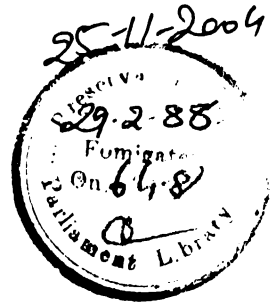


THE
COUNCIL OF STATE DEBATES
(Official Report)

Volume IV, Part I

(From the 30th January to the 25th March 1924)

FOURTH SESSION
OF THE
COUNCIL OF STATE, 1924



DELHI
GOVERNMENT CENTRAL PRESS
1924

	PAGES.
FRIDAY, 29TH FEBRUARY 1924—	
Member sworn	331
Questions and Answers	331—332
Bills passed by the Legislative Assembly	332
Amendment of the Council of State Standing Orders	333—334
Indian Succession Bill (Referred to Joint Committee)	334—340
The Budget for 1924-25	340—348
Statement of Business for Thursday, the 6th March and Friday, the 7th March 1924	348—349
WEDNESDAY, 5TH MARCH 1924—	
Member sworn	351
Questions and Answers	351—355
Bill as passed by the Legislative Assembly laid on the table	355
Election of the Select Committee on the amendment of the Standing Orders of the Council of State	356
Discussion of the Budget on Friday and Saturday, the 7th and 8th March 1924	356—357, 377
Resolution re survey of irrigation possibilities and the organisation of power lift irrigation from wells (Adopted)	357—377
THURSDAY, 6TH MARCH 1924—	
General Discussion on the Budget	379—381, 399—400
Indian Coinage (Amendment) Bill (Passed as amended)	382—392
Central Board of Revenue Bill (Passed)	392—395
Indian Penal Code (Amendment) Bill (Passed)	395—399
Photograph of the Council and attendance of members at the unveiling ceremony of the War Memorial, Raisina	399
Statement of Official Business for Tuesday, the 11th March 1924	399
FRIDAY, 7TH MARCH 1924—	
Questions and Answers	401—406
Congratulations to the Honourable the President on his appointment as Home Member	406—411
General discussion on the budget	411—482
MONDAY, 10TH MARCH 1924—	
Member sworn	483
Questions and Answers	483—484
Bills as passed by the Legislative Assembly	484
Message from the Legislative Assembly	484
Indian Tolls Bill	484—485
Allotment of further time for the general discussion on the budget	485
Resolution re appointment of a Public Service Commission (Not moved)	485
Resolution re instructions to the Colonies Committee with regard to the Kenya Immigration Bill, etc. (Withdrawn)	486—504
Resolution re appointment of a Leader of the Indian delegation to the Assembly of the League of Nations in 1924 (Withdrawn)	504—508
Resolution re establishment of pioneer sugar factories and the promotion of sugarcane cultivation (Adjourned till the 12th March 1924)	508—512
TUESDAY, 11TH MARCH 1924—	
Questions and Answers	513—516
Indian Tolls Bill	516—517
Death of Mr. G. M. Bhurgri	517—519
Repealing and Amending Bill (Passed)	519
Resolution re ratification of the international convention for the suppression of the circulation of, and traffic in, obscene publications (Adopted)	520—527
Statement of official business for Thursday, the 13th March 1924	527—528

COUNCIL OF STATE.

Friday, the 29th February, 1924.

The Council met in the Council Chamber at Half Past Four of the Clock, the Honourable the President in the Chair.

MEMBER SWORN.

The Honourable Dr. Dwarkanath Mitter (West Bengal: Non-Muhammadian.)

QUESTIONS AND ANSWERS.

SCOPE OF THE COLONIES COMMITTEE.

110. THE RIGHT HONOURABLE V. S. SRINIVASA SASTRI: (a) Is it a fact that Sir Tej Bahadur Sapru has stated publicly that the Committee to be appointed by the Government of India in pursuance of the proposal made by him at the last Imperial Conference in London and accepted by all members thereof, except General Smuts, will confer directly with the Colonial Office, and that in that way a departure will be made in the constitutional status of India?

(b) Has the Secretary of State for India in Council formally accepted this position and agreed not to participate in the negotiations between the Committee of the Government of India and the Colonial Office?

(c) Will the Committee be instructed to deal with any cases besides that of Indians in Kenya? If so, what?

(d) Will the Committee be instructed to proceed to Kenya, if it be thought desirable?

(e) What will be the name by which the Committee will be designated in official documents?

(f) Is it intended to employ this Committee or some other agency for negotiating with the Dominion of Canada on behalf of Indians in British Columbia? If some other agency, what?

THE HONOURABLE SIR NARASIMHA SARMA: (a) Yes.

(b) and (f) At present I am not in a position to make any statement, but I will let my Right Honourable friend know when I can do so.

(c) Not at present.

(d) The matter will be considered if the Committee so desires.

(e) Colonies Committee.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Will the instructions to the Committee be made public in any way? Will the Legislature be in any way consulted?

THE HONOURABLE SIR NARASIMHA SARMA: There is no intention at present to make the instructions public.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Will the Government consider the desirability of making the instructions public?

THE HONOURABLE SIR NARASIMHA SARMA: Certainly.

THE HONOURABLE MR. G. A. NATESAN: From the answer of the Honourable Member, I understand this Committee will be called the Colonies Committee. I hope it includes not only Crown Colonies, but the Dominions as well.

THE HONOURABLE SIR NARASIMHA SARMA: The definition of "Colonies" is very wide and extensive and comprehends both. *

THE HONOURABLE MR. G. A. NATESAN: Will the Honourable Member consider the desirability of changing it to Dominions Committee, as I understand that will be more in consonance with the public wishes.

THE HONOURABLE SIR NARASIMHA SARMA: I fear not, if you say it is the Dominions' Committee, it may not include or be deemed to include Crown Colonies, whereas the term Colonies is comprehensive and I believe includes Crown possessions called Colonies and Dominions.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Would not "Colonies and Dominions Committee" be comprehensive enough?

THE HONOURABLE SIR NARASIMHA SARMA: There seems to be no need for it, but if there is any necessity for a change, the Government need not necessarily restrict the designation to the word "Colonies"; but at present they do not see any necessity for it.

RETRENCHMENT ESTABLISHMENT CHARGES ON STATE RAILWAYS.

111. **THE HONOURABLE LALA RAM SARAN DAS:** Will the Government be pleased to give a reply now to my question* No. 43 asked by me in the Council on the 16th July last?

THE HONOURABLE MR. D. T. CHADWICK: All available information on this subject is embodied in annexures A and B to the explanatory memorandum of the Railway Budget which will be distributed to members in the course of this afternoon.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY.

