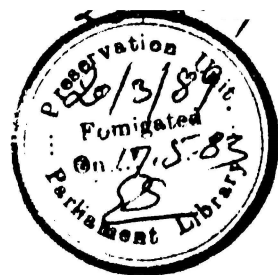


13th March, 1925

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

—
SECOND SESSION
OF THE
SECOND LEGISLATIVE ASSEMBLY, 1925



DELHI
GOVERNMENT OF INDIA PRESS
1925

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LEGISLATIVE ASSEMBLY.

Friday, 13th March, 1925.

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

QUESTIONS AND ANSWERS.

EMPLOYMENT OF MUHAMMADANS ON THE EAST INDIAN RAILWAY.

1180. ***Maulvi Muhammad Yakub:** (a) Will the Government be pleased to state what was the number of the Musalman employees on the Delhi-Umbala-Kalka section of the East Indian Railway three years ago, and what is the number at present?

(b) If there were a decrease in the number of the Musalmans, will the Government be pleased to give reasons for the same?

(c) Is it a fact that there is not a single Musalman holding a permanent post of a head clerk, assistant head clerk, in charge of any branch and station master in the grade of Rs. 120 and upwards, on the Delhi-Umbala-Kalka section of the East Indian Railway?

(d) Is it a fact that in the District Office of the East Indian Railway at Delhi there is not a single Musalman holding a permanent post of responsibility?

(e) How long is it since no Musalman was recruited in the office of the District Traffic Superintendent at Delhi?

(f) Do the Government propose to take immediate steps to remove the above-mentioned grievances of the Musalmans and secure adequate appointments for them?

The Honourable Sir Charles Innes: I propose to reply to this question and the two following together.

I am sorry that I cannot undertake to obtain this information for the Honourable Member. The Delhi-Umbala-Kalka Railway will in future be worked by the North Western Railway. The Agent of that Railway is aware of the policy of Government in this matter, and his attention will again be drawn to the subject. The Government are confident that he will give effect to that policy.

EMPLOYMENT OF MUHAMMADANS ON THE EAST INDIAN RAILWAY.

+1181. ***Maulvi Muhammad Yakub:** (a) Is it a fact that in the District Traffic Superintendent's Office, Delhi, out of 31 clerks there are 27 Hindus with an aggregate monthly salary of Rs. 2,175 and only 3 Musalmans with an aggregate salary of Rs. 184 per month?

+ For answer to this question see below question No. 1180.

(b) Is it also a fact that in the office of the S. S. Delhi out of 7 clerks there is only one Musalman holding a very minor post?

EMPLOYMENT OF MUHAMMADANS ON THE EAST INDIAN RAILWAY.

†1182. ***Maulvi Muhammad Yakub:** Will the Government be pleased to state the total number of the employees and the number of the Hindus and Musalmans, with their grades and monthly salary in the following offices at Delhi:

- (1) Inquiry Office
- (2) Luggage Supervising Staff
- (3) Booking Office
- (4) Trains Branch Office
- (5) Ticket Collectors
- (6) Delhi Telegraph Office?

DEPUTATION OF MR. R. B. EWBank IN ENGLAND.

1183. ***Mr. S. C. Ghose:** (a) Will the Government state what will be the work to be performed by Mr. R. B. Ewbank, I.C.S., during the period of deputation in England?

(b) What pay will Mr. Ewbank draw during his stay outside India?

(c) For what period will Mr. Ewbank be placed on deputation?

Mr. J. W. Bhore: (a) Mr. Ewbank has been placed on special duty in connection with the preparation of the Indian case for the Southborough Committee to which a reference was made in the speech which His Excellency the Viceroy delivered on the 20th January at the inauguration of the present session of the Legislature.

(b) Two-thirds of his Indian salary.

(c) The attention of the Honourable Member is invited to the Government of India Notification No. 88 (Overseas), dated the 4th February 1925.

EMPLOYMENT OF INDIAN TROOPS IN CHINA.

1184. ***Mr. S. C. Ghose:** (a) With reference to my question No. 603, and the answer to it, will the Government state if the news contained in the *Times* Weekly edition of the 23rd October, 1924, that during the last insurrection in China, fifty Indian troops were sent to Canton to strengthen the Shameen defences is correct?

