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LEGISLATIVE ASSEMBLY, 1922



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LEGISLATIVE ASSEMBLY.

Wednesday, 15th March, 1922.

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

MEMBER SWORN.

Mr. Bishwanath Misra, M.L.A (Orissa Division : Non-Muhammadan).

THE HINDU CEREMONIAL EMOLUMENTS BILL.

Mr. A. B. Latthe: I beg to present to the House the Report of the Select Committee on the Invalidation of Hindu Ceremonial Emoluments Bill.

THE BUDGET—LIST OF DEMANDS—*contd.*

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Mr. M. G. Mukundaraja Ayyangar (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) : Sir, I beg to move :

‘ That the provision of Rs. 10,000 ‘ payable to other individuals ’ under head ‘ Madras ’ be reduced by Rs. 100.’

If Honourable Members will turn to page 17 of the big Blue Book, they will see an item ‘ payable to other individuals Rs. 10,000 ’. It does not give any information or any details : it is very vague. In the two previous items details are given, namely, Rs. 4,40,000 payable to the French Government and Rs. 38,000 payable to the Pudukkottai State. Probably no information and no details are given because Government thought it was a small sum of only Rs. 10,000, but, whether a Demand is small or big, it is only fair to this House that it should be furnished with full information and details as to why the Demand is made. This House, I submit, is entitled to ask the Government to furnish it with details necessary in connection with any item before it is called upon to vote on that particular item. I call for information from the Government by means of my motion as to what class of persons is meant under the term ‘ other individuals ’ in this item.

Mr. A. C. Chatterjee (Industries Secretary) : Sir, as Honourable Members will see, this item is under the major head ‘ Assignments and Compensations ’. When the Government of India acquired the monopoly of the manufacture of salt in Madras Presidency, as elsewhere, they had to give compensation to people who had vested rights, and this compensation is prescribed under sections 16 and 18 of the Madras Salt Act, 1889. This item has been included in the Budget for many years past. The Honourable Member has said that specific

[Mr. A. C. Chatterjee.]

mention is made of the payments to the French Government and to the State of Puddukkotai. That is true; they are also non-votable items. In the case of payments to other individuals, it was not possible to give the names of a large string of individuals to whom these payments have been made under the Act. I presume that this item relates entirely to such compensations. As the item had been in the Budget for many years, in view of the fact that the Madras Government are the agents of the Central Government in this matter, no special scrutiny was made. The item has also been passed by the Auditor General for many years; but I have inquired from the Madras Government for particulars by wire, and as soon as I receive them, I shall supply them to the Honourable Member.

Mr. M. G. Mukundaraja Ayyangar: On the assurance given by the Honourable Mr. Chatterjee, I beg to withdraw the motion.

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

Mr. S. C. Shahani (Sind Jagirdars and Zamindars : Landholders) : Sir, I beg to move :

‘ That the demand under the head Salt be reduced by Rs. 20,00,000.’

From page 15 it will be seen that the revised estimates of expenditure for 1921-22 amount to Rs. 1,58,40,000. I wish to point out that this is a very heavy increase of expenditure. I find that in the year 1919-20 the income was 5·7 crores, and that the expenditure amounted to 81 lakhs; and I find that in 1921-22, the income is estimated at 6·41 crores, and then out of this estimated income Rs. 1,58,40,000 are spent on the administration of this Department. As I said, this is a very heavy expenditure and on that account it ought to be curtailed.

My next point is once again the salaries. The scale of salaries ought to be revised.

The third point that I would make is the abolition of the Personal Assistant to the Commissioner of Salt, and the fourth that the travelling allowances, which have increased from Rs. 1,45,280 to Rs. 1,91,170, should be reduced. In this year of financial stringency, I further propose that the construction of quarters for officers, etc., be not taken in hand. Their total cost is to be Rs. 98,750 *plus* Rs. 96,100.

The Honourable Mr. C. A. Innes (Commerce and Industries Member) : Sir, I am afraid that I must oppose as strongly as I can the motion for the reduction of this Demand by 20 lakhs of rupees. Yesterday it was my misfortune to oppose a reduction in the Customs Demand, and I am afraid the House conceived the idea that I was opposed to retrenchment. I should like to assure the House that that is not the case at all. But I am responsible to this House for the administration of Customs and of Salt, and, if I cannot conscientiously recommend to the House that they should make reductions in revenue-earning Departments of this magnitude, I think the House will see that it is my duty to say so.

Now, Sir, Mr. Shahani has proposed that this Demand be reduced by 20 lakhs. I must take the same line as I took yesterday, and ask the House to tell me where I can find that 20 lakhs. Let me analyse for the House this year's Salt Budget. I find that out of the Salt expenditure, 39 lakhs go in

assignments under treaties to various Indian States. Forty-five lakhs go to the Governments of Madras and Bombay on account of the establishments maintained in those Provinces for managing the Salt revenue for us. Those establishments are mixed up with the Excise establishments. The rates of pay are fixed in accordance with the local conditions, and though we are consulted, naturally we are guided by the advice of the responsible Local Governments. It is true of course that we might take over the administration of the Salt Department ourselves, but no one in this House can say whether it will pay us to do so. It is very doubtful.

Then, again, Sir, there is an item of 56 lakhs, on account of supplies and services, 31 lakhs in India, 12 in Madras and 13 in Bombay. That expenditure is mainly on excavating and making salt. It would be apparently simple for me to cut down the provision made for the manufacture of salt and excavation charges; but what would be the result? The cost of salt is very small. The duty on it is heavy. The only result of my cutting down the provision for excavation charges would be that we shall have less salt; that is to say, we shall get less revenue; that is to say, this reduction, though it would appear as a reduction on our expenditure side, would mean a very much larger reduction, on our receipts side. I think the House will agree that that would not be retrenchment. Then, again, we have an item of Rs. 15,85,000 for Improvements. That provision would not have been made in the Budget at all had we not been able to satisfy the Finance Department that the expenditure would be directly remunerative. We hope by the works that we are carrying out at Sambhar and Khewra greatly to increase the supply of salt. The advantages will be two. In the first place, there will be much more salt available for consumers. Our present agency system will be discontinued and the price of salt to the consumer will go down. In the second place, we shall get a direct return in salt revenue.

Mr. Shahani has referred to the provision of Rs. 98,000 for the construction of quarters at Sambhar. Well, Sir, Sambhar is a very hot place. Life is very unpleasant there in the hot weather, and I think that this House will agree that the people, labourers, officers and others, who make our salt at Sambhar should be properly housed. I should explain that by far the greater part of this provision is for houses for the lower class of our subordinates. As far as I remember, only one bungalow has been provided for officers.

Well, Sir, I have shown how this provision will be spent. I have accounted now for 159 lakhs of rupees. There is a balance of 15 lakhs for the pay of our officers, our preventive staff and for their various travelling allowances. These 20 lakhs which Mr. Shahani wishes us to reduce must be met from this margin of 15 lakhs. How can it be done? I think the House will agree that this large reduction is quite impossible.

Mr. N. M. Joshi (Nominated Labour Interests): Sir, I want some information from the Honourable Member concerning the working of this Department. In the first place, I should like to know from the Honourable Member, salt worth how much is produced by this Department in the Northern India Salt Works? We are spending on those salt works 52 lakhs of rupees a year. I should like to know the quantity of salt that is produced there every year and its price so that the House may know whether the Department is working at sufficient profit or not.

[Mr. N. M. Joshi.]

Secondly, I should like to have one more piece of information. In the statement of revenue, last year's revenue was estimated to be Rs. 6,41,00,000, and the next year's revenue is estimated to be Rs. 11,36,00,000. Although we have doubled the tax, the revenue does not seem to have doubled. There is some explanation. There are some arrears of Salt. But as we are spending 16 lakhs more, I should like to know by what amount the revenue will also be increased on account of the increased expenditure.

Mr. A. C. Chatterjee: Sir, Mr. Joshi has asked what quantity of salt is manufactured in Northern India. It is difficult to give exact figures, because it depends very much on natural causes. For instance, when we get a very good monsoon

Mr. N. M. Joshi: Is it a gamble?

Mr. A. C. Chatterjee: It is a gamble in the monsoon, certainly. That is what we are trying to prevent by having improvements which will make us independent of this gamble. When we have a good monsoon we may produce in Sambhar and from the other Rajputana sources anything up to 80 lakhs of maunds. If we do not have a good monsoon, as happened in 1911, we produced in that year in Sambhar only 17 lakhs of maunds. It entirely depends on the monsoon. We must realise that the methods of excavation and working of the Sambhar Salt Lakes have not been changed since the days of the builder of the Kutub Minar. It is therefore our intention to make ourselves independent of the natural causes, and that is why we propose to spend this money.

A certain amount of money has already been spent, and as a result, although the monsoon last season was as deficient as it was in 1911, we were able to get about 40 lakhs of maunds of salt which has meant an increase of revenue of about 40 lakhs over what would have been obtained had we got the same supply as in 1911.

Mr. N. M. Joshi: What is the price of 80 lakhs of maunds?

Mr. A. C. Chatterjee: I was coming to that, Sir. The average expenditure per maund of salt produced in Sambhar is just under 3 annas and in Didwana it is 2 annas 3 pies. In Pachbadra 2 annas 3·8 pies. This is realised when the salt is sold to dealers. It is quite different from the duty, of course. The price of excavation in Khewra is higher because there we have to do mining. The price of excavation in Khewra works out to 3 annas 3·32 pies per maund.

Mr. N. M. Samarth (Bombay : Nominated Non-Official) : In Bombay ?

Mr. A. C. Chatterjee: I have not got the Bombay figures here but the cost is about the same, about 4 annas, I think, per maund, and, of course, as the Honourable Member is aware in Bombay the source is the sea salt which is manufactured in many places. In certain areas it is not exactly sea salt. It is salt which is obtained from the sea coming into shallow parts and receding again. In Madras also the cost works out to very much the same figure. The Honourable gentleman has asked about the revenue estimate. I confess I am not familiar with the revenue estimates. Perhaps my Honourable friend, Mr. Aiyar, will be able to enlighten Mr. Joshi on that point.

Mr. W. M. Hussanally (Sind : Muhammadan Rural) : I listened with attention to the Honourable the Commerce Member, but I must say that I was not satisfied with the explanation he gave for two large items that Mr. Shahani wants to cut out, namely, Rs. 98,000 for new houses and Rs. 96,000 for repairs and so on. In regard to the first item he said that new quarters are required for housing the gentlemen in charge of these works. (*A Voice* : 'They are for labourers.') Whatever it be, I think they must have got some kind of quarters to live in at the present moment. Why is this large item suddenly demanded in a year of financial stringency? Would it not be better to postpone these for another year until our finances improve? For my part I think that these two items at any rate can be postponed for a year. The officers and others working in these salt works could be housed as far as possible for another year in their present houses. Then, Sir, there is another point, and that is, the duty going to be enhanced. (*A Voice* : 'Proposed to be enhanced.') I see a foot note here which says that the money is to be spent on providing new quarters. It does not necessarily mean that there are no quarters at the present moment. They have got some quarters. They can live in these houses for another year. That is my point and, since the duty is going to be enhanced, I think the consumption would naturally fall and, therefore, production will also be reduced in proportion. That will also reduce the cost of production to a certain extent. I think that Mr. Shahani is quite justified in asking for this reduction.

The Honourable Sir Malcolm Hailey (Finance Member) : Sir, Mr. Joshi asked a question about the revenue estimates. I would refer him to paragraph 17 on page 299 of the Demands for Grants. If the figures are not adequately explained there, I should be glad to give him any further information he wants, should like to inform the House, in regard to the particular point raised, that I have settled with the Auditor General that we should prepare, if possible, a proper capital and revenue account for our Salt Department. That will be placed in the hands of Members and will show exactly the relation between the cost of production and the price at which we sell our salt.

Mr. President : The question is :

'That the demand under the head 'Salt' be reduced by Rs. 20,00,000.'

The motion was negatived.

Rao Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : I merely formally move my motion for reduction on the 5 per cent. basis of the total expenditure, but after listening to the Honourable the Commerce Member's explanation, the real expenditure on establishment comes only to 16 lakhs. Therefore, I am willing, if you will permit me, to accept the motion of which my friend, Sir Vithaldas Thackersey, has given notice.

Mr. Jamnadas Dwarkadas (Bombay City : Non-Muhammadan Urban) : I had intended to move for a reduction of 5 lakhs, but after listening to my Honourable friend, I also am willing to accept the motion which is to be moved by my Honourable friend Sir Vithaldas Thackersey.

Dr. Nand Lal (West Punjab : Non-Muhammadan) : Since a motion is to be moved on behalf of the Democratic party, in the interest of that, I withdraw my motion.

Sir Vithaldas D. Thackersey : (Bombay Millowners' Association : Indian Commerce) : I beg to move :

'That the demand under the head 'Salt' be reduced by Rs. 1,71,450.'

The reasons are quite clear. As explained by the Honourable Member in charge of the Department, most of the expenditure is on service and therefore it cannot be touched. I hope, following the policy of general retrenchment, the Honourable Member will endeavour to reduce the expenditure to the small extent of Rs. 1,71,000. My remarks made in regard to my previous motion apply for reduction in this demand.

The Honourable Mr. C. A. Innes : Sir, I recognise the consideration with which the House has dealt with me in this matter of reducing this Demand by Rs. 1,71,450. At the same time, I am afraid that I am in the same difficulty as I have been all along. I do not see where the money is to come from. It is perfectly true that we might cut out this provision of Rs. 98,000 for quarters, but I should be very reluctant to do that. The whole case of these quarters has been most carefully examined by the Standing Finance Committee quite recently. They knew that the financial position was bad and yet we were able to make out a case for these subordinates which they recognised was unanswerable.

Rao Bahadur T. Rangachariar : We were not aware of the extent of the deficit.

The Honourable Mr. C. A. Innes : The Standing Finance Committee knew that the financial position was bad. They knew it was a year in which every possible economy was necessary and they decided that economy in this matter was not right and I hold to that opinion. The climate at Sambhar and at Kheora is very trying. We require very large labour forces there. We have got to attract labour to that place and it is a mere business proposition that if we want the labour which we must have and if we want to get the revenue, we must deal with them properly in the matter of house accommodation. I think that everybody in this House will recognize that. As regards the motion for reduction, I am entirely in the hands of the House. I am prepared to make every possible endeavour for economy, but I cannot commit myself on the figures I have given to the House, to any particular figure at the present time, and I am afraid I must leave it at that.

Sir Montagu Webb : (Bombay : European) : May I ask if the Honourable Members of the Finance Committee have ever been to Sambhar in the hot weather ?

Rao Bahadur T. Rangachariar : May I ask if the Honourable Member has been to Madras, the village parts in Madras ?

Sir Montagu Webb : I would much prefer to be in Madras.

Mr. N. M. Samarth (Bombay Nominated Non-Official) : Sir, I beg to support the motion of Sir Vithaldas Thackersey ; and I wish to draw the attention of the Honourable Member in charge of this Department to the fact that in the Budget non-voted expenditure, as compared with the revised

estimates of 1921-22, has increased by Rs. 2,18,000. I do not know on what principle these non-voted items are swelling from year to year. As a matter of fact, I take it, even under the construction which the Law Officers of the Crown have been reported to place upon our demand that the non-votable expenditure should be made votable, even under that construction there is no need, there is no justification, for including in non-voted items posts which have been newly created. All that the section says is that certain salaries of certain persons appointed by the Secretary of State or under his orders are non-votable. Is it a fact that all this Rs. 2,18,000 belongs to that description? I doubt it,—I doubt it, Sir,—and I consequently maintain that items have been included in the non-votable column which should not have been included in that column at all. These are matters in which we have no voice. You are going to increase all these non-voted items of Rs. 2 lakhs and odd, and surely we are entitled to say: 'You are bound to reduce that expenditure to the tune, at any rate to the modest tune, of Rs. 1,71,450.'

The Honourable Mr. C. A. Innes: May I point out that the rise in non-voted expenditure occurs under assignments and compensations on page 16, the explanation being that 40 and 20 per cent. of the cost price of salt manufactured in excess of a certain limit is payable, respectively, to the Jai-pur and Jodhpur Durbars; and the House will see, if they look at page 16, that it has been increased up to Rs. 2 lakhs this year, in the Budget Estimate this year over the Revised Estimate of last year.

Mr. N. M. Samarth: That is, without any addition of any single officer being made?

Mr. A. C. Chatterjee: The only officer under the non-voted head who has been added, Sir, is a Mining Engineer whom we had to import from England. That was necessary under the recommendations of the Industrial Commission to improve the mining methods in Kheora.

Mr. Jamnadas Dwarkads: Sir, there is one further item in which I believe economy can be effected. Travelling allowances and honoraria are provided for in this item, in this Department, to the extent, I think, of about Rs. 12 to 13 lakhs of rupees. The contingent charges come to about Rs. 3 to 4 lakhs of rupees. Now I quite realize the necessity of officers travelling, but if they use a certain amount of discretion and if they avoid going to the same place over and over again, and so organize their tour as to include all the places that are in the neighbourhood of each other, probably a good deal of saving can be effected. I think it is a very modest demand, and, if in this item a saving can be effected, I hope the Honourable Member will have absolutely no objection to accepting it.

Dr. Nand Lal: Sir, I stand to support this motion, which speaks for itself. Sir, as we know, the proper function of the Government is always to confine its activities to the administrative side, and not to transform itself into commercial or industrial concerns. (Hear, hear.) Why should this Salt Department be allowed to remain at all in the Government of India hands as a Government concern? This should be entrusted to private enterprise; and, if it will be done, I daresay, the Government revenue shall not suffer and the people will find a suitable encouragement and pursuit for their activities. Government has got a good

[Dr. Nand Lal.]

many pursuits in hand, and, on account of having so many pursuits and some of them I am sorry to say are such pursuits as should not be adopted by the Government at all—there is a mass of discontent, and in order to avoid that discontent I think it will be a very suitable remedy that this Salt Department should be abolished altogether, the Government will not lose its revenue because it will get the royalty. Some officers may be employed to supervise and to see that there is no smuggling, and that the rules and the laws are not infringed, but, so far as the question of the excavating of salt from the mines is concerned, or getting it from the Sambhar Lake is concerned, these pursuits should be entrusted to private people, who are quite capable of it. They will pay royalty to the Government and hence, as already submitted, there will be no loss of revenue.

Mr. President : It is quite clear that the Honourable Member cannot effect his purpose by reducing the vote by one lakh. He could only do so if he moved the omission of the entire vote.

Dr. Nand Lal : I submit, Sir, I am assigning reasons in support of retrenchment, saying at the same time that there are arguments showing that there are no good reasons at all for the maintenance of this Department, but, taking a lenient view I content myself with supporting the present motion. Perhaps it may be suggested on behalf of Government that this work cannot be entrusted to the people because they are incapable of doing it. I will demur, and say that the people of this country are quite fit to undertake it. Some years ago, coal was excavated from mines through Government agency. Some of the coal mines are now worked by the lessees, namely, by private enterprise and the work has been done efficiently. But the explanation then offered by Government was that this work could not be undertaken by the people of this country and therefore Government was forced

The Honourable Sir Malcolm Hailey : When was this said ?

Dr. Nand Lal : If I recollect correctly some 10 or 12 years ago, when this enterprise was countenanced by the people of this country, especially of the Punjab, petitions were made, and the reply to these petitions was that the people were not then quite efficient to carry it out, though subsequently, after petitioning, the leases were granted.

Mr. W. M. Hussanally : I rise to a point of order. I do not think what my friend says concerns the Salt Department. I think the Honourable Member is quite irrelevant, so far as the question before the House is concerned.

Mr. President : I thought the Honourable Member would take the hint I gave him.

Sir Deva Prasad Sarvadhikary (Calcutta, Non-Muhammadan Urban) : Sir, I move that the question be now put.

Mr. President : The question is :

‘That the demand under the head ‘Salt’ be reduced by Rs. 1,71,450.’

The motion was adopted.

Mr. President: The question is :

'That a reduced sum not exceeding Rs. 1,32,90,000 be granted to the Governor General in Council to defray the charge which will come in course of payment for the year ending the 31st day of March, 1923, in respect of 'salt'.'

The motion was adopted.

OPIMUM.

Mr. President: The question is :

'That a sum not exceeding Rs. 1,86,32,000 be granted to the Governor-General in Council to defray the charge which will come in course of payment for the year ending the 31st day of March, 1923, in respect of 'Opium'.'

Sardar Gulab Singh (West Punjab : Sikh) I move, Sir.

General Reduction. 'That all votable portions of the demand under the head 'Opium' be reduced by Rs. 50,000'.

Mr. President: Does the Honourable Member mean the reduction of the entire vote by Rs. 50,000, or does he wish to apply the reduction to any particular item ?

Sardar Gulab Singh: According to my figures, the reduction I want to make is one of Rs. 50,00,000. I sent a note to the Secretary to that effect and if it is approved I will change it to 50 lakhs.

The Honourable Sir Malcolm Hailey: We should be very glad if we might know what we are to discuss.

Mr. President: I am trying to find out. What reduction does the Honourable Member propose to move ?

Sardar Gulab Singh: Rs. 50,00,000.

Mr. President: There is a considerable difference between Rs. 50,00,000 and Rs. 50,000.

Sardar Gulab Singh: Two zeros were left out by mistake.

