges for General Superintendence, we shall find that this year we are told the increase will be from 76 lakhs to 99 lakhs (Page 66, Appendix B, Statement of Railways, Expenditure chargeable to Revenue in India). Comparing pay and

rolling stock, the increase for the improvement of pay and the general improvement of the staff is from 76 lakhs to 99 lakhs; whereas the same railway wants an increase for improvement of the permanent way and the rolling stock from 259 lakhs to 300 lakhs. Looking to the importance of permanent way and the importance of rolling stock in such a big railway, as the Great Indian Peninsula, I believe that they are spending on rolling stock much less proportionately to what they propose spending for the improvement of the pay and prospects of their staff. What I contend, therefore, is, we certainly want to increase a little the working expenses of the coming year because prices have gone up; and we want an improvement in the rolling stock and the permanent way also; but, surely, we should not succumb to the clamour for increase in the pay of the staff to this extent. Knowing something of the Great Indian Peninsula Railway, I can take another illustration. Take the Engineering Department. I am sure, that if we look to the cadre of all the engineers, right from the resident engineer getting Rs. 450 a month to start with, to the Chief Engineer getting Rs. 3,000, I believe, that in the whole of that cadre there is not even 5 per cent. of the Indian element. The same applies to permanent way inspectors. A large proportion, a far overwhelming majority of the permanent way inspectors on the Great Indian Peninsula Railway consists not of the Indian element. If, therefore, on the grounds of economy consistently with efficiency, the Great Indian Peninsula Railway introduces a very large proportion, a decent ratio in their engineering staff, of Indian engineers, well-qualified from Indian colleges or from English colleges, I maintain, that they could reduce their bill for pay. Similarly, about the staff, in the Traffic Department and the staff in the Loco. Department as well. The truth is, that if we maintain a very large foreign agency unnecessarily for the railway, the question of their pay is bound to come up, and there comes up the extravagance of the whole system. If, on the other hand, out of 100 persons in the cadre, say, of the engineering branch, or the traffic branch, we have 50 per cent. Indians and 50 per cent. Europeans, 50 per cent. recruited in India and 50 per cent. in England, then, I believe, the total pay of the staff could be cut down. Then, the state of things which we find on almost all the railways,—namely, the staff being recruited to the extent of 75 per cent. and even perhaps 80 per cent.,—in the traffic department, the engineering department, the loco. department, and the stores department, chiefly from England will be improved and the cost on the staff will be reduced. It is this method of Indianization which will reduce the working expenses, and if that is done we can support the motion before us. I, therefore, throw out a suggestion that the permanent way should be improved, the rolling stock should be improved, but the total pay bill for the staff should be cut down by introducing the Indian element.

**The Honourable Mr. W. M. Hailey:** Are we discussing the question whether some reduction or other should be made, or a reduction of 5 crores or 4 crores should be made? It is difficult for us to argue anything except the definite motion before us.

**Lieut.-Colonel H. A. J. Gidney:** Mr. President, as the representative of a community which, I think, I can truly say, forms the backbone of all the railways in India, I feel that I am entitled to speak with some authority on this matter, if for nothing else. The demand for reduction of 5 crores has been put to us in such a weak way that the strength of the Government lies in the weakness of this demand. It has met, and I think

[Lieut.-Colonel H. A. J. Gidney.]

very rightly, with universal condemnation, and I am glad to add my voice in support of all that has fallen from the Honourable Sir George Barnes. In no other department of the Government of India has the principle, efficiency *versus* economy, been tried as in the Railway. A remark has just been made which, I feel, I must answer, and that is, regarding the Great Indian Peninsula Railway. As that is one of the railways that I know a good deal about, and I feel that I can talk with some authority on it. The racial distinction that has been made is very unfortunate and undesirable in this House where we are all working for a common good. My community forms a very large percentage of the members of the Great Indian Peninsula Railway and when I am told by the Honourable Member who has introduced this unfortunate racial distinction that there is not a sufficient number of Indians in the engineering staff of the grade of Rs. 450 to Rs. 3,000 per mensem, I may tell him, that the same thing applies to my community for there is not a single Anglo-Indian employed to-day in this grade, but I am quite satisfied that that implies that equality of treatment spells equality of fitness. This department is open to all men who go to England and qualify by undergoing a proper engineering course. I understand, that the reduction of five crores should be made either by reducing the working expenses, that is, the working expenses of the railways as a whole, applying the word 'Expenses' generically or the pay of the staff, that is to say, the railway employees. Let me assure as also warn the House that the railway employees will not tolerate any reduction of their pay, on the contrary, with the increasing prices of food stuffs they may want more. The last five years in India have shown an enormous amount of railway unrest. In fact, during the last fortnight we have witnessed an attempt at a recrudescence and if we want to reduce the pay of all the railway employees we shall only court and invite dissatisfaction and be adding fuel to the fire of the daily increasing unrest in India which we are unfortunately witnessing all around us to-day.

**Mr. B. S. Kamat:** I never suggested reduction of pay.

**Lieut.-Colonel H. A. J. Gidney:** In other words, to put it briefly, I consider this demand as suicidal, and if the House passes it, we would be cutting our nose to spite our face. I, therefore, oppose the motion strongly.

**Dr. H. S. Gour:** I should not have thought that the Honourable and Gallant Colonel would in any way need any defence of his own community. If I understood the Honourable Mr. Kamat right, his point of view was that the railways in India, like all commercial concerns, should be worked on a computative basis and that the wages given to the railway employees should not differentiate between these employees on the basis of racial differences but be given solely on the ground of their efficiency. Now, is that the case? Has it been proved to the satisfaction of the Assembly that in the State railways and the state-managed railways of this country the employees are paid on a fair computative basis? The Honourable and Gallant Member has let the cat out of the bag by saying that he is watching the proceedings in defence of his own community. I ask the Railway Board whether the members of his community are not classed apart and paid higher wages for discharging the same duties for which Indians in this country are equally efficient but for which they are paid much lower wages? In other words, are not the scales for the remuneration of railway employees classed as Europeans and Anglo-Indians, and Indians, and are not the wages for doing the identical work different in the case of Europeans and Anglo-Indians, and

Indians in this country? The Honourable Mr. Kamat pleaded for equality of treatment. What he said was this. If you wish to work these on economical lines, pay the employee according to his merits. Don't pay him because he happens to belong to a particular community who has claims upon the Government for protection and preferential treatment, but pay him because he does particular work for which he is qualified. If the Railway Board was to follow this principle, I have not the slightest doubt that the working expenses in this country would be reduced to a minimum.

Now, Sir, it is a well known fact that the engine drivers and guards of all mail and passenger trains are members of the European or Anglo-Indian community, but it is an equally patent fact that the bulk of the travellers are Indians and we know the kind of service which these guards render to the Indian community. Pleas after pleas have been raised. Questions after questions have been put in the local Councils that the third class passengers, who form the backbone of the Indian railway administration, are neglected. Their comfort is not looked after. They are not even given that guidance which they have a right to expect in return for the fare. Nor, Sir, I submit, that if an European or Anglo-Indian Guard is paid in the neighbourhood of Rs. 300 a month, the Indian Guard would probably be paid little over Rs. 100 a month and there would be a saving on each head of Rs. 200 and the same may be said of the engineering staff and the headquarters station staff, that is to say, the staff in the first class and big stations, which are meant exclusively for Europeans and Anglo-Indians, and only Indian subordinates. Now, Sir, I beg to submit considerable economy could be effected by the Railway Board on the lines indicated by Mr. Kamat, but whether the economy effected would amount to as much as 5 crores of rupees is more than I can say, but at any rate it would certainly minimise the loss which the railway company suffers on account of the cost of the administration. I do not think, my friend, the Honourable and Gallant Colonel, had any quarrel on this principle. The principle is a fair field and no favour and it is upon that principle that the Honourable Mr. Kamat supported the amendment and it is upon this principle that I call upon the House to support him.

Lieut.-Colonel H. A. J. Gidney : May I rise to a point of order, Sir. I am afraid the Honourable Dr. Gour has either misunderstood me or I have misunderstood what the Honourable Mr. Kamat said. I wish to make my point quite clear and in doing so, I want to avoid any racial distinction which we should keep out of this House. As far as my own community is concerned, I am out for equality of treatment which spells equality of fitness. Mr. Kamat laid stress on the engineering grade of Rs. 450 to Rs. 3,000. What I meant to say was, as far as I know, on the Great Indian Peninsula, there was not one Anglo-Indian in this grade. My community is, therefore, suffering from the same disability as the Indians and this distinction, I think, should not have been made. The portal to this grade is the passing of an examination in England and it is open to all Indians alike. The question is, therefore, not one of favour to my community to the detriment of Indians.

Dr. H. S. Gour : I am glad to hear this expression of opinion from the Honourable and Gallant Colonel. He is also like myself for 'fair play and no favour'.

Dr. Nand Lal : Sir, the amount which we are asked to invest in an industry should be proportionate to the yield which that industry brings in. In some cases, as in the present one, it is not a question of grain alone,

[ Dr. Nand Lal. ]

but also ~~the~~ question of utility which should receive consideration. Here the question of usefulness forms a very essential element. So far as the railways are concerned, these two factors should be given prominence, first the gain, the monetary gain, and second the usefulness. The latter factor seems to be adequate but the former one appears to be small and I think this has been admitted by one of the Honourable official Members as well. Though the explanation which is given, *prima facie*, seems to be correct, I may say at once that that explanation is not very convincing. The second point which we should consider very deeply is this. If the working of the railways could be done in a satisfactory way by the introduction of more Indian element, why should it not be done? Our object is to see our railways properly worked, but if we could work them successfully and economically by the introduction of a greater Indian element, why should it not be done? There is much force in what has been suggested by Mr. Kamat. The explanation, which has been advanced on behalf of Government that the railways want rolling stock and other things to make improvements, no doubt seems a good one. But, at the same time, we are sorry to say that so much expenditure cannot really receive our approbation unless and until some more cogent reasons are given. When we look into this list of expenses, we do not find any explanation. Of course on page 2 of the State Railways Appendix B, we find some explanation, but that explanation does not appear to be adequate at all. Therefore, my submission before the House is this, that the amount which is demanded appears to be much more than what it ought to be. Consequently I beg to support the motion which is now before this House.