(b) If the news is correct, will the Government state if any casualty occurred among the Indian troops?

Mr. E. Burdon: (a) and (b). The Government of India have no information on the subject but are inquiring. I will let the Honourable Member know the result as soon as possible.

† For answer to this question, see below question No. 1180.

PARTICIPATION OF GOVERNMENT SERVANTS IN POLITICAL MOVEMENTS.

1185. ***Mr. S. C. Ghose:** Will the Government state what are the rules regarding Government servants doing political propaganda work?

The Honourable Sir Alexander Muddiman: Rules 22 and 23 of the Government Servants Conduct Rules define the limits within which Government Servants may participate in political movements. The position was fully explained in the Home Department Resolution No. 632 Public of 7th March 1921, a copy of which I shall be glad to supply to the Honourable Member.

EXTENSION OF THE BENGAL CRIMINAL LAW AMENDMENT ORDINANCE
TO THE WHOLE OF INDIA.

1186. ***Mr. S. C. Ghose:** Will the Government state if it is the intention of the Government of India—as stated in the London Weekly paper *The News of the World* of the 1st February 1925—to extend the new Ordinance to the whole of India?

The Honourable Sir Alexander Muddiman: The answer is in the negative.

EXPORT OF MONKEYS.

1187. ***Mr. Devaki Prasad Sinha:** (a) Are Government aware that a large number of live monkeys are being exported to Germany and England for carrying on experiments in connection with the thyroid gland treatment?

(b) If the answer to (a) be in the affirmative, will Government be pleased to state either the total or the approximate number of monkeys exported from India during the last twelve months?

(c) Have Government ever taken a census of the total monkey population of India? If so, will Government be pleased to state how the ratio of monkeys to human beings in India compares with a similar ratio in England and in Germany?

(d) Do Government propose to inquire how far the present export of monkeys from India is likely to tell upon the total monkey population of India? What steps do Government propose to take for preventing the race of Indian monkeys from being extinct on account of their unchecked export for commercial purposes?

(e) Have Government any information about the ways in which recruitment is carried on among the monkeys of India for the purposes of their export?

(f) Do the Government of India impose any export duty on monkeys exported from India? If so, at what rate? If not, why not?

(g) Has the attention of Government been drawn to questions on this subject asked in the British House of Commons on the 23rd February, 1925, by Mr. Lansbury, and answered by the Under Secretary of State for India?

The Honourable Sir Alexander Muddiman: (a) and (b). I would refer the Honourable Member to the answer given to Mr. S. C. Ghose on the 2nd February last. So far Government have no evidence that export of monkeys to Germany and England is connected with the thyroid gland

treatment. Figures for the last 12 months are not available but for the period from April to December 1924, the total export is believed to have been about 4,000.

(c) No simian census has been taken.

(d) The Honourable Member will see from the figure that I have just given that there is no question of the present export bringing about the extinction of the race.

(e) Government are informed that professional catchers are employed by cultivators and others to trap and remove monkeys when they become too numerous and do damage to the crops.

(f) Government have not yet thought it necessary to impose an export duty.

(g) I have seen newspaper reports of the question.

Mr. Darcy Lindsay: Is there any truth in the rumour that the Director General of Posts and Telegraphs has under consideration the training of monkeys for employment in rural post offices in forest areas?

The Honourable Sir Alexander Muddiman: Government have no information on the subject.

Sir Geoffrey Clarke: I am afraid the question of opening branch offices for the monkey population will have to remain pending for the present.

Sir Campbell Rhodes: May I ask the Director General of Posts and Telegraphs whether such members of the postal service could be kept up to the scratch?

Mr. T. E. Moir: If the proposed enumeration is carried out, will it be possible to assess any portion of the provincial contributions on the new element so introduced into our census tables?

Sir Henry Stanyon: May I ask whether Government have any information as to the results achieved by the deportation of a train-load of monkeys by the Muttra Municipal Board to the Katni Marwara Municipal Board?

The Honourable Sir Alexander Muddiman: I have seen some papers on the subject, but I cannot answer this question without reference to them. My impression is that we have requested that care should be taken in the transport of monkeys to see that the Cruelty to Animals Act is not infringed.

Sir Campbell Rhodes: Is it a fact that the thyroid gland treatment question has been discussed in another place?