The Honourable Sir Malcolm Hailey: I shall not make any objection to his change of motion, Sir.

Sardar Gulab Singh: Before I give reasons for my motion, I would draw the attention of the House to page 301 of the Blue Book. There, Sir, the Honourable House will find that in 1918 the Actuals were, for revenue, about five crores, and for expenditure about two crores. In 1919, the revenue was 4,55 lakhs, while the expenditure was 1,30,54,497. In the present Budget, the revenue is three crores and the expenditure is about two crores. So that, while the revenue has fallen from five crores to three crores, the expenditure, which was 1,9 lakhs in 1918-19, is now 1,88 lakhs. I do not wish, Sir, to go into details, which can best be worked out by officers of the Department controlled by the Finance Member, who knows well the strength of his finances. There are a few other points which I would like to mention, and which will I think convince the House that a sum of Rs. 50 lakhs, if not more, might justly and profitably be reduced from this Demand.

Sir, in 1918-19, the income under this head was, in round figures, about five crores, and the expenditure of collection and production was about two crores.

[Sardar Gulab Singh.]

In the year following, 1919-20, the revenue fell off to about 4½ crores, and the expenditure was 1¼ crores. In 1921-22, there was a further fall in revenue to about 3 crores; but the expenditure, instead of decreasing in that year, rose to a higher figure of about 1¾ crores. In the Budget figures for 1922-23, we find nearly the same figures both on the revenue and expenditure side as that of the preceding years. It is apparent from the above that in 1918-19, the expenditure was two-fifths of the total revenue. It will also be seen from the above that the income is dwindling, and, if I rightly remember the Honourable the Finance Member also admitted in this speech that the revenue from auction sales is steadily dwindling. Thus, it will not be out of place and inequitable if we request the Government to bring down the expenditure to the same proportion to revenue as that of the year 1918-19, that is, to two-fifths of the total revenue. Sir, in the coming year the revenue has been shown to be about three crores. Accordingly, if the expenditure is two-fifths of the revenue, it ought to be nearly one and one-fifth crores. But in the Demand the expenditure has been set down at about 1¾ crores. Thus, I think that my motion for the reduction of the demand by 50 lakhs is not an unjust one. In this connection, Sir I would like to mention the analogy of the procedure which would be adopted in big commercial firms. If in a firm having several branches of business, one branch proves to be a losing concern or shows decreasing profits year after year, and at the same time if the firm thinks that there is not the least possible chance of the market for the commodity concerned improving, the firm will set about decreasing its establishment gradually and will ultimately close the branch if necessary. Now that the chief market for opium is closed altogether and I think for ever, so I think the Opium Department will year after year show a steady decrease in its revenue as it is at present showing. It is time that Government should reduce the establishment in that Department. The main argument that Government advance whenever a question of reduction of establishment comes in is how to dispense with the services of officers and men of the Department concerned. But, may I ask, in a vast organisation such as that of the Government, will it be impossible to transfer existing men of one Department to another Department of the Government of India as well as to Provincial Governments, whenever vacancies occur? With these few words, I commend my motion to the House for its acceptance.

The Honourable Sir Malcolm Hailey: Sir, I do not intend to 'fling' any argument at the Honourable Member as he suggests that I may do. I merely wish to state to the House a simple fact which I think will dispose of the whole of his motion without further discussion. He proposes a reduction by Rs. 50 lakhs in our demand on account of Opium. It would have been well if he had gone a little further into the figures with which we have provided him on pages 20 and 21 of the book of Demands. He will see there that our total establishment amounts (according as to whether you merely take pay or add all allowances like travelling allowance, office rent, and items of that nature) to from 12 to 14½ lakhs. Therefore the 50 lakhs reduction would wipe out the whole of our establishment four times over, and that, I think, the House will admit is in itself practically a physical impossibility if we are to continue to earn any Opium revenue at all, and that, Sir, is my simple answer to the Honourable Member.

The motion was negatived.

Mr. Jamnadas Dwarkadas: Sir, I beg to move :

General 5 per cent.
reduction.

'That the demand under head 'Opium' be reduced by
Rs. 2,00,000.'

This motion for reduction is based on the principle of reducing by 5 per cent. Actually it is much less than 5 per cent. I think this is the least that the Members of this House can do and I am sure that Government will accede to this modest demand. I do not want to go into details, because it would unnecessarily take the time of the House. There are many items in which, if proper economy is effected, it would not be difficult to reduce to the extent of Rs. 2 lakhs. (*The Honourable Sir Malcolm Hailey*: 'Can you specify these items?') I hope Government will accept the motion.

The Honourable Sir Malcolm Hailey: Our Opium revenues are of course, Sir, from causes perfectly well known to the House, causes for which we are not responsible, of a diminishing nature. The reduction is due largely to the fact that the Local Governments have quite raised the issue price of Excise Opium and are thereby gradually reducing consumption. It is due also to the fact that for a variety of reasons, not the least of which is international pressure, our outside customers are reducing their demands for provision opium. Actually we spend Rs. 1,88,21,000 and expect to get Rs. 3,09,00,000, that is to say, we expect to make about one crore and twenty lakhs. Now, let me analyse the figures on which this operation is built up. As I have already said, the establishment we keep up to earn this money costs actually in pay and travelling allowances, from Rs. 12 to Rs. 14 lakhs. All the rest of the expenditure is incurred on purely commercial operations, *viz*, buying Opium and selling Opium. As for buying Opium, we give of course advances to cultivators and we have to buy the Opium when it is brought forward, that is to say, we shall in the coming year be buying Opium for which we have given advances in 1921 and we must adhere to our contract. Now, every chest of Opium that we buy we sell at sums which amount from 3 to 5 times the price which we pay for it. Commercial Members here would agree, I think, that it is a sufficiently remunerative operation. (Hear, hear.) I could not advise the House to force on us any reduction that would compel us to buy less Opium, because in that case we shall have less Opium to sell. That, I think, goes without saying and consequently if we make a reduction it must be made on the establishment. Now, Sir, can you make a reduction of Rs. 2 lakhs in one year on an establishment of which the pay costs 12 lakhs? I point out that the scale of pay is hardly liable to attack. Our sub-opium agents had their pay slightly raised about a year ago, but I may explain to the House that for the future as soon as the present sub-opium agents services die out, we shall be employing officers purely from the provincial service of the United Provinces on provincial scale of pay. What, then, are those items which the Honourable Member puts forward as so easily capable of reduction? I should be glad myself for some information on this subject. Does the House really think that in an establishment the pay of which comes to about Rs. 12 lakhs we can effect a reduction of Rs. 2 lakhs? I must again point out that if you are to make a reduction elsewhere you will only reduce the quantity of Opium we buy and consequently the quantity of Opium which we sell. I put it to the House that this is not in itself a practicable proposition.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadan): Sir, the Honourable the Finance Member has entirely misunderstood the object we on this side of the House have in view in forcing upon the Government a Resolution on Demand after Demand for the reduction of 5 per cent. expenditure. I think, Sir, it was explained yesterday that the object of the non-official Members on this side of the House is to effect at least 5 per cent. reduction in the total expenditure of the Civil Departments, and we have pointed out that, if the Honourable the Finance Member would have acceded to the request made by my Honourable friend, Sir Vithaldas Thackersey, and repeated by myself later in the day for one Resolution for a 5 per cent. reduction upon the total expenditure, we would have been saved the time of having to vote on each Demand separately for a 5 per cent. reduction. I speak once for all, Sir, that it is not necessary that we should justify the expenditure under every Demand. But what is necessary is that the Government must realize that a 5 per cent. reduction upon the total expenditure must be effected and it may be distributed over several Demands. In some cases the reduction may be 10 per cent. In other cases it may go up to 15 per cent. and in other cases, there may not be any reduction at all, but, so long as the irreducible minimum of 5 per cent. reduction is assured, we should be satisfied. In that view, Sir, it is not necessary for any Member to justify the 5 per cent. reduction under this head 'Opium', and I ask the House to vote for this reduction regardless of what the Honourable the Finance Member has said on this particular subject.

The Assembly then divided as follows :

AYES—64.

Abdul Majid, Shaikh.	Kamat, Mr. B. S.
Abdur Rahman, Moulvi.	Latthe, Mr. A. B.
Agarwala, Lala G. L.	Mahadeo Prasad, Munshi.
Agnihotri, Mr. K. B. L.	Manmohandas Ramji, Mr.
Ahmed, Mr. K.	Man Singh, Bhai.
Aiyer, Sir P. S. Sivaswamy.	Misra, Mr. B. N.
Asjad-ul-lah, Maulvi Miyan.	Misra, Mr. P. L.
Ayyangar, Mr. M. G. M.	Mudaliar, Mr. S.
Ayyar, Mr. T. V. Seshagiri.	Mukherjee, Mr. J. N.
Bagde, Mr. K. G.	Mukherjee, Mr. T. P.
Bajpai, Mr. S. P.	Nag, Mr. G. C.
Barodawala, Mr. S. K.	Nand Lal, Dr.
Barua, Mr. D. C.	Nayar, Mr. K. M.
Bhargava, Pandit J. L.	Neogy, Mr. K. C.
Chaudhuri, Mr. J.	Ramayya Pantulu, Mr. J.
Cotelingam, Mr. J. P.	Rangachariar, Mr. T.
Das, Babu B. S.	Reddi, Mr. M. K.
Das, Pandit R. K.	Samarth, Mr. N. M.
Gajjan Singh, Sardar Bahadur.	Sarfraz Hussain Khan, Mr.
Ginwala, Mr. P. P.	Sarvadhikary, Sir Deva Prasad.
Girdhardas, Mr. N.	Schamnad, Mr. Mahmood.
Gour, Dr. H. S.	Shahab-ud-Din, Chaudhri.
Gulab Singh, Sardar.	Shahani, Mr. S. C.
Hussanally, Mr. W. M.	Singh, Babu B. P.
Ibrahim Ali Khan, Lieutenant Nawab M.	Sinha, Babu Ambika Prasad.
Ikramullah Khan, Raja M. M.	Sinha, Beohar Raghurir.
Iswar Saran, Munshi.	Sohan Lal, Bakshi.
Jafri, Mr. S. H. K.	Srinivasa Rao, Mr. P. V.
Jamnadas Dwarkadas, Mr.	Subrahmanayam, Mr. C. S.
Jatkar, Mr. B. H. R.	Subzosh, Mr. S. M. Z. A.
Jejeebhoy, Sir Jamsetjee.	Thackersey, Sir Vithaldas D.
Joshi, Mr. N. M.	Ujagar Singh, Baba Bedi.

NOES—32.

Abdul Rahim Khan, Mr.	Innes, the Honourable Mr. C. A.
Aiyar, Mr. A. V. V.	Kabraji, Mr. J. K. N.
Amjad Ali, Maulvi.	Keith, Mr. W. J.
Bradley-Birt, Mr. F. B.	Lindsay, Mr. Darcy.
Bray, Mr. Denys.	McCarthy, Mr. F.
Bryant, Mr. J. F.	Mitter, Mr. K. N.
Chatterjee, Mr. A. C.	Percival, Mr. P. E.
Clarke, Mr. J. R.	Renouf, Mr. W. C.
Crookshank, Sir Sydney.	Rhodes, Mr. C. W.
Dalal, Sardar B. A.	Sapru, the Honourable Dr. T. B.
Dentith, Mr. A. W.	Sharp, Mr. H.
Faridoonji, Mr. R.	Spence, Mr. R. A.
Fell, Sir Godfrey.	Waghorn, Colonel W. D.
Habibullah, Mr. Muhammad.	Way, Mr. T. A. H.
Hailey, the Honourable Sir Malcolm.	Webb, Sir M. dePomeroy.
Hullah, Mr. J.	Zahiruddin Ahmed, Mr.

The motion was adopted.

Mr. President : The question is :

‘ That a reduced sum not exceeding Rs. 1,84,32,000 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, 1923, in respect of ‘ Opium.’

12 NOON.

The motion was adopted.

LAND REVENUE.

Mr. President : The question is :

‘ That a sum not exceeding Rs. 1,56,000 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, 1923, in respect of ‘ Land Revenue.’

Rao Bahadur T. Rangachariar : I beg to move :

General reduction by 5 per cent. ‘ That the demand under the head ‘ Land Revenue ’ be reduced by Rs. 7,800.’

that is to say, one-twentieth of the total expenditure, following the general procedure we have adopted.

The motion was adopted.

Mr. President : The question is :

‘ That a reduced sum not exceeding Rs. 1,48,200 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, 1923, in respect of ‘ Land Revenue.’

The motion was adopted.

STAMPS—INCLUDING EXPENDITURE IN ENGLAND.

Mr. President : The question is :

‘ That a sum not exceeding Rs. 12,45,000 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, 1923, in respect of ‘ Stamps—including expenditure in England.’

Mr. B. S. Kamat: (Bombay Central Division: Non-Muhammadan Rural): Sir, I beg to move:

General re- 'That the provision for cost of stamps supplied from England under
duction. sub-head 'Purchase of Stamps' be reduced by Rs. 4,40,000.'

This item relates to the cost of stamps supplied from England. My reason for the reduction of this item is that we can have stamps and stamp paper manufactured in this country (Hear, hear); and if the contract for the supply of stamps is distributed both in England and in this country, there is a considerable margin for reduction. I am aware that there are certain firms in this country who can carry out orders for the supply of stamps and stamp paper and I do not see why the Government, in these circumstances, should not effect an economy by giving contracts to certain Indian firms to manufacture stamp paper for the use of Government. I know at least of one particular firm and I have seen the paper turned out by that firm. I know they do supply the stamp paper to certain Native States and their paper is as good as the stamp paper manufactured in England. I think the time has come when the orders at least ought to be distributed. If the Indian firms are given orders, they will be encouraged to put up better plants and to increase their supply in course of years. On this ground of encouragement of Indian industries, I trust both we on this side of the House and the Honourable Mr. Innes and Mr. Chatterjee on the other side of the House will admit that the time has come when this Demand should be reduced by Rs. 4,40,000.

The Honourable Mr. C. A. Innes: Sir, I am afraid, however important the question raised by Mr. Kamat may be, it is a question, for the purposes of this Budget, merely of academic importance. The reason is this. At present the stamps that we require are obtained from an English firm under a contract which was concluded for ten years in 1915. That contract will not expire till December, 1924. That being so, it is impossible to give effect to Mr. Kamat's proposal in so far as the present Budget is concerned. I see that this question of printing these stamps in India has been taken up in my Department. There are, however, very serious difficulties in the way. For instance, let me read an extract which I have got on the subject. This is relating to an English firm:

'The work is highly specialised and many of the machines they use are of their own design. And the most minute oversight of the work is constantly exercised, not only on the technical side, by Messrs. de la Rue's staff but also on the Revenue side by officials from Somerset House. The details of this are brought out in the contract bond. Its importance in view of the enormous difference between the face value and the manufacturing cost of stamps of all kinds needs no elaboration.'

Then he goes on:

'No Indian paper mill can at present produce paper of the quality used for Postage Stamps and other adhesive stamps, and still less that used for the stamped paper.'

So the House will see that there are many difficulties in the way.

Dr. H. S. Gour: Whose report is that?

— **The Honourable Mr. C. A. Innes:** It is the report of the Controller of Printing and Stationery. There are many difficulties in Mr. Kamat's proposal and I hope that the House will not accept the motion for this large reduction.

Even if the House were to accept the motion, there will be no possibility of effecting this economy because we have this running contract with this English firm.

Sir Vithaldas D. Thackersey : Why should you have such a contract ?

The Honourable Mr. C. A. Innes : That happened in 1915 when I was Collector in Malabar.

Sir Vithaldas D. Thackersey : Was the contract entered into by tender ?

The Honourable Mr. C. A. Innes : I am afraid I have not gone into the history of the case.

Rao Bahadur T. Rangachariar : Why was this contract entered into during the war ?

The Honourable Mr. C. A. Innes : I cannot answer that again. It was in continuation of a previous contract for 10 years. As I was explaining with reference to this contract with this English firm, the procedure is that when our stock of stamps of any particular denomination runs low—whether it is postage stamps or stamps used by Local Governments—we send Home an indent to make up our stocks. If, however, we have not enough money to buy the stamps that we require, the result would be either that Mr Clarke would not have the postage stamps he requires for the public or that the Local Governments would not have the stamps they require for court fees and other purposes. So I am sure the House will realise that this is not a practicable motion.

Sir P. S. Sivaswamy Aiyer (Tanjore *cum* Trichinopoly : Non-Muhamadan Rural) : Sir, apart from the difficulties created by the existing contract, which I fully recognise, I should like to hear whether there are any other difficulties which preclude the manufacture of stamps in this country and whether it would be possible for the Department of Industries to consider the question of the possibility of the manufacture of stamps in this country after the expiration of this contract.

The Honourable Mr. C. A. Innes : I have already explained to the House that we have this question under consideration now. Whether we should be able to do anything, is a different matter ; but we have got the matter under consideration.

Dr. H. S. Gour : May I, Sir, ask the Honourable Member for Commerce and Industry whether it is not a fact that, as stated by Mr. Kamat, stamps are being manufactured in this country for the use of Native States ?

Mr. N. M. Samarth : Certainly ?

Dr. H. S. Gour : And that they are actually at the present moment in use in certain Native States. If no difficulty is experienced as regards the manufacture of stamps for Native States, I don't see what difficulty the Central Government would have, besides the one pointed out about the existing contract, which should not enable it to place a contract in this country for the manufacture of stamps. I submit that if it is a fact and I have seen myself some of the stamps manufactured for use in the Native States . . .

(*A Voice :* 'Which Native States?') A great many of them. I have seen stamps for . . .

Mr. Denys Bray (Foreign Secretary) : Does the Honourable Member in referring to Native States mean 'Indian States' ?

Dr. H. S. Gour : Yes, I mean Indian States. I think the Honourable the Foreign Secretary is perhaps by this time conversant with the fact that Native States are now designated by polite Indians as 'Indian States.' (Laughter.)

As regards the cost, I ask the Honourable Member for Commerce and Industries to place before the House at an early date a report as to what is the cost of the manufacture of these stamps in England and how the cost will compare if they are manufactured locally.

These are the questions which are exercising the minds of Honourable Members on this side of the House, and, if a satisfactory assurance is given, the motion for reduction, as moved by Mr. Kamat, might be modified or withdrawn.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural) : May I ask the Honourable Mr. Innes if the Local Governments now obtain all their stamps through the Central Stamp and Stationery Office and whether it will not be desirable for the provinces, now that stamp revenue is a transferred subject and now that the Local Governments are fixing their court fees on different scales and otherwise increasing their stamp revenue, to make their own arrangements both with regard to stamps and stationery? That will relieve the Government of India of a great deal of burden and I expect it will also go to ensure economy in these Departments.

Munshi Mahadeo Prasad (Benares and Gorakhpur Divisions: Non-Muhammadan Rural) : May I know what are the terms of the contract? Are we bound to purchase stamps of any fixed price every year and what will be the effect of the Local Governments having their own court fees stamps, which they have under contemplation, on this contract?

The Honourable Mr. C. A. Innes : With reference to Dr. Gour's remarks, I can only say that this question has only just been taken up for consideration. As a matter of fact, I did not know that the matter was even under consideration until I got the file this morning. I have taken a note of the two points that Dr. Gour has mentioned, namely, the fact that Indian States do use Indian-made stamps - I will inquire into that point - and also his other point as to the comparative figures of cost. But, as I have pointed out, this question cannot have any effect upon this year's Budget. It is a matter for separate consideration.

As regards the other point, namely, whether Local Governments should be left to make their own arrangements for the purchase of stamps, that, of course, is also a matter for separate consideration. But I would point out that these stamps are printed in the same way and are of the same pattern throughout India. Obviously, therefore, it is very much better to bulk your indents and purchase on a large scale rather than to let each Local Government make its own separate contract. I think that considerations of economy point to that conclusion. However, that is a matter on which Local Governments will no doubt have some say of their own when this present contract comes to an end in 1924. As I have said, it is quite impracticable. I think the House will agree to make this large reduction, which will merely mean

that the Postal Department and the Local Governments will not have stamps to sell, and, therefore, will not get the revenue from those stamps.

The motion was negatived.

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

General reduction. 'That the demand under head 'Stamps' be reduced by Rs. 1,17,400.'

My motion under this head is the general motion to reduce the expenditure by one-twentieth, that is, by 5 per cent. I quite realise the difficulty pointed out by the Honourable the Commerce Member that even this motion, although it is only one-fourth of the amount moved by my Honourable friend, Mr. Kamat, errs on the side of severity. I quite recognise that, but, as regards the making of stamps in this country, either the Government themselves doing it or placing the order in the hands of private firms, the Honourable the Commerce Member has not told the House that he is going to make any beginning next year. If he will give an assurance that he will begin in earnest, so as to be ready as soon as the contract expires, so that this country will produce the stamps required for the purpose of consumption in this country, perhaps my friends on this side of the House may be unwilling to allow the item to be reduced to the extent I am proposing. But that assurance has not been given. Well, we want some beginning made in this direction. There is no use coming forward later on and saying 'Oh, we have made a contract for five years or for ten years'. The Industries Department has been in existence for I do not know how long; these highly paid officers have been in existence for some years and what have they been doing all these years as regards this small item which the country can produce. There is no reason why the country should enter into contracts with foreign firms and pay these large sums. That is what pains us and that is what induces us to take this firm attitude at this juncture.