THE SECRETARY OF THE COUNCIL: In accordance with rule 25 of the Indian Legislative Rules, I lay on the table the Bills which were passed by the Legislative Assembly at its meetings held on the 25th and 27th of February 1924. They are as follows:

1. A Bill further to amend the Indian Coinage Act, 1906, for certain purposes.
2. A Bill to provide for the constitution of a Central Board of Revenue and to amend certain enactments for the purpose of conferring powers and imposing duties on the said Board.
3. A Bill further to amend the Indian Penal Code for certain purposes.

*Vide p. 1489 of Council of State Debates, Vol. III.

AMENDMENT OF THE COUNCIL OF STATE STANDING ORDERS.

THE HONOURABLE MR. J. CRERAR (Home Secretary): I move for leave to amend the Standing Orders of the Council of State by adding to them a Standing Order in the form* below, relating to the quorum of members of Select Committees. The inconvenience which this proposed amendment of Standing Orders is designed to correct is, I admit, an inconvenience which has not been very sensibly felt, in my experience at least, in the proceedings of this House, but it has been felt in another place. When there is heavy pressure of legislation, and a considerable number of Bills are under consideration, it has occasionally occurred that important measures have been deliberated on in Select Committee by what was generally regarded as an inadequate number of Members. It is designed, by the amendment which I propose, to secure in future that the House will itself fix the quorum, and in the event of the Chairman of the Select Committee finding that a quorum has not been obtained, he may take certain further action in the matter. As I have said, that inconvenience is not one which has, as a matter of fact, been very sensibly experienced in our proceedings, but I think it would be a distinct improvement in our Standing Orders if we had a provision which will remove the possibility of that contingency. And, as a further commendation of the proposal I submit to the House, I may mention that it will bring our Standing Orders more into compliance with the Standing Orders of Parliament in this matter. I shall make the motion standing in my name with the permission of the House.

THE HONOURABLE THE PRESIDENT: When a Standing Order is proposed for amendment it is my duty to read the particular amendment to the Council and ask whether the Member has the leave of the Council. The particular amendments before the Council are as follows:

"39-A. (1) At the time of the appointment by the Council of the members of a Select Committee the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be fixed by the Council.

(2) If at the time fixed for any meeting of the Select Committee, or if at any time during any such meeting, the quorum of members fixed by the Council is not present, the chairman of the Committee shall either suspend the meeting until a quorum is present or adjourn the Committee to some future day.

(3) If any action is taken by the chairman in pursuance of sub-order (2) on two successive dates fixed for meetings of the Select Committee, the Chairman shall report the fact to the Council."

I would ask those Members who are in favour of leave being granted to rise in their places.

(The Honourable Members accordingly rose in their places.)

THE HONOURABLE THE PRESIDENT: The Honourable Member has the leave of the Council.

*"39-A. (1) At the time of the appointment by the Council of the members of a Select Committee the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be fixed by the Council.

(2) If at the time fixed for any meeting of the Select Committee, or if at any time during any such meeting, the quorum of members fixed by the Council is not present, the chairman of the Committee shall either suspend the meeting until a quorum is present or adjourn the Committee to some future day.

(3) If any action is taken by the chairman in pursuance of sub-order (2) on two successive dates fixed for meetings of the Select Committee, the chairman shall report the fact to the Council."

THE HONOURABLE MR. J. CRERAR: Then, Sir, I formally make that motion, and I also move that the proposed amendment be referred to a Select Committee.

THE HONOURABLE THE PRESIDENT: The question is that this amendment be referred to a Select Committee.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: There is a special rule, I see. The rule as regards these Committees is a special one and runs as follows:

"If that motion is carried the draft amendments shall be referred to a Select Committee of which the President shall be Chairman and one of the Chairmen of the Council to be nominated by the President shall be a member. The remaining members who shall be seven in number shall be selected by the Council by means of the single transferable vote in accordance with the regulations framed in this behalf by the President."

In those circumstances we must have time and I would suggest that we fix the nomination of members to the next day when this Council meets, which will be Wednesday.

INDIAN SUCCESSION BILL.

THE HONOURABLE SIR ALEXANDER MUDDIMAN: I beg to move:

"That this Council do recommend to the Legislative Assembly that the Bill to consolidate the law applicable to intestate and testamentary succession in British India be referred to a Joint Committee of this Council and of the Legislative Assembly, and that the Joint Committee do consist of 12 Members."

As Honourable Members will recollect, the Council directed the circulation of this Bill on the 27th July last. The circulation has now been carried out and the opinions have been received, and I think have been in the hands of Members for a considerable time. The last opinion was I think circulated some three weeks ago and on this occasion it will be admitted that the motion is not premature. The last occasion this Bill was before the Council was last July and, therefore, nearly six months have elapsed since then. There can, I think, be no suggestion of any desire to hurry this Bill through the Council. Nothing would be further from my wish, because it is entirely a legal Bill and it must be carefully considered in every way.

When the Bill was last before Honourable Members, I gave my reasons, which were acceptable to this Council, for the somewhat unusual course of circulating a consolidation measure. I do not think the Council will wish me to repeat them here. The main reason is that this is a Bill which deals with a large body of law enacted at different times on a most important subject. Once this Council has directed opinions to be collected on a Bill, it follows, speaking generally as a matter of course, that we should have a Committee to consider the opinions. It is not possible to consider on the floor of the House opinions on a Bill in the detailed manner which is necessary. You require a Committee. I think the Council will agree on that point. That is why I am asking for a Committee now.

The next point I have to make is to explain why I am asking for a Joint Committee and not a Select Committee of this House. Well, I suggest to this House that a consolidation Bill, if it is referred to a Committee at all, is more appropriately referred to a Joint Committee, because what you want to do is to get the largest amount of legal talent available

and that you do by drawing on both Houses. The points which arise in consolidation Bills are nearly always—I think I may say always—legal points. That is why I have adopted the course of asking the Council to agree to a Joint Committee. I may say that in taking this course I have the unanimous support of the Statute Law Revision Committee who, of course, are the real promoters of this Bill and who are, as you know, composed of Members of both Chambers. I took the opportunity at a recent meeting to bring this argument before them.