BOOKING OF SEATS FOR PASSENGERS AT TRANSHIPMENT STATIONS.

1188. ***Mr. Harchandrai Vishindas:** Will Government be pleased to state:

(a) whether the practice of the staff of the station from where a first or second class passenger starts, wiring to the connecting station where the passenger has to tranship to another train, for his seat in that train, has been discontinued?

(b) If so, the reason why it has been discontinued?

(c) Is it on the ground of economy or any other ground?

(d) If on the ground of economy, does the sending of such wires cost anything to the railway?

(e) Is it a fact that this disadvantage does not apply to passengers leaving Karachi for Bombay for whom wires to connecting junction stations are despatched but operated in the case of those leaving Karachi for Delhi, for whom the Karachi station staff refuse to wire the transshipment stations?

The Honourable Sir Charles Innes: The Government have no precise knowledge on the point raised by the Honourable Member. If he has any complaint to make in the matter, a representation to the Agent will, the Government are sure, receive every attention.

EXTENSION OF THE APPLICATION OF THE TRANSFER OF PROPERTY VALIDATING ACT TO THE PROVINCE OF BIHAR AND ORISSA.

1189. ***Mr. Devaki Prasad Sinha:** (1) Will the Government be pleased to state the names of the provinces to which the Transfer of Property Validating Act, XXVI of 1917, has been extended?

(2) Are Government aware that cases contemplated in the aforesaid Transfer of Property Validating Act, XXVI of 1917, have also arisen in the Province of Bihar and Orissa?

(3) Are Government aware that in many such cases undue advantage is taken by mortgagors to challenge the rights of the mortgagees on the technical grounds of section 59 of the Transfer of Property Act?

(4) Do Government, in the aids of justice, propose to extend the application of the Transfer of Property Validating Act, XXVI of 1917, to the Province of Bihar and Orissa?

The Honourable Sir Alexander Muddiman: (1) The Act has been extended to Ajmer-Merwara in addition to the United Provinces of Agra and Oudh.

(2) The Government of India have no information on this point.

(3) Government have heard allegations to this effect in the Assembly.

(4) I will cause a copy of the question and answer to be sent to the Government of Bihar and Orissa for favour of report.

STRIKE IN FIJI IN 1920.

1190. ***Mr. Gaya Prasad Singh:** (a) With reference to my question No. 300 of the 27th January 1925, regarding the strike in Fiji in 1920, is it not a fact that, in the words of the Fiji Governor himself:

"There was no disorder, and there was no reason to anticipate any. There was no evidence of hostility against the Government. Meetings were held amongst the Indians, but the speakers generally counselled respect for law and order, and the observance of constitutional methods."

There was nothing in the reports received inconsistent with a perfectly peaceable intention on the part of the strikers; and that even if a demonstration took place, it need not necessarily be accompanied by any disturbance?

A large meeting of Indians was held at Rewa; but the meeting was entirely peaceable; and was largely occupied with discussion as to the representation of grievances, and the appointment of a committee, which had apparently given satisfaction?"

(b) Is it not a fact that an independent inquiry was held by some members of the New Zealand Parliament, who observe as follows in the course of their Report:

"Ashore we were assured by the whites we interviewed that the strike was wholly a political upheaval; that the Indians were demanding political and social equality with the whites, and that this was a demand which was unthinkable and impossible. On investigation, however, we found that the strike had its origin in an endeavour by an overseer to increase the hour on the roads from eight to nine. The subsequent demand for a wage of 5 shillings a day grew out of the enormous increase in the cost of living, and was in our opinion fully justified"?

Mr. J. W. Bhore: (a) The passages have been correctly quoted by the Honourable Member.

(b) The Government of India have no official information on the subject.

STRIKE IN FIJI IN 1920.

1191. ***Mr. Gaya Prasad Singh:** (a) Is it not a fact that to break the strike in Fiji, machine-guns and boats were brought from New Zealand?

(b) Are Government aware that a member of New Zealand Parliament spoke as follows in course of a speech in Parliament on the 2nd July 1920:

"I want to say that any Government which sent an armed force to help the Fiji Government responsible for conditions like that is an absolute menace to the working classes of this Dominion"?