The Assembly then divided as follows :

AYES—50.

Abdul Majid, Shaikh.	Kamat, Mr. B. S.
Abdul Rahaman, Munshi.	Latthe, Mr. A. B.
Agarwala, Lala G. L.	Manmohandas Ramji, Mr.
Agnihotri, Mr. K. B. L.	Man Singh, Bhai.
Ahmed, Mr. K.	Misra, Mr. B. N.
Asjad-ul-lah, Maulvi Miyan.	Misra, Mr. P. L.
Ayyangar, Mr. M. G. M.	Mudaliar, Mr. S.
Ayyar, Mr. T. V. Seshagiri.	Nabi Hadi, Mr. S. M.
Bagde, Mr. K. G.	Nag, Mr. G. C.
Bajpai, Mr. S. P.	Nand Lal, Dr.
Barua, Mr. D. C.	Nayar, Mr. K. M.
Bhargava, Pandit J. L.	Neogy, Mr. K. C.
Chaudhuri, Mr. J.	Rangachariar, Mr. T.
Das, Babu B. S.	Reddi, Mr. M. K.
Das, Pandit R. K.	Sarvadhikary, Sir Deva Prasad.
Ginwala, Mr. P. P.	Schammad, Mr. Mahmood.
Girdhardas, Mr. N.	Shahani, Mr. S. C.
Gour, Dr. H. S.	Singh, Babu B. P.
Gulab Singh, Sardar.	Sinha, Babu Ambika Prasad.
Hussainally, Mr. W. M.	Sinha, Beohar Raghuvir.
Ibrahim Ali Khan, Lieutenant Nawab M.	Sohan Lal, Bakshi.
Iswar Saran, Munshi.	Srinivasa Rao, Mr. P. V.
Jafri, Mr. S. H. K.	Subrahmanayam, Mr. C. S.
Jatkar, Mr. B. H. R.	Subzposh, Mr. S. M. Z. A.
Joshi, Mr. N. M.	Thackersey, Sir Vithaldas D.

NOES—41.

Abdul Rahim Khan, Mr.
 Aiyar, Mr. A. V. V.
 Aiyer, Sir P. S. Sivaswamy.
 Amjad Ali, Maulvi.
 Bradley-Birt, Mr. F. B.
 Bray, Mr. Denys.
 Bryant, Mr. J. F.
 Chatterjee, Mr. A. C.
 Clarke, Mr. G. R.
 Cotelingham, Mr. J. P.
 Crookshank, Sir Sydney.
 Dalal, Sardar B. A.
 Faridoonji, Mr. R.
 Fell, Sir Godfrey.
 Gajjan Singh, Sardar Bahadur.
 Habibullah, Mr. Muhammad.
 Hailey, the Honourable Sir Malcolm.
 Hullah, Mr. J.
 Ikramullah Khan, Raja M. M.
 Innes, the Honourable Mr. C. A.
 Jamnadas Dwarkadas, Mr.

Jejeebhoy, Sir Jamsetjee.
 Kabraji, Mr. J. K. N.
 Keith, Mr. W. J.
 Lindsay, Mr. Darcy.
 McCarthy, Mr. F.
 Mitter, Mr. K. N.
 Mukherjee, Mr. J. N.
 Percival, Mr. P. E.
 Ramayya Pantulu, Mr. J.
 Renouf, Mr. W. C.
 Samarth, Mr. N. M.
 Sapru, the Honourable Dr. T. B.
 Sarfaraz Hussain Khan, Mr.
 Sharp, Mr. H.
 Spence, Mr. R. A.
 Ujagar Singh, Baba Bedi.
 Waghorn, Colonel W. D.
 Way, Mr. T. A. H.
 Webb, Sir M. dePomeroy.
 Zahiruddin Ahmed, Mr.

The motion was adopted.

Mr. Jamnadas Dwarkadas: Sir, I beg to move :

General reduction. 'That the demand under head 'Stamps' be reduced by Rs. 1,00,000.'

My object in moving this is to seek some information

Rao Bahadur T. Rangachariar: Sir, I rise to a point of order. Is this in order? When we have agreed to a motion for reduction by Rs. 1,17,000, I do not see how a lesser sum can be moved. I do not know if my Honourable friend means it in addition to the Rs. 1,17,000 voted upon.

Mr. Jamnadas Dwarkadas: Sir, for the purpose of not getting my motion ruled out of order I shall move that a further sum of Rs. 1,00,000 be reduced. But my object in moving this is really to seek some information on the subject of the purchase of plain paper in India. Last year 3 lakhs were provided for, and the revised estimate shows Rs. 2,60,000. This year again 3 lakhs are provided for. I am sure the Honourable Member is aware that the price of paper has gone down considerably and is going down still further. I was not able to obtain the actual figures this morning but I can safely say, having had something to do with the purchase of paper, that the price of paper has gone down sufficiently not to justify this expenditure. I hope the Honourable the Commerce Member will be able to give me some information on that point.

Mr. President: I think I had better put the main question before the Honourable Member replies. The question is :

'That a reduced sum not exceeding Rs. 11,28,000 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, 1923, in respect of 'Stamps—including expenditure in England'.

The Honourable Mr. C. A. Innes: Sir, it is a fact that the price of paper has dropped very considerably this year, but whether that reduction has been taken into account in making this provision for the purchase of plain paper in India, I am afraid, I do not know; but, in any case, if there

is a reduction there, I shall be very glad of it, because it will enable me to find this Rs. 1,17,000 which has been cut out without putting Mr. Clark or the Local Governments into serious difficulties with regard to their supplies of Stamps.

Mr. Jamnadas Dwarkadas: Sir, after this explanation, I withdraw my motion.

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

Mr. President: The question is :

'That a reduced sum not exceeding Rs. 11,28,000 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, 1923, in respect of 'Stamps—including expenditure in England'.'

The motion was adopted.

FORESTS.

Mr. President: The question is :

'That a sum not exceeding Rs. 7,41,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1923, in respect of 'Forests'.'

Bhai Man Singh (East Punjab : Sikh) : Sir, I move :

Headquarters Charges. 'That the provision for Headquarters Charges be reduced by Rs. 100.'

Sir, my reasons for moving this amendment are that Forest is a provincial subject and a provincial transferred subject in the Presidency of Bombay. So far as I know, nearly all the forests in the whole of India are situated in the different Provinces, and if there are any forests directly under the Government of India they might be in the North-West Frontier Province, and perhaps there might be some in Ajmere and Coorg. But, as I am told at the beginning of the book, the Demands for Forests in those Provinces are given under a separate heading there, and the forests there are of comparatively small dimensions. The only forests I believe that are directly under the Government of India are the forests in the Andamans. So I cannot understand why we have got such a large staff in the Central Government offices and such a large number of officers in this Department that the total cost of this staff and officers is Rs. 1,72,000. We have got one Inspector General of Forests drawing Rs. 3,250 a month, and there is an Assistant Inspector General of Forests drawing Rs. 1,750 rising to Rs. 2,250 a month.

Then we have got a Consulting Forest Engineer drawing Rs. 2,250 a month. The number of clerks under these three officers is comparatively very small, that is, 11. If an officer has got a very large amount of official work to do, he must naturally have many clerks under him who have got to execute the orders which he issues. This clearly shows that there is not much office work for these three officers. So far as the research work and original experiments are concerned, we have got quite a separate institute, namely, the Forest Research Institute at Dehra Dun and we have got a complete separate staff meant for that institute. So far as I can understand, the officers in the headquarters have not got to do any research work. I should

[Bhai Man Singh.]

like to know under these circumstances, Sir, why should there be such a large staff to control the forests in the provinces such as Coorg, Ajmer, which I may say is not more than one district in dimension and North-West Frontier Province. With regard to Andamans I think that one of these officers would hardly be going even once a year to tour in the Andamans. My attention has been drawn to the fact, by my Honourable friend, Mr. Jankar, that there is a separate forest staff in the Andamans as well. So, before voting for the votable portion of this demand, the House has every right to know why we have got such a large number of officers, with their staff, in the Central Government. The other question is about the training of Indians in England. The Honourable Member who represents the Department would very well remember that we had a discussion on this subject, namely, as to whether full facilities were given for Indian students to be sent for training in England and I should like to know with reference to our last year's debate how matters have been facilitated and how it has been made easier . . .

Mr. President: Does the money under this Demand cover the training of Indians in England?

Bhai Man Singh: Very well, Sir. I shall reserve my remarks on this point for a later amendment under this very head; for the present I should like to know why we have so many officers.

Mr. J. F. Bryant (Madras: Official): Sir, I think that the Honourable the Mover of this amendment cannot have read this Blue Book very carefully. If he will turn over a few pages, he will find many things of which he was not aware. On page 231, there is Ajmer. The receipts from forest revenue are Rs. 48,000. As regards the Andamans and Nicobars, I would like to point out to him that the figures on page 209 showing the receipts from forest revenue are very large. That does not exhaust the list. There is Rajputana. Again there is Central India, page 256. There you have relatively large receipts. Coming to the south of India, I would point out that there is the province of Coorg which forms a very important item. I think that, if the Mover of the motion had considered these facts, we should not have had the motion which he has just had the honour to move.

Mr. J. Hullah (Revenue Secretary): Sir, we still retain the Inspector General of Forests and the Assistant Inspector General in spite of the fact that in most provinces Forests are a provincial subject though not a transferred subject except in Bombay. The Inspector General is for the most part a touring officer. We have the Andamans, Coorg and the North-West Frontier Province, all of which have valuable forest properties. The Andamans in particular have been described by a consulting engineer from America as the very finest forest property in the world, and Mr. Howard, our Timber Agent, who lectured about a fortnight ago to a few Members of the Legislature who were able to attend, told us that we had in them a veritable gold mine. In the North-West Frontier Province, our forests are of great value and we hope, when we can get the money, to introduce the resin extraction operations which have brought in very considerable net revenues to the Governments of the Punjab and the United Provinces. In Coorg we have valuable forests, especially in the

matter of sandalwood. It may be said that there is no need for our Inspector General of Forests to tour. For many years past he has toured on behalf of the Government of India, but not in the provinces of Madras and Bombay. Those two provinces have for a great many years enjoyed a position of almost complete independence in the matter of their forest administration and they have their own self-contained staffs. Their officers are not liable to transfer to other parts of India. I mention this only to add that we have recently received from those two Governments, Madras and Bombay, special requests that we will in future extend to them the services on tour of our Inspector General of Forests and I may remind the House that one of those two Governments administers Forests as a transferred subject. We have also the Forest Research Institute and we need an adviser in the Government of India to tell us how to develop it, but I may have a further opportunity of explaining the scope of that institute if the further motion that I see on the paper is moved. The Assistant Inspector General of Forests is wholly an office hand and I can assure the House that there is plenty of work for him to do, more particularly as has transpired in the matter of the Indianisation of the Forest Service.

We have been asked what progress we have made in that direction. Last year, we sent 22 Indian probationers to England. That was more than the number which should have been sent according to the percentages which have been laid down as a result of the recommendations of the Public Services Commission. Honourable Members may think that this percentage is not high enough, but until it is altered by orders, it remains, and, I repeat, last year we sent to England more probationers than we should have sent under those orders. I do not know if the House realize how much work there is involved in getting Indians into the Imperial Service. You, first of all, put out your regulations, after correspondence with the Secretary of State. You then receive a large number of letters from possible candidates, many of them asking whether they cannot be excused from the age limit, or whether they cannot be excused from the fact that they do not possess the necessary educational qualifications. We say 'no'. But still requests of that kind require an answer, and involve a good deal of work and a good deal of correspondence. Then we arrange for our Selection Committee, or our examination, or both, and when we have selected the men whom we propose to send to England, we are again faced by a smaller, but still a large, number of applications from the rejected candidates, asking why they were rejected and challenging the marking of the papers or the fairness of the Selection Committee. At last, we begin to send them to England, and even then we have to arrange for their passports and their passages and to tell them what they have to do and where they have to go; and I assure the House it takes a great deal of trouble before we land them safely in London. All that, I think, will come to an end when we train the probationers in India.

The House may be aware that there are schemes for developing Dehra Dun as a training institution, not only for the Provincial Services, as at present, but also for the Imperial Service. Dr. Sarvadhikary has given notice of a Resolution expressing a preference for one of the alternative schemes, or rather, I should think I should say, condemning the other.

Mr. President: Order, order. We are considering not Dehra Dun but Headquarters Charges.

Mr. J. Hullah : I am trying to show that there is still plenty of work for the Government of India, but I will not enlarge on that point.

Another point is the posting of the staff. We still have to retain in our hands control of this matter,—the transfers between provinces. That is a matter which cannot, I am sorry to say, be left to the Local Governments.

That is all that I wish to say, Sir. I hope I have shown that we still have some work to do.

Rao Bahadur T. Rangachariar : Sir, Honourable Members will notice that under this Demand No. 7, our axe has not come into play. It is because we want the forests to develop as quickly as possible so that from the development of commercial Departments like Railways, Forests and other irrigation works, people may be relieved of taxation in this country. That being the object in view, we hope and trust that speedy progress will be made in the development of the forests of this country, and the country will not be reluctant to grant expenditure under that head, provided due regard is had to Indian interests.

Mr. R. A. Spence (Bombay : European) : Sir, may I congratulate the Democratic Party (Cheers) on the grain of sense that they have shown this morning. (Laughter.) I am extremely glad indeed that the forests, which, as my Honourable friend, Mr. Rangachariar, says, do want development and are such a gold mine to India, have not been cut down by the democratic axe. I only wish that they had followed that course in regard to some of the earlier motions.

Mr. N. M. Joshi : Sir, I should like to get some information from the Honourable Member in charge of the Department. My friend, Mr. Bryant, from Madras, spoke something about the revenues and expenditure of this Department. I find from the statement of revenues that the total revenue of this Department from forests is Rs 21,68,000, and from the statement about expenditure I find that the total expenditure is Rs. 54,12,000. Sir, it is due to the House that the Member in charge should explain how this is a commercial proposition. I am not against spending any money on forests, but I certainly want information and an explanation how this is a commercial Department and a revenue-producing Department.

Mr. J. Hullah : Sir, I do not say that our expenditure on Forests is or will be immediately covered by receipts.

Mr. N. M. Joshi : In how many years, Sir, will it be ?

Mr. J. Hullah : I do not say that the large expenditure on the Research Institute can be immediately covered by receipts to the Government of India. I only say this, that in the last 40 years the forest surplus—not revenue—the forest surplus of India as a whole has risen from 15 lakhs to 220 lakhs. That, of course, includes the revenues of all the provinces. There is a large expenditure provided under the Andamans, expenditure even there which exceeds the immediately anticipated receipts. We hope to develop the Andamans, and we shall have to lay out a very big capital outlay, amounting, we expect, to no less than 50 lakhs. It will, in due course, come before the House, though not, I am sorry to say, this year. It will be for the House to judge whether it is a wise outlay and whether it should be made in spite of the

fact that we cannot show in the very same year receipts which more than counterbalance that outlay.

The motion was negatived.

Mr. P. L. Misra (Central Provinces) Hindi Divisions : Non-Muham-
madan) : Sir, I beg to move :

Miscellaneous other charges—Forest Re- search Institute. 'That the provision for Miscellaneous other charges under sub-head ' Forest Research Institute ' be reduced by Rs. 40,000.'

Sir, I have no mind to cut out this item. I wanted simply an explanation from the Honourable Member in charge. We see that we have provided for the purchase of stores, tools, plant, communications, buildings, and so on. And yet we find under ' Miscellaneous other charges ' Rs. 1,06,850. In the year 1921-22, it was Rs. 64,100. I therefore require some explanation for the increase of this expenditure under ' Miscellaneous other charges '. ' Miscellaneous other charges ' is a very ambiguous term and I should be glad if the Honourable Member will inform us as to the items this consists of. I do not press my amendment further.

Mr. President : The question is :

' That the provision for Miscellaneous other charges under sub-head ' Forest Research Institute ' be reduced by Rs. 40,000.'

I understand that the Honourable Member wishes merely to raise a point of criticism. There are two purposes for which motions for reduction may be moved ; one is to save money, and the other is to obtain satisfaction from Government on a point of criticism. I may point out to the Honourable Member that if he wishes to obtain satisfaction on a point of criticism, it is much better to move a very small reduction ; otherwise, his friends may take the matter into their own hands and carry a reduction which he himself does not wish to effect.

Mr. J. Hullah : I am sorry, Sir, that I cannot give the details. I have not got them with me. But the figure represents one lakh less than we asked for and is all that has been allowed to be included in our Budget. Generally speaking, the largely enhanced figure is a consequence of the expansion of the Institute at Dehra Dun which has occurred this year. Since December 1920, we have employed a Seasoning expert, a timber testing expert, a paper pulp expert and a wood worker. The incidental expenditure of the Institute has grown in consequence. That, I am afraid, is the only explanation that I can give in the absence of particular details.

Mr. Pyari Lal Misra : Sir, I beg to withdraw my motion.

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

Bhai Man Singh : Sir, I move :

Forest Re- search Insti- tute Estab- lishment. 'That the provision for establishment of the Forest Research Institute be reduced by Rs. 25.'

At the outset I would like to make it clear that my object is very far from any wish to obstruct research work. I do really want that more and more energy should be devoted to research. But, Sir, we have a large staff and a collection of experts in the Forest College, and the House is perfectly

[Bhai Man Singh]

entitled to know what they have done during so many years of service. Has any research work been successfully carried on? For instance, we have a Forest Botanist and a Forest Chemist. I should like to know what success and what results have been achieved by them in their researches, and where are the facts to prove that they have been doing their work worth their salt? Of course, I quite understand that results in research cannot be obtained in a day or two. But on the other hand it is quite possible for an easy-going research worker to say that he has been trying, but can show no results. I think that those who are responsible for the administration of that institute, directly or indirectly, should exercise a certain amount of control over the research workers, and should know definitely in what branches they are making experiments, what compounds they have discovered, and generally what results they have arrived at in the way of improving our forest industries. Surely, if our Forest Botanist and Forest Chemist, after efforts extending over so many years, are not able to show any results, we can very well come to the conclusion that they are either incompetent or that they are not doing their work. That is one point on which I should like information, namely, for how many years these officers have been working in the College and what results they have shown.

The other point about which I would like to know is, how many of these experts and officers are Indians, whether there have been any Indians employed at all in the Forest Department in this College in research work, and, if so, whether those Indians have shown any results; whether they have left the College, and, if so, whether their posts have been filled by other Indians? These are the two points about which I should like to have information from the Honourable Member representing the Department before I withdraw this motion.

Mr. J. Hullah: Without going into this at great length, I can only refer the Honourable Member to a publication which I hold in my hand, the Progress Report on Forest Research in India, which has been published and is available to him at any time. Among the principal results that the Research Institute is able to show is the very flourishing resin and turpentine industry in the Punjab and the United Provinces, which I have already mentioned. That was a direct result and a direct consequence of tests made in the chemical section of the Institute. Tests made there have also resulted in the institution of a thymol factory near Dehra Dun. The visits and advice of the Economist have resulted in the creation of one company in Bengal and one at least, I believe two, in Burma, for the manufacture of paper from grasses and bamboo. In the botanical section, by investigating the aeration of soil, a process has been discovered which it is believed—of course it cannot be proved yet—will reduce the period of growth of the very valuable timber, *sal*, by no less than 25 years.

I was next asked as to what has been done in regard to the employment of Indians in the research posts at Dehra Dun. Very little, I am afraid. I do not know where we are to get an Indian who will take on the post of a specialist in say, seasoning, or in timber testing, or one who has specialised in tans or in wood technology. We have not been able to get experts for some of these posts yet, although they appear in the Budget. And those specialists whom we have been able to recruit have all come from America. We could not get them even in England.

The only Indian who has held one of these posts was Mr. Puran Singh who held the post of Forest Chemist, and I believe did very well, but has now resigned. We have a scheme, barred by financial stringency, of employing as Assistants to each and everyone of these experts, Indians, so that they may take the places of the experts when they go. The American experts whom we have imported are all only under 3 years' agreements and fairly soon they will have to be replaced. We have appointed at Dehra Dun two Indians to work under these experts who in due course will, we hope, succeed them.

Sir Deva Prasad Sarvadhikary: I do not know whether this explanation and information will satisfy Bhai Man Singh. They do not satisfy me. However, I deprecate the raising of an important debate like this on a side issue in connection with the Budget. As has been mentioned, I tried to get in a substantive Resolution but I could not. I am informed that Government propose to bring up the matter by a Resolution and I suggest that we wait till then and bring in all that we have got to say on this important matter.

Mr. N. M. Samarth: As Government know that a Resolution has been passed by this House for the purpose of sending Indian and Anglo-Indian youths abroad for among others, education and training in Industrial Chemistry, theoretical and practical in all its branches, I hope and trust that before we meet next year, effective steps will have been taken to give effect to that Resolution.

Mr. B. H. R. Jatkar (Nominated Berar Representative): Has any progress been made in regard to the preparation of paper pulp from cotton plant?