**Mr. B. Venkatapatiraju:** My motion has created consternation in the minds of my Honourable friends who are the champions of commerce. I am as anxious as themselves for the improvement of railways, because I am not one of those who wants to kill the goose that lays the golden eggs. We are realising great profits from railways and I shall never take part in anything which will reduce the efficiency of such a useful source of revenue. I do not stand in the way of bringing out renewals or providing more wagons. That is not my point at all. All I respectfully ask is, and no explanation is offered, when we are spending several thousands of rupees upon a special Railway Board to look after the interests of railways, why the working expenses are increasing so largely from year to year and I shall request this Assembly to consider the proportionate working expenses for non-budget lines. In the non-budget lines, the proportion of expenditure is 55 per cent. because they are spending about 3 crores when they are realising 5 crores 44 lakhs. Merely because a line is a State line, are we to spend 67 per cent.? That is my objection. If it is impossible for the Government to carry on the necessary improvements with this sum, I do not stand in the way, because they have already provided elsewhere for a capital outlay of 15 crores. Do you mean to say that after spending 539 millions on railways we should stop short of spending 10 or 15 millions more, if necessary? I ask what is the explanation for this abnormal increase in working expenses. That is the sole ground on which I lay stress. It does not matter whether you reduce the amount by 5 crores, such as I propose, or by any other amount. That is not the point. I do not want to bring in the racial question because that is not my object here. Later on there will be time and occasion for me when I shall press for the Indianization of railway services.



I am not pressing this motion, but I expect the support of the Honourable Mr. Price as a business man in exerting his influence upon the Government to reduce unnecessary working expenses, in order to meet the other Budget claims. Why should our working expenses be increased to 67 per cent. of the gross income? I am only concerned with that proportion; I am not concerned with other matters. Therefore, if the Government is prepared to look into the matter and find out the dire necessity for this increase or the possibility of reducing this expenditure, I shall not press my amendment, otherwise, I shall be obliged to press it.

**Rai J. N. Majumdar Bahadur:** Sir, I rather think that we have missed the main point at issue. I am rather sorry that a note of racial prejudice has been sounded by more than one speaker in this House. It is not a question of racial jealousy or of racial sentiment. We all know that we are here, Indians, Anglo-Indians and Europeans, and we must pull on well with each other, without being jealous of each other. But the question is, whether we shall be able to spend the money that has been budgetted for this year. Past experience shows that we cannot spend so much money all in one year. So it is not, as my Honourable friend, Mr. Pickford, has said, of our being against railways or over their improvement. This is a misconception. We all know that railways play a very great part in what is called social reforms. They shorten distances; they are very convenient to us; they enable us to come to Delhi within 48 or 36 hours. That is all right. But that is not the question. The question is, whether we can afford to pay so much money in a year of deficit. We are going to raise additional loans, we are going to levy additional taxes, and all this in this very year we are going to spend a large amount of money which, I think, at the end of the year we shall find that the Department has not been able to spend. Although I have not been making budgets of large descriptions, I have been in the habit of making smaller budgets. We find sometimes that we budget for a certain amount and cannot spend the money, and, if you spend a large amount of money in a short time, you are sure to misspend it. We have to order all these things from England and I doubt whether they will be able to supply all our demands in the course of a single year, especially in times of trade depression. Therefore, I say, there is no question of racial jealousy, but the question is whether we shall be able to spend the whole amount which has been budgetted for this year. Past experience shows that we cannot spend such a large amount, and, therefore, although it may not be reduced by five or four crores, I think at least a considerable reduction is possible. Let us at least budget for an amount which we can spend this year and thereby save the people from further taxation on, say, postcards and other things which everybody will, I think, feel. At the same time I do not wish to take up the time of the House unnecessarily, but I appeal to all, officials and non-officials, Indians, Europeans and Anglo-Indians, that it is not a question of spending money on railways. I know that you must spend money on railways. They are necessary for many purposes, military, social, commercial and for other purposes, but we should always consider whether we can spend the whole amount this year.

**Mr. P. P. Ginwalla:** Sir, I find myself in rather an awkward position. I agree with much that has been said by my Honourable friend who moved the amendment and by those who have supported it, but I am compelled at the same time to vote against its acceptance. If I were satisfied that it was possible to reduce the working expenses in so far as they refer merely

[ Mr. P. P. Ginwalla. ]

to the management of the higher services I should have voted for the amendment. But it is impossible that anything can be done in the way of cutting down working expenditure in that direction. Supposing that you reduce the Budget by five crores of rupees, do you think that there will be any reduction in the higher services? The services will remain just where they are. What would suffer would be the repairs and the rolling stock and these are the last things that ought to suffer. It would be all right if we could, as has been suggested, immediately Indianise the higher services. But we cannot do that in a year. We must deal with the railway services in the same way as we are trying to deal with the Civil Service and other services, that is to say, take a certain percentage in each year and say that that will be Indianised by that percentage. But you cannot in one year, simply by cutting down five crores of rupees, attain that result. That is the reason, Sir, why this House should throw out this amendment. It will lead—by further deterioration of the rolling stock to accidents and it will lead by curtailing facilities for internal traffic to a rise in the cost of living—results which it ought to be the duty of this Assembly to avoid.

**Colonel W. D. Waghorn :** Sir, I should like to offer a few remarks in regard to my Honourable friend, Mr. Venkatapatiraju's suggestion. I can tell him that Government have very carefully considered for many years the possibility of keeping down the normal working expenses of railways and seeing that they shall not rise inordinately. It had, before the war, been found that they were slowly but surely rising year by year as a result of a larger number of railways coming into existence. As the age of these lines becomes greater, the renewals become heavier. That is a constantly increasing charge. The wages of the staff is also increasing, the provision of accommodation is increasing and the cost of materials is increasing. All these items go to make a constantly increasing charge in your normal working expenses. During the war, owing to shortage of materials, we could not replace and keep our revenue renewals up to what they ought to be and the consequence was our proportion under earnings increased. We did not get a chance of spending the money properly on keeping our stock in order. Now, after the war, we are trying to overtake the damage that has been caused to your property during those years of war in order to bring that property into a state of efficiency which everyone, I think, recognises, is very necessary. These we have thoroughly well looked into, and, therefore, I am afraid that any suggestion that we should do so would only lead to the same result that I am trying to explain to you. The increased expenditure which we now ask for these special revenue renewals are on account of these very items, locomotives, rolling stock and permanent-way which have run into bad repair during the years of the war. We were unable to spend that amount last year, unfortunately, because we could not get the stuff out from England owing to strikes and other causes, but I anticipate, and I sincerely hope it will be possible to get them out this year and that we shall be able to carry out this programme. These are the simple facts of the situation and I think, possibly, if my Honourable friend understands the situation now, he will be prepared to withdraw the amendment.

**Mr. B. Venkatapatiraju :** I withdraw the amendment.

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

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

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

The Assembly re-assembled after Lunch at Ten Minutes to Three of the Clock. The Honourable the President was in the Chair.

#### WORKING EXPENSES.

**Mr. A. B. Latthe :** I submit, Sir, that my motion may be taken first—I am not prepared to withdraw it about the reduction of working expenses by 4 crores. That has not been put yet.

**The Honourable the President :** The Honourable Member, I see, wishes to move his Resolution that the working expenses be reduced by 4 crores. I took it that his motion was really covered by the earlier motion to reduce Working Expenses by 5 crores.

**Mr. A. B. Latthe :** I was not prepared to withdraw my motion.

**The Honourable the President :** I gave the Honourable Member a full opportunity of speaking on the earlier motion.

**Mr. A. B. Latthe :** That is quite true, but I did not intend to withdraw the Resolution.

Sir, I move :

‘That the Demand under head Railway—Working Expenses—(page 56) be reduced by 4 crores.’

The Assembly has already had a discussion on this subject and I do not wish to touch on the points which have been already discussed; but I wish to point out to the House the grounds on which I base this motion. In the discussion that we had a few minutes back, the question was raised whether more economy could not be effected by Indianising the railway service. Those Members of the House who heard what I said on the motion which was being discussed then might remember that I did not claim that the reduction was justifiable on this ground, for various reasons. Of course I quite agree with the contention of Mr. Kamat and others who said that certain economies could be effected by Indianising the service, and so far as may be possible that remedy should be applied. But in the present case the proposal which we have to discuss is not whether the railway service should be Indianised. The question is whether we are justified in claiming a reduction under the particular head of Working Expenses. As I showed last year—or rather in the year which is about to close,—8 crores were budgetted for the purpose of what is called the programme of revenue expenditure. Now out of those 8 crores, 5 crores only were spent, so that about 3 crores remained unspent during the current year. What is proposed for next year is that some thing like 9 crores should be spent under this head. I submit that it is not absolutely necessary that we should sanction the whole amount of 9 crores under this head. My reason is in the first place that efficient management would require that expenditure on account of renewals should not be undertaken on a very large scale. But supposing for a moment, for the sake of argument, that it is just possible to spend the whole amount in a proper way, I would still submit to the House to consider the circumstances under which we are discussing this Budget. I quite agree that the Railway Board will make the

\* Vide page 886 of these Debates.

[ Mr. A. B. Latthe. ]

best use of the whole of the money. I further admit that the Railway Department does require a great deal of expenditure on account of renewals on permanent-ways and so forth. I do not dispute these points at all. But what I urge is that, during the coming year, it may be quite possible to meet the urgent necessities of the case by spending 5 crores or 4½ crores instead of the whole amount of 9 crores that has been asked for ; and if the House accepts this contention, that the whole amount is not absolutely necessary—although of course it may be very usefully spent ; and if the House agrees with me in holding that the urgent necessities of the case may be met by the expenditure of 4 or 5 crores—well, I think that the conclusion which should be arrived at is that this amount should be reduced.

In the course of the debates which we had, my Honourable friends, Mr. Harchandrai and Mr. Price and other gentlemen from Sind  
3 P. M. seemed to complain that the railway administration in that province had been very much neglected and that a large expenditure was necessary. I do not at all dispute that fact. It may be quite possible that the railway administration had been neglected there very much, and that there is great need of rolling stock and so forth. I do not know anything personally, but it is just possible ; and I wish to bring to the attention of the Honourable gentlemen that even after this reduction, a sum of 5 crores still remains and I would not complain and the House will not complain if the first claim upon this sum of 5 crores would be that of Sind.