A reference to a Joint Committee, just like a reference to a Select Committee, commits the House to the expression of general approval of the principles of the Bill. The general principles of a consolidation Bill are consolidation; and, if the House accepts this motion, it means that it is of opinion that the law dealt with should be brought within the compass of a single Act. The opinions received on that point are unanimous with one somewhat notable exception, to which I must invite the attention of Honourable Members. With that exception, all the High Courts, all the Local Governments, all the Bar Associations, all the legal Associations consulted, are unanimously of opinion that consolidation is not only advisable but they strongly recommend it. There is one opinion, however, to the contrary and I will read it to the Council. It is the opinion of the Madras Government which runs as follows:

“His Excellency the Governor in Council agrees with the conclusion of the Honourable Mr. Justice Coutts-Trotter and is inclined to the view that what is wanted is the enactment of a few simple rules to suit Indian conditions and that the proposed codification is of doubtful utility.”

The opinion of the High Court of Madras, which is based on that of the distinguished lawyer to whom I have just referred, is the only opinion the Madras Government have sent up except that of their Advocate General who is in favour of consolidation. I confess that when I first read the Madras letter I got a mild shock. The advantages of consolidation have been so generally recognised that I began to wonder what it was that this opinion really implied. I said to myself—had we done our work so badly or so carelessly that the Honourable Judge looking at the Bill came to the conclusion that the consolidation must be opposed. Well I, and I have no doubt many other members of the Statute Law Revision Committee, were considerably relieved to find that this was not so. It is not suggested that the consolidation has been badly done. It is not suggested there is anything wrong with the consolidation *qua* consolidation. Two objections are taken in the opinion. The first objection is that the present law is unsatisfactory and that a new law ought to be enacted. If the Council accept that view, it seems to me that it is an argument for bringing in an amending law, but it is not in itself an objection to consolidation. You cannot improve the substance of the law by purely consolidating it. I never suggested you could. It is not therefore necessary to my brief to go deeply into that point. The Bill does not, and has never pretended to, alter the law. It merely brings it together in a convenient form. It is further suggested that what is required are a few simple rules of construction. Now I wish to be quite fair to the criticism. I think that what the Honourable Judge has in mind is a certain branch of the law which has no doubt occasioned much litigation—that is to say, the branch of the law which deals with the construction of Hindu wills. That is what the Honourable Mr. Justice Coutts-Trotter probably had in mind: but I would in the first place point out that the Bill contains a great deal more than the law

[Sir Alexander Muddiman.]

relating to the construction of Hindu wills. It contains the whole of the law, other than the Hindu and Muhammadan law, of succession, the whole of the Statute law of intestacy; it deals with the whole of the law regarding executors and administrators. As regards the main body of the law, I have never heard—and I appeal to the members of the legal profession who are present in this Chamber in considerable numbers for confirmation, I think they will support me in that—that any general objection has ever been taken to the suitability and adequacy of the provisions to which I have referred. There have been proposals no doubt to improve them in details, but no general attack. I certainly do sympathise with the difficulties that have been felt in the construction of Hindu wills, but I submit with all respect to the distinguished opinion to which I have referred that, that is not a valid reason for delaying the present consolidation. However, if my Honourable friend the Law Member is prepared to tell me or rather to tell the House that within a reasonable period he is prepared to bring forward a Bill containing a few simple rules to suit Indian conditions to replace the law which has been in force here for many years, I shall be quite prepared, with the permission of this House, to withdraw my present motion.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): I regret, Sir, that I am not prepared to bring forward such a Bill.

THE HONOURABLE SIR ALEXANDER MUDDIMAN: The reply of my Honourable friend is not altogether unexpected. I have had some experience myself in the preparation of Bills and I think—I have no doubt that my Honourable friend the Law Member is also of the same opinion—that the reduction of any branch of the law to a few simple rules is not a matter of simplicity. It is very difficult. I may tell the House in this connection that a distinguished Secretary of State once desired that the whole of the law relating to the Government of India should be codified in so compendious a form that it could be written on the back of a post-card. Those instructions were issued to the most distinguished draftsman in England who received them with some alarm. In the end, after years of labour, the consolidation of the Acts relating to the Government of India was effected in the form which is familiar to Honourable Members; but I think if the contents of that Act were written on the back of a post-card, the document would occasion difficulties to the postal administration.

The other objection taken was that the present consolidation would crystallise the existing law. The answer to that seems clear to me. Crystallisation of the law had already occurred when the law was embodied in an Act; whether it is in one Act or whether it is in five or more Acts does not matter. When you put the law in an Act it is crystallised, and therefore that is no objection to the present consolidation. If there has been crystallisation, it has taken place already. This Bill merely replaces a number of Acts by one Act. You had crystallisation already. Therefore I suggest that it is not in fact a valid objection.

Here again on both points I have the support of my Committee. In fact a good deal of what I have said has been inspired by the discussions I had with the very distinguished lawyers who sat on the Committee.

As regards the other opinions received on the Bill, I may say that the Bill has been examined by several authorities with great care; very valuable suggestions have been made, which fully merit the careful consideration of the Joint Committee; many of them deal with matters which

are really within the scope of a consolidation Bill. There are others which, however valuable they may be—and I do think that one or two of them are exceedingly valuable—are not within the scope of a consolidation Bill. They are suggestions for the amendment of the law and I would recommend them to the careful consideration of my Honourable friend the Law Member to whose department that branch of the work pertains and not to me as in charge of this Bill. With these words I commend the motion for the best consideration of the Chamber, and I hope the House will be prepared to accept it.

THE HONOURABLE SIR MUHAMMAD RAFIQUE (Delhi: Nominated Non-Official): I rise, Sir, to support the motion which has been made by you. If I were to say anything, it would be going over the same ground as you have gone over. I can say by personal experience that the proposed consolidation of the law which is scattered over many Acts is extremely useful. It is very inconvenient both to the practitioner and to the Bench to hunt up the law in a dozen books on any point that is under argument before a Court. Whatever difference of opinion there might be with regard to the codification of any particular law, there can be none to my mind against the consolidation of a branch of law that is contained in several Acts. I have been nominated to the Statute Law Revision Committee only lately and have attended only one meeting. This particular Bill was under consideration of the Committee at the meeting that I attended. I have not had time to go through each and every clause of the Bill; but from the discussion that took place at the time I could say that the consolidation had been made with great care. The proposal that you have made at present, Sir, to refer the Bill, as it is framed now in a consolidated form, to a Joint Committee, will no doubt lead to the more careful consideration of the Bill and rectification of defects if any. As to the objection of Mr. Justice Coutts-Trotter for whom I have great respect you have, Sir, already met it. As you have justly remarked, his objection does not apply to the consolidation but really to the state of the law as it is. He says there ought to be a few simple rules of construction. Probably that remark is made in the interests of the laymen. I have heard it said since I was a law student in England that the worst wills were made by Lord Chancellors who admittedly know the rules of construction. Human ingenuity up to this time has not been able to discover a few simple rules of construction which would render the construction and interpretation of all wills, simple and easy. There are rules in existence which are simple common sense rules enabling one to find out the intention of the testator and those who administer the law to act upon them. I think that the present Bill does very useful work by, as I say, consolidating the law that is now found in several enactments and for which both the lawyer and the judge have to consult several Acts whenever there is any difficult point in question. I therefore second the motion made by the Honourable Sir Alexander Muddiman.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, in rising to support the motion which is now before the House, I desire to offer a few brief observations regarding the suggestion made by the Madras Government based, as Honourable Members have already been informed, on the opinion of that highly experienced and learned judge, Mr. Justice Coutts-Trotter. Now, the suggestion made by that Government that the framing of a few simple rules of construction of Hindu wills would be a far better and more useful measure than the consolidation of the law relating to testamentary and intestate succession is obviously, I