Mr. J. Chaudhuri: Mr. Hullah has referred to experiments with regard to grass pulp and bamboo pulp. But the processes of obtaining paper pulp by such processes is well-known in India. But what we cannot get in India is wood pulp. I should like to know whether suitable wood is available in India and whether any experiments have been made in the Forest Institute for the manufacture of wood pulp in India. Let us accept Dr. Deva Prasad Sarvadhikary's suggestion and reserve the discussion of such questions till later on, when the Honourable Member will also be in a position to furnish fuller information.

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

Mr. President: The question is :

'That a sum not exceeding Rs. 7,41,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1923; in respect of 'Forests'.'

The motion was adopted.

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

The Assembly re-assembled after Lunch at Fifteen minutes Past Two of the Clock. Mr. President was in the Chair.

RAILWAYS.

Mr. President : The question is :

'That a sum not exceeding Rs. 73,92,79,000 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, 1923, in respect of ' Railways '.'

I have received information that there is a general desire in the Assembly to discuss a motion for a substantial reduction, *viz.*, Rs. 25 lakhs, independent of other motions for reduction. I may point out that, if I permitted that, it would exclude some of the smaller motions for reduction. On such a motion, smaller points could be raised by Honourable Members in whose names the smaller reductions stand. They would be at liberty to move those smaller reductions in the course of the debate.

Mr. B. S. Kamat : May I know what happens to my motion which is a larger reduction? Shall I not get the opportunity to move the large reduction?

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-official) : I suggest that the larger reductions should be taken first, as a substantive proposition; the amendment of Sir Vitaldas Thackersey may come afterwards, and the House may then vote upon the whole.

Dr. H. S. Gour : I suggest that the motion for reduction by Rs. 25 lakhs be first discussed, and, if Mr. Kamat wants to move his Resolution for the larger reduction, he should be at liberty to do so.

Mr. President : The procedure usually adopted is to take the larger reduction first.

Mr. B. S. Kamat : Sir, I beg to move :

'That the demand under head ' Railways ' be reduced by Rs. 73,00,000 as under :

Sub-head Working Expenses (a) General Superintendence (in Appendix B).

	Rs.
Assam-Bengal Railway, by	2,00,000
Bengal-Nagpur Railway, by	8,00,000
Bombay, Baroda and Central India Railway, by	10,00,000
Burma Railways, by	3,00,000
Eastern Bengal Railway, by	6,00,000
East Indian Railway, by	11,00,000
Great Indian Peninsula Railway, by	11,00,000
Madras and Southern Mahratta Railway, by	5,00,000
North-Western Railway, by	10,00,000
Oudh and Rohilkhand Railway, by	3,00,000
South Indian Railway, by	4,00,000

General Superintendence Total
73,00,000

Members will notice that, so far as this reduction is concerned, I am confining my attention chiefly to the working expenses of Railways, and, as there are two or three principal items which come under the head of Working Expenses, I should also make it clear that I am not going to deal with all the items of working expenses which are involved in the working of the Railways, but am confining my attention in the motion to the matter of General Superintendence only, that is to say, the staff of the various Departments. The other items which come under the head of Working Expenses, as, for instance. Fuel, Renewal, Carriages or Wagons, Rolling Stock, Locomotives, Permanent Way, and various other items, I am not going to touch. So far as my motion goes, I shall concentrate my attention on the expenditure which is budgeted under the head 'Railways', so far as superintendence of the various railways is concerned.

I contend, Sir, that the Railway Department is expending a great deal more than they should do over the staff. I am aware that the scale of wages or scale of salaries of higher officers has gone up since the war, and I do recognise that a certain percentage of rise on account of staff expenses is bound to occur; but what I contend is that there seems to be an extravagance, even allowing for the present scale of salaries or standard of wages, on the part of some railways in regard to the charges for their staff. I can prove this point from statements contained in Government Reports themselves. If we take for instance two railways which are similarly situated, and examine their total charges for wages, I think that point will be perfectly clear. Unfortunately in the report of the railway working, with which Members have been supplied recently, there have been no details supplied of the various persons getting salaries below Rs. 1,000 per month; but even the meagre data, which the recent Railway Report affords, supply us with definite conclusions on that point, and I hope by giving you certain facts from the Railway Report itself, I shall be able to deduce a cogent conclusion that certain railways at any rate are spending on their staff sums of money in an inordinate manner. Now it must be noted that any comparison in the working of different railways is likely to be vitiated if we do not bear in mind certain special features under which the different railways work; for instance, Railways near coal-fields have their working expenses affected by the fact that they are close to the coal-fields. For the purposes of a comparison, therefore, I will take two Railways, whose scales of wages prevailing in the area and other conditions of working are nearly the same.

Now, the two Railways which I am taking for comparison are the Bombay, Baroda and Central India Railway and the Great Indian Peninsula Railway. The Great Indian Peninsula has under its working a mileage of 3,300 miles and the Bombay, Baroda and Central India has under its working a mileage of something like 4,000 miles. That is to say, the Bombay, Baroda and Central India has a larger mileage than the Great Indian Peninsula. And yet what are the expenses for working the lines so far as the staff goes. If we turn to page 21 of the recent Railway Report, we are told therein that the Bombay, Baroda and Central India, which I have told you has the larger mileage, spends Rs. 3,43,00,000 over its staff, and the Great Indian Peninsula, which has a smaller mileage, spends Rs. 4,76,00,000, that is to say, one crore and 33 lakhs more. Now, these two Railways are, I maintain, similarly situated in every respect, and yet, although the Great Indian Peninsula has a smaller mileage, it spends one crore and some lakhs more than the Bombay.

[Mr. B. S. Kamat]

Baroda and Central India over its superintendence charges. Now, we shall be told that so far as the superintendence and staff goes, it is all a matter of efficiency. But let me point out that, so far as the efficiency of these two Railway systems is concerned, I do not think any Member dare say that the efficiency of the Bombay Baroda and Central India is a bit inferior to the efficiency of the Great Indian Peninsula. On the other hand, I believe the efficiency of the Bombay, Baroda and Central India is as good as, if not better than, the efficiency of the Great Indian Peninsula. All this conclusively goes to show that so far as the working expenses for staff and superintendence are concerned, the two systems have a very large discrepancy in their expenses. Now, what are the reasons. If you very closely go into the question of salaries even of the officers mentioned in Appendix B, you will find that the Great Indian Peninsula Railway has a very extravagant and much larger scale of salaries for its officers than the Bombay, Baroda and Central India. Take, for instance, the Engineering Branch of the Great Indian Peninsula. I see that the Chief Engineer on the Great Indian Peninsula is paid a salary of something like Rs. 3,000, whereas the Chief Engineer of the Bombay, Baroda and Central India which works a greater mileage, is paid Rs. 2,400. Take other Departments, for instance, Loco, traffic and, for the matter of that, any other Department; you will find, if you examine the columns of the salaries given in this publication, that the Bombay, Baroda and Central India which has an Indian element, pays a smaller scale of salaries to their officers than the Great Indian Peninsula. Well, I think I have shown very cogently and conclusively, Sir, that taking these two Railways which are similarly situated, the difference in working expenses is due perhaps to a great extent to the great difference in the scale of salaries paid to their higher officers. I can safely conclude also that, so far as the officers and men below the salary of Rs. 1,000 are concerned, perhaps the same explanation accounts for the difference between these two Railways. From these facts I contend that the question of the superintendence and the salaries given to the staff in the different Railways requires a very close investigation. I am aware that in these days artisans, skilled labourers and others are all clamouring for a higher rate of wages. But this is a question of degree. I was told the other day that the excess in expenditure in 1921-22, so far as the Railway Department goes, namely, 10 crores of rupees, of which we were discussing a few days back when we were on this subject, was not entirely due to an excess in wages and salaries but was also due to certain other causes such as repairs, etc. But here I am now quoting facts only about superintendence and wages. I need not take into account other factors, namely, the cost of repairs to rolling-stock. I think I have already shown from the Government publication that these two distinct systems of Railways have a very wide discrepancy in their charges for salaries. I think I have been able to make out my case conclusively that there is a great deal of extravagance going on somewhere in the superintendence charges of the various railways. The only factor which is in favour of the Great Indian Peninsula is perhaps the fact that they have to work two Ghat Sections. But even then we must remember that out of the total mileage of something like 3,300 miles the Ghat Section is after all a very very small fraction indeed and it ought not to account for the very large excess in the working expenses. Now, Sir, it comes to this. Not only the scale of salaries in all grades must be looked into but the main question, namely, the Indianisation of different branches of the Railways, must be very closely and

earnestly looked into. I am rather sorry to harp on the same subject again. But the reduction of the charges for superintendence hinges itself on the question of the degree of Indianisation carried on by each Railway. And I think although we shall be told that the question of Indianisation cannot be solved in a day, that this question is the crux of the matter and it is at the bottom of the whole thing. So far as the question of Indianisation is concerned, I believe we have right to know from the Member in charge what he has done during the last year. The very same question was raised by me in connection with the same Budget item last year when we were discussing the Budget. We shall be told perhaps, when the Honourable Member gives me a reply, that the question is being looked into and that men actually in service cannot be sacked in a day, that the salary bill cannot be curtailed by a stroke of the pen, and the same thing that he told us last year. But, on the other hand, what I want to know from him is this. Has he made a beginning? Has he looked into the question during the last twelve months? Has he asked the different Railway Companies whether they are having any vacancies in higher grades and how these vacancies have been filled up by them? Has he sent round a circular to the different Railway Companies to the effect that, whenever vacancies occur, they ought to stick to this principle of having as many Indians as possible, subject of course to the proper standard of efficiency. Well, if he can satisfy me on this question that the principle of Indianisation is being steadily carried on and that he is laying a foundation, as it were, of Indianising the Railway Services, then I think I should be satisfied. But, if he is still looking into certain files, or making certain inquiries or simply asking for reports from various Companies, then I maintain he would not be giving us a satisfactory solution of this difficulty. One more point about the working expenses. I believe that this question can never be solved as long as the Railway Department do not insist on the training of skilled men, foremen, artisans and other skilled men, for the various Railway Services in India. I should like to know from the President of the Railway Board whether in this respect any action has been taken during the last 12 months. There are so many Railways in India and, if they want cheap and efficient labour, both skilled and unskilled, I think it is time that they should start workshops for the training of artisans, foremen and others in the various branches instead of importing all these men from overseas. I should like to know how many Railways have started workshops for admission of Indians. If the Railway Department had insisted on the different Railway Companies to start workshops for the training of Indians for the different technical branches, I think I shall have nothing to say. But the fact is that nothing has been done. If this has been left entirely to the discretion of a few Railway Companies in India, then I believe that the policy which the Railway Department is pursuing is the *laissez faire* policy and I do not think that they can claim the credit of doing anything tangible or substantial so far as the Indianisation or so far as the training of Indians for the Railway Departments goes. On these grounds, Sir, we must insist that it is time now to reduce the working expenses over the superintendence charges. I, therefore, move :

‘That the demand under head ‘Railways’ be reduced by Rs. 73,00,000’.

Mr. N. M. Joshi : Sir, I have great pleasure in supporting the motion put forward by my Honourable friend, Mr. Kamat. Sir, I also, after reading the statement, about the Railways, have come to the conclusion that the

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working expenses of the Railways are too large. I find, after going through these statements, that a number of new posts including temporary ones carrying salaries of Rs. 1,000 and more have been created during the last year and their number about 100.

Not only that, but when we compare the salaries, we also find that in the case of about 400 posts, the scales of salaries have been raised during the last year. Sir, this is a year of deficit and, whenever there were demands from the subordinate staffs of the Railways, the Railway Board has replied that this year they could not expect any rise in their wages, while we find in the case of the higher Services, at least 400 of them getting higher scales of salaries during this year. I think this matter requires very close scrutiny by this House before they sanction the whole budget of the railways. Personally, I believe that these officers are very highly paid and their salaries need not have been raised at all, and, if we do not raise the salaries of these officers, we are sure to have a good balance left for cutting down the working expenses.

Then, Sir, I would like to make one remark about Indianisation. Only a few days back the Honourable Member in charge of the Department of Commerce and Industries said that in the Railways you require skilled labourers, men requiring technical skill and efficiency. I think we should ask the Government now to state in clear terms which Departments of the Railways require skilled officers of a kind which cannot be obtained in India. That will enable us to find out how many of these appointments could have been filled by men in India and how many could not have been filled. We see Europeans being appointed in all sorts of posts, which I am quite sure could have been filled by Indians. There is a distinction made as regards the salaries of guards and ticket collectors even. Now, certainly a ticket collector does not require a skill which can be obtained only by a particular community and can not be obtained by other classes of Indians.

Mr. R. A. Spence: He does not always remain a ticket collector, you know.

Mr. N. M. Joshi: Then, there is another point regarding education which my Honourable friend, Mr. Kamat, has raised. I think Government has got some training schools for Anglo-Indians, but there are hardly any training schools or any apprenticeship system for Indians. If they have such a system on a large scale, I am sure after a very few years they will find that there is sufficient skill available in this country.

While on this subject, Sir, I should like to make one or two remarks about these statements. I find that some of the details which were given in the last year's statements have been omitted this year. I do not propose to say that they have been omitted purposely, but I would like to invite the attention of the Member in charge to pages 6 and 7 of Appendix B, Statement of Demands and also to pages 6 and 7 of last year's statement, and he will at once find a difference. A number of details have been given in last year's statement which have been omitted in this year's statement. I hope the Member in charge will give a satisfactory explanation of this omission. Of course, adding a number of details means spending a little more money on paper, but I hope the House will not grudge that amount.

Then, Sir, there is another point which I should like to mention while speaking on this motion, and it is this. Only a few days back, I referred to one matter, namely, that the expenditure of the Railway Board and of Railways is not scrutinised by the Standing Finance Committee. I expected a reply from the Honourable the Finance Member, but the reply is not yet forthcoming. I ask the same question again and I ask whether the expenditure under Railways is to be scrutinised by the Standing Finance Committee or not, and, if it is not to be scrutinised by the Standing Finance Committee, whether there is any other Committee which is going to scrutinise that expenditure.

I do not want to take up any more time, but I hope the House will support the motion of my Honourable friend, Mr. Kamat.

The Honourable Mr. C. A. Innes : The speeches of the two Honourable Members who have just spoken have covered so many points that I fear that in replying to their speeches I may omit some of those points.

The proposal of Mr. Kamat is that the provision made under the head 'General Superintendence' should be reduced by no less a sum than Rs. 73,00,000. The ground on which he has based this proposal is that the Railways are extravagantly staffed. Now, the first point I have to make is this. Most of these Railways have been handed over to Companies for management. They are big commercial businesses; they are managed by commercial bodies. I am aware that Company management is objected to by many Members of this House. Why is it objected to? Because it is said that the Indian public is exploited on behalf of the shareholders, and that the Companies think of their shareholders rather than of the interests of India. Now, if the Companies have in mind the interests of their shareholders, I ask this House whether they are likely to engage a larger staff than they require or to pay that staff unnecessarily high rates of salaries. In this connection, I will refer to an authority which will be recognised, I think, by everybody in the House, namely, the authority of Sir William Acworth, and his Committee. Sir William Acworth, referring to the salaries of the staff, says :

'It is true the present emoluments of the railway services in India, whether at headquarters or in the management of individual undertakings, are entirely inadequate. We shall best make clear the situation if we say that the highest salary paid in the Indian railway services to-day is hardly more attractive than that of the head of a sub-department on a big English railway.'

That, Sir, does not look as if our scale of salaries were pitched too high. Nor is it fair, I think, merely to take two Railways, compare their mileage and say, because one of the Railways spends more on its staff than the other, that that Railway is extravagant. You have got to take other considerations into account. It is true that the Bombay, Baroda and Central India has a greater mileage than the Great Indian Peninsula, but the traffic on the Great Indian Peninsula is ever so much greater, double that on the Bombay, Baroda and Central India. A larger traffic means a larger staff, more engines, more dealings with the public and a greater superintending staff. If you compare the percentage, the ratio of superintending costs on the Great Indian Peninsula to gross receipts with that of the Bombay, Baroda and Central India, you will find that the ratio is smaller on the Great Indian Peninsula than it is on the Bombay, Baroda and Central

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India. As a matter of fact, if one applies that test to the Railways in India, I think that the House will realise that there is not very much the matter with the costs of superintendence. They vary from 6 per cent. on the bigger Railways, namely, the East Indian, the North-Western and the Great Indian Peninsula to 14 per cent. on the Assam-Bengal Railway, and on the Assam-Bengal the costs are undoubtedly high, as that is a long railway, which is not paying, while it has a ghat section. But the point which I wish to make is this. We have entrusted the management, for good or for ill, of these Railways to Companies. Is this House going to tell these Companies that they are not going to provide them with enough money to enable them to keep the Superintendence staff that they require? So I hope, whatever the fate of this motion may be, that the House will not put us in that position by insisting upon a reduction of Rs 73,00,000.

Mr. Joshi said that the cost of superintendence had gone up very much in the last year, that 105 new posts had been created and that the pay of 400 other posts had been raised. He also went on to say that we were refusing to increase the pay of the subordinate staff while we were increasing the pay of the superior staff. Now, that is not quite correct. In the first place—I have not worked out the figures—but I dispute altogether the correctness of the statement that 105 new posts have been added.

Mr. N. M. Joshi : Publish your statement.

The Honourable Mr. C. A. Innes : As for the increase of pay, it is true that in February, 1921, we did sanction increases of pay on Railways, but we have increased the pay of all the staffs from top to bottom, as we have done in every other Service. There has been no discrimination in favour of the supervisory staff.

The next point raised was Indianisation. Well, I have not been in charge of this Department very long, and I am afraid I am not able to give a very complete reply to Mr. Kamat's pointed question as to precisely what we have done in the past year. I understand that what was done was that all Company Railways were addressed on the subject. They were told that the policy of the Government of India now was in favour of Indianisation, and it was impressed upon them that they should fall into line in that policy. I should like to emphasise the fact that that is our policy now—a policy of Indianising the Services wherever we can do it. It is very largely a question of getting the trained staff. I am already publicly pledged in the Council of State to go into the matter and to take the Advisory Council into my confidence in the matter. I have promised to do that and I shall do it as soon as ever I can. The file is on my table at this present moment.

Mr. Joshi wanted to know whether the Railway workshops take apprentices, and whether they take only Anglo-Indian apprentices or Indian apprentices as well. I think I am right—Colonel Waghorn will correct me if I am wrong—in saying that all Railway workshops do take apprentices and that they take Indian apprentices as well as Anglo-Indian apprentices. I can answer for that as regards the Madras and Southern Mahratta Railway in Madras because I myself, when I was Director of Industries, used to have classes of Railway apprentices up from the Railway workshops to my

night school. They used to come up twice a week, and only the other day in connection with this Budget I sanctioned, I think I am correct in saying, a lakh of rupees for certain works in Bihar and Orissa where the Railways and the Local Government are working in consultation in regard to the training of apprentices. In this connection I may say that there is to be a Conference of Ministers in Calcutta, and one of the questions which is to be discussed at that Conference is what arrangements we can make so that Local Governments and Railways may collaborate in this matter of training Indian apprentices to be works foremen and the like.

One other remark and I have done. Mr. Joshi challenged me to say whether there was any particular type of skilled labour for which we could not get training in India. There is one, undoubtedly. That is, men in the Locomotive department of Railways. To be properly trained those men have to be trained in locomotive works at Home as there are no locomotive works and we cannot get qualified men here. But that is no reason why we should not take advantage of Mr. Samarth's Resolution passed recently in this House and send men Home for training in that branch of Railway work. In fact, we have already done so. I think that is all I have got to say and I do hope that the House will not pass this motion in this form. It will put us in very serious difficulties and it will put us in a very false position with these Companies who after all are responsible for the running of these Railways.

Mr. T. V. Seshagiri Ayyar: Sir, I cannot help saying that the Honourable the Industries Member has been wide of the mark when he compared the working expenses in England with the working expenses here. He referred to the Acworth Committee's Report and said that in India a great deal more money might be spent upon the working expenses. (*Voices:* 'No, no, what he said was that the highest salary here was much lower than that paid at Home.') That is what I mean—that the highest salary here is much lower than the salary paid elsewhere.

The Honourable Mr. C. A. Innes: That is what the Report says.

Mr. T. V. Seshagiri Ayyar: That is what I am referring to. And now the point is this. The question is not that one person gets less here than what another man gets elsewhere for doing the same work. If you have got cheaper material here which you could employ, are you justified in saying that the same type of officer would have got elsewhere a larger sum of money, and therefore the expenditure is not extravagant? The question has to be considered from the point of view of the available material in this country. If you have got men whom you can employ on less pay, and who will be able to do the work on less pay, it does not come well from the mouth of the Honourable Member to say that, because the same kind of work would have been done at a greater cost elsewhere, therefore we have no reason to complain of the cost. We have every reason to complain and say that you have got material in this country which could have been employed at less cost to the country and, therefore, you are not justified in incurring this heavy expenditure. That is the point which I understood Mr. Kamat to make, and that was the point I was trying to bring out when some very kind friends insisted on interrupting and saying that my remarks were misconceived.