I shall point out another fact to the House which is this. So far as the provision of fresh rolling stock is concerned, for which, of course, the commercial interests are very anxious, a sum of Rs. 9,67,00,000 has been provided for under the capital head for rolling stock to be purchased and to be supplied to the open lines and also a sum of Rs. 48 lakhs has been reserved for the open lines ; that is to say, nearly Rs. 10 crores under capital expenditure head, with which we are not concerned at all and which I do not seek to reduce is available for this supply of fresh rolling stock. So it will be quite clear to the House that the reduction which I propose will not come in the way of supplying wagons and other things which are so necessary for our commercial development.

In conclusion, I would remind the House that if we ask the Railway Department to curtail their programme to a certain extent this year that does not mean that we look upon the needs of the railway department with disfavour in any way. What we mean is that in the present year of very large financial deficit, a deficit such as we have not experienced in the course of the history of Indian finance, I think it will not be very unwise on our part to ask the Government to reduce the expenses under this head to a certain extent, so that the most urgent necessities might be met and the less urgent necessities might be considered in the next year. With these remarks, Sir, I move the motion which stands in my name.

**Colonel W. D. Waghorn :** Sir, with a very few remarks I think I can dispose of most of Mr. Latthe's objections. I have already pointed out, and I think the House generally accepts it, that we are in a very bad state as regards the maintenance and up-keep of our stock. It is replacements, not new stock, that we are thinking of in the estimates now under consideration. That stock has run down into a very bad state of repair ; and if we put off repairs as I understand Mr. Latthe suggests, we shall find our stock in such a

state that it will not run at all. I do not know how we shall carry traffic then; the new stock will not be arriving till late in the year and we shall find things in a very serious condition. Moreover, as regards the possibility of curtailing this expenditure which is proposed for the current year for ordinary renewals, material has already been ordered during the current year and will be arriving shortly, and will therefore be available at once. To replace our stock and put it in good running repair we shall require all this money, and I do not anticipate that there will be the least difficulty in spending the money, both economically and for the good of your railways. It is of no use trying to put that off. I therefore think it would be a mistake to ask the House in any way to postpone this very urgent work.

**Mr. Wali Mohamed Hussanally:** May I inquire from the President of the Railway Board what is the amount and value of the materials already ordered which he expects to arrive next year?

**Colonel W. D. Waghorn:** I am afraid I cannot give those figures off-hand.

**The Honourable Sir George Barnes:** Sir, I desire to appeal to the Honourable Member to withdraw this motion. We had all this question threshed out very thoroughly this morning, and I fear that what I said must have been very unintelligible, for it does not seem to have gone very far. I would like to repeat again what I said then. The greater part of the increase is not real working expenses at all; it is money which must be spent in order to make good depreciation which ought to have been made good before, but which we were unable to make good during the war. I can only say that I regret that the amount to be spent on making good this depreciation is only 3 crores. Nobody regrets that more than I do, for I know that it is not enough. Both I and my Honourable friend, the Finance Minister, believe that it ought to be a great deal more, but unfortunately in our present circumstances we cannot find the money. I do ask that this motion be withdrawn, or rejected if the Assembly prefer; but I appeal first to the Honourable Member to withdraw it.

**The Honourable the President:** The question is:

'That the Demand under head 'Railway—Working Expenses' (page 56) be reduced by 4 crores.'

The motion was negatived.

#### MISCELLANEOUS EXPENDITURE.

**Sir P. S. Sivaswamy Aiyer:** Sir, the proposition which I beg to move is this:

'That the provision under head 'Miscellaneous expenditure' (page 56) be reduced by Rs. 8,30,000.'

This is exactly the cost of the Railway Board. I trust that this Resolution will not excite the horror nor even the alarm of my mercantile friends in this House. I have no intention of laying hands upon the funds devoted to the expansion of railways or the improvement of existing railways. My object in bringing forward this motion is to voice the general feeling of dissatisfaction that has been felt with regard to the Railway Board and the general conviction of its inutility. Sir, so far as I can speak for the Presidency of Madras, we seldom remember to have seen the Railway Board do us any good turn. I will not go to the length of saying that they have

[ Sir P. S. Sivaswamy Aiyer. ]

never done us a good turn. I do remember that on one occasion or so they rejected a contention of the South Indian Railway Company that some proposals of a district board went in the direction of short circuiting their line; but taking their work as a whole I am not aware that they have done anything to advance railway construction in the Madras Presidency. I am inclined to believe that the interests of railway construction would have been quite as safe without a railway board as they have been with a railway board; nor has there been any improvement in the condition of the railways in rolling stock and so on. Of course I know that it will be pleaded that the last seven years or at any rate that the five or six years of the war were a period of great financial stringency, a period when it was impossible to obtain railway materials, and therefore that the Railway Board ought not to be held responsible for this disgraceful condition of the rolling stock of our railways. But I do not remember that the condition of our railways or of our rolling stock was very much superior even before the war. I think we always had ground to complain of the way in which our railways were provided with rolling stock, of the way in which our railways were managed, and of the way in which the grievances of passengers were attended to. Nor do I believe that they have ever attended to the grievances of the mercantile community that the rates of carriage for internal trade have not been properly devised. We have found that the railway companies have been allowed to make arrangements with the B. I. Company which have had the effect of compelling people to take their goods by a longer route to Dhanushkoti for the purpose of paying higher rates to the railway companies and for the purpose also of securing profits to the B. I. Company. I am sure that complaints of this nature with regard to rates of freight are quite common in the other Presidencies also. There is a feeling on the part of the Indian community at any rate, that the rates are so devised that they encourage external trade rather than internal trade. How far that is well founded I am not in a position to say, but one thing I can say that I have seldom found any one who has had a good word to say on behalf of the Railway Board. I believe that a more useless and obsolete body does not exist. I am not convinced that it has accelerated the construction of the railways.

Now, Sir, I have given expression to the feeling, and I would say the conviction, of the people who are affected by the management of the Railways, but I would not ask you to accept my statement. I would ask you to refer to the evidence of the Railway Board itself before the Railway Committee. A few days ago I was reading the evidence in cross-examination of Mr. Tomkins, the Joint Secretary to the Railway Board. Now I will briefly tell the Assembly what he has deposed. They have no experts to deal with large questions of policy, large policed operations or large projects. In the statistical branch they arrange the figures received from the railway companies without comparison, without alteration. The whole of this branch admittedly requires recasting. Nor are they up-to-date, even in their knowledge. Their library consists of old, out-of-date publications. Nor do they disseminate knowledge; they do not circulate any technical journals to the railway officers concerned. Well, do they publish any information for the benefit of the public? They do not prepare and publish any list of rates for the carriage of goods or any comparative statements to enable the public to judge of the efficiency of the railway lines. Well, how are they treating public complaints? They simply go on in the usual bureaucratic style

by referring the matter to the railway companies themselves. What can be the result of it? We understand now why our complaints are so little cared for by the railway companies. This question of the callousness of the railway companies to the needs of the passengers, and to the needs of traffic, has often been pressed upon the Local Government, and they have felt impotent to deal with them because they have no control over the railway companies. The Local Government always used to tell the local Council that they have no control over the railway companies; that it is an Imperial question, and is a matter for the Railway Board and it is not for them and so on. I understand from my learned friend Mr. Rangachariar that the Government of Madras did not promise anything substantial, but they have promised to forward the representations to the Government of India. The Government of India in turn forwards them to the Railway Board; the Railway Board in turn forwards them to the Railway Companies, and what the Railway Companies do with them, we know by the results. It is no wonder that under those circumstances the railway companies are absolutely callous to all complaints.

Now, Sir, under those circumstances, seeing that the public have not got a good word to say for this Railway Board, and even the Joint Secretary has made such damnatory admissions, I ask you, is there any reason for prolonging their existence? Of course, I shall be told that the whole matter is pending before the Railway Committee and that it will come up for decision when the Railway Committee sends up its report. I may admit that I have no murderous intentions towards the Railway Board, but if any words or remarks of mine will hasten their demise I for one will not shed a tear over it.

**Mr. A. D. Pickford :** Sir, I think that the speech which the Honourable Mover of this amendment has just made must inevitably come within the class known as destructive. I think also that there will be few people who have had dealings with the Railway Board, who will not walk with him to some extent. I suppose there are few bodies among the heavily cursed bodies in this country more cursed than the members of the Railway Board. But it is surely a question as to whether any other body standing in their position is likely to fare any better, and one very noteworthy thing about the speech of the Honourable Sir Sivaswamy Iyer is that he has made no suggestion of any sort for providing a substitute for this 'obsolete body.' If it were in order, Sir, I would almost be disposed to suggest that the standing orders shall be suspended in order to allow Sir Sivaswamy Iyer to supply that omission, and it is important because, whatever the shortcomings of the Railway Board may be, it is perfectly certain that some body of that description is needed. We must in this country, under the somewhat artificial conditions under which the railway administration is carried on, have some system by which working can be co-ordinated and controlled and the advantages possessed by plains' lines not being exploited to the destruction of a hills' line,—I allude to the old controversy as between the East Indian Railway and the Great Indian Peninsula Railway. I think, therefore, that it is due to this Assembly that, if it is suggested that the Railway Board should be abolished, we should have some concrete suggestion before us for somebody to take its place. It is also noteworthy, I think, in the speech of the Honourable Mover that the sins of omission with which he confronted the Railway Board were chiefly sins of omission which could only be made good, not by cutting down the estimates by Rs. 8,30,000, but by adding considerably to it in order to enable the

[ Mr. A. D. Pickford. ]

Railway Board to provide the general public with that information which he tells us is at the moment withheld. Sir, I oppose the motion.

**Colonel W. D. Waghorn:** Sir, it is in a spirit of apology that I get up to reply to this motion. I have not long been a Member of the Board and I daresay I have also found fault hitherto with its numerous delinquencies.

The Board is a hard and over-worked body. We have represented to the Railway Committee that—

‘The Board as constituted is certainly for existing conditions too small for the work to be done. The Members are practically tied to headquarters and have insufficient opportunity to visit the different administrations. We would lay very great stress on this point which, in our opinion, is of the first importance if co-ordinated effort in administration is to be secured.’

