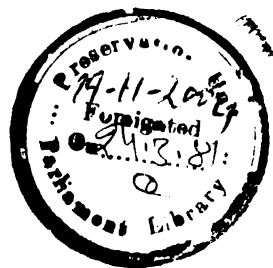


Thursday, 16th February, 1928

THE
COUNCIL OF STATE DEBATES
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(1st February 1928 to 22nd March 1928)

FOURTH SESSION
OF THE
SECOND COUNCIL OF STATE, 1928



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1928

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COUNCIL OF STATE.

Thursday, 16th February, 1928.

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

BURMA SALT (AMENDMENT) BILL.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I move that the Bill to amend the Burma Salt Act, 1917, for a certain purpose, be taken into consideration. As I explained to the Council when introducing the Bill, this is a very simple and straightforward measure. The administration of the salt revenue and the activities connected with it is, under the present constitution, the responsibility of the Central Government but, except in Northern India, the subject had till recently been administered by Local Governments as agents of the Government of India. The administration of the Madras and Bombay Salt Departments was taken over by the Government of India on 1st January 1926, and it is now proposed, with the consent of the Burma Government, to take over the administration of the Department in Burma also with effect from 1st April 1928. The step now proposed is merely one of the changes of system which flow from the Reforms and from the policy of the Government of India to separate, as far as possible, central and provincial functions. Apart from this, the present arrangements in Burma are not satisfactory, even from the point of view of administrative efficiency. A special feature of these present arrangements is that in Burma the Salt Department merely consists of a number of subordinates working under the ordinary provincial revenue administration. There is no supervising staff with exclusive technical experience of salt administration, and an officer of the Indian Civil Service, with considerable experience of Salt administration, who was recently employed on special duty under the Central Board of Revenue to investigate various problems connected with Salt administration, and who spent some time in studying salt problems in Burma, has unhesitatingly recommended in particular that the administration of salt revenue by the ordinary district staff, which had been abandoned several decades ago in other parts of India, should be abandoned in Burma also. Under the existing arrangements, as I have just indicated, the responsibility for administering the Department in Burma falls largely on the district officer and the sub-divisional officers. These officers are far too much occupied with magisterial, land-revenue and other duties to be able to give salt work the attention that it requires. The consequence has been not only that the methods of manufacture are inefficient and wasteful, but also, it is feared, that illicit manufacture is widely prevalent and salt is finding its way into consumption without paying duty.

It is proposed to place the new Department under a Collector of Salt Revenue, who will be a junior officer with experience in the Salt Department, and will work under the general supervision of the Commissioner of Income-tax in Burma. This arrangement has been adopted partly as a matter of economy, as otherwise it would be necessary to have a senior officer as Collector of Salt Revenue. Another important reason is that it is necessary to have an appellate

[Mr. E. Burdon.]

authority on the spot to deal with appeals against the orders of the Collector, since otherwise everyone aggrieved by an order of the Collector of Salt Revenue would have to approach the Central Board of Revenue in Delhi or Simla.

As regards the financial aspect of the measure, there is reason to believe that the new arrangements will result in some economy. At present the arrangement is that the Government of Burma, in return for the work which they do as agents of the Government of India, receive from central revenues a contribution of 8 per cent. of the total expenditure under the provincial head "6—Excise", exclusive of the cost of opium supplied to the Local Government. On this 8 per cent. basis, the contribution amounted in 1925-26 to Rs. 1,47,348, and in 1926-27 to Rs. 1½ lakhs roundly; the figure for 1927-28 (Budget) is also about 1½ lakhs, and that estimated for 1928-29 is roughly Rs. 1,55,000.

The estimated average cost of the new system of direct administration is Rs. 1,87,000. Accordingly there is, as will be seen, a certain small increase in direct expenditure, but it is confidently anticipated that this will be more than recouped by the suppression of illicit manufacture and the stoppage of issues without payment of duty. This aspect of the matter, that is to say, the cost of the proposals, has been reviewed by the Standing Finance Committee to whom the Government of India have referred the proposals in order that, if the legislation is successfully carried out, there may be no delay of procedure to prevent the scheme from being carried into effect from the 1st of April next. The Standing Finance Committee have made no criticism of the proposals for expenditure.

The Bill itself merely sets out in detail what officers under the new dispensation will perform the functions now performed by the Local Government and its officers respectively. Broadly speaking, the functions now performed by the Local Government will be performed in future either by the Central Board of Revenue or by the Commissioner of Income-tax. Similarly, the functions performed by the authorities below the Financial Commissioner will be performed by the Collector of Salt Revenue and his subordinates.

As I have said at the outset, the Government of Burma, who have been consulted, acquiesce in the proposals, and I have nothing further to add except to express the hope that this Council will also agree.

Sir, I move.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to amend the Burma Salt Act, 1917, for a certain purpose, be taken into consideration."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. BURDON: Sir, I move that the Bill be passed.

The motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, our next meeting will be held on Monday, the

20th, on which day, as Honourable Members are already aware, the Railway Budget will be presented. Thereafter the House will meet on Tuesday, the 21st, Wednesday, the 22nd and Thursday, the 23rd. The business for the 21st will include a motion for the election of a panel for the Standing Committee to advise on questions relating to Emigration in the Department of Education, Health and Lands, and motions for the consideration and passing of the Bill further to amend the Indian Securities Act, 1920, for a certain purpose, which was introduced on Tuesday last. Further business will depend on events elsewhere. Wednesday, the 22nd, will be devoted to non-official business, and the general discussion of the Railway Budget will take place on Thursday, the 23rd.

The Council then adjourned till Eleven of the Clock on Monday, the 20th February, 1928.