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As regards the other question which has been raised, namely, the Indianisation of the Services, I think it is not a new question even to this Assembly. It was raised last year. It was raised in the old Councils very often, and the question now is what steps have really been taken to Indianise the Services. Have you done all that you can to bring in Indians into the Services so that the country may be saved the vast amount of expenditure which is being incurred on this account? I should like to say one word more and that is this. There has been serious complaints that for the same kind of work done by two officials, one a European or Anglo-Indian, and the other an Indian, more pay is given to the European or Anglo-Indian than to the Indian. There have been loud complaints on that matter. Can the Honourable the Industries Member explain satisfactorily why for the same kind of work done on the Railways the Indian is paid less and the European more. And if that is so, and Indians can be got for less pay to do efficient work, why do you go on employing Europeans on a higher pay? That is a point on which we should like to have some explanation. I have heard numerous complaints on that matter.

Sir, the Honourable the Industries Member has told us that he is going to consider this question of increase of pay; and that on the question about the 105 new posts he is not in a position to give an answer. If a Government Department is not able to tell us whether there have been 105 or 100 posts, where can we expect to get the information? A challenge has been thrown out in this House. It has been pointed out that 105 new posts have been created, carrying very high salaries, and the Honourable the Industries Member says he is not in a position to give information. I am frankly astonished at the attitude he has adopted. I hope he will treat the House a little better than he has done.

Colonel W. D. Waghorn (President: Railway Board): Sir, there are one or two points which have been raised by my Honourable friend, Mr. Seshagiri Ayyar, which, I think, I had better answer at once. He has raised a question on the point made in the Committee's report in connection with the increased cost of working our Railways owing to our employing Europeans. The remark, I think, made at the end of this paragraph may as well be read again:

'Perhaps we shall best make clear the situation if we say that the highest salary paid in the Indian Railway Service to-day is hardly more attractive than that of the head of a subordinate department on a big English railway such as the Deputy Goods Manager or outdoor Superintendent of the Line.'

To expect that at this price the Indian Railways will obtain the services of the right class of man is to expect the impossible, and so on.

The point, however, is that we are trying to Indianise our staff as rapidly as possible, and I will explain further in what directions we are moving in this respect; but we have not got the Indian staff at present.

This is the statement of the Acworth Committee in regard to the appointment of the European supervising staff that you obtain from England, and that is the question that I understand we are discussing now, namely, the increased cost in your supervising charges on account of increase of pay. This covers also the increase in the number of appointments. I have not

had time to look through these figures. You say that there are 105 additional appointments over a thousand rupees. I think I can explain this : if you increase the pay of men on 800 or 900 by 10 or 15 per cent, which is probably the percentage of increase given, such appointments at once become appointments over a thousand rupees, but there are proportionately fewer appointments in the lower grades, that is below Rs. 1,000. I hope that I have made that point clear. As regards the increases, as explained by the Honourable Mr. Innes, they are on precisely the same scale as those which have been given to every department. There is nothing unusual in these increases. They were roughly 10 per cent. in the higher grades, and in the lower scales possibly they are from 15 to 20 per cent.

As regards Indian apprentices, I think the Honourable Mr. Innes has explained that on practically all our important Railways we have now got schools for these Indian apprentices equally with the Anglo-Indian and European apprentices.

Mr. W. M. Hussanally : Apprentices as what, firemen and stokers or anything better ?

Colonel W. D. Waghorn : As mechanics. This class of men begin probably as cleaners. They would not go to schools for that.

As regards the question of the Indianisation of the superior staff, I shall give a few figures as to what we have done actually during the last year. We have six appointments for Assistants in the Junior Traffic Branch. Five of these appointments have been filled by Indians quite recently. As regards Company lines they are following the State Railways very closely. The Bengal Nagpur Railway have appointed two or three Indians to my certain knowledge. The East Indian have taken two. The Madras and Southern Mahratta Railway have taken one. Other Railways, I have reason to believe, are appointing Indian Traffic officers. I think I have explained to a sufficient extent how we are advancing. I can give more details but will not weary the House now with this matter. We are taking on no European Traffic officers on State Railways at present.

Mr. T. V. Seshagiri Ayyar : What about equality of pay ?

Colonel W. D. Waghorn : As regards that point, there is no difference in the superior grades of officers. The Indian gets the same scale as the European. There is an overseas allowance which has been laid down for every branch of the service. (*A Voice :* 'Technical pay in addition'.) It is not for the Traffic officers. Technical pay is given on account of technical training in England.

Dr. H. S. Gour : Both the Honourable the Member for Commerce and Industries as well as the President of the Railway Board have not dealt with the question in the spirit in which Mr. Kamat moved his Resolution. Nor have they answered the various questions raised by the previous speakers. I will categorise them. A question was put to the Government Members as to how many vacancies occurred in the superior grades of Railway Service since the last Budget discussion and how many Indians and how many non-Indians were appointed to those posts. That was a question raised by Mr. Kamat. There was no reply. Nor was the question by Mr. Joshi answered, namely, how

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many Indians have been appointed to Railway non-technical posts. Only the other day when the Supplementary Estimates were under discussion I raised a question about the Indianisation of the Railway Services and we were given one of those pious hopes which Members of the Government very often give when they have nothing else to offer—that we are doing our very best and that the Indianisation of the Railway Services is now the accepted policy of the Central Government. But we do not want, Sir, words, but deeds. What have you done during the last 12 months? That is a question which we should ask the Honourable Member opposite to answer. You will remember, Sir, that, when I referred to this question on the last occasion, the Honourable Member said that the question was sprung upon him by surprise and I hoped that he would come better prepared when the regular Budget discussion takes place. I find the Honourable Member as unprepared to answer that point to-day as he was on the last occasion. Last time he told us that in a few technical Services of the Railway, it is impossible to employ Indians. As he had then the last word, I could not make a reply. The Honourable Mr. Joshi has now pointed out that there are a large number of Departments of Railway in which technical knowledge is by no means necessary. Surely, Sir, though the Honourable Mr. Innes has taken charge of the Railway Department only the other day, he could not be unaware of the fact that there are at least six Departments of the Railways in which technical knowledge, which is not available in this country, is not necessary. Take, for instance, the Traffic Department. Take, for instance, the Carriage and Wagons Department. Take the Audit Department, take the Stores, the Medical and the Printing Departments. Is it not a fact that almost all the superior posts are held by Europeans and Anglo-Indians? How many Indians are employed in these non-technical Departments of the Indian Railways in which Indian talent might have been requisitioned both in the interests of economy and with due regard to efficiency. Has this been done? We shall be told that we are starting a school here and a school there. We are holding night classes and we are holding day classes, but how long is this schooling to last? We have not yet made a beginning. You keep on promising Members in this House year in year out, and, as soon as the Resolution of the year is accepted or passed, we find that the Resolution is not given effect to. Mr. Kamat has a just grievance against the Member in charge of this Department and Mr. Kamat would be well justified in pressing his amendment to the vote, and I have not the slightest doubt that, if it is pressed, the motion will be carried. I think it will be carried not because it deserves to be carried to the full extent of the retrenchment demanded, but because, I submit, of the Members in charge of the Department not having come prepared to meet the just and reasonable wishes of this House and to assure them of the Government's earnest and sincere desire to further the cause of the Indianisation of the Indian Railway Services. Sir, this is not a question upon which we can linger long. This is a question which the Members on this side of the House regard as a burning question of the day. There is not a single non-official Member in this House who does not feel and feel strongly on this question. You will find, Sir, that in the course of the debate to-day, and later on when the capital charges will be submitted to the vote of this House, various questions will be raised with reference to the Railway administration policy of this country. We have been told that we have been paying the superior staff of the Indian Railways much lower than the employes on the English

Railways are paid, and we have been further told, in a spirit somewhat apologetic, that these Railways are leased out to the Companies and are, therefore, under the management of those Companies. Surely, Sir, my friend could not be unaware of the fact that if they are merely managed by the Railway Companies, it is this House that is called upon to vote the supplies; it is this House that is called upon to provide for the guaranteed interest. It is the Railway Board that controls the policy and sees that the policy which it lays down is given effect to. Consequently, it is idle to contend that, because you have leased out your rights to different Companies for management, therefore you have relegated your primary function of laying down the policy and seeing that that policy is adhered to and persevered in, in spite of the opposition of the Companies, in case such opposition should be forthcoming. Now, Sir, I ask the Honourable Member opposite what steps have they taken during these 12 months to press upon these different Railways the prime necessity of Indianising the Railway Service. They say: 'We formulated a Resolution and sent down to these Railway Companies a copy of this Resolution and asked the Railway Companies to fall in with the views of the Central Government'. You might just as well have pigeon-holed this Resolution. What other steps have been taken, Sir, to see that the policy which you have enunciated has been given effect to by the various Railways concerned? And when you come here and ask us to give you a grant for Railway expenditure, what guarantee are you prepared to give us that you will carry out those conditions which we laid down, and subject to which this House will make you a grant? We do not want, as I have said, the pious platitudes of other years. You told us last year that your policy was to Indianise the Services. That platitude has been repeated this year. We want, Sir, action, and action on the part of the Central Government which will be a guarantee of its earnest desire to Indianise the Service and to work them upon a purely commercial basis. We want, Sir, to put an end to the Railway bureaucracy. We want that the Indianisation of the Railway Service should begin from the top; and Members of this House desire that they should have a place on the Central Railway Board, not as Members of the Central Advisory Committee, not as Members to advise the Railway Board upon matters which the Railways say 'we ask your opinion about', but we want to sit along with the Members of the Railway Board and to control the policy that Railways are kept up and manned by Indians, and the profits of which are contributed by the Indian passengers which number as much as 95 per cent. If the policy of the Government of India was to Indianise the Railways, what could be simpler than to place some Indian Member upon the Railway Board? Has this been done? No. I submit, therefore, that you have not even carried out your own policy which you enunciated last year and of which copies have been sent out to the different Railway Companies. The first question, Sir, that I shall ask the Central Government is: 'Doctor, cure thyself: You must reform yourself, and then I submit you will be justified in asking the different Companies which work under you to introduce reforms on a similar basis'. (Hear, hear.) This, I submit, Sir, is a question upon which the Members of this House feel strongly, and it is upon this question that I ask the Government to concentrate their best attention and their best endeavour.

Then, Sir, we have been told that the working expenses on the Bombay, Baroda and Central India Railway are smaller than the working expenses on the Great Indian Peninsula and we have been told.

3 P.M.

[Dr H. S. Gour.]

that the reason for it is that the Great Indian Peninsula Railway carries a heavier traffic than the Bombay, Baroda and Central India Railway. But that, I submit, is not the question which the Honourable Mr. Kamat raised. The question that he raised was that on the Bombay, Baroda and Central India Railway more Indians are employed and, therefore, the cost is lower than on the Great Indian Peninsula Railway. (*Mr. Kamat* : 'Yes'.) To this, my friend on the other side gave no reply, and that is the question that he raised in this connection. I submit, therefore, that none of these questions have been received, have been approached, by the two Honourable Members who have spoken from the opposite Benches in the right spirit : and I deprecate, Sir, a discussion which simply indulges in rapid generalities. We desire, we insist upon, action, and action, the report of which must be placed before this House for its decision. For instance, the last speaker in this discussion told us that there were 105 new appointments created carrying a salary of Rs. 1,000 or more. The Honourable Mr. Innes said : 'I really do not know ; I have only taken charge recently, I do not know'. Colonel Waghorn also said : 'I do not know'. But it might be added that these are men promoted from the Rs. 800 or Rs. 900 grade to the Rs. 1,000 grade and, therefore, should they count amongst these 105 people. Is that the reply,—is that a reply with which we are satisfied ? Is that the reply to the question put that 105 new appointments have been created ? If my friends on the other side wanted to give a categorical denial to that statement, they were in a position to do so. They have not done so. And on that point again the Honourable Mr. Joshi asked, how many of these new appointments have been filled by Europeans and Anglo-Indians ? There was no supply of any information, and it is once more argued, it might be this, and it might be that. But that is not what this House wants. We want a clear enunciation of principle, we want a clear statement, as to how far that principle has been adhered to and given effect to. And from the Honourable the Finance Member the Honourable Mr. Joshi asked as to how the Railway Board's finances are being scrutinised. Are they subject to the scrutiny of the Standing Finance Committee ? If not, what non-official agency is employed for the purpose of scrutinising their expenditure ? I have no doubt that the Honourable Finance Member will give a reply. But, so far as the two Honourable Members in charge of the Railway Departments are concerned, they have given no reply ; and I, therefore, submit that not a single question which we on this side of the House raised has been replied to. If that is, I submit, the attitude of the Government, then I think Mr. Kamat will be well justified in forcing his Resolution to a vote, and the House will be justified in voting for that Resolution.

Sir Deva Prasad Sarvadhikary : Sir, I think it must be admitted that, of late, there has been a tendency to Indianise the Railway Services to a greater extent than before but not nearly enough has yet been attempted. I am not now speaking of those Departments of Railway Service regarding which there can be and ought to be no difficulty in providing suitable Indians because of lack of technical skill. There is considerable room for greater recognition of Indian claims which should come now. I am more concerned with the departments that do require technical skill where we want more recognition of Indian claims. The Assembly will be very much interested to hear from the Honourable Mr. Innes that steps are being taken for sending the right type of

Indians to England for training. (*The Honourable Mr. C. A. Innes*: 'I said steps may be taken.') May be? I am very sorry; I thought steps were being taken. Well, Sir, I go down a degree or two lower than I began. Even when he does take the steps, however, I am very much afraid he will not get on much further because, when Indian students are sent and do go to England, they will be confronted with a solid wall of opposition unless effective steps be taken by the authorities to get behind it. There is hardly a Railway of the right type which will admit Indian students to the different branches of training worth having. (*Mr. N. M. Samarth*: 'In America') My friend cries, 'America'. There is no objection to that, but 'why not India' is the question that I should like to put. We have started schools and apprentice classes of a kind that do good work but had better not be mentioned in this concern. At Kanchrapara, Jamalpur, and some other places apprentices of the lower grade are being trained or attempted to be trained. Is there anything to prevent training of the higher type being attempted in India? That is the problem that I invite the Assembly to consider and to give the Department every help in obtaining, means, for without it adequate Indianisation will be impossible in the departments that we are thinking of. No such plea, however, obtains in departments where technical skill is not necessary.

Sir, a passage from the Acworth Committee Report has been twice read. I came across another passage in the Minority Report which might probably be used as an argument for not Indianising the Railway Services if there was a desire to avail of the suggestion. This is what we are told at page 80 of the report:

'No country can prosper politically without industrial prosperity, and this cannot be secured by merely increasing the number of Government employees.'

Excellent reason according to some, for not thoroughly Indianizing the Railway Services, because Government by increasing the number of its employees alone will not secure our political advancement, nor will contribute to the success of the reforms, which have also been incidentally mentioned. I wonder whether logic like that is operating in some minds, that has not yet been put forward as a good reason for not taking adequate steps for Indianising the Railway Services, lest our industrial prosperity should suffer from the further admission of Indians in their own country to the higher Railway Services. We are told that, unless higher pay than is at present given to the men at the top is provided, the right class of man cannot be expected to come out. Would, what is called here the right class of men, come out to any Service from England even if higher pay is provided? (*Mr. R. A. Spence*: 'None. Never have.') We generally recruit our Railway men from the men on the spot, who are promoted to the higher posts. Some of them are very good, like the present Agent of the East Indian Railway, who had seen service here. Very few men 'of the right type' would and can come out and you have, therefore, to content yourself with the best that you can get or train locally and Indians could have their chance. There is no reason why you should not make some reduction if you can possibly do so. But there is one factor in regard to the highly paid men on the English Railways which has to be borne in mind. There used to be and still is very active competition between the different Companies in the matter of securing the few men—really good men who were available, and fancy pays were given. But recently they have felt the difficulty of the situation and in attempting to

[Sir Deva Prasad Sarvadhikary.]

solve some of the difficulty the Railways are combining. But these men will never come out here. And in India the higher Railway Service are really the Railway Board and the Commerce Member.

Sir, I think it was accepted by the Secretary of State that, with regard to the Indianisation of the Railway Services, 40 per cent. should be the figure. I do not know that the Departments can adduce any figures of Indianisation anywhere approaching this percentage. I do not want to take up the time of the Assembly long because we have a great many more motions to deal with before we finish the Budget, but I think it can be confidently stated that the percentage I have mentioned has not been approached and is not likely to be approached for many years to come, unless very active steps are taken.

I shall now leave that branch of the case and devote my attention for a moment to another branch which has not been mentioned by any previous speaker. The North Western Railway, the superintendence charges of which Mr. Kamat wants to reduce by 10 lakhs, has a feature of its own which I think the Assembly might now take into consideration. It is somewhat ancient history but will bear scrutiny. What is the character of some of the Railways connected with the North-Western Frontier? Most of them are known as strategic Railways and the losses incurred on them are swelling the total of the Railway losses. It is, strictly speaking, military expenditure, and I do not think it is fair, in taking Railway losses into account, that losses so occasioned should also be taken into consideration. For that reason, if for no other, whatever happens to the other items in this motion, this item about North-Western Railway should be passed.

I have been waiting to hear those who think that, while reduction ought to be made, a reduction to the extent of 73 lakhs should not be made. I do not know what will be said on the other side of the question. I believe there is no reason in favour of the less reduction. If any reduction is to be made, no reduction less than 73 lakhs should be made out of the phenomenally large demand.

The Honourable Sir Malcolm Hailey: Sir, among the numerous missiles that have been directed this afternoon at the Government bench a few fell in my direction. I recognize one of them as having been directed against me in a previous discussion and I regret that on that occasion I omitted to mark it down and acknowledge it. I can deal with it at once; it relates to the extent to which Railway expenditure is submitted to the Standing Finance Committee. Hitherto we have not submitted Railway expenditure to the Standing Finance Committee. It largely concerns purely working expenses, and also, of course, the expenditure of Companies which are not (under the terms of their contracts) so directly under our control as Dr. Gour suggested. But for the future we shall be quite prepared to lay before the Standing Finance Committee details of new expenditure on State Railways except working expenditure, because a large amount of that expenditure we cannot control by budget or the ordinary provisions relating to expenditure control, and I mean purchases of coal and the like. But all questions relating to establishment must be laid before the Standing Finance Committee.

Another question I can also now deal with. Among the six branches of railway administration that Dr. Gour enumerated as those of a non-technical nature, for which recruits might be obtained in this country, he mentioned the Audit. Now that of course concerns my Department. Railway audit is under the Auditor General, and here we do obtain recruits almost entirely from this country. The Indian Audit Department is a purely Indian Department and we do not now take into it any recruits from Europe except on very rare occasions for special qualifications. A number of other questions have been raised this afternoon with which I am not of course competent to deal. I could not, for instance, deal with the question raised by Dr. Gour as to why we have not dismissed one Member of the Railway Board and appointed a non-official Indian in his place.

But I must point out in justice to my Colleagues, that it is exceedingly difficult at short notice to reply to a question as to the exact number of officers that have been added during the year over a very large service like the Railways. If as many as 105 superior posts had really been created on the Railways, a number of those, I assume, must have been created on State Railways. They would have to go before the Finance Department and before the Secretary of State. I can remember in the course of the recent year no such cases at all, and I am somewhat astonished, and I think my friends are equally astonished, at the figures which Mr. Joshi gave

Mr. N. M. Joshi : I will read some of them here if you like.

The Honourable Sir Malcolm Hailey : Mainly on Company lines ?

Mr. N. M. Joshi : Yes.

The Honourable Sir Malcolm Hailey : Then I fancy that the explanation that Colonel Waghorn gave that the general increase in the rate of pay of superior officers has had the result of bringing a considerable number of officers within that thousand rupees limit must be the correct one. However, that is a matter which, of course, will be inquired into at once and we shall be able to give exact details to the House as to the number of posts which have been created. I only wish to point out that there is every excuse for officers, if in dealing with very large Departments like this, they are not immediately able to supply the full information necessary, and I think the House will give us credit for being able as a rule to supply immediately and without notice most of the information they require.

Sir Montagu Webb : Sir, I hope that the House will reject this motion. If there is one Department more than another in which it would be extremely inexpedient and unwise for us to cut down the expenditure, it is the Department of Railways. We all know that owing to the wear and tear of war, the difficulties with which the Railways have had to contend, have been greatly increased. We know that Railway material is almost worn out in many cases and that the number of locomotives and carriages now in the hospital is enormous, and altogether we know that Indian Railway Problems have never been so complicated as they are at the present moment. In the course of a few years we hope that these will be put right. But at the present moment the whole trading community of India is, if I may use the expression, on its hind legs complaining vociferously against the defects of the Railways. I think my friend, Mr. Seshagiri Ayyar, has not yet quite

[Sir Montagu Webb.]

grasped the point which the Honourable Member for Commerce and Industries was making a few minutes ago with regard to the staff. It is common knowledge among those who have anything to do with Railways that the level of pay in superior appointments in this country is considerably lower than that of similar appointments in any other great country; and what the Acworth Committee have pointed out is this, that owing to the scale of pay in the higher appointments being considerably lower, men of great capacity can secure very much greater pay in other parts of the world than in the Railways of India, and if we do not have the very best men at the top, we must expect to have inferior subordinates and inferior control down below.

Mr. S. C. Shahani : Better have.