The Honourable Member who moved this motion has laid stress on the state of affairs, more especially, I understand, in connection with the Railway systems in Madras. I may here express Government's deep regret at again hearing a voice from Madras. Bearing in mind the state of affairs in that Presidency, the Madras and Southern Mahratta Railway and the South Indian Railway, which are the two systems concerned, have not, as far as I am aware, received other than normal treatment at the hands of the Government of India, and the Honourable Member may rest assured that every effort is being made to bring the works and stock on those lines up to date as in other parts of the country. I cannot help feeling, however, that behind this Resolution stands a somewhat parochial view of the Railway administration. The Madras Presidency has, I think, for many years past hankered after a larger control of Railway matters. For very good causes, both financial and administrative, I need hardly say that this is impossible. Any representations made—for which there is found to be a good cause—will, I know, always receive the careful consideration of the Government of India and of the Railway Companies concerned. I think, however, that the possible general backwardness of these two systems is rather more peculiar to their surroundings than to the fact that they have in any respect received a differential treatment.

The Honourable Member appears to have been somewhat confused as to what the nature of the Board's duties is. The Board's duties are to act on behalf of the Government of India in all matters connected with the administration and extension of Railway systems in this country. These duties involve their constant endeavour to ascertain where economically profitable new lines are likely to be required; to consider possible means for financing them under the control, of course, of my Honourable friend, the Finance Member; to ensure that the maintenance and working of our existing systems throughout the country are maintained at consistently high level; and that a uniform and steady policy of advancement is maintained. On these broad lines alone, I think the Honourable Members of this Assembly will gather that the Board are fully occupied in carrying out their duties as efficiently as possible. In fact, as I have already stated, owing to pressure of work and shortage of Members, we have not during the last year been able to undertake as much inspection as we consider advisable.

I hardly think that the Honourable Member wishes me to justify in detail the remarks as regards the interior organisation of the Board's office.



but that is as, pointed out by my friend Mr. Pickford, a matter for further funds. If they grant us additional funds we shall no doubt be able to improve matters. As things stand at present, we are handicapped all round by matters financial.

I am inclined to think, myself, that my Honourable friend Sir Sivaswamy Aiyer has not intended this Resolution very seriously, and I trust that this Assembly will treat it accordingly.

I mention again, as every one knows, that the question of the efficient method of administration of Railways in India is at present the subject of consideration by an expert Committee consisting of railwaymen, financial and commercial experts and representatives of the Indian commercial and other communities. I think we may safely leave this matter in their hands where I feel satisfied that it will receive the most adequate and serious attention.

If Sir P. Sivaswamy Aiyer has any proposal to put forward as regards replacing the existing Railway Board I for one should be very glad to help him.

**The Honourable the President:** The question is:

'That the provision under head Miscellaneous expenditure (page 56) be reduced by Rs. 8,30,000'.

The motion was negatived.

#### SURPLUS PROFITS.

**Bhai Man Singh:** Sir, I beg to move:

'That the provision of Rs. 1,32,00,000 for surplus profits paid to companies (page 56) be reduced to Rs. 66,00,000'.

There are railways which are run by the State and according to the contracts of many of them Government can give them six months' notice and can then take over charge of those railways. If the Government took over charge of these railways, it would mean a saving of Rs. 1,32,00,000 per year, so that if at the beginning of the year upon which we are about to enter, Government would give notice to those railways it would mean a saving of 66,00,000 in this Budget.

I know that a Committee has investigated the matter as to whether the railways should be run by the State or the Companies, but just now I would point out that we are faced with a very great financial difficulty. I would ask—are we to control our demands and our funds? The Committee is not expected to look at the question from the point of view of the tax-payer, but we here have to see how far it is possible to tax the country. I believe that most of the Indian witnesses before the Committee gave their opinions in favour of the State taking over charge. If that charge is taken over then I submit that Rs. 1,32,00,000 can be saved. And that is not the only saving. If the State took over charge of these railways which are run by the companies, we could amalgamate many other small railways with bigger railways, and that would mean an additional saving of 50 lakhs or so every year.

The North Western Railway which is run by the State has a mileage of 5,321. Its monthly expenditure on officers—I mean Superintendents—only comes up to about Rs. 40,000. If we compare this figure with the total similar

[ Bhai Man Singh.]

expenditure on the Eastern Bengal Railway, the Assam Bengal Railway, and the Oudh and Rohilkhand Railway—the mileage of all these three being 1,738 miles, 1,200 miles and 1,541 miles, respectively—the total would come to well nigh that of the North Western Railway. But the expenditure on Superintendents alone comes to about Rs. 30,000, 16,000 and 28,000, respectively. Taking all these facts into consideration, you can see that, if we could amalgamate some of the Railways after taking over charge of them from Companies, that would mean another saving of so much money in later years. I know, of course, there would be difficulties in adopting this proposal at once, but looking to the special financial circumstances I would urge that the amendment may be adopted.

**Colonel W. D. Waghorn:** I think it will be a comparatively simple matter to dispose of the Honourable Member's amendment. These surpluses as paid to companies are in the nature of liabilities. They are under guarantee and they have to be paid. What I understand the Honourable Member to propose is that these figures shall be divided by two. That is a very nice way of getting out of our liabilities, but I do not see how it is possible to consider this proposition. We have got to pay these liabilities. They are based on the gross earnings. If he will turn to page 129 of Appendix B, he will see that the actual gross surplus profits paid in 1919-20 were Rs. 2,00,92,000. Now the revised estimate for 1920-21 was Rs. 1,68,00,000, and, owing to decreased earnings for 1921-22, it is Rs. 1,32,00,000. But we shall be in a parlous state if we are going to assume that our liabilities on account of these payments are only to be 66 lakhs. I do not know whether I have made this point quite clear, but as these liabilities are incurred under the terms of the contract, we cannot divide these figures by two.

**Mr. W. M. Hussanally:** There is one point I would like the Honourable Mover of this motion to clear up. I understand these profits are to be made over to companies of railways which are working under certain contracts to run for a certain fixed time. Does the Honourable Member mean that these contracts should be broken up at once and these payments stopped? I think that would be impossible under the Contract rules.

**Bhai Man Singh:** What I really mean is that under the Contract rules Government or the State is at liberty to give six months' notice to the companies. Sir, the State has the right to take charge of the railways after six months' notice.

**The Honourable the President:** If the Honourable Member wishes to give notice of the desirability of terminating the contracts between the Government of India and certain Railways, he can of course do so, but not by a reduction in the sums to be voted for the administration of Railways in India in the current year.

**Bhai Man Singh:** I withdraw my motion, Sir.

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

**The Honourable the President:** The question is :

'That a sum not exceeding Rs. 61,68,61,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending 31st March 1922 in respect of Railways'.

The motion was adopted.

**Sir Sydney Crookshank:** Sir, I beg to move :

'That a sum not exceeding Rs. 2,60,000 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 'Irrigation and Waterways' and water-ways.'

**Rai J. N. Majumdar Bahadur:** Sir, I beg to take this opportunity of directing the attention of the Government to its present Irrigation policy. My motion is :

'That the Demand under head Irrigation and Waterways be reduced by Rs. 25,000', and I have brought it in order to discuss it in this House and to draw the attention of the Government to its present Irrigation policy. At the outset I may at once assure the Honourable Members on the side of Government that I am not against irrigation. But my point is that irrigation may be carried on to a point where it will do more injury than good to the country. We all know that high lands require irrigation, and that the cultivator should not be made absolutely dependent on the monsoon or rather the vagaries of the monsoon, and that the State should come to the rescue by irrigating his lands. All this is very good, and I think every one will approve of the good intentions of Government in coming to the rescue of the helpless cultivator. But it seems that the Government has not considered this matter from different points of view. It may be said, Sir, on the Government side that this irrigation branch has been transferred to Local Governments, that they are no longer Imperial subjects and that the matter is for the discussion of the Local Governments themselves. But I should say that the irrigation policy of the Government of India is being still followed by the Local Governments. The policy has been theirs, and the recent transfer of the Irrigation Department to the Local Governments does not absolve the Government from the policy it has been following in this country. The transfer also has been only of a very recent date.

Confining my attention, Sir, to the two magnificent and majestic rivers, the Ganges and the Jumna, of Northern India, I would ask this House to have a look at the Ganges first at Hardwar and then at Narourra. There you will find that the Ganges is trying to free herself, as if some living thing is trying to free itself from the bondage. It is very good to bring water to the fields of the cultivators . . . . .

**The Honourable Mr. W. M. Hailey:** Sir, may I rise to a point of order and ask your ruling? The present motion relates entirely to the expenditure on irrigation and waterways under the direct control of the Government of India. The Honourable Member is referring not to Central but purely to Provincial expenditure, and I desire to ask your ruling whether the discussion can range beyond the head of grant to which the demand relates?

**The Honourable the President:** In so far as the Honourable Member is referring to questions not within the control of the Governor General in Council, he is not in order in discussing it here.

**Rai J. N. Majumdar Bahadur:** I submit to the ruling of the Chair, and therefore, I shall not refer to the deplorable condition to which the Ganges and the Jumna have been reduced by the irrigation policy of the Government of India. I submit, again, to the ruling of the Chair, and I shall not ask this House to pay a visit to the river Jumna below this Imperial city and look at its deplorable condition. I say, if the Government

[ Rai J. N. Majumdar Bahadur. ]

of India simply through a technical ground tries to shirk this question which has been agitating the minds of the people of northern India, both Hindus and Mussalmans, for a long time, I do not think it will act wisely and that Nemesis will come upon it some time or other . . . .

**Dr. H. S. Gour :** I rise to a point of order. Is the Honourable Member justified in his still reiterating a subject which the Chair has ruled out of order ?

**Rai J. N. Majumdar Bahadur :** I have already submitted to the ruling of the Chair. What I submit is this, Sir, I will banish from my eyes the condition of the Ganges and the Jumna. But what is the irrigation policy of the Government of India ? It asks for Rs. 2,60,000. Has the Government of India any policy of its own ? How does it want to irrigate ? We know that irrigation can be made by wells, tanks and canals. We know that. But my object in bringing this question before the House is that irrigation is good and should be followed where you can do it without spoiling your rivers, but if you do not do that and say that you want to do good, the evil that will follow will be of a far larger dimension than what you would be able to do in the shape of good . . . .

**The Honourable Mr. W. M. Hailey :** I again rise to a point of order. The discussion is going far beyond the demand for grant. There is not, in all the area under the direct control of the Central Government, (to which of course this demand for grant refers) a single river used for irrigation within that area.

**The Honourable the President :** As the Honourable Member is aware of the ruling which I made, I hope he will pay strict adherence to it.