Mr. J. W. Bhore: (a) The attention of the Honourable Member is invited to paragraph 18 of the despatch from the Governor of Fiji to the Colonial Office, No. 66, dated the 12th March 1920, which formed enclosure No. 5 to the Government of India, Department of Commerce Resolution No. 4085, dated the 13th July 1920, and was published in the "Gazette of India", dated the 14th July 1920.

(b) The attention of the Honourable Member is invited to the reply given by me just now to part (b) of the preceding question.

STRIKES IN FIJI.

1192. ***Mr. Gaya Prasad Singh:** (a) Are Government aware that the despatch of the Fiji Governor, dated 12th March 1920, and published in the "Gazette of India", dated 17th July 1920 does not mention the fact that the strike had its origin in an endeavour by an overseer to increase the hours of labour on the road from 8 to 9?

(b) Are Government aware that a deputation headed by Mrs. Mani Lal waited upon the Governor of Fiji during the strike days with a memorial regarding the grievances of the Indian workmen; but this memorial is not included in the despatch sent by the Fiji Governor?

(c) Are Government aware that there was another strike in Fiji only a year after the strike referred to above, under the leadership of a Sadhu, named, Bashist Muni, that "this strike was remarkably well-organised, and continued for 5 months without any violence at all and that in the end, after terrible privations, the Indian labourers had to come back to work at a wage which was much less than they had demanded"?

Mr. J. W. Bhore: (a) The incident referred to by the Honourable Member does not figure in the despatch. The Government of India have no information about it.

(b) and (c). Yes.

FJI DEPUTATION.

1198. ***Mr. Gaya Prasad Singh:** Did the Government receive any communication about the Fiji deputation from the planters, and the Colonial Sugar Refining Company of Fiji? If so, will the Government be pleased to lay a copy on the table?

Mr. J. W. Bhore: A telegraphic communication was received from the Chairman of the Colonial Sugar Company. Government think that no useful purpose would be served by laying a copy on the table.

Mr. Gaya Prasad Singh: Can the Honourable Member show it to me privately if I attend his office?

Mr. J. W. Bhore: No, Sir. I am afraid I cannot do so.

POLL-TAX IN FIJI.

1194. ***Mr. Gaya Prasad Singh:** (a) Are Government aware that a poll-tax of one pound sterling for each adult has been imposed in Fiji; and that over 90 per cent. of this will have to be paid by the Indian community alone?

(b) Is it a fact that the nominated Indian Member of the Council in Fiji, Honourable Badri Maharaj, resigned his seat in the Council, after protesting against the iniquity of the new tax?

Mr. J. W. Bhore: (a) The reply to the first part of the question is in the affirmative. As regards the second part, the Government of India cannot say what percentage of the poll-tax will fall on Indians.

(b) The reply is in the affirmative.

Mr. Ohaman Lall: May I ask whether the Government have made any protest against the poll-tax?

Mr. J. W. Bhore: We have already made representations and they are under consideration at the present moment.

Mr. Ohaman Lall: Will the Government lay the papers on the table when the reply to the representations is received?

Mr. J. W. Bhore: That is a question which will need consideration.

TOTAL EXPENDITURE TO BE INCURRED BY STATE RAILWAYS AS A RESULT OF THE ACCEPTANCE OF THE LEE COMMISSION'S RECOMMENDATIONS.

1195. ***Mr. Jamnadas M. Mehta:** (a) Will Government be pleased to state the total expenditure to be incurred during 1925-26 by State Railways as a result of the acceptance by Government and the Secretary of State of the Lee Commission proposals?

(b) How much of it is votable and how much non-votable?

The Honourable Sir Charles Innes: (a) The total estimated expenditure during 1925-26 on State Railways worked by the State, if the Lee Commission proposals are extended to the East Indian and Great Indian Peninsula Railways, will be Rs. 15,94,000.

(b) Rs. 3,73,000 is non-votable and the balance votable.

UNSTARRED QUESTIONS AND ANSWERS.

FAILURE OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY TO RUN SPECIALS FROM AJMER TO AHMEDABAD IN CONNECTION WITH THE AJMER MOSLEM ORUS.