Sir Montagu Webb : Now, I cannot at all accept the suggestion that it is better to run the Railway cheaply regardless of efficiency. On the contrary, I think if there is one mechanism of the State in which we ought to make certain that we have the greatest skill at our disposal in order to produce the best results, that Department is the Railway Department. I sympathise most fully with the ambitions and desires of those Members who wish to see the Railways Indianised, and I hope and I feel certain that Government are doing all in their power to carry out that desire. But I submit that it would be extremely unwise on our part if at the invitation of my friend, Dr. Gour, because the exact information with regard to the filling up of a certain number of appointments cannot be given at a few minutes' notice, therefore we should reduce the grant for 'General Superintendence' of the Indian Railways by a sum of Rs. 73 lakhs. As far as I can see at a glance this sum is over 10 per cent. I doubt if it would be possible to do it, but if it was possible, I should think it would be a most disastrous step to take; and, therefore, whilst I entirely sympathise with the efforts which certain Members of this House have made, to compel the Government to Indianise the Services more rapidly, I hope and trust, after this debate, and after the very vigorous expression of views which Dr. Gour has just given us, that my Honourable friend will withdraw his motion and allow the demand to pass.

Rai Bahadur Bakshi Sohan Lal (Jullundur Division : Non-Muham-madan) : Sir, bearing in mind the overwhelming majority of non-Indians without university degree and qualifications in higher appointments in the presence of thousands of Indian graduates knocking from door to door for employment and of the importation of stores and materials from foreign country, I am constrained to support the motion in the hope that the small reduction (Laughter) recommended by the motion will at least have the effect of securing economy with efficiency and that every effort will in future be made to Indianise this branch not only in the recruitment of officers but also in the purchase of stores and materials in India. It is this branch of the administration which provides preference and the higher salary for a European and Anglo-Indian than for an Indian, which means that the European or Anglo-Indian of lesser qualifications must be preferred to an Indian of higher qualifications. This has created some impression in this country that the Government policy is to provide employment to Europeans and Anglo-Indians who cannot compete with Indians in educational and University qualifications. This has led to a deterioration of the Public Services

and introduced men who would have very little scruples for honesty and would indulge in bribery; corrupting not only themselves but also their subordinate Indians. (Hear, hear, and 'Shame'.) This grievance, whether fully or partially justified, requires to be removed not by words of sympathy only, but by deed. With these few words, I support the motion.

Mr. N. M. Samarth : Sir, I cannot understand the temper or temperament which is responsible for the expression of opinion that, although the Resolution does not deserve support, I am going to support it in a huff because the explanation given on the other side is not satisfactory. I deprecate such a temper and such a temperament. Either the Resolution is justified on its merits, or not. If it is not justified on its merits, say so plainly and vote against it. If it is justified, do by all means support it, but not because you are in a temper to do so. Now, Sir, the House will not mistake that I am not equally anxious to have the Indianisation of the Services in the Railway Department. Honourable Members will remember that I asked a series of questions upon the subject at the Simla Session and I was keen on seeing that the requisite institutes and workshops are started in order to give technical training of the highest kind to Indians.

It is no use saying that Indians are at present in a position to occupy the positions and carry on the work of the technical experts who are engaged in the Railway Services to-day. Patriotism is quite all right, but at the same time, let us not be so patriotic as to think that we have got, when we have not got, the necessary technical skill for all these Services. (*A Voice :* 'Who said that?') You never said that, but that was the implication of one of the previous speakers here. I am anxious that my countrymen should get the technical skill; I am anxious that, if institutes cannot be started here on account of financial stringency, our young men should be sent abroad, say to America or to Berlin and let them get that skill. (*A Voice :* 'Not Germany') (Laughter.) Never mind, Germany. Wherever an Indian can get the requisite training, let him be sent.

Now, as to the number of Indians employed in the higher branches and the observations which Sir Deva Prasad Sarvadhikary read from the Report, I call attention to page 28 of the Acworth Committee's Report, paragraphs 132 to 184, where they deal with this question and recognise and sympathise with our view, that, as a matter of fact, it is a pity that Indians have not been sufficiently employed by railway managements up to now. They also recognise the present difficulty of employing Indians in the higher branches of the Service, and they have made certain suggestions as to how a greater measure of employment for them can be carried out. That requires money. In the last few sentences of that chapter in the report, they say :

'From the economic and commercial side, courses dealing, for instance, with the relations between railways and the controlling authorities on the one side and their customers on the other, are, as far as we know, non-existent.'

Further on they say :

'And two classes of railway men have to be catered for: the men of higher education and social position in training for the superior posts, and the much larger number who do not usually advance beyond the subordinate grades. We are also of opinion that the system of selection and training of the young men appointed as probationers in the Traffic Department on Indian Railways needs consideration. The whole subject is one which in our view should be in the special charge of the Railway Commission and we think substantial grants of money should be made for the purpose of developing such instruction.'

[Mr. N. M. Samarth.]

I, therefore, should have expected my friends to come forward with the demand that a substantial grant should be made in order that schools be started and higher instruction be given to Indians. I am, therefore, not going to support this motion for curtailment of working expenses by Rs. 73 lakhs. At the same time, let me make the position clear. I do think that there is scope enough for reduction in the total grant to a small extent. If, for instance, Appendix B is analysed, it will be found that the working expenses of certain railways are abnormal (Hear, hear) compared with the gross receipts that we expect. I will not trouble the House with detailed figures. I have worked them out, and the Honourable Member in charge will correct me if I am wrong.

Take the North-Western Railway. The total working expenses absorb Rs. 4 out of Rs. 5 of gross receipts. Take the Eastern Bengal Railway. Rs. 4 out of Rs. 5 of gross receipts are taken up by working expenses. The Bengal Nagpur Railway takes Rs. 4 out of Rs. 7. The Great Indian Peninsula Railway takes three-fourths, that is, Rs. 3 out of Rs. 4. Surely, to my mind, there is a great deal of scope for curtailment of working expenses on some of these railways. I trust that the Railway Department, the Honourable the Member for Commerce and Industries and the Railway Board will take precious care to see that the working expenses are so reduced as to give us a reduction of at least 25 lakhs which Sir Vithaldas Thackersey is going to propose. I should, therefore, expect this House to vote against the reduction of 73 lakhs; but I trust that when the motion is moved by Sir Vithaldas Thackersey it will find support in this House.

Mr. J. Chaudhuri: Sir, it has been said that Indians are not available for higher technical appointments. I may inform the Commerce Member and the President of the Railway Board that there are now about nine Indians trained in England awaiting appointment in the higher Loco. Department, and if they care to employ them they are available. Over and above that, the evil of not employing them is this. I know a number of young men who are anxious to go out, at their own expense, to England, to get similar training; but because such men are not being employed by Indian Railways, that discourages them from going to foreign countries, especially Great Britain, to get suitable training for the purpose. If the appointments in the higher grades of the Railway Department are thrown open to Indians, I am sure that a large number of educated Indians will annually go abroad to acquire the necessary technical training at their own cost and it will no longer be necessary for Government to send out a few across the seas with a view to fill only a few selected appointments by such men. What we require and the country requires is an assurance that there shall be no racial bar to the higher appointments, technical or otherwise. I draw the attention of Members to this fact and hope that Government will give effect to a policy of Indianisation on these lines.

The Honourable Mr. C. A. Innes: Sir, before this vote for reduction is decided by the House, I should just like to make a few remarks with special reference to what my Honourable friend, Dr. Gour, has said. He charged me with having come to this House insufficiently prepared with details regarding Indianization. He charged me also with having fobbed off upon the House certain platitudes.

As regards the first charge, when I saw that Resolution, naturally, being a practical man I said to myself : ' Here is a motion to reduce general Superintendence by 73 lakhs of rupees,' and I set myself to think ' What will happen if that motion is carried ? ' I set out to think of the arguments that should be used against that motion, and I also spoke to my friend, Mr. Kamat, and we had a little discussion. He told me that he meant to bring up this question of Indianization, and we agreed that it required time to bring about.

Dealing first with the question whether this 73 lakhs should be cut out, I think the House will see that it is quite impossible. If the House wishes to enforce its views regarding Indianization, surely the proper line to take is to make a small formal motion for reduction, and in that way the House would pass a vote of censure upon myself. To that I have no objection. But what is the use of saying, ' What have you done in the last year ? ' I don't carry those details in my head ; I regard this question as a question of the future, not as a question of what we have done in the past but what we are going to do. That is the way to look at this question. That paragraph of the Railway Committee's Report which Mr. Samarth just read out was discussed very thoroughly in another place, and it was on the basis of that paragraph that I gave a pledge that this question, which I regard as one of real importance, would be looked into.

Mr. B. S. Kamat : Sir, in view of the remarks made by the Honourable Member, I wish to withdraw this motion.

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

Sir Vithaldas D. Thackersey : Sir, I beg to move :

' That the demand under head ' Railways ' be reduced by Rs. 25 lakhs.'

So much has been said on various matters against the policy of the Railway Board that the House will forgive me if I present to it in a few words the other side of the picture. How much do we owe to this railway and how good an asset that railway is to the country ? (Hear, hear.) Only the other day, Sir, a Committee was appointed, I mean the Railway Finance Committee, by the Government of India on which the Members of the Legislative Assembly and the Members of the Council of State sat and the picture that was presented to us was such that those who have studied that report will not deny that the railways require every rupee that the country can share to rehabilitate it after its great starvation during the war. (Hear, hear.) The House will remember that that Committee has reported that 150 crores of rupees should be devoted during the next 5 years for this purpose. I am glad to note that Government have already appointed a Committee in pursuance of this Assembly's Resolution to find means to encourage industries in India so that as much as possible of 150 crores be spent in India. I hope I am not divulging a secret when I say that the Committee has already met and is on the high way to make a good recommendation. Then, again, Sir, we know that owing to the starvation during the war, railways are not able to cope with the present traffic. The industries suffer because of the want of capacity of the railways to carry coal and other merchandise. The railway expenditure in coal alone has considerably increased not because there was no coal available but because coal could not be brought in time when it was required for railway purposes let

[Sir Vithaldas D. Thackersey.]

alone for industrial purposes. Considering all these questions I think it is not right that we should cut down the railway expenditure to any larger extent than what may be absolutely necessary. Therefore, Sir, I have not made my proposal on 5 per cent. basis on 87 crores. It provides a reduction of only 25 lakhs of rupees out of the whole budget of 87 crores and I daresay that, if our Railway Board and the management of the different railways take pretty good care to see that the country's finances need a thorough retrenchment policy in every direction and that retrenchment must be carried out in railways administration also, I do think that in a large budget of 87 crores, 25 lakhs can be reduced without at all reducing the efficiency. With these remarks, Sir, I propose that only 25 lakhs be reduced in this demand.

Mr. Jamnadas Dwarkadas : Sir, I think the House is aware that I also have a motion asking for a reduction of 3 crores. I want to explain, Sir, how I have arrived at the figure of 3 crores. I do not know whether I can really get the House to agree with me in the proposal for reducing the demand by 3 crores, but my object in moving this motion is to draw the attention of the Honourable the Finance Member to the item of Rs. 1,67,87,000 which occurs on page 27. There is also a non-votable item of Rs. 3,35,75,000 which I certainly do not touch in my motion. My object, as I have already said, in bringing forward this motion is to draw the attention of the Honourable the Finance Member to the fact that this item of Rs. 1,67,87,000, along with the non-votable item of Rs. 3,35,75,000, can be transferred to the Capital amount instead of remaining in the Revenue account. I know that in the years in which we had surpluses, namely, from 1900 to 1920 except one year 1908-1909—when we had a deficit, the item of annuities in the purchase of Railways has always been placed in the Revenue account. But I see no reason why, in a year of deficit and as a matter of principle, these annuities which really belong to the Capital account should be taken to the Revenue account. In this year of stringency I want to help you to reduce the deficit by 5 crores of rupees and my object is to draw the attention of the Honourable the Finance Member to this fact, otherwise I should be perfectly willing to support my Honourable friend, Sir Vithaldas Thackersey's motion.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : Sir, the first thing that attracts our attention when we come to the head of Railways is the large increase in working expenses. I hope the House will bear with me when I just glance through the figures . . .

Mr. President : We have just had a discussion on that. We have already spent nearly an hour and a half on this subject and I do not think the Honourable Member should go back on that discussion.

Mr. K. C. Neogy : I shall be as brief as possible. The percentage of working expense to gross earnings was 52·17 in 1911, 48·92 in 1912, 51·79 in 1913, 54·19 in 1914-15, 50·91 in 1915-16, 47·26 in 1916-17, 45·72 in 1917-18, 48·45 in 1918-19, 56·81 in 1919-20, 65·54 in 1921-22 and about 73 in the present Budget. It is undoubtedly true that certain factors which go to constitute the working expenses such as fuel and other things have gone up in price and, therefore, I do not propose to discuss these factors at any length. But let us look at the other factors. As we are all

aware, in the latter years of the war, certain renewals and repairs had to be deferred because materials could not be brought out from abroad and it is admitted in the latest report on the Railway administration that the proportion of working expenses has fallen during the later years of the war on account of the fact that both renewals and repairs were thus suspended and there had been a resultant increase in profits. And what has been the policy of Government in regard to this increase in profits, the so-called increase in profits that this accidental circumstance led to?

Did they provide for any reserve fund on which they could draw this year?

No.

'No provision'

the report says:

'is made for depreciation and the expense of renewals of worn out plant is met as part of the ordinary annual working expenses.'

Further, the report says:

'In the absence of a depreciation fund, the revenue that would ordinarily have been spent for this purpose has served to swell the surplus and the capital assets have progressively deteriorated.'

The result has been that these so-called excess profits have been distributed among the Companies which manage our lines and a certain portion has been swallowed up in the general finance of the country. I find a question was put on this subject to Mr. Stantiali, the Public Works Secretary of the India Office by Sir William Acworth when he appeared before the Railway Committee in London. The question is this:

'I have seen it stated in various places that dividends have increased because it was impossible to spend money on renewals.'

The answer is:

'That is certainly the case.'

The next question is:

'Supposing a Company was in the habit of laying 1,000 tons of rails per annum and it could not buy the rails, has it divided the money?'

The answer is:

'Yes, in some cases it has. Some of the Companies have made proposals to establish reserve funds, but the Government of India has been rather opposed to them.'

The next question is:

'Has the Secretary of State in any case approved of Companies dividing money which was required for the renewal of rails merely because the rails could not be bought?'

The answer is:

'I am afraid that is so.'

Then, Sir, another witness, who was examined in India, Mr. Wathen, General Traffic Manager of the Madras and Southern Mahratta Railway, stated on this subject as follows:

'The largest part of this cost would have been chargeable to revenue. The fact was that Government had been utilising as revenue for general purposes money which should have been spent to keep railways up to standard.'

[Mr. K. C. Neogy.]

I think I have made it quite clear that, so far as the higher cost of renewals and repairs is concerned, it is the policy of Government which is more at fault than the poor passengers who are now proposed to be bled for the purpose of meeting the increased working expenses.

Then, take another factor. Mr. Mumme, the Acting Agent and Chief Engineer of the Rohilkund and Kumaon Railway, made a startling disclosure before the Acworth Committee. It has startled me. I do not know whether it will startle the House. With regard to the payment made for rolling-stock requisitioned by Government for military purposes during the war, Mr. Mumme stated that :

Whatever money was received by the Company on this account was carried to reserve to replace the stock. Depreciation of the rest of the stock was written off out of revenue. The State's share of the money received for requisitioned rolling stock was not carried to reserve but was absorbed in the finances of the Government.'

That is to say, we sold—because it comes to that—part of our railway stock for war purposes and we credited the general finances of the country with that amount and spent it for general purposes. We did not care to lay it by for future use and renewals, and this is how excess profits have been swollen and distributed between the companies and Government.

Sir Deva Prasad Sarvadhikary has already drawn your attention to another important aspect of the question and I would briefly refer to that again. It is well known that the military section of the North-Western Railway has all along been a losing concern. It cost us something like 84 lakhs in 1919-20, and I think, judging from the general increase in expenditure all round, this year's net loss must be about a crore. Here we have a *camouflaged* item of military expenditure under the head 'Railways', and this also accounts for the rise in the working expenses.

Now, Sir, let us see what is the kind of control that the Government of India exercises over the financial policy of the Railway Department. It has been stated by Mr. Joshi, and it has been admitted by the Honourable the Finance Member to-day that Railway proposals are, not placed before the Standing Finance Committee. We have, however, been assured that in future certain proposals in connection with the State Railways will be placed before that Committee. So far so good.

I will now turn to the evidence which the Honourable Mr. Cook, the Finance Secretary, gave before the Acworth Committee. There you will find the illusory nature of the control that the Finance Department itself has so far been exercising over the Railway Budget. This is what Mr. Cook said :

'What happens in practice is that working expenses proper are admitted as inevitable apart from any difference between the Railway Board and the Finance Department as regards the reasonableness of estimates, as such, so that the Finance Department does not make any reductions under this head.'

So that the wholesome influence which the Finance Department exercises in the matter of economy and retrenchment over the other departments of Government, is absolutely absent, for all practical purposes, so far as the working expenses of the Railways are concerned.

The Honourable Sir Malcolm Hailey: Might I ask the Honourable Member to go a little further and read what the Acworth Committee itself said about the Finance Department and the Railway Department?

Mr. K. C. Neogy: I am perfectly aware of that, but I thought that I 4 P.M. might take Mr. Cook at his own word.

Then, Sir, connected with this question of increasing working expenses under Railways is the question of the proposed increase of passenger rates. It has been observed in the latest Report of the Railway Administration that 'the goods earnings have rather more than doubled in 20 years, while passengers have almost trebled in number and nearly quadrupled in earnings in the same period.'

It does not, therefore, seem to be any fault of the passengers that they cannot find the funds which the Railway authorities now expect from them. After dealing with this matter at some length, the Report observes :

'So far as passengers are concerned, the service given is the cheapest in the world as the following statement showing the average receipts per passenger per mile in different countries will demonstrate.'

Then we find certain statements given which show that the receipts per passenger per mile is less in India as compared with the United States of America, Holland, Canada, South Australia, Norway, Switzerland, New South Wales and Japan.

Sir, this question of the cheapness of fares cannot be gone into without at the same time considering the question of the capacity of the people to bear the burden which they are called upon to bear. Mr. Horace Bell, who was for some time the Consulting Engineer for State Railways to the Government of India, took a more correct view in the matter. He stated that the cost of travelling by rail in India, as compared with that of England at one time, had shown that for a journey of 100 miles by third class the fare averaged on certain Railways about 3s. 2d. taking the exchange at about 2s. to the rupee, while in the United Kingdom the charge for the same distance by 'Parliamentary' train was 8s. 4d. Then he observed that the income of the English artisan travelling third class, was ten times the income of the Indian worker.

The Honourable Sir Malcolm Hailey: Sir, I rise entirely, as I think, in the interests of the House. Would not this discussion be more proper to the Finance Bill if that Finance Bill ever comes before the House, than on a motion for the reduction of a grant?

Mr. K. C. Neogy: I do not think railway fares are included in the Finance Bill. If they were, I would have stopped here.

Mr. President: This is a vote of expenditure on Railways.

Mr. K. C. Neogy: Yes, Sir, but, as I have already said, the question of expenditure is connected with the question of finding more funds by the raising of fares. That is why I wanted to deal with this question.

Mr. President: There is no provision here for the raising of rates. The Honourable Member is dealing with working expenses. It is perfectly true that if you take a wide enough view of the subject you can not disentangle the two. But from the point of view of procedure, they must be kept separate.

Mr. K. C. Neogy: I bow to your decision, Sir. It seems unfortunate that the travelling public, particularly third-class passengers, should be made to pay because you have to provide one crore of military expenditure in the name of railways, and because you did not carry out repairs when they were due and did not lay by any reserves for such future contingencies.

Rao Bahadur T. Rangachariar : Sir, in making this modest proposal on behalf of my Party to reduce this expenditure only by 25 lakhs our attitude as regards the increasing of railway rates has to be defined. We are certainly opposed to any increase in railway rates, so far as intermediate and third-class passengers are concerned, and, therefore, by our consenting to this grant, it should not be assumed that we thereby consent to any increase in railway passenger fares.

The Honourable Mr. C. A. Innes : Sir, I recognise the consideration of the House in proposing a reduction of only 25 lakhs in this very large Railway Budget, and I shall take this motion as a general indication on the part of the House that it is up to the Railway Department and up to the Company Railways to exercise during the coming year the most rigorous economy consistent with efficiency and the due running of their trains; and, in that view, I have great pleasure in accepting the motion. (Hear, hear.)

I do not think after what I have said I need take up the various points that have been raised by the different speakers. With reference to what Mr. Kamat said in his speech on the previous motion, and what Mr. Neogy has just said, I do recognise that this rise in the working expenses is a very serious matter. Mr. Neogy has given you the figures. It is not merely the working expenses that have risen; that was only to be expected; but the operating ratio—the ratio of working expenses to gross receipts. That ratio has risen in a very alarming way and that is a very serious matter. The only thing I can say is that the case is exactly the same on Railways in other parts of the world. I have had an examination made in my office as to what the cause of this increase is. Since 1913-14, working expenses have risen by no less than 40 crores of rupees. In the same period—I have got the figures here—our Railway staff has increased from 633,000 to 750,000. That shows you with what a huge staff the Railways have to deal. Naturally, owing to the increase in the cost of living, their pay has had to be raised; so we have not only an increase of staff but also an increase of pay. That accounts for 14 out of the 40 crores increase. Then we have an increase in the case of fuel. Indian fuel has gone up, and, owing to the shortage of Railway transport facilities, we have to buy fuel from abroad. That accounts for 6 crores. Then there is an increase on programme revenue. In 1913-14, it was 3 crores. This year we have to spend the enormous sum of 8 crores. The explanation of that has been correctly pointed out by Mr. Neogy, namely, that during the last few years the Railways have been allowed to run down, and we have to put money into them rapidly in order to bring them up to the mark. And finally, we have an increased expenditure of 12 crores on repairs due to the increased cost of all stores and workshop expenses chargeable to the repair estimates. As I have said, I recognise that this increase in working expenses is a serious feature and, in accepting this motion, we in the Railway Department will make it our business to see that rigorous economy is effected in every branch of the Railway administration.