**Rai J. N. Majumdar Bahadur :** Please excuse me as I have not been able to follow.

**The Honourable the President :** The Honourable Member takes a good deal of licence. He ought to take some trouble to pay attention to what is said from the Chair. I ask him to pay strict adherence to the ruling which I made two minutes ago.

**Rai J. N. Majumdar Bahadur :** I shall submit to it more strictly this time, Sir. In the first instance, we find that 'for charges in connection with various works in Baluchistan' Rs. 27,500 are to be voted. We do not know what those charges are, whether in respect of wells, tanks, or any irrigation canals. Tanks, wells, or irrigation canals, I submit, Sir, that this ought to be expressly mentioned, because we know that there is a great deal of difference between tank irrigation, well irrigation and canal irrigation. Therefore, the charge for the various works in Baluchistan seems to be very vague.

We should not allow any water to be taken away from the rivers if we can afford to irrigate the lands by digging tanks and wells, because by irrigating our lands from rivers, we destroy the rivers, and the rivers as this House knows and every Honourable Member on the side of Government knows are the natural highways of India . . . .

**The Honourable the President :** The Honourable Member is straying in the land of the forbidden rivers again.

**Rai J. N. Majumdar Bahadur :** I solicit a ruling from the Chair whether I am not entitled to discuss whether the irrigation should be from wells or tanks or rivers, and whether I am not entitled to discuss the relative merits of tank, well and river irrigation ?

**The Honourable Mr. W. M. Hailey:** May I point out, Sir, that the expenditure to which this head of demand refers does not embrace a single item of irrigation from a river at all; and I put it that it is spending the time of the House improperly to discuss irrigation from rivers on a demand which does not actually contemplate irrigation of that type.

**The Honourable the President:** Does the Honourable Member wish to withdraw his motion?

**Rai J. N. Majumdar Bahadur:** Yes.

**The Honourable the President:** The question is, that leave be given to withdraw the amendment.\*

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

**The Honourable the President:** The question is:

‘That a sum not exceeding Rs. 2,69,000 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 Irrigation and Waterways.’

The motion was adopted.

**Mr. C. A. Innes:** I beg to move:

‘That a sum not exceeding Rs. 10,78,02,000 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 Posts and Telegraphs.’

**Mr. B. Venkatapatiraju:** Sir, I crave the indulgence of the Assembly to moving another amendment:

‘That the provision of Rs. 8,38,82,000 be reduced by one crore.’

Now, Sir, I can expect the support of some of the Government members when I quote the authority of the Honourable Mr. Hailey, our Finance Minister, for the proposition which I wish to bring forward in this connection, because in his speech on Finance he himself admitted three facts which sufficiently enable us to come to one conclusion in the matter of revising this high rate of working expenditure. He says:

‘It has not hitherto been easy to say precisely what we are making or losing over the administration of our post offices, as our general accounts do not show as debits or credits to the Post Office certain items of expenditure and revenue which, if the accounts were kept on a strictly commercial basis, would appear therein.’

He further says:

‘Unless the charges we make to the public for postal services are raised, the Postal Department will be running at an appreciable loss.’

And he says:

‘The net result of the above measures of enhancing the rates will probably be an increased revenue of 2½ crores.’

It comes to this, Sir, that, though it is a commercial concern, our Finance Minister admits that it is not possible for Government to say whether it was running on profitable lines or otherwise. But he admits this fact that, unless we make another 2½ crores by increasing our postal rates, we may not be able to run it profitably. Therefore, whether the Members are prepared to accede to the wish of the Government to increase the postal rates or otherwise would come on another occasion for us to discuss, but on the present occasion we have to see whether the present rate of increase in working expenses is justified, or whether we should put a stop to them. You will find from the figures given by the Government that in the year 1917-18 the working expenses were only

[ Mr. B. Venkatapatiraju.]

473 lakhs. Now they ask us to spend nearly double, *viz.*, 849 lakhs. Within five years or less they want to increase it by double the amount. With reference to this increase, they may point out 'Oh! we are not increasing it much this year, we are only increasing it by 56 lakhs from the revised budget.' I go further and say the revised budget exceeds the budget of 1920-21 by a crore and 39 lakhs. Therefore, we are asked to pay nearly two crores over the previous year's figures. When they were spending in 1919-20 598 lakhs, they proposed in the budget last year 655 lakhs and in this year's budget 793 lakhs and now they want 849 lakhs. Perhaps Members of the Assembly are aware that there are loud complaints with reference to the Postal and Telegraph Department, and we find often that from persons from whom we receive the minimum of labour we always expect the maximum of complaints, because they have nothing else to do. After receiving such a large amount, perhaps they may grumble and next year they may come up with another proposal to increase the pay by another 50 lakhs. But so long as we have to pay such a large amount, when it is not a profitable concern, when we are not making a good all-round amount, I earnestly appeal to the Government that they should carefully look into the question of working expenses; they should try their best how to reduce this proportion of working expenses to the income that is realised. We were told by the Finance Minister that the income under revenue which you are realising is growing gradually less. When you are spending a large amount on working expenses, it must necessarily grow less. Therefore, it is the duty of this Department, if it is to be run on business lines, to look very carefully into their working expenses and reduce them so as to leave a margin of profit instead of increasing them and imposing a burden on the general tax-payer to the extent which has been suggested.

**The Honourable the President:** The question is :

'That the provision of Rs. 8,38,82,000 for working expenses—Posts and Telegraphs—be reduced by one crore.'

**Mr. C. A. Innes:** Sir, may I begin my reply to Mr. Venkatapatiraju by telling the House a short story. It happens to be a true story. Some years ago when I was a care-free district officer—I was Collector of a district in Malabar—one night one of our forest elephants joined up with a herd of wild elephants. Its mahout seized a gun and tracked and followed the herd and at imminent risk to his life kept in touch with that herd day after day. On the third day something frightened the herd and it charged on the bushes where the mahout was lying. In self-defence the mahout had to fire into the brown. Sir, he killed his own elephant. Now, Sir, may I compare Mr. Venkatapatiraju's motives to firing into the brown? I am quite sure the House will not accept this motion which is a very ill-advised one, but if it does, he will have succeeded in killing not one Government elephant but many elephants and he will have done irreparable harm.

I have not been able to make out from his speech precisely what he objects to. As far as I can see, he takes general objection to our increased budget expenditure. Now there are two causes for that increase. One is the enormous expansion of the department. Every year the facilities offered by it become more and more popular and the volume of business grows. In 1919-20, for instance, we dealt with more than 100 million more messages than in the previous year. Now, more messages mean more business. More business requires more staff to deal with it, otherwise it is the public that is going to be inconvenienced. The second cause is one which must be

appreciated by everyone in this House,—I mean the increase in the cost of living generally. It seems to me to be useless to complain of this increase, over which we have no power. Mr. Venkatapatiraju is to-day a sort of reincarnation of King Canute. We know how King Canute sat on the sea-shore and bade the waves keep back. Similarly, to-day Mr. Venkatapatiraju expects that the economic forces which cause the rise and fall of prices and affect the purchasing power of money will obey his will. But I am afraid they will not do so. Money cannot buy to-day what it did before. The cost of every thing has gone up, and we have been compelled to raise the wages of our staff. Surely Mr. Venkatapatiraju has heard that last year, at the instance of the Imperial Legislative Council—mind you,—we appointed a special committee to inquire into the postal services. That Committee made certain recommendations, and it cost Rs. 11,13,000 to carry out those recommendations. That is one of the main causes of the increase in our budget this year. We accepted the Committee's proposals and we have made lump provisions for those proposals. I am sure the House will not take any exception to those lump provisions after the promise which the Honourable Mr. Hailey gave, namely, that the claims which are to be met from these lump provisions will be referred, as far as possible, to the Standing Finance Committee.

If, Sir, this House accepts this Resolution and cuts down the provision for the working expenses of the Postal and Telegraph Department, I am perfectly sure that it will be doing a most unwise, a most unbusiness like and a most uneconomical thing. It will be killing the goose that lays the golden eggs. We make a large revenue out of the Post and Telegraph Department; but we cannot hope to go on making that revenue unless we put money in the department. Every business man in this House will tell you that that is the correct procedure to take. You cannot expect to make any profit unless you put money into your business. Now, if the House accepts this motion, our Budget must be cut down in some way to the extent of one crore; either we must cut down our staff, or reduce their pay; or we must cut down the provision for the maintenance of our telegraph lines or or we must effect some other saving. I ask the House is that a wise thing to do? Everybody knows that our telegraph lines are now congested, through the reduction of men and the difficulty of obtaining material during the war, and everybody knows that we ought to be building up the Telegraph Department now. But we are not going to build it up by cutting down the provision for working expenses. Mr. Venkatapatiraju made one remark which rather attracted me in his speech. He referred to certain complaints that are made against the Postal department. Now, Sir, at Home in the House of Commons, I think I am correct in saying, that when a member wishes to pass a vote of censure on the way in which a department may be conducted, he proposes a reduction, not of the working expenses of the general staff of that department, but of the member or minister in charge; he takes very good care to see that he does not embarrass the department by cutting down its provision for essential services. If Mr. Venkatapatiraju wishes to pass a vote of censure upon the Telegraph Department, upon the Honourable Sir George Barnes or upon myself, surely that would have been the right way to do it, and not to propose the reduction, without giving us a single reason, of a sum of one crore from our provision for working expenditure, that is, by 12½ per cent. I am sure that the House will not agree to a motion of this kind.

**Mr. Eardley Norton :** Sir, I have a practical complaint to make to the Honourable Member, one to which I trust he will turn his serious attention,

[Mr. Eardley Norton.]

and that is the extraordinarily bad hand-writing of the departments over which he presides. For the last three or four years their caligraphy has been steadily deteriorating, until at last it has reached the stage that I am often compelled to refuse receipt of a telegram. These messages come to me always in pencil, and they contain words which no Englishman or Englishwoman has ever used; they come very often in a mutilated form; and they necessitate an extra and wholly unnecessary expenditure on my part of having to send telegrams back to know what is the meaning of the messages that are sent me. In this respect the Post Office is almost as bad a sinner, but not quite so bad, as the Telegraphs. Why they write so badly I cannot say. Possibly it is because—I scarcely like to attribute this—to want of education, possibly because for the extra nervous strain to which they have been subjected by the recent war, possibly because of the fear of advancing Bolshevism, possibly also because of the fear of such a reduction as that contemplated by my friend behind me. I can only say that it is a serious complaint and that my life from start to finish, already serious enough, is made almost intolerable by the system of undecipherable and unintelligible messages from the Department over which Mr. Innes presides. I can only hope that the suavity which he extends to us across the table may enable him to permeate the greater intelligence of the clerks of his department; and if he can only collect some of them and tell them some stories like those he has told us to-day, I feel quite certain that he can reach their hearts and through their hearts will reach their hands to their and my own better contentment.