[Dr. Mian Sir Muhammad Shafi.]

venture to think, without much force for a very simple reason. In the first place, the Bill now before the House seeks to consolidate not only the law relating to testamentary succession but also to intestate succession. It must be obvious even to laymen that the framing of a few simple rules of construction relating to Hindu wills can have nothing to do with intestate succession. In the second place, the framing of those rules would not even cover the whole ground in so far as the law of testamentary succession is concerned. Indeed, it would cover a very small portion of the whole ground covered by this law. It is obvious, therefore, that the framing of rules for construction of Hindu wills in no way serves the object which this measure of consolidation now before the House has in view. I venture to think that the suggestion made by the Madras Government, therefore, does not meet, and cannot possibly meet, the requirements of the case.

THE HONOURABLE MR. R. P. KARANDIKAR (Bombay: Non-Muhammadan): Sir, I have great pleasure in supporting the motion before the House. On looking at the Bill and also at the Schedule showing the enactments repealed by the Bill, I find that the Bombay Regulation (Regulation VIII of 1827), which speaks of heirship certificates has not been touched by this Bill at all. There are very good reasons, and the one that suggests itself to me at present is that this Bill proposes to be a consolidation Bill and consequently the Acts passed by the Government of India alone have been consolidated in this measure. If that be the reason, among others, I see no reason to include the Regulation VIII (Bombay) in this enactment. Otherwise, if opportunity were taken to include that measure, which in a manner trenches upon certain provisions of an enactment which proposes to deal generally with intestate property and succession, if such a Bill were contemplated, the inclusion of Bombay Regulation VIII of 1827 must be referred to. However, that does not militate against the utility of a measure of this kind, and I have therefore great pleasure in supporting the motion before the House.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, the point raised by the Honourable Mr. Karandikar deserves consideration, but this and similar other points can well be dealt with by the Joint Committee.

The only other observation that I wish to make by way of supplementing the reasons in favour of the motion before the House would be that, if an amendment of the law is necessary—and undoubtedly practitioners have felt that an amendment is necessary,—then the first step towards effective amendment must be consolidation by way of comprehensive visualising of the existing defects. The Honourable the Law Member's work in the not very distant future for taking up the work of amendment of this important branch of law in all seriousness will be simplified by amendment to an extent that ought not to be difficult to realise. Sir, if the objection had proceeded from some member of any branch of our profession, I could have understood it, because the existing chaotic condition of things helps litigation beautifully. To have the law scattered over a large number of Acts admirably suits this point of view, to those who favour it, it will be a disastrous day when a few simple rules will make the work of interpretation easy either for the Bench or the Bar. But such a millenium is not likely to be soon in view. Construction of Statutes as of deeds, is one of the most difficult branches of practice that still puzzles

the lawyer even when law has been more or less crystallised. I think, Sir, that Chief Justice, as he now is, Coutts-Trotter's objection is the best support that you can have in favour of amending the law, and if it is possible, in view of enormously differing decisions, later on to introduce what are called simple rules, I am sure the Honourable the Law Member will welcome it.

THE HONOURABLE SAIYID RAZA ALI (United Provinces East: Muham-madan): Sir, I do not propose to say anything on the need of having a few simple rules of construction based on common sense, because the point has been dealt with by you, Sir, and also by one of the previous speakers at considerable length. The principal point to which this Council will be committing itself in accepting the motion that is before it, is, first whether without going far into the field, it is desirable to consolidate the law which now is to be found scattered in a number of Acts; and secondly, if so, whether the course to be adopted by this Council should be to have a Select Committee of this Council or to have a Joint Committee consisting of gentlemen who belong to the legal profession or well versed in law representing both the Houses. On the second question, I will say, Sir, a word. There was at least one important measure before us, a bulky measure, which was referred to a Joint Committee about two years ago, I refer to the Criminal Procedure Code (Amendment) Bill. Now, those who are aware of the extent of the work involved in revising an amending Act of that character can well imagine as to what must have been the magnitude of the work undertaken by those who were on this Committee, but I am very glad to say that that work was performed very carefully with the result that this House, as is usual of course, passed the Bill as amended by the Joint Committee. But when it went to the other House, no doubt in consonance with the popular feelings represented in that House, a large number of amendments were brought forward. But all the same, if the measure had not been referred to a Joint Committee, then that Bill must have taken a much longer time than it really did in the other House last year. As you have pointed out, Sir, it is very difficult to go through a measure of this character in this House or in the other House without it being referred to a small Committee consisting of men who are acquainted with the nature of the work entrusted to them, because a small Committee can, more advantageously, go through a Consolidation Bill. Sir, I support the motion.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal: Non-Muhammadian): I rise, Sir, to support the motion. I do not see any strength in the objection of the Madras Government which is based upon the opinion of Chief Justice Coutts-Trotter. The learned Chief Justice ignores the truth of what has almost become a truism now, that however wise the legislator may be, it is impossible for him to reduce the law of construction of wills into a number of seemingly self-sufficient propositions. The learned Chief Justice also ignores the fact that a number of judicial decisions both of the different High Courts in India and of the Judicial Committee of the Privy Council have laid down during the last 60 years definite rules of construction which would apply to wills of the particular character which were before them. Every lawyer knows you cannot construe one will by the terms of another will, and the construction of wills must vary in each particular case according to the intention of the testator. Of course, you can draw or derive assistance from looking to the judicial interpretation put on the provisions of one particular will which in its nature resembles that of another will, but it would be absurd, Sir,

[Dr. Dwarkanath Mitter.]

if I may use the expression, to contend that the law of construction of wills which is contained in the numerous reports of the English Courts as also in the Courts in India could be crystallised into a number of simple rules as Mr. Justice Coutts-Trotter imagines.