243. **Mr. M. E. Makan:** (a) Are the Government aware of the fact that Bombay, Baroda and Central India Railway authorities at Ajmer, after giving an assurance to the public about the running of special trains on the 31st January, 1st, 2nd and 3rd February 1925, at 8-30 P.M. on all the days from Ajmer to Ahmedabad, with regard to the Ajmer Moslem Orus, failed to arrange for the said specials, contrary to their notifications, although informed beforehand about the vast multitude of Moslem and Hindu pilgrims?

(b) Do the Government propose to bring the matter to the notice of the railway authorities concerned?

The Honourable Sir Charles Innes: The Government will bring the matter to the notice of the Agent by sending him a copy of the Honourable Member's question.

ISSUE OF RETURN JOURNEY TICKETS ON RAILWAYS.

244. **Mr. M. E. Makan:** Are the Government aware of the fact that the abolition of return journey tickets on various Indian Railways is a source of great inconvenience and trouble to the travelling public? Is it proposed to re-introduce the same as soon as possible?

The Honourable Sir Charles Innes: The reply to the first part of the question is in the negative.

With regard to the second part Government are aware that several railways are issuing return tickets, and that other railways have the matter under consideration.

INDIANIZATION OF THE INDIAN CIVIL AND THE IMPERIAL POLICE SERVICES.

245. **Mr. M. E. Makan:** Will the Government be pleased to state what steps are being taken to give effect to the recommendations of the Lee Commission as sanctioned by the Secretary of State for India, in the matter of Indianization of the I. C. S. and Imperial Police Service?

The Honourable Sir Alexander Muddiman: So far as direct recruitment is concerned, recruitment will from the present year be in the proportions recommended by the Commission, provided that in the case of the Indian Civil Service a sufficient number of European candidates are forthcoming. The question of promotions from provincial services is still under consideration.

GRIEVANCES OF DECK PASSENGERS OF THE BRITISH INDIA STEAM NAVIGATION COMPANY.

246. **Mr. Gaya Prasad Singh:** (a) Has the attention of the Government been drawn to an article headed "Jehaz mein yatrivon ki Durgati" published in the Aj of the 4th January 1925, regarding the grievances of the deck passengers of the British India Steam Navigation Company?

(b) Is it a fact that the clothes of the deck passengers are fumigated?

(c) Will the Government be pleased to state if the clothes of the European or Eurasian passengers who travel on deck are also fumigated?

(d) Is it a fact that the company does not hold itself responsible for the loss of the luggage resulting in the removal of the luggage from one deck to another, or to steamships?

(e) Are the Government prepared to take necessary steps in the matter?

(f) Is it a fact that tickets are issued without any consideration of accommodation?

(g) Are the Government prepared to arrange for sufficient accommodation on decks of the steamships?

The Honourable Sir Charles Innes: (a) Yes.

(b) and (c). All bedding and any dirty clothing or suspected articles of clothing of deck passengers on vessels proceeding to any port beyond India are sterilized by steam. No racial discrimination is made in the matter.

(d) Government have no definite information on the point, but it is understood that the Company have a clause in tickets issued by them to passengers exempting themselves from liability for loss of passengers' luggage owing to certain causes.

(e) This is the general practice in all shipping companies and the Government do not consider any action in the matter necessary.

(f) Government have no information on the subject.

(g) The question of the accommodation for deck passengers is under consideration in connection with the recommendations of the Deck Passengers' Committee.

RACIAL DISTINCTIONS IN THE ASSAM BENGAL RAILWAY.

247. **Mr. Kamini Kumar Ohanda:** 1. (a) Has the attention of the Government been drawn to a letter headed "Racial distinctions in the Assam Bengal Railway" dated Chittagong, the 21st February, published over the name of A. Khan, B.L., and published in the *Forward* about the 25th February, wherein it is alleged that a board consisting of the Agent, the Traffic Manager, and two other officers interviewed six Indian candidates "with excellent European qualifications" for the post of a Traffic Probationership?

(b) Is it a fact that among others the following questions were put to them,

(1) Are you married?

(2) If so, does your wife speak English?

(3) Does she observe *purdah*?

(4) Is she fair?

(5) Is she pretty?

(c) Is it a fact that they selected a Punjabi Muhammadan after extracting a promise from him to bring out his wife before the public?

2. (a) Is there any truth in the above allegations?

(b) If not, what are the facts?

(c) Were any of the above questions put?