**Rao Bahadur T. Rangachariar:** I rise only to point out a slight disposition on the part of my Honourable friend, Mr. Innes, to under-rate the Resolution which we passed yesterday. I see that even in the short space of 24 hours which have passed he seems to understand the Resolution which we passed yesterday and is rather . . .

**Mr. C. A. Innes:** May I rise to a personal explanation, Sir, to say that I had not the slightest idea of detracting from that Resolution at all.

**Rao Bahadur T. Rangachariar:**—I beg your pardon; you used the words ‘as far as possible’ which means quite a different thing from ‘except in urgent cases.’

**Mr. B. Venkatapatiraju:** Sir, it has become necessary for the Honourable Mr. Innes to ridicule the proposition when he has no grounds to reply to. He suggests that we cannot command the world forces which are operating in this country. I certainly do admit, Sir, that when we are weak, when we are inefficient, when we are unable to control our forces, it is no wonder that no sooner a telegram flashes across the wires than the Government of India comes to its knees to offer terms. After revising their salaries only recently, if the officers ask for more and if the Government of India comply with the demand, it only shows inefficient supervision, and inefficient supervision always leads to increased expenditure. My complaint is not with reference to any particular item. My complaint is that the working expenses have gone up enormously within the last five years from 473 lakhs to 894 lakhs. There is no other explanation for this increase except that it is due to the increase of the salaries, which the Government of India are revising and re-revising. . . .



Now, Sir, the Honourable Mr. Innes suggests that we should not kill the elephant. It is far better to kill a white elephant, because it will otherwise prove a burden as in Burma. What I suggest for the consideration of the Government of India, is to find out some method of reducing the proportion of working expenses. Is there no possible way of reducing the expenses when it is admitted that the concern is not a profitable one, that we are losing on it. As everybody knows, it is not an administrative matter; but it is a commercial matter, and we must look at the whole thing from a purely commercial standpoint. So what is there ill-advised or unwise in making such suggestions and for the Government to look into them? Like an ostrich, we cannot bury our heads and then say we cannot see anything. There are the increased salaries staring in our faces, the working expenses are increasing, the reason everybody knows. Because the companies are being managed by only one set of people, and they know full well that since their help is wanted they can make their own demands. But if the management is distributed properly, it would create a healthy spirit of competition, and there would be officers equally efficient as the present. Why should an effort not be made to look to other directions to effect economy instead of trying to ridicule our suggestions? Can anybody deny that the working expenses during the last five years have not gone up so enormously as to justify Government looking into the matter and trying to reduce them? Therefore, Sir, it is not a matter for Mr. Innes to ridicule. It is a matter for the deep consideration of the Government of India, and I hope that the Honourable Mr. Innes will think twice whether it is not possible, by efficient supervision, to reduce the working expenses of the department instead of unnecessarily adding to the burden of the general tax-payer by increasing the postal rates. He wants to raise money, but he must see how best he can bring about efficient development and draw our attention to it. That is the only way of improving the administration.

And, Sir, the Honourable Mr. Innes suggested that in England, whenever they were dissatisfied with a Minister, they could turn him out. But I have no grievance against Mr. Innes or Sir George Barnes. I have no grievance against any person whatsoever. My only point is that, since the working expenses of the department have increased enormously, you must see your way to curtail them and meet the general tax-payer, but instead of that, whenever you find a deficiency you want to tax the people.

**The Honourable the President:** The question is :

‘That provision of Rs. 8,38,82,000 for working expenses—Posts and Telegraphs—be reduced by one crore.’

The motion was negatived.

**Mr. N. M. Joshi:** Sir, I beg to move

‘That the Demand under head Posts and Telegraphs (including working expenses) be reduced by Rs. 12,00,000.’

I am not asking the House to reduce any particular item. The Members of this Assembly know that there is a proposal before it to increase the postal rates, and if I can feel the pulse of this House, I may say that this proposal is not likely to meet with its approval. Under these circumstances, I think it fair that we should help the Honourable the Finance Member by trying to reduce the expenditure on Posts and Telegraphs. If we do not do this, I feel

[ Mr. N. M. Joshi.]

we shall not be fair to Government. I therefore propose that this grant should be reduced by Rs. 12,00,000.

While I ask this House to reduce the grant, I do not wish that the postal facilities which the people of this country enjoy should be reduced to any extent at all, nor do I wish that any officers of Government, whether low or high, should receive insufficient salaries. On the contrary, I desire that the Postal Department should increase the salaries of the postal and telegraph peons of Bombay. I do not also say that Government should not create any new posts nor should build any new buildings. But I want to impress upon this House the necessity of curtailing our expenditure in certain respects without curtailing the facilities and without putting the postal officers to any inconvenience in respect of lower salaries. I therefore propose, in the first place, that the Postal Department should postpone the creation of new posts in the Department. They propose to create several posts, some of which are non-votables—I do not propose to say anything about them—but there are others upon which we can vote, and I shall mention some of these :

	Rs.
Page 5 Divisional Engineer (Wireless) . . . .	11,000
„ 5 Deputy Assistant Engineer (Wireless) . . . .	6,000
„ 6 Extra provision for War Branch . . . .	18,000

I think this should go to the Military Department.

Page 20 Telephone operators . . . . .	1,93,850
„ 34 Deputy Assistant Electricians . . . . .	89,600

Sir, we have heard during the last two days a good deal of discussion on the broad question of the establishment of highly-paid new posts. Government first puts forward the necessity of having an officer to develop certain Departments, either a Commissioner, a Superintendent or a Director. The Superintendent, the Director, or the Commissioner then begins to feel that it is his duty not to look to details but only to supervise. Then each department will go up for sanction for the appointment of an Assistant Superintendent, an Assistant Director or an Assistant Commissioner. But I do not want to say much about this system, or about creating post after post in order that the higher officials should be left free to supervise and not be obliged to look into any details. But I would urge that the creation of new appointments can be postponed for a year at least.

I think that nothing would be lost, and that the Postal Department would be just as efficiently managed if some of the appointments are not created during this year but are postponed for one year. Sir, the amount which I read out just now comes to nearly 3 lakhs. Now I come to another item, namely, buildings. I am not against Government building commodious and convenient buildings for the benefit of the postal service—I do not grudge Government the money for them. But what I feel on this question is this. We are suffering from great financial stringency, and therefore we should restrain our hand as much as possible. Now Government propose to spend 20 lakhs of rupees on buildings during this year, and I want to recommend that they should only spend 10 lakhs. We are told that Government are more solicitous about the welfare of its subordinate officers than the higher officers. I do not therefore want to ask

the House to postpone any schemes which affect the subordinate officers or the menials. But if there is any scheme regarding the higher officials, I hope the Government will postpone that scheme for one year. I shall refer to some of the building schemes which I would like postponed. First, there is the new building for the Postal Press at Agra. Then there is the Dadar Post Office which will cost 1 lakh. I have seen that Post Office and I think it can wait for one year more. Then there are bungalows for the Postmaster General and the Director of Telegraph Engineering at Bombay. Now Members of this Assembly know of the great difficulties that exist in getting accommodation in Bombay, and the Postmaster General is not the only person who finds it difficult to obtain accommodation in Bombay, and he is a highly-paid official. I hope, therefore, that he will oblige the Government by waiting for one year.

Then they want another lakh of rupees for a new Rangoon Post Office, and there is a lump provision for major works costing over 6 lakhs. Then there are buildings for the Telephone Exchange and Export and Import Shed and cable guarding house, etc., in the compound of the Telegraph Store Yard at Alipore, each item costing 1 lakh. A new building for a telephone exchange at Asansol costing Rs. 50,000 and a lump provision for major works costing 4 or 5 lakhs of rupees.

All these buildings can wait, but if there are any buildings which must be constructed, I do not think that Government cannot find the money out of the 10 lakhs which will be left.

I therefore think that the case for reducing expenditure by 12 lakhs is very strong. It will not inconvenience anybody. The public will get all postal facilities. The officers, the establishment, high and low, will get all their salaries. What will happen is that some new posts will not be created, and that some new buildings will not be built. I hope therefore that the Assembly will accept my motion.

**Mr. C. A. Innes :** Sir, I feel that I am justly entitled to claim the sympathy of the House. The orders that we received from the Finance Department when we were preparing this Budget were to cut out everything except what was absolutely essential. We did so, and when we sent in our Budget the Finance Department cut it down by a further 50 lakhs. We have pitched our demands at the lowest, and I do not think there is anything in this Budget that anyone can take exception to. Mr. Joshi has suggested that most of the 12 lakhs which he thinks should be cut out of this Budget can be secured by savings on buildings. But here again, it is one of our greatest complaints that we asked for 45 lakhs for buildings, but we were cut down to 20 lakhs. Mr. Joshi suggests that many of the buildings, which are shown as new buildings in the programme for the Telegraph Department, might easily be postponed. I do not think that he has noticed that the net amount which has been provided this year for Telegraph buildings is 10 lakhs of rupees and that major works in progress will require of those 10 lakhs 9 lakhs 75 thousand rupees. Again, the total amount which has been provided for post office buildings is 10 lakhs of rupees. Major works in progress will require 5 lakhs. Thus it is only the most urgent of the new buildings shown on page 65 that can be taken up this year. As I have said, Sir, many people seem to think that this Budget is too big, but I can assure the House that we have cut down beyond what I personally consider to be safe. We have in the Post and Telegraph Departments—departments which have yielded to us for many years large revenues

[Mr. C. A. Innes.]

especially the Telegraph Department. The Telegraph Department in 1919-20 contributed a net revenue of Rs. 1,70,00,000. But, Sir, during the war, owing to the lack of material, we were not able to keep the department up as we wished. In 1918, we actually had to go to the length of advancing our telegraph rates, merely to keep traffic down and to prevent our already congested wires from being further congested. Now, Sir, that is not a proper position for a business department. We have in the Telegraph Department a department which, if treated properly, will continue to yield us good revenue. Our policy should be to build up the department, to restore the wires, to extend the wires, till the Department is able to cope with the expanding traffic. When we have done that our first duty is to reduce our telegraph rates, which are admittedly too high. But this year, owing to these unfortunate financial circumstances, we have been cut to the bone, and I am sure that the House, when it has heard this explanation, will not agree that this Budget should be cut down even in the small amount of 12 lakhs which has been proposed by Mr. Joshi.