I also agree, Sir, that for the purpose of dealing with this matter, the whole question should be referred to a Joint Committee of both Houses for, as you, Sir, have pointed out, if I may say so rightly, that it is necessary to draw upon all the available legal talent in both the Houses for the purpose of this consolidating measure.

There is one suggestion however which I make for the consideration of this House. It seems that the Hindu Disposition of Property Act of 1916 has been omitted from this Bill. As it is a matter which relates to the succession of Hindus and affects the Hindu law with regard to unborn persons, I think it might be convenient to include provisions of that Act in this Bill also.

THE HONOURABLE THE PRESIDENT: Before I put the question, I should like to say one word with reference to what has fallen from the last speaker. The point he brings forward will undoubtedly be one of the points that the Joint Committee will have to consider. It has been raised by several people.

The question is that the following motion be adopted:

"That this Council do recommend to the Legislative Assembly that the Bill to consolidate the law applicable to intestate and testamentary succession in British India be referred to a Joint Committee of this Council and of the Legislative Assembly, and that the Joint Committee do consist of 12 Members."

The motion was adopted.

THE BUDGET FOR 1924-25.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1924-25. At the conclusion of my remarks, copies of this statement and other connected papers will be circulated to all Members of this House, together with copies of the speech which the Honourable the Finance Member is now making in the other House. I shall therefore confine myself to a concise statement and explanation of the more important facts and figures which will be of interest to Honourable Members. On Monday last I had an opportunity of explaining the reasons which have led the Government to present the Budget Statement at this somewhat unusual hour. If it has caused any inconvenience to Honourable Members, I know they will recognise that the change has been made in the interests of the commercial public and in the interests of our officers at the Custom Houses.

Before I proceed to my main subject, I should like to refer, very briefly, to the final outturn for the year 1922-23, the year which ended on the 31st of March last. When we prepared the revised estimates for that year, 12 months ago, we estimated that there would be a deficit of Rs. 17½ crores. The final accounts have now been prepared, and we find the actual deficit is 15 crores 2 lakhs. This difference of 2½ crores is due mainly to savings in military expenditure, and, in particular, to the non-utilization of a sum of £800,000 which had been provided for India's share in the cost of

demobilising surplus troops. I mention this saving of 2½ crores particularly because, in the present year, as the House will shortly learn, the difference between our revised estimate and the actuals when known, may be a matter of considerable importance, as it is a question between having a budget which balances and a small deficit. The House will remember that the Budget estimate for 1923-24, the current year, as finally fixed, provided for a surplus of 81 lakhs. The revenue was estimated at 134 crores, 90 lakhs and the expenditure at 134 crores, 9 lakhs. We now estimate that our revenue will be worse by 5 crores, 38 lakhs. Our expenditure, on the other hand will be less by 4 crores, 19 lakhs. The net result is that instead of a surplus of 81 lakhs, we estimate, on our ordinary revenue and expenditure, a deficit of 38 lakhs. We hope that that deficit may even now be removed when the final figures are before us. I said advisedly our *ordinary* revenue and *ordinary* expenditure because this estimate does not take account of a very large credit from an extraordinary windfall to which I will return later on.

This estimated deficit of 38 lakhs is perhaps less than may have been anticipated by those who may have considered merely the published returns of our large revenue-earning departments. There is no doubt that our revenue estimates were on the optimistic side. It is true they were not based on an expectation of a boom in trade, but they provided for a steady revival. That revival has been slower than we hoped, I think mainly through causes external to India. In India we have had a good monsoon, we have had on the whole good prices for most of our staple products, and with the one notable exception of the cotton mill industry in Bombay, there are distinct signs of improvement. I would like to point for a moment to the figures of the balance of trade. For the 10 months ending 31st of January last, the balance of trade, including imports of bullion, has been in favour of India to the extent of 68 crores 42 lakhs. In the preceding year it was in favour of India by 20½ crores only, and the year before that there was an adverse balance of 33 crores. I think the House will recognise that this is an important change in the right direction, especially for a country like India which has large external liabilities, and which depends on foreign markets for disposing of its surplus products. It also is most useful, as the House will realise, for the support of our currency system to have a favourable trade balance.

I will now give the House a very few details of the revenue and expenditure of the current year.

Under Customs we budgeted for a net figure of 45 crores, 10 lakhs. We expect to receive only 40 crores, 42 lakhs. That is 4 crores 68 lakhs less than the estimate. I may explain however that 50 lakhs of this is due to a decision of the Bombay High Court under which stores imported by company railways have been treated as Government stores and have therefore been exempted from payment of customs duty. Against this decision the Government of India have appealed to the Privy Council. If that decision is in our favour, we shall obtain a refund of 50 lakhs. If, on the other hand, it goes against us, we shall have to provide for refunds of about two crores to the railways. It represents the duty which they have paid under protest from the time when this question was first contested in the Courts.

Our estimates under sugar have been less by 1 crore 15 lakhs, and I think that here, we must admit that we did not take sufficient account of the reduced tariff valuation of sugar which came into force at the beginning

[Mr. A. C. McWatters.]

of January 1923. Under other items the falling off has been due almost entirely to the fall in prices which has adversely affected our *ad valorem* duties. In this way under piece-goods we shall lose 78 lakhs; under metals 58, under cutlery and hardware 95, and the cotton excise duty will be less by 88 lakhs in view of the depression of the Bombay mill industry.

Next as to Salt. We budgeted for a revenue of 11½ crores, of which 4½ crores was estimated to be a result of the doubling of the duty. The House is well aware of the circumstances and the history of this tax. There are two circumstances which have led to our not obtaining the full amount of duty which we expected. The first is that in January and February 1923 the salt merchants took out in advance large quantities of salt in anticipation of an increase of duty on the 1st of March. We estimate that the amount so taken out beyond the ordinary requirements for consumption was 36 lakhs of maunds. In the second place, throughout the year and more especially in the later months, the salt dealers have allowed stocks in the country to run down to a minimum, no doubt in expectation of a reduction in the duty. The net result has been that the actual amount of salt issued is expected to be 390 lakhs of maunds against a normal annual consumption of 495 lakhs, and the total amount which we expect to obtain from the duty will be 8½ crores—that is, 3 crores below the estimate.