The motion was adopted.

Mr. President : The question is that a reduced sum, not exceeding. . . .

Dr. Nand Lal : On a point of order, Sir. I may point out that my motion which stands as No. 76 has not yet been touched upon. I stood up more than ten times and I was not given the chance of speaking.

Mr. N. M. Joshi: Am I to understand that all the other motions are withdrawn?

Mr. President: Order, order. I understand there is a complaint now against what was represented to me as the general feeling of the House that the discussion should take place on the other motion for reduction, and that any points Honourable Members desired to bring forward could be brought forward under that general discussion. I understand that the Honourable Member objects to that now.

Mr. N. M. Joshi: I was only asking for information.

Mr. President: The Honourable Member spoke on the earlier motion, and, if he desired to raise any point, he could have done so then.

Mr. Jamnadas Dwarkadas: Sir, I made a suggestion. I drew the attention of the Honourable the Finance Member as to a possible reduction that could be made. If the Honourable the Finance Member has anything to say on that subject I should like to hear it.

The Honourable Sir Malcolm Hailey: With your permission, Sir, I should be glad to make a statement on the point. It was raised originally, I think, on the 8th instant in this House. It refers to the item which the House will find on page 27 of the printed book, namely, Annuities in purchase of Railways. If the House will look further on and refer to page 303, they will see that the total sum given there is 'Annuities in purchase of Railways Rs. 5,03,62,000.' That consists (as shown on page 27), of two items, Rs. 1,67,00,000, which represents the exchange portion, and the remainder Rs. 3,35,00,000, making up the total of 503 lakhs. Now that Rs. 5,03,00,000 represents the total sum payable by way of interest and also payable by way of redemption on capital from revenue. The actual sum payable by way of redemption of capital from revenue is Rs. 1,17,00,000. You will find the figure given down towards the bottom of the column. On page 303, the Rs. 1,17,00,000 is included in the Rs. 5,03,00,000; the rest is interest. The interest proper is, as I think everybody will admit, a real charge against revenue. That can hardly be gainsaid. The question which I think Mr. Jamnadas Dwarkadas desired to put forward was whether the Rs. 1,17,00,000 was not a proper charge against capital. Now what is the nature of that charge? Many years ago we acquired certain Railways, and instead of paying off the shareholders, we entered into a transaction which constructively amounted to borrowing money from them, that is to say, we agreed to pay them in the form of annuities. The sum provided annually for redemption of the capital payable is, we hold, in the nature of a sinking fund and according to all commercial practice would be rightly discharged by revenue. I think any commercial man here will agree that as a pure matter of accounting it is rightly charged to revenue and could not rightly be charged to capital. I admit of course at the same time that, in view of our money difficulties, we might consider whether another course could not be taken with this particular sum but I hold that as a matter of accounts it has been rightly charged to revenue.

Mr. Jamnadas Dwarkadas: It might go to the capital account.

The Honourable Sir Malcolm Hailey: I would again point out the objection to taking it into the capital accounts, it is in reality a Sinking Fund

Mr. P. P. Ginwala (Burma: Non-European): Sir, has this House any power to pass a Resolution to this effect, that a particular Honourable Member do not speak for the rest of the day?

The Honourable Sir Malcolm Hailey: I hope, Sir, that that observation was not directed against me. But, if it were, I should accept the verdict of the House with resignation, and, I might also add, with gratitude.

Mr. President: The Honourable Member has only put a hypothetical question. I shall not answer him till he puts forward a practical proposition.

Mr. N. M. Joshi: I want to get information. I raised a question why certain details are given on page 6 of last year's statement and why they are omitted in this year's statement and there was no reply. I also want to ask another question, namely, why Rs. 16 lakhs spent on given land free to certain Railways has not been entered as capital account and has been entered in the revenue account. Land is capital and I do not know why land should not go to the capital account of the Government of India. These are my two questions.

The Honourable Mr. C. A. Innes: As regards the first question, regarding the form of the accounts, all I can say is that the Railway Department got the advice of the Finance Department that, owing to the need for economy, this form should be adopted. If the House would prefer any more detailed information to be given next year, it has only got to say so and the information will be given in the form in which the House wants it.

Mr. N. M. Joshi: If you want me to move a separate Resolution, I shall move my motion and put it to the vote. If you promise to give those details, I will not move.

The Honourable Mr. C. A. Innes: Perhaps it will suit the Honourable Member's views if I undertake to consider the form in which the Budget should be put forward next year with the Central Advisory Council.

The Honourable Sir Malcolm Hailey: Sir, I am afraid I cannot allow my Honourable colleague, Mr. Innes, to take that obligation on himself, since it devolves on me by Statute. But I may say a word of explanation to the House. We did our best to reduce somewhat the form of Demands for Grants not only on account of reasons of economy but also because we thought that we would be able to give the House information in a somewhat more compendious form. We have after somewhat consolidating the information, added footnotes explaining the reasons for changes. We have also published a memorandum explaining in a handy form the major items. In the simpleness of our hearts, we thought that the House would welcome what we had done; I expected indeed to receive a certain amount of congratulation from the House on the improvement which my friend, Mr. Aiyar, has effected. However, I will undertake if Honourable Members here would at any time kindly communicate to me suggestions in regard to any changes they think would be advisable in the form in which we present these somewhat voluminous statements, we shall do our best to meet them.

Mr. N. M. Joshi : What about my second question? It has not been answered.

Rai G. C. Nag Bahadur (Surma Valley *cum* Shillong : Non-Muham-
madan) : Sir, I want to move the motions standing in my name.

Mr. President : If one Honourable Member insists on his right, I must ask all to move.

Dr. Nand Lal : The motion that I stand up to move is :

‘That the demand under the head ‘Railways’ be reduced by 10 crores.’

Mr. President : We have not reached that yet.

Mr. N. M. Joshi : I do not propose to move my motion but I want the information I asked for.

Bhai Man Singh : The motion I move is :

Working Expenses, North-
Western Railway.

‘That the provision for the Working Expenses of the
North-Western Railway be reduced by Rs. 125.’

My only object in proposing this amendment is to draw the attention of my Honourable friend, Colonel Waghorn, the President of the Railway Board, to the paucity of Sikhs in the North-Western Railway. I asked certain questions on the 10th January to which my Honourable friend gave a reply. There is only one Sikh as Assistant Traffic Superintendent and one as Claims Inspector and none as Traffic Inspectors, though the total of these posts is 4⁰, 12 and 49, respectively. I want to draw the attention of the Honourable Member to this matter and to see that Sikh interests are given fullest consideration.

Colonel W. D. Waghorn : I think that I can deal with this question very shortly. I can assure the Honourable Member that, so far as Sikh interests are concerned, they will be dealt with equally with those of other communities.

Mr. F. McCarthy (Burma : European) : I move that the question be now put.

Rao Bahadur T. Rangachariar : I appeal to my friends behind me not to press any motions unless they have anything in particular to bring out. We have already as a Party reduced the demand by 25 lakhs and we have carried our motion.

Dr. Nand Lal : We shall not discuss the same points which have already been discussed, but shall refer to those questions which have not been adverted to.

Mr. President : Do I understand the Honourable Mover (Bhai Man Singh) to withdraw his motion?

Bhai Man Singh : Yes. I withdraw.

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

Mr. N. M. Joshi : I asked a question and I am awaiting a reply.

The Honourable Sir Malcolm Hailey : I think I can give the Honourable Member the reply he desires. He refers, I think, to page 6⁰. The reason why those charges are made to revenue and not to capital is that th

[Sir Malcolm Hailey.]

land is given entirely to subsidised Companies. We have no capital account for these Companies, with whose general financial arrangements we have little or no concern. If at any time we take these Companies over and buy them out, then we shall, of course, start a capital account for them. But for the small items which now represent our payment to them, it hardly seems worth while to start a separate capital account. As the House will see, the amount expended in some years has been as small as 3 lakhs of rupees. In the current year it is expected that we shall spend altogether 16 lakhs of rupees. I think, Sir, that that is the actual explanation why it is put down to revenue. However, I will give the Honourable gentleman an undertaking that I will go further into the matter.

Mr. F. McCarthy : Sir, I move that the whole Demand be now put.

The motion was adopted.

Dr. Nand Lal : On a point of order, Sir, I submit that my motions for reduction have not been referred to.

Mr. President : I did not hear the Honourable Member say 'No' when I put the closure. The closure has just been carried unanimously.

The question is :

'That a reduced sum not exceeding Rs. 73,67,79,000 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, 1923, in respect of 'Railways'.'

The motion was adopted.

IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS—INCLUDING EXPENDITURE IN ENGLAND.

Mr. President : The question is—

'That a sum not exceeding Rs. 14,32,000 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, 1923, in respect of 'Irrigation, Navigation, Embankment and Drainage Works— including expenditure in England'.'

Rao Bahadur T. Rangachariar : Sir, on reconsideration, the Party decides not to touch this Department.

The motion was adopted.

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

Mr. President : The question is :

'That a sum not exceeding Rs. 9,46,63,000 be granted to the Governor General in Council to defray the charge which will come in course of payment for the year ending the 31st day of March, 1923, in respect of the 'Indian Postal and Telegraph Department'.'

Mr. Pyari Lal Misra : Sir, I beg to move :

'That the provision of Rs. 1,25,760, Rs. 1,29,300 and Rs. 1,63,900, for 40 Telegraphists, 42 ex-Military Operators and 89 Military Telegraphists, respectively, under the sub-head 'Presidency and District 'Presidency and District Offices, Radio Offices' be omitted.'

offices, Radio offices.

If we turn to page 21, Appendix A, Posts and Telegraphs, we find from the foot-note that provision is made for opening new wireless stations and for the re-organisation of old stations. Now, Sir, I ask what necessity is there for these new wireless stations, for which you are going to provide 40 Telegraphists, 42 ex-Military Operators and 89 Military Telegraphists at a cost of over Rs. 4,18,000. We notice that in the year 1921-22 the cost was Rs. 18,000. Now the cost goes up to Rs. 29,760. Similarly, Military Operators, Rs. 8,000 and 129,000 and 89 Military Telegraphists, Rs. 123,000 and, so, Sir, it is going up every year.

I should like to know why it is that so many telegraphists are being provided for these new wireless stations. My particular point is that I am very anxious to know about these wireless telegraph stations,—the necessity for these telegraph stations, and, if I am convinced, I shall certainly withdraw my motion.

Mr. G. R. Clarke (Director General Posts and Telegraphs) : Sir, if we withdraw the three grants referred to by the Honourable Member, it means the total abolition of all the wireless telegraph operators in the country ; that is, that none of our wireless stations can work at all. We would be retaining the stations and the supervising staff, but we would have no operators. I hardly think that the House is prepared to face a situation like that. The position at present as regards the staff of wireless stations is this. We have 130 wireless operators divided into three classes, military operators, *ex-military* operators, *i.e.*, men who have been soldiers, and ordinary civilian telegraphists. Well, we are doing our best to develop wireless telegraphy in the country and to use our wireless stations to carry a certain amount of our commercial traffic. To do that, we find that, in the larger stations like the port stations, such as Calcutta, Bombay and Karachi, and in the large inland stations like Peshawar, Allahabad, Simla and others—there are ten in all—we require 8 operators for each station. For the smaller stations like Port Blair, Victoria Point, Naini Tal and Poona, of which there are nine, we require 6 operators for each station working 24 hours. That gives a total of 144 operators. Then we want 11 operators to go about with portable stations and also as a reserve for leave vacancies, the 171 operators put down in the Budget are made up with the addition of 16 men required for two new stations. The only two new stations which I have proposed to erect during the coming year are a station at Bombay and a station at Calcutta. Now the reason why we want these two new stations is that the present stations at Bombay and Calcutta are completely occupied with ship traffic. They have to listen in for 24 hours, and while working ship traffic for 24th hours they find it almost impossible to devote any of their time to internal traffic ; I think it is very necessary for both these places to have a separate ship station and to use their present stations for the internal wireless traffic of the country. Now, as regards Bombay we want to open a wireless outlet with Karachi. Karachi is unfortunately situated. It has to be served by very long overhead lines which at certain times of the year cause considerable trouble, due to natural causes such as salt deposit and other things, and I am very anxious indeed that Karachi should be brought into communication with Bombay by wireless working at high speed. We have tested high-power wireless, some of the gentlemen in the House have seen the tests of the apparatus put up in Metcalfe House—to show the value of this class of work. Well, those are the only two new stations which we are asking for. I am.

[Mr. G. R. Clarke.]

asking for a certain number of operators in order to make the wireless stations in the country really efficient. Now with regard to the new operators, of whom we want about 40, we are opening a class in Karachi, where we have our Wireless Research Institute for Indian operators on the 1st April, and that class is to be started with 50 operators. I propose that all these 40 new operators, shall be taken from this class of Indians, who are going to be trained in Karachi many of whom we hope, will be ready by August or September. So we are really providing an opening for the first time for Indians in the Wireless Department, and in future in the Wireless Department in India the supervising staff will be promoted from the actual operating staff; men will work their way up, some of them we shall send Home to England if they are good men. In time we may be able to train men ourselves for higher appointments and we do hope to develop a very large Indian section in wireless telegraphy and train men for this side of the work. That is one of my objects in asking for the extra number of operators during the coming year. The pay of the Indian operator is exactly the same as the pay of the European or Anglo-Indian operator. There is no distinction whatsoever in the Post and Telegraph Department. The pay is that of a General Service Telegraphist which begins at Rs. 80 and goes up to Rs. 225, and in addition, if a man takes up wireless, he gets Rs. 1-4 a day allowance. He also gets certain other allowances, such as house-rent.

Mr. K. B. L. Agnihotri Central Provinces Hindi Divisions : Non-Muhammadan) : What is the ratio of Indians and Europeans employed in this Department, the Wireless Department?

Mr. G. R. Clarke : At present in the Wireless Branch there are no Indians, for the simple reason that no Indians are available, but we are taking 50 Indians on the 1st April to train for this very work. But we have now to depend on military and *ex-military* men, because they are the only men who know anything about wireless.

There are very few of our own men who know anything about wireless.

Mr. K. B. L. Agnihotri : From whom will you recruit your staff?

Mr. G. R. Clarke : From the 50 Indians who are coming in on the 1st April. I could not bring them into training before as our training school has only just got going properly.

Mr. N. M. Samarth : Might I ask if the training imparted will be only mechanical or in the whole science and art of the subject?

Mr. G. R. Clarke : The men will be trained in the school in the whole science of wireless. They will be trained first as operators, as in the Telegraph Branch and those who show aptitude will be trained for supervising work and will subsequently become Deputy Assistant Engineers.

I do not think I need say more about this particular item. I am sure, after what I have said, that the house will accept these three demands for operators.

Mr. W. M. Hussanally : Might I inquire, Sir, if this wireless is for commercial purposes or for the military? If it is for the military, the expenditure ought to be met by that Department.

Mr. G. R. Clarke : The wireless in the country is being devoted entirely to commercial purposes, that is, the wireless of these stations to which I have referred, the stations which we are working. There is a certain amount of military work which is nearly all done by small military installations.

Sir Deva Prasad Sarvadhikary : I think, Sir, that we want considerable development in this connection in which we want to have Indians take their due part. This grant ought to be allowed unchallenged by the House as a whole.

Mr. Pyari Lal Misra : Sir, I beg leave to withdraw this motion, especially in view of the fact that Dr. Gour is going to move his own motion, also I will not move the rest of the motions standing in my name.

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

Dr. H. S. Gour : Sir, I move :

‘That the demand under head ‘Indian Postal and Telegraph Department Working Expenses’ be reduced by 10 lakhs’.

Indian Postal and Tele-
graph Department Working
Expenses.

After careful consideration we have decided to drop the original figure of 50 lakhs and limit retrenchment to only 10 lakhs. You will observe, Sir, that on the Indian Post Office and Telegraphs we spend as much as 12 crores of rupees. Consequently, a small reduction of 10 lakhs is in general pursuance of the policy of retrenchment which we desire the Government to pursue. We further wish to draw the attention of the Government to the complete Indianisation of the Indian Telegraph Department. The complaint of Members on this side of the House as regards the Indian Railways applies equally to the Indian Telegraphs. It has become a monopoly of the Europeans and Anglo-Indians, and we desire that these two great Services shall be nationalised. All that I have said in connection with the Indianisation of the Railway should, *mutatis mutandis*, be held to apply to the Indian Telegraph Department; and for that purpose I move that the reduction be made to the extent of 10 lakhs of rupees.

Mr. R. A. Spence : Sir, with reference to the remarks which have just fallen from my Honourable friend, Dr. Gour, I regret that the Honourable Member who so often speaks for his community in this House, my Honourable and gallant friend, Colonel Gidney, is not here to say a word on behalf of the Anglo-Indian community. But might I ask Dr. Gour whether the Anglo-Indian is not part of the great Indian national empire? He talks about nationalising the Services. Why should not the Anglo-Indian have a share in this nationalised Service? He is not a man out to get overseas pay or to draw large sums of money. He wants the same allowance made to him as the Indian has, and I hope that any scheme of Indianisation of the Indian Telegraph Department will not lead to the throwing out of the Anglo-Indian, who has done such good service in the past.

Rao Bahadur T. Rangachariar : Sir, I can sympathise with the spirit in which the Honourable Mr. Spence has thrown out the suggestion that the indigenous Anglo-Indian should not be thrown out of employment. But, Sir, this practice of employing Anglo-Indians, although they are Indians, in the Telegraph Department is based, not on the ground of providing employment for a certain class of Indians, but on the ground of distrust of the

[Rao Bahadur T. Rangachariar.]

genuine Indian. When the Government of Lord Minto in 1908 passed their Resolution they justified this employment on the ground of policy, namely, that in times of emergency, in times of war, it is necessary to have a telegraph staff on which we can rely. This preference for Anglo-Indians is based on that ground. That is why we resent this attitude on the part of Government when they reserve nearly 75 per cent. of the higher posts of telegraphists for Anglo-Indians. By all means let our Anglo-Indian friends come in by the fair field of open competition. But what distinction exists at present? An Indian, before he can be entertained, has to be a graduate, while an Anglo-Indian need only have passed the entrance examination. That is the principle which we object to. I hope and trust that the Government of to-day will drop this distrust of my countrymen, which we resent most bitterly. It is that attitude of Government which we object to. By all means let there be any number of Anglo-Indians, but we want a declaration from the Government that they do not employ a particular class on certain political grounds, but only on account of their competency and in order to open an avenue of employment to Indians.

Munshi Iswar Saran : Sir, the Honourable Member from Bombay has really raised a very interesting and important question. (*A Voice* : ' But not necessary. ') It is very necessary, for the reason that he, and others of his way of thinking, should clearly understand the attitude of Indian nationalists in the matter. We claim equality not only for ourselves but for Anglo-Indians and for *pucca* Europeans who are settled in this country. But what we say is this, do not give preference to any one community over another simply because it is a particular community. Sir, we would have raised this very objection if this entire Department had been filled, say by Hindus. I may assure my Honourable friend from Bombay that, if the policy of Government had been to fill the Telegraph Department with Hindus, as it has been filled with Anglo-Indians and Europeans, I would have still raised my voice of protest, because I consider that a policy of preference like this is injurious not only to the interests of any particular community but retards the evolution of nationality, to which we are looking forward with such great and eager interest.

Mr. Jamnadas Dwarkadas : Sir, I rise to support the motion moved by my Honourable friend, Dr. Gour. I appreciate the spirit of my Honourable friend, Mr. Spence, in taking up the cause of Anglo-Indians in the absence of the accredited representative of the Anglo-Indian community. I think what he meant was perhaps that, whatever demand we may make for the Indianisation of the Services, the Anglo-Indian must not suffer. (*A Voice* : ' Monopoly. ') I think it is a very well meant remark, but I assure my Honourable friend, Mr. Spence, that the demand for Indianisation that we rightly make in this House is based not on giving a privilege to any community or on asking for any privilege for our own community, but it is for keeping the doors of these services open equally to all communities. That, I think, is the real significance of the demand for Indianisation that is made. If the Anglo-Indian proves equally capable, let him by all means enjoy the position that he wants to enjoy, but what we do protest and protest rightly against, is the exclusion of many communities and the exclusive privileges given to a particular community. Unfortunately, the Anglo-Indian community has all the privileges at the expense of other communities in India, and we certainly

and justifiably demand that that exclusive right should no longer exist (Hear hear.)