**Dr. Nand Lal :** Sir, some of us are really in an unenviable predicament and I confess I am one of them. Our difficulty is this. When we make arithmetical calculations and compare our totals with the figures in the Appendix, we find that there is an arithmetical accuracy between the present demands and those of the last year. But, when we look at the differences, we find then that the differences are very great. When we ask for an explanation, we find none. And if we ask that there should be some deduction in the demand, then we are confronted with this general and stock question: 'What are your reasons?' It is regrettable indeed that, when this Budget was prepared, there was no committee to discuss it.

But as it is, we have got to see ourselves contented with it now. If we ask for a modest reduction, Government officials ought to try to appreciate our request. Now, look at this motion which is before this House. It is a most modest one. We want a little reduction and we have given sufficient explanation for it. What is that explanation? That explanation is this that we have tried to show where we want this reduction and in what manner it can be made. We have submitted to the Government that the creation of new posts should be stopped for this year, because this year we are financially embarrassed. We shall have to get this money out of the pockets of the poor rate-payers and tax-payers who will cry. If Government wants to erect new buildings, they should postpone it for one year. This is our humble prayer. There will be no harm if those buildings are not erected this year. We are not against the erection of these buildings or offices. We say, they may be built, but not this year, because there are so many expenses to be met. Where is the money to come from? The money will have to come out of the pockets of these poor tax-payers and there will be a hue and cry when we ask them to pay us. If Government will find its way to accept this modest Resolution there will be some sort of consolation. We shall be able to tell the people that Government has allowed some reduction to be made in some cases. We are not asking, by this Resolution, that there should be a reduction in the salary of officials. What we say to the Government is 'kindly do not create new posts at least for this year.' We thank Government if they want to supply us with Government buildings. But we say to them: 'do not take any trouble this year. It may be done hereafter.'

Supposing I have not got money in my pocket and my relations ask me to build a huge palace, should I go to a banker and borrow money? Taking a loan of money and erecting a building, I am afraid, would not advertise my wealth or dignity. Therefore my humble submission is that the Government will kindly accept this very modest motion, and I appeal to the House to vote unanimously in favour of it, it speaks for itself.

**Mr. Wali Mahomed Hussanally :** I think, Sir, the explanation offered by the Secretary for the Department of Commerce is by no means satisfactory to this House. Mr. Joshi mentioned several buildings which he considered could be put off for another year, and to that specific question with regard to specific buildings, there has been no answer forthcoming. All that we had from the Secretary is that the Government have cut down the expenditure in the various branches of Posts and Telegraphs, as far as they could, and that they could not cut it down any further. But that is not the question put by Mr. Joshi. Mr. Joshi wanted to know whether these buildings that he mentioned at various places could not be postponed for another year, and I think, Sir, that the construction of buildings in Bombay and elsewhere could easily be put off, as also the creation of some of the new offices that have been proposed to be created. There is one other point, Sir, to which I beg to draw the attention of the House, and that is the question of additional taxation. Now the Postal Department has been taxing us a very great deal, and I believe that nearly all the non-official members, including the European non-official members, are against increasing the postal rates in India. If the proposal from the Government were to enhance or double the rates of postage to the United Kingdom, for instance, instead of the proposal that has been brought forward in the Tariff Bill, namely, that of raising inland rates, I think there would have been no difficulty in allowing these charges to be passed. But in consideration of the fact that the poor people are going to be taxed with regard to their postage, I think that this reasonable and modest proposal of Mr. Joshi ought to be carried, so as to enable the charges of postcards and postal envelopes to be kept at the same level as that at which they are now.

**Mr. Harchandrai Vishindas :** Sir, I agree with all that Mr. Wali Mahomed has said, and I would only add this. As to the plea that has been put forward by Mr. Innes that the Finance Department have cut down the estimate which his department had submitted we say we want to cut down something more. The only question is whether we are competent to do so or not. There is no doubt that we are competent. All that remains to be considered is whether a strong case has been made by Mr. Joshi, or whether that case has been successfully met by Government. Mr. Joshi has very reasonably pointed out, and I need not repeat what Dr. Nand Lal laid so much stress upon, that these are things which, for the time being, can be put off, and to that the Government has not given any reply. Therefore we have to look to the merits of the question, and on the merits Mr. Joshi's case is a strong one and we should exercise our votes in favour of cutting down this item.

**Mr. H. N. Hutchinson :** Sir, Mr. Joshi has made a point that we might down the expenditure on establishment by not taking on one or two new appointments. We must make new appointments in this large Department in which our work is, not perhaps as Mr. Innes remarked, growing more popular,

[ Mr. H. N. Hutchinson.]

but at any rate growing larger than it was. We must have some new appointments in the future. He has asked that the larger portion of this cut that he wishes be made from buildings. Well, he spoke about the various buildings. I must claim that I have a very much better knowledge of the building question than anybody else here, for I have personal knowledge of every one of the buildings that is in the schedule except one. It chanced that I was in Bombay for some time, and while I was in Bombay I found that the housing question was most difficult. I found that we could not house our men, and if Honourable Members will look at the provisions which we have made, they will find that a good many of the provisions were for housing post offices and housing post men and housing postal clerks, etc., in Bombay...

**Mr. N. M. Joshi:** May I say I never mentioned those buildings. On the contrary, I want those buildings to be built this year.

**Mr. H. N. Hutchinson:** The fact is that with the grant we have from the Finance Department we cannot build those buildings this year. If we look into the statement as put up, we will see that our total demand for future works which are not yet begun is 12 lakhs and over on the post office side, and 12 lakhs and over on the telegraph side, not including those works which are now in progress and for which we must pay, and which we must go on building. The total amount of new works that I anticipate I shall be able to undertake will not amount to more than 3 or 4 lakhs in the whole year. Even now, if we cut down one lakh of this expenditure, there is one lakh less out of the 3 or 4 lakhs which I shall be able to build this year. We are really in a very serious state as to buildings, and I do wish that the Honourable Members will not cut down this grant. I have seen these places, I know the difficulties of housing. The Telegraph Committee which sat last year was extremely scathing in their remarks in dealing with the method in which we house our men, and one of my most important telegraph schemes is for a quarter at Rawalpindi where the men are actually living in tents and will live in tents till we put up this building.

**Mr. E. L. Price:** I must represent that a certain element of prejudice has been introduced into the discussion of this question by coupling it with the question of increasing the postal rates. The first amendment I think on the budget that was put in, connected with the postal rates, must have been put in by myself. I put it in the very day the budget was introduced, and it was that the postal rate for letters should be maintained at half an anna, at all events, up to one tola. And I should like to tell the House, so as not to prejudice either this question or my own amendment later, that the question of maintaining the half anna letter up to one tola weight is not in any way mixed up with this question of demands for post office, because if the Finance Member turns round to me and says 'you cannot persuade me I will not lose money by this concession', if he says that to me, I am ready to point out to him a perfectly legitimate way by which he may raise the difference.

So I do assert, Sir, that the question of postal rates does not arise under the amendment now proposed, but the mere suggestion that it does so arise is prejudicing and I think spoiling the debate on this subject.

**Mr. S. Mudaliar :** I heartily support the Resolution which has been so ably moved by my Honourable friend Mr. Joshi. He has given most convincing reasons and what he has aimed at in his Resolution is a very modest one. He wants us to cut short the expenditure on buildings by ten lakhs of rupees. On the other side, on the side of Government, the answer is that this cannot be cut short and the reasons that have been adduced are not very convincing. I daresay, and I hope the House will agree with me, that these offices which are located in rented buildings can continue in them very well for a year or two. As a matter of fact in my own place which is the headquarters of a district we have the post office in a rented building at a rent of Rs. 150. I think the construction of these buildings can very conveniently be postponed for some time until we have a prosperous budget. Now at a time when we are confronted with a deficit budget and we have to meet a deficit of 19 crores, is it not the bounden duty of this House, does not the House owe a duty to the electorate and the country at large to propose these amendments and very reasonable amendments too, to cut short this expenditure by one lakh? If this cannot be accepted, then I think it must be very surprising and I am bound to say that Government will not be taking a sympathetic view of the matter. Of course I do not demur to what has been said by the other side that they wanted an increase of establishments and to give increases of pay. That question does not arise here. I may say in this connection that last year there was a Postal Committee and some increases of pay have been given effect to. That is what I saw in the papers, and I see there has been some agitation, but apart from those things, I confine my attention to what is said in the Resolution, namely, to cut short by Rs. 12,00,000 the working expenses under Posts and Telegraphs. Once more I desire to emphasise that the construction of these buildings can conveniently be postponed for a year or two, unless and until we find money in the meanwhile. I beg to state that, if necessary, the departments can continue in rented buildings. With these few words I beg to support the Resolution which has been moved by Mr. Joshi and I hope it will commend itself to the acceptance of this House.

**Khan Bahadur Zahir-ud-din Ahmed :** Sir, of all the Departments under Government the Postal Department is the Department for which the general public has got the greatest respect : I wish I could have said the same of all the Departments. I am the last man to injure the only Department which is working so very blamelessly. So I am against the Resolution moved by my friend the Honourable M. L. A. from Bombay.

**Rai Bahadur Pandit J. L. Bhurgava :** Sir, I strongly support the motion. The reasons which have been given by the Honourable Mover are very sound and convincing, and the demand is a very modest one. I have been noticing since yesterday that many motions have been moved by non-official Members and most of them have been withdrawn. I hope this time the Government will find its way to accept this reduction of demand and withdraw its objection.

**Babu K. C. Neogy :** Sir, knowing, as I do, the fondness of Government for bricks and mortar, I am not at all surprised at the arguments which have been addressed to the Assembly from the Treasury Bench on this question. I will ask the Assembly to remember one little fact. At the Brussels Conference one of the Resolutions which was adopted recommended that no nation should undertake any capital outlay unless it were of an immediately

[ Babu K. C. Neogy. ]  
remunerative character. I want to know as to how far this question has been approached by Government from that point of view.

**Mr. N. M. Joshi :** My reply to what was said on the Government side is that I do not ask that the buildings which are in progress should not be continued. I only say that the new buildings should not be built, and most of the buildings in the list which I read are new and original works.