As regards Railways, we estimated gross receipts of 95.57 crores. During the early part of the year the returns were unsatisfactory and later on there were breaches on some of the more important lines, but the returns recently have been much more satisfactory and we expect to receive in gross receipts altogether 94.22 crores—which is 1½ crores below the estimate. On the other hand, we have been able to effect savings in working expenses and there has been a reduction in the expenditure on Programme Revenue both of which combined will result in a saving of 1.93 crores. The net result is that from Railways we expect to receive a net return of 58 lakhs more than we had estimated. I need not trouble the House with many other items. Under Income Tax we expect to get our full return of 19 crores; from Opium 38 lakhs more than in the estimate; Posts and Telegraphs will be short by 22 lakhs. There remains one big item under "Interest, Currency and Miscellaneous." We expect under these heads to be better by 1.42 crores. This is due to the fact that the interest yield on short term money in London has been better, and we have, owing to favourable opportunities for remittance, invested larger sums in sterling securities in London. Included in the figure which I have quoted is an item of 37 lakhs which is the profit from our recent sale of gold.

On the Expenditure side we have to provide an extra item of 70 lakhs under Opium. In July last we obtained from the Assembly a supplementary grant of 77 lakhs on account of the increased outturn of the opium crop in Central India and the United Provinces. Only 70 lakhs of this will be spent. Under Interest Charges we effect a saving of 74 lakhs. This is an important item. It has mainly been due to the fact that we have been able to reduce the Budget provision for discount on Treasury Bills. Two years ago on the 31st March 1922 the amount of floating debt in the shape of Treasury Bills held by the public was no less than 54 crores. A year ago it was 22 crores. On the 31st March next we estimate that the figures will be 2 crores only. Speaking as one who for more than the last three years has been somewhat intimately connected with the handling of our daily balances, I can testify to the relief which the removal of this

incubus has given to the Government, and I feel sure that the commercial public will also be relieved since the exigencies of our short term borrowings have from time to time caused considerable dislocation to the market. Under Sinking Funds we shall not utilize the additional provision of 80 lakhs for the depreciation fund of our 5 per cent. loans, since these loans have for the greater part of the year remained above their issue price. Under other heads of civil expenditure, which were already much reduced as a result of the Inchcape Committee's recommendations, we hope to effect a further saving of 50 lakhs.

I will next refer to Military Expenditure. In the Budget we provided for gross military expenditure of 65 crores and 5 lakhs, and net military expenditure of 62 crores. The House will be aware that the full reductions have been made in combatant troops as recommended by the Inchcape Committee with the exception of one Cavalry regiment, but the resulting economies from these reductions cannot take effect fully until next year. His Excellency the Commander-in-Chief has, however, been able by means of other economies to effect a more than corresponding reduction. The established charges for military services during the current year are now estimated at 60½ crores as compared with the figure of 61 crores and 94 lakhs which was taken in the Budget. The Inchcape Committee also recommended that by the consumption and disposal of excess military stores a non-recurring saving of 2½ crores could be effected in the current year. The actual saving effected in this way amounts to 3 crores. There is also a further credit of an extraordinary character which comes into the current year, amounting to 41 lakhs, from the sale of certain temporary military buildings. On the other hand, the expenditure on Waziristan is estimated to be 2 crores against 1 crore and 69 lakhs taken in the Budget, and the expenditure on gratuities to demobilised officers will be 1½ crores against a provision of 62 lakhs. There is also a saving in exchange amounting to 46 lakhs. The net result is that the net military budget will be 59 74 crores, which represents a saving on our Budget Estimate of 226 lakhs.

Finally, with regard to Exchange, we budgeted for a figure of 1s. 4d. As the House is aware, exchange has been above 1s. 4d. during practically the whole of the year, and during recent months has been in the neighbourhood of 1s. 5d. On the year as a whole we shall obtain an average rate of 1s. 4½d. The saving in our expenditure on this account, including railways and commercial services, will be 1.28 crores. The net result is, as I have said, that our revenue will be worse by 5 crores 38 lakhs, our expenditure will be better by 4 crores 19 lakhs, and we expect at present, though we hope it may eventually be removed, a deficit of 38 lakhs.

And this brings me to the windfall. This windfall arises from the credit to India of the profits earned from the control of enemy ships and certain minor items of a similar character. All claims have not yet been settled and a few minor items are outstanding, but we are now assured of a credit to Indian revenues of the large sum of £3½ million sterling which amounts to 4 crores 73 lakhs. In answer to a question in the House a few days ago I explained that this windfall did not represent any actual cash received during the current year. It is money which has merged in the balances of the Secretary of State and the High Commissioner for India and which has been utilised by them for their ordinary expenditure, thereby reducing our borrowings. It is obviously incorrect that an extraordinary item of this kind should be taken to meet any of our ordinary recurring expenditure, but there are just two special items to which I wish to refer. The first

[Mr. A. C. McWatters.]

is that, following British precedent and in anticipation of any sums which may become available from Reparations, we propose to set aside next year a sum of 25 lakhs as compensation to private individuals who have suffered from enemy action. We do not consider that this would be a fair charge on our ordinary revenues, and we therefore propose to earmark 25 lakhs of this extraordinary windfall for this purpose. Secondly, there is the sum of 2 crores which, as I have already explained, we may have to pay as refunds to company railways in the event of the appeal to the Privy Council going against us. We propose for the present to hold in suspense 2 crores out of the windfall to meet this refund in case it should come due. The remainder of the windfall, which amounts to 244 lakhs, will come as a credit in the accounts of the current year which, including this credit, should show a surplus of 206 lakhs.

Before I proceed to the Budget for 1924-25, there are one or two matters of general interest to which I wish to refer. The first is the question of the separation of the railway budget from the general budget. As the House is aware a Resolution on this subject has been tabled by the Honourable the Commerce Member in the Legislative Assembly, and copies of a memorandum on the subject have been circulated to all Members of both Houses. I should only like to say that Government consider this change as one of the first importance both in the interests of general finance and in the interests of the railways. The railways will be enabled to conduct their business untrammelled by the limitations of our budget system and general finance will be able to count on an assured reasonable return from the railways unaffected by any of the vagaries of railway working. I need not tell the House in detail the arrangement which it is proposed to make; but briefly it is this, that general revenues will receive from railways first, a sum sufficient to pay interest on the capital invested in commercial lines; secondly, an additional sum of five-sixths of one per cent. on that capital; and thirdly, one-fifth of any surplus which the railways may earn. Among the papers which will be circulated at the close of my speech will be found a statement which shows how the railway contribution is arrived at for the year 1924-25, on the basis of this new arrangement and also, a comparison showing what the contribution to general revenues would be on the old basis. Briefly, the position is this, that under the new system general revenues will receive 427 lakhs; under the old system they would have received 416 lakhs. But I should add that this latter result is only arrived at by a device of spreading over ten years a payment of 3 crores which is really due now, in order to write down to their proper value certain railway stores, the legacy of the war, which are either obsolete or standing above their proper value. If the railway budget is separated, the railways will be able to build up reserves out of which they will, like any other commercial concern, be able to write down the value of these surplus stores; but otherwise the obligation falls on general revenues and it is impossible in our present financial condition to find a sum of 3 crores in one year for this purpose. For this reason, we have had to resort, or rather may have to resort, to the somewhat unsatisfactory device in the event of non-separation.