Sir Deva Prasad Sarvadhikary : Sir, I should like to approach the question from the immediate Budget point of view. I take it, the object of this motion is to draw attention to the way in which expenses in the Department have been going up and which to a certain extent explains the unprecedented and unexpected losses with which we are met. From that point of view, I think a very pertinent question would be whether the expenses could not be kept down and the scale of expenses including pay be reduced where possible. I do not forget, Sir, that the scale of pay had to be increased in certain directions and in consequence of public agitation in that behalf. But, at the same time, we must not forget that the scale has in some cases been very high and that, I repeat, may be one of the reasons why we are met with the losses in the Budget which we have to make up. I fully endorse Mr. Iswar Saran's definition as to what the real Indian nationhood should be in the times ahead and I do not think there can be or will be the slightest dissent to the proposition that he has laid down and that was endorsed just now by Mr. Jamnadas, a proposition that I had enunciated in this Assembly not long ago almost in similar terms. We all agree that all those who are worthy and qualified should come in. But we should always see that the expenses are kept down wherever and whenever possible. And that is what we are inviting the head of the Postal Department to do, as far as lies in his power. It was not till this very minute that I had ever spoken to him, when I wanted certain information I can, therefore, speak without bias. Knowing the working of the Department for the last few years so long as he has been connected with it, one is bound to admit that a marked and growing tendency towards giving Indians better employment and higher status is to be noticed. There is hardly a Department in the State Service where Indians are as well treated as in the Postal Department. (*A Voice* : 'Not in the Telegraph Department'.) In the Telegraph Department there has been a difficulty, which we must recognise and which I believe, Mr. Clarke is trying to remove. But that was partly due to the peculiar circumstances of the service and the way it grew. For reasons that need hardly be gone into now, there had been a tendency practically to monopolise appointments for a particular community. I do not think we need go into the questions of political distrust or military expediency in this connection. That tendency is now nearing an end. (*Rao Bahadur T. Rangachariar* : 'Hope so'.) I have reasons to know that in certain cases the tendency is distinctly at an end and I am sure this is being done as an earnest of larger measures soon to be undertaken.

Mr. P. P. Ginwala : I move that the question be now put.

Mr. Darcy Lindsay (Bengal : European) : Sir, arising out of this motion for reduction of Post Office grant, I should like to refer to page 36, Appendix A and inquire of the Finance Member as to why particular entries there put down as capital outlay should be financed on Revenue account. We have already charged to capital account (I think I am correct in saying) Rs. 1,45,00,000 for renewal and extension of telegraph lines in particular. I find here an entry, Post Office buildings, Budget estimate Rs. 15,19,000. Surely, Sir, Post Office buildings must be chargeable to capital account. I see from my office windows in Calcutta a very fine building arising behind the General Post Office, which will have cost several lakhs and I maintain,

[Mr. Darcy Lindsay.]

that this is purely capital outlay and ought to be so dealt with in this year's Budget. We find an entry 'purchase of Stores in India.' Stores is a very wide expression. I do not exactly know what it means. (*A Voice* : 'It means Rs. 22 lakhs this year'.) The item is Rs. 22,60,000. I take it that 'stores' means 'supplies', which are really Capital account. Workshop labour and other charges are also probably applicable to those very stores. We also find our old friend 'Adjustment for exchange.' Now, Sir, if this item, Rs. 36,45,000 'Adjustment for Exchange' is due to purchase of those stores and the stores belong to Capital account, I maintain that the adjustment of exchange should also go to Capital account. When one makes a bad purchase on capital account, that account has to bear the loss. We do not reduce the loss by putting the charge under a different head. With these few remarks, Sir, I commend to the Finance Member a revision of these particular items and I suggest their exclusion from the Revenue Budget and their inclusion in the Capital outlay to which they properly belong.

Chaudhri Shahab-ud-Din (East Central Punjab: Muhammadan) : Sir, If my Honourable friend, Dr. Gour, meant by Indianising the Department to have it monopolised by Indians, as it is at present practically monopolised by the Anglo-Indian community, I would be the first man to dissent from him strongly.

But, as has been explained by some speakers, it is simply meant that the share which Indians deserve in that Department may be given to them, and I believe no Member of Government would disagree with that proposition as explained and put. There is no denying the fact that, in the Telegraph Department, the Indian element is yet in a hopeless minority, though, no doubt, in the Postal Department, the Indian element is now increasing and increasing rapidly.

But this is not the only complaint. There are concrete cases which I will place before the head of the Department separately. There are cases in which Indians, whose work has been appreciated, have actually been superseded by Anglo-Indians. There is a number of such cases. Therefore, so far as that aspect of the question goes, I am entirely with my friend, Dr. Gour, and those Members who have supported him.

The Postal Department is not only the most important Department of the Government of India, but the Department which is most economically worked. Those who have seen the stationery used by that Department, or those who have had occasion to refer to the Postal Guide, which is printed quarterly, will at once say that that Department is refused even the use of decent paper. Under these circumstances, the retrenchment even of Rs. 10 from the Budget of that Department will, in my opinion, be an act of injustice and not a vindication of principle. (Hear, hear.)

I may remind those Members of the House, who have never given thought to this point, that, before the War, ordinary telegrams used to be transmitted, at least from all first class offices, during the whole 24 hours. However, some time during the war, the orders were issued by the head of the Posts and Telegraphs Department, that ordinary telegrams were not to be transmitted for 24 hours, but only for 12 hours, and that order stands to the great inconvenience, I may add, of the commercial community of India.

But the only reason in my opinion, if I am surmising rightly, is that that Department cannot afford to employ sufficient establishment for that purpose. This is an additional reason why I would request the Honourable Mover to very kindly withdraw his motion and be satisfied with the expression of opinion which has been almost unanimously made by the House. I know that the sense of the House is with him and he may, if the matter is put to the vote, succeed in securing the retrenchment he seeks; but I would again, despite the heavy shake of his heavy head, request him not to press that motion but to very kindly withdraw it in the interest not only of himself but of the general public. Let me assure him that by that small retrenchment the Postal Department is not going to be paralyzed. That retrenchment, which is nominal and absolutely insignificant, is nothing, and I hope my request will not go in vain.

Mr. G. R. Clarke: Sir, I should like to deal very briefly with the point that has been raised regarding Anglo-Indians in the Telegraph Department, and say a very few words about the increase in our expenditure.

The original Telegraph Department was Anglo-Indian very largely. The General Service of the Telegraph Department was at one time, about 25 years ago, almost confined to Anglo-Indians and the reason is to be found in the history of the Department. The country was then divided into circles, which before 1854 had very little to do with each other. The Post Office was run by separate Postmasters General in different circles but the Telegraph Service was quite apart and telegraph operators had to serve all over the country. In those days it was not easy to get a Madras man to come up to the Punjab or a Punjab man to go to Madras. There grew up in the Telegraph Department two different branches, one was known as the General Service for men willing to serve in any part of India and Burma, and the other the local service for men who served only in a limited area. Originally the area for the local service was very limited and was confined to a single province. This General service naturally attracted Anglo-Indians, who were far more ready in those days to travel than Indians. But in recent years we have been steadily taking Indians into the General Service; and in a recent Committee presided over by Mr. Heseltine, the local service so called was abolished. There are a very few men left now in the local service, and we have established a service known as the Station Service, which is to comprise about one-fifth of the total staff of operators.

The Station Service men serve a single station such as Calcutta, Bombay, Madras and Karachi, they are not liable to transfer and the rate of pay is about the same as the local service rate of pay on the improved scale. The rest of the operators belong to the General Service and in transferring 400 Local Service men to the General Service, about 250 were Indians. There are no special privileges enjoyed by Anglo-Indians in the General Service of the Telegraphs. (Hear, hear.) The pay is exactly the same, the privileges are exactly the same, the type of work is exactly the same as done by Indians. We make our selection from the best men, whether Indian or Anglo-Indian.

There was one point raised by Mr. Rangachariar, which is a matter that does seem anomalous in our recruitment of these men. We recruit Indian graduates, because Anglo-Indian graduates are very hard to get. When an Anglo-Indian graduates, he does not care to come and

5 P.M.

[Mr. G. R. Clarke.]

work as a telegraphist. We try, however, to get men who have passed the Higher Cambridge Local Examination. We train these men, examine them carefully and if they do not give satisfaction we reject them summarily; so that we do insist on getting men of a certain type, men who will be good enough for our work. I would like once for all the House to understand that there is no racial distinction of any kind now in the Telegraph Department nor in the Post Office. There never has been. There is no differentiation in the rates of pay in any part of the Post and Telegraph Department. Among our Engineers there is the overseas allowance, which is the only difference that exists, but I don't know how long that is going to last.

At this stage Mr. Deputy President took the chair.

We are steadily endeavouring now to get more, we are not only endeavouring, but we are actually getting more Indians every day into the higher posts. We have got now two Indian Postmasters-General and we may have a third one before long. So you will see that I really do not think the charge of keeping Indians out of Government service can ever be levelled against the Department of Posts and Telegraphs, on the contrary we are doing our best to encourage them to come into the Department. In view of these remarks, I hope you will agree that the Indianisation of this Department of which over 95 per cent. are Indians, is almost complete. The increase in cost that is pointed out cannot be helped. Every business in the world has increased its cost of working. Our costs have gone up from 6 crores to 9,80,00,000. We cannot help it. I do not suppose that there is a business anywhere in the world whose working expenses have not gone up. We have done our best to keep expenses down, but, as Mr. Rangachariar knows, about 2 crores have been spent on the pay of the subordinate staff and 66 lakhs have been debited against the Department as interest on fixed capital, which has never been taken into account before last year. This accounts for 2,66,00,000 straight-away, a sum which we had possibly power to curtail. The rest of the increased charge is the ordinary increase in expenses which have to be met by everybody. I hope in these circumstances you will agree to the demand which we have made and which has already been very very heavily cut down by the Finance Department, to an extent of 100,00,000. The demand that is made is only a fair one for the efficient working of the Department.

An Honourable Member : I move that the question be now put.

Mr. Deputy President : The question is :

'That the demand under head 'Indian Postal and Telegraph Department Working Expenses' be reduced by 10 lakhs'.

Mr. Darcy Lindsay : Sir, I want a reply from the Honourable the Finance Member.

Mr. Deputy President : I am afraid you are too late for that.

The Honourable Sir Malcolm Hailey : He can have his reply when the substantive question comes up.

The Assembly then divided as follows :

AYES—46.

Abdul Majid, Shaikh.	Manmohandas Ramji, Mr.
Agarwala, Lala G. L.	Man Singh, Bhai.
Agnihotri, Mr. K. B. L.	Misra, Mr. B. N.
Aiyer, Sir P. S. Sivaswamy.	Misra, Mr. P. L.
Akram Hussain, Prince A. M. M.	Mudaliar, Mr. S.
Asjad-ul-lah, Maulvi Miyan.	Mukherjee, Mr. J. N.
Ayyangar, Mr. M. G. M.	Nabi Hadi, Mr. S. M.
Ayyar, Mr. T. V. Seshagiri.	Nag, Mr. G. C.
Bajpai, Mr. S. P.	Nand Lal, Dr.
Barodawala, Mr. S. K.	Nayar, Mr. K. M.
Bhargava, Pandit J. L.	Neogy, Mr. K. C.
Chaudhuri, Mr. J.	Ramayya Pantulu, Mr. J.
Das, Babu B. S.	Rangachariar, Mr. T.
Das, Pandit R. K.	Reddi, Mr. M. K.
Ginwala, Mr. P. P.	Samarth, Mr. N. M.
Girdhardas, Mr. N.	Shahani, Mr. S. C.
Gour, Dr. H. S.	Singh, Babu B. P.
Gulab Singh, Sardar.	Sinha, Babu Ambika Prasad.
Iswar Saran, Munshi.	Sinha, Beohar Raghurir.
Jamnadas Dwarkadas, Mr.	Srinivasa Rao, Mr. P. V.
Jatkar, Mr. B. H. R.	Subrahmanayam, Mr. C. S.
Joshi, Mr. N. M.	Subzposh, Mr. S. M. Z. A.
Mahadeo Prasad, Munshi.	Thackersey, Sir Vithaldas D.

NOES—37.

Abdul Quadir, Maulvi.	Innes, the Honourable Mr. C. A.
Abdul Rahim Khan, Mr.	Kabraji, Mr. J. K. N.
Aiyar, Mr. A. V. V.	Keith, Mr. W. J.
Bagde, Mr. K. G.	Lathe, Mr. A. B.
Bradley-Birt, Mr. F. B.	Lindsay, Mr. Darcy.
Bray, Mr. Denys.	McCarthy, Mr. F.
Bryant, Mr. J. F.	Mitter, Mr. K. N.
Chatterjee, Mr. A. C.	Percival, Mr. P. E.
Clarke, Mr. G. R.	Renouf, Mr. W. C.
Cotelingham, Mr. J. P.	Rhodes, Mr. C. W.
Crookshank, Sir Sydney.	Schamnad, Mr. Mahmood.
Dalal, Sardar B. A.	Shahab-ud-Din, Chaudhri.
Dentith, Mr. A. W.	Sharp, Mr. H.
Faridoonji, Mr. R.	Spence, Mr. R. A.
Fell, Sir Godfrey.	Vincent, the Honourable Sir William.
Habibullah, Mr. Muhammad.	Waghorn, Colonel W. D.
Hailey, the Honourable Sir Malcolm.	Way, Mr. T. A. H.
Hullah, Mr. J.	Zahiruddin Ahmed, Mr.
Ikramullah Khan, Raja M. M.	

The motion was adopted.

Rao Bahadur T. Rangachariar : I merely formally move this motion* about the Indo-European Telegraph Department more to elicit information about the nature of the arrangements which now exist between the Home Government and this Government and also to ascertain what economy can be made in that direction.

Colonel Sir Sydney Crookshank (P. W. D. Secretary) : Sir, the demand under this heading stands, as will be seen by a reference to page 30 of the book of Demands for grants, at Rs. 16,40,000, and in this connection I may perhaps inform the House that the position of the Indo-European Telegraph Department is rather an unusual one and that this

* 'That the demand under the head 'Indo-European Telegraph' be reduced by Rs. 82,000.'

[Sir Sydney Crookshank.]

Department is a source of considerable revenue to the Government of India. On a capital expenditure up to the year 1918-19 of $1\frac{1}{2}$ million pounds the dividends to the Government of India amounted to no less than 14 per cent. Last year, owing to the position in Mesopotamia, and trade depression generally, the interest fell to 11 per cent. In any case, this is a case of a gift horse, and, as such, I hope the Honourable Members of this House will not look at it too closely in the mouth.

Mr. Deputy President: Order, order. I take it that the Honourable Member is referring to Mr. Rangachariar's motion No. 94.

Colonel Sir Sydney Crookshank: I understood Mr. Rangachariar to have moved his motion No. 98 on the Agenda.

Mr. Deputy President: Does the Honourable Member withdraw his motion No. 94?

Rao Bahadur T. Rangachariar: That is withdrawn: I am not moving it. Nos. 94, 95 and 96 all go out.

Mr. Deputy President: The question is:

'That a reduced sum not exceeding Rs. 9,36,63,000 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, 1923, in respect of the 'Indian Postal and Telegraph Department'.'

Mr. Darcy Lindsay: Am I in order in asking for a reply to my question?

The Honourable Sir Malcolm Hailey: I have also been seeking an opportunity to reply to the Honourable Member, for experience has made me nervous of omitting to give replies to questions directed to me. The question of the Honourable Member referred to certain figures on page 36 of Appendix A. He desired to know why we did not debit post office buildings to Capital rather than to Revenue. He also desired to know why certain stores and the adjustment for exchange on those stores were not debited to Capital instead of to Revenue. Now the House will remember that, last year, on the motion of Mr. Samarth, we undertook to debit certain telegraph expenditure to Capital, our proposal at the time was to debit one crore of rupees. Subsequently, when we went into the case, we found ourselves able to debit Rs. 1,28,00,000 to Capital, and in the present year we are debiting about a crore and a half of rupees to Capital. We have not yet entirely concluded the investigation, to which I have more than once referred, as having been entrusted to the chartered accountants into the exact nature of our distribution between Capital and Revenue, but take a crore and a half of rupees which we propose to take to Capital is mainly on account of telegraph buildings, telegraph lines and telegraph apparatus. So far, we have not placed any post office expenditure to Capital. The case with regard to the investigation of post office expenditure has not proceeded so far as that in regard to telegraph expenditure.

It is for that reason that we have not this year put down any post office buildings to capital. But as regards Stores I can of course give a more complete

reply. If you will cast your eye lower down the page you will find a debit to Capital of one hundred and two lakhs. That includes not only stores purchased in India but those bought in England. We also charge to Capital a proper share of the exchange adjustments on those stores. I hope that reply will satisfy my Honourable friend. All stores that can properly be debited to Capital are so debited; that is the case as regards Telegraphs; and, as I have already said, we are examining the items of post office expenditure, and as soon as our investigations are complete we shall, after consulting the Auditor General, be able to take a more definite line on the subject.

Mr. J. Chaudhuri : May I ask the Honourable Member, if these stores were debited to capital account, would not depreciation have to be written off from year to year? In the case of buildings, of course, it is different. There large expenditure is necessary and we may raise the capital. Loan will eventually be paid out of the Sinking Fund. But in the case of stores, which are more perishable, it is doubtful whether we should debit them to capital, unless we provide for depreciation. So may I ask the Finance Member whether it will not be proper to debit the stores to revenue account rather than to capital account unless we show in our accounts an annual debit on account of depreciation in the stores.

The Honourable Sir Malcolm Hailey : The stores which are debited to the capital account are only those which are utilised for capital purposes. They include articles such as telegraph lines and posts and other apparatus which has a long life. However, the question of depreciation is one of those items which we shall examine further when we are considering the report of the Chartered Accountants.

Mr. Deputy President : The question is :

'That a reduced sum not exceeding Rs. 9,36,63,000 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, 1923, for the 'Indian Postal and Telegraph Department'.'

The motion was adopted.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

Mr. Deputy President : The question is :

'That a sum not exceeding Rs. 16,40,000 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, 1923, in respect of 'the Indo-European Telegraph Department'.'

Rao Bahadur T. Rangachariar : Sir, I have already said what I had to say out of place. I now repeat the same thing :

'That the demand under the head 'Indo-European Telegraph Department' be reduced by General reduction. Rs. 82,000.'

Colonel Sir Sydney Crookshank : Sir, to resume my discourse. As I pointed out to the House, this is somewhat in the nature of a gift horse and we must not look into its teeth too narrowly or too closely. The profits derived from the Indo-European Telegraph Department fell from 14 per cent in 1918-1919 to about 11 per cent. in 1919-1920. The position, which is rather an extraordinary one, is that the Indo-European Telegraph Department is controlled by the Secretary of State and therefore its position *vis-à-vis* the Legislative Assembly is naturally somewhat of an anomaly. Of late we have been looking into the position and have considered possible alternatives in dealing with this Department, one of them being that my Honourable friend, Geoffrey Clarke, should take it into the Posts and Telegraphs Department.

[Sir Sydney Crookshank.]

But there are a great many objections to this, which I need not enumerate here. Another alternative was to lease it out to the Indo-European Telegraph Company who already possess very large interests in Persia and carry on the telegraph lines beyond Teheran and Fao. The Indo-European Telegraph Department, I may explain, controls the cables up the Gulf and by land lines to Teheran and Fao. These alternatives are under consideration now by the Government of India. The existing arrangements are that the Secretary of State controls the Department and submits his budget to us which is in due course examined in my Department and submitted to the Standing Finance Committee. In this particular case I think my friends in the Standing Finance Committee will bear me out when I say that very great reductions indeed were carried out by them, that is to say, they cut out all the new items that had been put in by the Secretary of State and only sufficient has been left to carry on the duties of the Department. If Honourable Members will kindly look at page 62 of Appendix A under the details of estimated receipts in England, they will see an item there of minus Rs. 15,00,000. That, I may point out to the House, is the share of the joint purse which the Foreign Office make over to the Secretary of State. This large windfall as will be noticed varies anywhere between 21 and 15 lakhs per annum, and it will also be observed that the net revenue on account of this Department amounts to no less than Rs. 9,50,000. The financial position is, therefore, as all commercial Members will agree with me, an extremely satisfactory one. Since the Secretary of State entirely controls the Department, it amounts to this that the Government of India without even so much as to speak getting out of bed simply put out their hand and grasp a considerable annual revenue from the working of this Department. I would therefore suggest to the House that they should leave the account as it stands and not accept my Honourable friend, Mr. Rangachariar's demand for a reduction by no less an amount than Rs. 82,000, which by the by I notice he has not formally moved.

Rao Bahadur T. Rangachariar : Sir, in view of the statement made by the Honourable Member (Sir Sydney Crookshank) I do not press my motion. The motion was, by leave of the Assembly, withdrawn.

Mr. Deputy President : The question is :

'That a sum not exceeding Rs. 16,40,000 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, 1923, for the 'Indo-European Telegraph Department'.'

The motion was adopted.

Mr. R. A. Spence : Sir, I move that the consideration of Demand No. 13 be postponed till to-morrow.

INTEREST ON MISCELLANEOUS OBLIGATIONS.

Mr. Deputy President : I am afraid that is out of order as we are now to take up No. 12.

The question is :

'That a sum not exceeding Rs. 3,23,63,000 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, 1923, for 'Interest on Miscellaneous Obligations'.'

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 16th March, 1923.