I therefore hope that the Assembly will accept my motion.

**The Honourable Mr. W. M. Hailey :** I do not wish to add to the debate, Sir, but to mention one definite fact; I mention it in reply to what Mr. Joshi said just now. 20 lakhs have been provided in the budget of the combined Departments for buildings. Out of that 20 lakhs, 15 are already mortgaged for works in progress. I appeal to any business man in this House to say whether it is wise to leave off works in progress, or whether it is economical to do so. You will have to pay your contractors; ultimately, when you resume your work, you will probably have to pay very much more. I repeat, Sir, of the 20 lakhs, 15 are already mortgaged for works in progress.

**The Honourable the President :** The question is :

'That the Demand (No. 12) under head Posts and Telegraphs (including expenses) be reduced by Rs. 12,00,000'.

The Assembly divided as follows :

#### AYES—47.

Abdulla, Mr. S. M.  
Afsar-ul-Mulk Akram, Hussain,  
Prince.  
Ahmed, Mr. K.  
Aiyar, Sir Sivaswamy.  
Ayyar, Mr. T. V. Seshagiri.  
Bagde, Mr. K. G.  
Bajpai, Mr. S. P.  
Bhargava, Mr. J.  
Bishambhar Nath, Mr.  
Chaudhuri, Mr. J.  
Currimbhoy, Mr. R.  
Dalal, Sardar, B. A..  
Das, Babu Braja Sundar.  
Dwarkanada, Mr. J.  
Ghulam Sarwar Khan, Chaudhuri.  
Ginwala, Mr. P. P.  
Girdhardas, Mr. N.  
Gour, Dr. H. B.  
Gulab Singh, Sardar.  
Hussanally, Mr. W. M.  
Iwar Saran, Mr.  
Jatkar, Mr. B. H. R.  
Jejeebhoy, Sir Jamestree.

Joshi, Mr. N. M.  
Kamat, Mr. B. S.  
Lakshmi Narayan Lal, Mr.  
Latthe, Mr. A. B.  
Majumdar, Mr. J. N.  
Man, Singh Bhai.  
Mitter, Mr. N. C.  
Misra, Mr. Pyari Lal.  
Mudaliar, Mr. Sambanda.  
Mukherjee, Babu J. N.  
Nand Lal, Dr.  
Nag, Mr. Girish Chandra.  
Neogy, Babu Khitish Chandra.  
Rangachariar, Mr. Tiruvonkata.  
Rao, Mr. P. V. Srinivasa.  
Reddiyar, Mr. M. K.  
Samarth, Mr. M. N.  
Sinha, Beohar Raghubir.  
Sinha, Mr. S.  
Sircar, Mr. N. C.  
Sohan Lal, Mr.  
Ujagar Singh, Baba Bedi.  
Venkatapattiraju, Mr. B.  
Vishindas, Mr. Harchandrai.



## NOES—41.

Ahmad, Mr. Zahir-ud-din.  
 Amjad, Ali Mr.  
 Aiyar, Mr. A. V. V.  
 Bryant, Mr. J. F.  
 Crookshank, Sir Sydney.  
 Dentith, Mr. A. W.  
 Fell, Sir Godfrey.  
 Garu-Jayanti, Mr. R. P.  
 Gidney, Lieutenant-Colonel H. A. J.  
 Habibullah, Mr. Mahomed.  
 Hailey, The Honourable Mr. W. M.  
 Hajeebhoy, Mr. Mahomed.  
 Herbert, Lieutenant-Colonel D.  
 Holland, The Honourable Sir Thomas.  
 Hullah, Mr. J.  
 Hutchinson, Mr. H. N.  
 Ikramulla Khan, Mr. Mirza Md.  
 Innes, Mr. C. A.  
 Kabraji, Mr. J. K. N.  
 Keith, Mr. W. J.

Maw, Mr. W. N.  
 Mitter, Mr. D. K.  
 Muhammad Hussain, Mr. T.  
 Norton, Mr. Eardley.  
 O'Donnell, Mr. S. P.  
 Percival, Mr. P. E.  
 Pickford, Mr. A. D.  
 Price, Mr. E. L.  
 Ramji, Mr. M.  
 Rao, Mr. C. Krishnaswamy.  
 Renouf, Mr. W. C.  
 Sapru, The Honourable Dr. T. B.  
 Sarfaraz Hussain Khan, Mr.  
 Sen, Mr. Nishikanta.  
 Shahani, Mr. S. C.  
 Sharp, Mr. H.  
 Singh, Raja S. N. P.  
 Spence, Mr. R. A.  
 Spry, Mr. H. E.  
 Waghorn, Colonel W. D.  
 Watson, Sir Logie Pirie.

The motion was adopted.

**Mr. N. M. Samarth:** Sir, the motion as printed on the agenda, is not in accordance with the notice that I gave and I will read out, therefore, the one which I gave of the amendment. It is this :

'That in Demand No. 12, Posts and Telegraphs—page 58, the amount of Rs. 10,78,02,000 be reduced by Rs. 1,10,02,000, the said reduction to be made in the amount entered for Capital Outlay.'

As Members will remember, on Tuesday last, during the budget discussion, I pointed out that in the budget of the Government of India, March 1921, page 120, there is the following entry:—'Posts and Telegraphs, Capital Account chargeable to revenue: Capital outlay on Posts and Telegraphs' and on page 121, that amount is given as Rs. 2,10,02,000. I, for one, cannot understand how capital outlay on posts and telegraphs can be debited to revenue. Either, I said, I was wrong or it is a curious method of book-keeping. To that I do not think I received any satisfactory reply from Government. I should like to know even now whether Government have got any satisfactory reply to it or whether they can see my point or not.

Originally, I intended to demand from this House a reduction of the whole of this amount of two crores ten lakhs and two thousand rupees. But I thought some portion of it must be probably for copper wires and other stores, freight and so on. I have no figures, Government probably have figures. A fair proportion of this capital outlay, I thought, should go into capital account because it would be a productive outlay. I then looked at the working expenses which are given in Appendix A—Working Expenses for Posts and Telegraphs. I found on page 80 that the Indian Postal and Telegraph Department and the Indo-European Telegraph Department show Gross Receipts, in the proposed estimate, amounting to 12 crores 37 lakhs 19 thousand, out of which working expenses are deducted at 8 crores 82 lakhs 55 thousand, and there are, therefore, net receipts amounting to 3 crores 54 lakhs 64 thousand. On going through the figures, I found further at pages 56, 58 and

[ Mr. N. M. Samarth. ]

72 certain items for purchase of stores and freight, and altogether the total of the figures comes to one crore 82 lakhs 90 thousand. Deducting that out of the net receipts, I found the balance was 1 crore 91 lakhs 61 thousand. I thought the net receipts would quite suffice for the purposes of the department, but I have made a liberal margin in favour of Government and asked for a reduction of the total demand by only Rs. 1,10,02,000. I need not labour the point, and I should like to know what Government have to say in the matter.

**The Honourable Mr. W. M. Hailey :** Sir, the Telegraph Department, like the Postal Department, is a source of revenue to the country, but we have not, I quite admit to the House, been able hitherto to gauge the exact amount of net revenue which the Post and Telegraph Departments bring us in. It is perfectly true that we do keep a *pro forma* capital account. It is, however, only a *pro forma* account. There are a number of hypothetical adjustments—work done for the department by other departments and work done by the department itself for other departments, which have to be made before we can get a true view of the profit and loss involved in its operations. It has been a complaint, I think, for some years that we never presented to the public a perfectly true account of the operations of this combined Department as a commercial undertaking. Well, Sir, when you find a complaint of that kind and you believe the complaint to be well founded, the best thing to do is to try to put it right, and this year we are trying to do so. We have obtained from England representatives of a firm of Chartered Accountants highly expert in commercial accounts. They are now touring India, and we hope, before very long, to have a complete and satisfactory capital and revenue account for the post and telegraph departments. It is because we have never had really satisfactory figures for the separation of capital from revenue expenditure that we have continued to finance these two departments out of revenue and to take all the proceeds into revenue. To that extent they have of course been on a different basis from Irrigation and Railways which have a true capital account; their capital outlay has been financed entirely from loans, and we have kept their accounts on strictly commercial principles.

That is the reason why you will find that in our accounts the interest charges are set off on account of our capital outlay on Irrigation and Railways, while there are of course no interest charges given on account of our Post and Telegraph operations. However, Sir, I recognise that this is a somewhat exceptional year—may I add perhaps fortunately exceptional, for I hope that it will not be often repeated—and we ought to try to do what we can to meet the Assembly; that is instead of asking it to wait until we have our true account before we transfer any expenditure from the revenue to the capital account, instead of giving that answer, we ought to do what I can to meet the present urgent necessity. Meet it perhaps I might add, Sir, we ought to try to meet it by somewhat more legitimate methods than by merely disallowing expenditure for works in progress. Well, Sir, what we propose to do is to make the best account we can of what can be described as true capital expenditure—that is to say, wires and the like to which Mr. Samarth has referred—and put that down to capital. On the best calculation that we can make, that amounts to about Rupees 1 crore, and I am quite prepared, as far as we are concerned, to take 1 crore of rupees out of this Demand for grants and put it down to the capital demand, making, if the House agrees, the necessary Resolution afterwards.

for the adjustment that will be required in our accounts for that purpose. I see that the Honourable Mr. Samarth's amendment refers to Rs. 1,10,02,000. There is no very great difference between our figures, and I admit that it would be far more satisfactory from my point of view if it were a crore. If Mr. Samarth likes to behave handsomely by me as I am behaving handsomely by him, I think, Sir, that we might perhaps call it one crore?

**The Honourable the President :** The question was—

'That in the Demand No. 12, the provision of Rs. 10,78,02,000 for Capital Outlay under head Posts and Telegraphs be reduced by Rs. 1,10,02,000.'

Since which an amendment has been moved to substitute for the figures in the motion the figure Rs. 1 crore.

The question is that that amendment be made.

The motion was adopted.

**Mr. Joshi :** Sir, the Honourable the Finance Member just now referred to disallowing expenditure for works in progress. If he means my motion , ,

**The Honourable the President :** Order, order. We have passed from that.

**The Honourable the President :** The question is :

'That a sum not exceeding Rs. 8,66,02,000 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 Posts and Telegraphs.'

The motion was adopted.

The Assembly then adjourned till Friday, the 11th March 1921.