Another subject to which I wish to refer very briefly is the provision for avoidance or redemption of our debt. Hitherto, all the items which partake of this character have been scattered over different portions of the budget; and the result has been that their adequacy has never been sufficiently emphasised or recognised. We propose for the first time to bring together

in one place all these items. Taking the figures for the current year, we have first the depreciation fund for our 5 per cent. loans; this, as the House knows, is a sum equal to $1\frac{1}{2}$ per cent. of the face value of the loans issued; that amounts to 74 lakhs. Then there is the additional provision of 80 lakhs which we have set aside for the same purpose during the last two or three years. Besides this, we have the annual instalment of the principal of India's war contribution amounting to £442,900 and the capital portion of the Railway Annuities and sinking funds which amounts to another £1,544,300. The total of these items converted at 1s. 4d. is 452 lakhs, or, if we omit the 80 lakhs additional provision which has not been utilised this year and allow for exchange, 368 lakhs. In the coming year the figures will be slightly different. The figures will be 465 lakhs or, omitting the provision of 80 lakhs, it will be 385 lakhs.

Now, in the course of the year the Government have examined this question in relation to the total amount of our debt and the different classes of that debt. They have applied to those different classes different criteria—to productive debt applying a certain period in which it should be redeemed, another period for unproductive debts on account of deficits, another period for the unproductive debt for Delhi; and the result of that examination has shown that the amount which is required under any reasonable criteria would not exceed roughly 4 crores, which is practically the same as the figure of our obligatory payments. This indicates that it is unnecessary for us to continue in the next year the additional provision of 80 lakhs for the depreciation fund for our 5 per cent. loans, a conclusion which we have arrived at independently from a consideration of the circumstances of the present year, when the loans have been standing for the greater part of the year well above their issue price.

There is just one other matter before I proceed to the Budget, the question of customs duty on Government stores. The House is aware that a Bill has been introduced in the Legislative Assembly to rescind the proviso to section 20 of the Sea Customs Act, which exempts Government stores from customs duty. The object of this Bill is to remove a disability under which Indian industries suffer from the fact that our purchasing departments do not always take into account fully the customs duty in comparing the prices of stores ordered in England with stores purchased in India. But I propose to look at the question solely this evening from the point of view of the budget; and the effect on our budget will be this, that we shall receive an additional customs duty of 163 lakhs; on the other hand, we shall have to add to the expenditure of our different departments 53 lakhs, 25 of which is under military and 22 by way of assignments to Provincial Governments who will be required to pay duty on their imported stores. Of the remainder, 90 lakhs relates to stores imported by company railways, who, as a result of this Bill, will be placed in exactly the same position as they were before the Bombay High Court decision. Of the remaining 20 lakhs, 11 lakhs is for stores imported by State Railways on capital account; Government have thought it right to set aside as a special contribution from revenue to capital account a sum of 11 lakhs in order to avoid the inflation of railway capital for the benefit of revenue. With regard to company railways they do not propose to make this alteration at present, as we shall merely be restoring the previous position in respect of company-managed lines, but they will give this matter their further consideration.

There is still one other item before I come to the budget, that is the question of what rate of exchange we should take for next year. This

[Mr. A. C. McWatters.]

matter is one of very considerable difficulty and Government must disclaim any intention to prophesy; during the current year we budgeted for 1s. 4d. and we have obtained 1s. 4½d. Our sterling position is undoubtedly strong, and on the whole, again I emphasise without any intention to prophesy, Government consider it reasonable to take a figure slightly in excess of the present year's average. I may say that every furthering makes a difference of 44 lakhs in our expenditure (excluding Railways). The Budget for 1924-25, therefore, will assume a rate of exchange at 1s. 4½d.

I now come to the Budget for 1924-25, and I do not propose to keep the House in suspense. I will tell them first the general result. The general result is that, if taxation remains unchanged, that is assuming for the moment that the salt tax remains at Rs. 2-8-0, we estimate that there will be a surplus of 3 crores 86 lakhs. If, however, the salt tax is reduced to Rs. 1-4-0, that surplus will be practically wiped out and we shall be left with a nominal surplus of 4 lakhs. If the salt tax were taken at Rs. 2-0-0 we should have a surplus of 1 crore 54 lakhs.

I will now give the House a very few details of our estimated expenditure and revenue before returning to this question of the surplus. First as to military expenditure, the gross military expenditure for next year is estimated at 63 crores and the net military expenditure at 60½ crores, allowing for a saving in exchange of 68 lakhs. The figures which I will mention now are quoted at 1s. 4d. for purposes of comparison. The established charges for military services have been reduced in the military Budget to 59 crores, which includes 25 lakhs for customs duty on military stores. This figure of 59 crores—I should say 58½ crores—should be compared with the figure entered in the last year's Budget of 61 crores 94 lakhs and with our revised estimate of 60½ crores. There is one figure also with which I should like to compare it, and that is the figure for established military charges recommended for the current year's budget by the Inchcape Committee. That figure is 59 crores 38 lakhs, so that the established military charges are already considerably below the Inchcape figure. It must be recognised of course that in the Budget for next year we cannot obtain the non-recurring saving of 3 crores from the consumption of excess stores, nor can we get the 41 lakhs from the sale of temporary buildings. We have also a charge of 30 lakhs for roads and buildings in Waziristan, and 1 crore and 63 lakhs for gratuities to demobilised officers. The net result is, as I have said, that the Military Budget, allowing for Exchange, will stand at 60½ crores.

On the civil side we have given effect to practically all the Inchcape Committee's recommendations. We have allowed for the first time an item of 20 lakhs for new Civil works. For several years past we have made no provision whatever for new Civil works, but now we consider that the revenue position justifies our making a small beginning, as there are a large number of important and beneficial works which had been held up through lack of funds.

On the revenue side, we are taking the customs revenue at 45 crores 2 lakhs, which is 8 lakhs less than last year, but which includes the figure of one crore 68 lakhs from customs duty on Government stores. We have also taken into account the fact that the tariff valuation of sugar has been increased from the 1st January last; on other items we have only provided for a small increase over the amounts received in the current year. Under taxes on income we have had to write down the figure for the current year by about 85 lakhs. This is due entirely to the depression in the

Bombay mill industry. The figure we have taken is, therefore, 18 crores 22 lakhs. The working of the Post and Telegraph Department will, we estimate, result in a net profit of 24 lakhs and in the detailed estimates will be found an attempt at a Profit and Loss Account which arrives at this result. We also propose to continue for another year the provision for credit to general revenues of the interest on the investments in the Paper Currency Reserve and the excess of the Gold Standard Reserve over £40 millions, which we consider is required by our present revenue position and is justified by the strength of our Reserves.

I think that those are all the detailed figures which will be of special interest to the House except Salt. The salt revenue is particularly difficult to estimate this year for three reasons: first, because stocks have been run down to a minimum; secondly, because the rate at which those stocks will be replenished depends on the rate of duty which may be taken. The lower the rate of duty the faster will be the rate of replenishment, and, if the duty is reduced to Rs. 1-4-0 we expect the rate of replenishment will be very rapid. Thirdly, there is the effect of our credit system under which large quantities of salt pay duty at a rate in force 6 months before. The net result, so far as we can estimate it, is that, if the salt duty remains at Rs. 2-8-0, we shall obtain a revenue of 12 crores 37 lakhs. If it were reduced to Rs. 2-0-0 we should obtain 10 crores 55 lakhs, and if it were reduced to Rs. 1-4-0 we should obtain 9 crores 5 lakhs. But I would point out that of this 9 crores 5 lakhs, no less than 2 crores 16 lakhs will be non-recurring owing to the fact that we expect a large replenishment of stocks over and above a normal year's consumption and also owing to the operation of our credit system, under which a large amount of salt will be paying duty at Rs. 2-8-0. What rate of duty, then, is Government going to recommend? As I say, if a rate of Rs. 1-4-0 is taken, it means that in the next year we shall have to make up a sum of 2 crores 16 lakhs before we can arrive at a surplus. I ask the House to consider what chances in these circumstances there would be of any remission of the provincial contributions not only in the next year but in the following year too if the salt duty is reduced to Rs. 1-4-0. Then as to the rate of Rs. 2-8-0, this rate was introduced owing to the paramount necessity of balancing the Budget. Government recognise that it was a rate of duty which was not accepted by the Assembly. There remains the middle course, to take the salt duty at Rs. 2-0-0. After most careful consideration, and after consultation with, and with the full approval of, the Secretary of State, the Government of India recommend that the salt duty should be reduced to Rs. 2-0-0. This would leave a surplus of 1 crore 54 lakhs, and if this recommendation is accepted by the House, the Government's further recommendation is that $1\frac{1}{2}$ crores of this surplus should be devoted to the reduction of provincial contributions. From this Madras will receive in round figures 80 lakhs, the Punjab 38, the U. P. 30 and Burma 2 lakhs.

In the Finance Bill which will shortly be in the hands of Honourable Members they will find no new proposals for taxation. There are however two items which are worth mentioning. One is that the import duty on motor spirit is being reduced to $4\frac{1}{2}$ annas a gallon, and it is proposed also to reduce the excise on petrol to the same figure. We hope that the increase in consumption which should result will prevent us from suffering any loss in revenue from this source. The other proposal is, in order to safeguard our customs revenue from matches, to put a specific duty on imported splints which are used for match making and also on imported match boxes.

[Mr. A. C. McWatters.]

Before I conclude, Sir, I should like just to say a few words about our Ways and Means. The House will recognise that this is in some respects; the most important part of the Budget. It does in fact disclose the consequences of our revenue and expenditure position. During the current year we have met sums of 23½ crores for railway capital expenditure, 8 crores roughly for Delhi and Irrigation, and Posts and Telegraphs. We have redeemed 5 crores of our funded debt. We have lent to Local Governments 11½ crores, and we have extinguished 19½ crores of Treasury Bills. We have accomplished this mainly by raising a rupee loan of 23 crores and a sterling loan of £18 millions, and we have been considerably helped also by returns from Cash Certificates and deposits in the Post Office Savings Bank. With regard to our remittances to England, we have introduced a new system by which the sales of Council Bills are supplemented by purchases of sterling in India through the Imperial Bank, and I think that the remittances which we have sent of £26½ millions, have in this way been made with less disturbance to the exchange market than would otherwise have been the case. We have also during the recent busy season remitted a sum of Rs. 12 crores to London against the issue of paper currency out here in order to relieve money stringency, and we start the year with £14 millions in our sterling reserves in England. With regard to next year we have no funded debt to meet, and we shall have on the 31st of March very large balances. We have made full provision for a Railway programme of 80 crores and 3 crores for Delhi, irrigation and Post and Telegraph Capital outlay; we have provided for wiping out the remaining 2 crores of Treasury Bills, and for lending to Local Governments 13½ crores, which is all that they have asked for. We have not taken into account any large receipts from Cash Certificates as it will probably be necessary to reduce their yield shortly in view of the better rates we are obtaining for our loans. We count on being able to meet all these obligations without further sales of Treasury Bills, without any sterling borrowing and by raising a rupee loan of not more than 20 crores.

I hope that the House will agree that this record of our revenue and expenditure and of our Ways and Means is not altogether unsatisfactory. It is true that we have in the not distant future to face very large payments of our short term bonds and we have still large obligations to the Provinces. We are still crediting to revenue the interest on our Paper Currency investments. We have still arrears of useful expenditure which has been held up. There is no case for relaxing effort; but I think that we may fairly claim now that we have turned the corner, and that we have passed for ever the era of unbalanced budgets. Finally, I can only thank the House for having given me their attention for so long.

THE HONOURABLE THE PRESIDENT: Have all Honourable Members received their Statements? Has the Leader of the House any statement to make?

STATEMENT OF BUSINESS FOR THURSDAY, THE 6TH MARCH AND FRIDAY, THE 7TH MARCH, 1924.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, Tuesday, being a gazetted holiday for *Sheoratri*, the next meeting of this Council for official business will be on Thursday, the 6th March, when motions will be made that the Bills, which were recently passed by

the Legislative Assembly and laid on the table in this Chamber to-day, be taken into consideration and passed. Friday, the 7th of March, as already announced, has been allotted for the general discussion of the Budget.

THE HONOURABLE THE PRESIDENT: I understand there is no non-official business for Monday, but there is non-official business for Wednesday. Therefore I adjourn the House till Wednesday at 11 A.M.

The Council then adjourned till Eleven of the Clock on Wednesday, the 5th March, 1924.