8. Is there any truth in the further allegations in the said letter (a) that the Indian officers in the superior services are badly treated by the superior European officers who hate to co-operate with them, (b) that they are barred from the officers' club?

The Honourable Sir Charles Innes: The Government have read the letter and do not propose to take any notice of the allegations in it. In any case, the Railway is a Company-managed railway.

PAID-UP SHARE CAPITAL OF THE ASSAM BENGAL RAILWAY.

248. **Mr. Kamini Kumar Ohanda:** 1. (a) What is the total capital paid by the Assam Bengal Railway Company?

(b) What interest is annually paid to them?

2. What is taken to be the rupee value of the sterling in calculating the interest payable to the Company?

3. Has the line since opening in 1895 ever made any profit?

The Honourable Sir Charles Innes: 1. (a) The paid-up share capital of the Assam-Bengal Railway Company is £1,500,000. The Company has in addition contributed towards the capital expenditure on the railway by the issue of debentures of the nominal value of £780,000.

(b) In respect of the share capital the Company receives an annual payment of £45,000 for interest.

2. The rupee equivalent of the sterling payments to the Company on account of interest is calculated at the average of the Calcutta daily market rates of exchange for immediate telegraphic transfers on London for the month in which the payments are made.

3. The reply is in the negative.

STATIONS AND FLAG STATIONS ON THE ASSAM BENGAL RAILWAY, ETC.

249. **Mr. Kamini Kumar Ohanda:** 1. What is the number of stations, including flag stations, from,

1. Chittagong to Badarpur?
2. From Akhaura to Sylhet?
3. From Laksam to Noakhali?
4. From Chandpur to Laksam?
5. From Akhaura to Asuganj?
6. From Lumding to Gauhati?
7. From Badarpur to Tinshukia?
8. Tangi Branch.

2. In how many of the above-mentioned stations and flag stations are there waiting sheds—

- (a) for males,
- (b) for females, and
- (c) waiting room for ladies?

3. (a) How many stations on the Assam Bengal Railway have raised platforms?

(b) How many stations have—

(a) Refreshment stalls,

(b) Licensed vendors of provisions apart from stalls, and

(c) Water-men?

The Honourable Sir Charles Innes: 1. The information desired can readily be obtained by the Honourable Member from the time table of the Railway.

2. (a) and (b) and 3 (b). Detailed information is not available, but the Honourable Member's attention is invited to the pamphlet on "Facilities for Third Class Passengers" in the Library, where information regarding third class waiting accommodation, refreshments and watering arrangements on the Assam Bengal Railway is given.

2. (c) It is understood that the information desired by the Honourable Member can be ascertained from the Assam Bengal Railway Guide.

3. (a) Government have no information. The provision of raised platforms, where necessary, is a matter within the competence of the Agent.

RAILWAY CARRIAGES ON THE ASSAM BENGAL RAILWAY.

250. **Mr. Kamini Kumar Chanda:** 1. On the Assam Bengal Railway what is the present number of,

(a) First class carriages and seats,

(b) Second class carriages and seats,

(c) Intermediate class carriages and seats, and

(d) Third class carriages and seats?

2. What is the number of composite carriages (mentioning the class of compartments) with seats of each class?

3. (a) What is the number of intermediate carriages or compartments in compo-carriages having latrine arrangements?

(b) What is the number of third class carriages or compartments in compo-carriages having latrine arrangements?

4. Are all the third class and intermediate class carriages or compartments, specially for females, in branch lines fitted with latrine arrangements?

The Honourable Sir Charles Innes: The Honourable Member is referred to Statement 10 of the Financial and Statistical Statements and to Appendix F of Volume II of the Report by the Railway Board on Indian Railways for 1923-24, which give the information available.

TOTAL NUMBER OF PASSENGERS CARRIED BY THE ASSAM BENGAL RAILWAY IN 1924.

251. **Mr. Kamini Kumar Chanda:** On the Assam Bengal Railway what was the total number of passengers in different classes in the year 1924?

The Honourable Sir Charles Innes: The Honourable Member is referred to Statement 12 of the Financial and Statistical Statements of Volume II of the Report by the Railway Board on Indian Railways for 1923-24.

WORKSHOPS ON THE ASSAM-BENGAL RAILWAY.

252. Mr. Kamini Kumar Chanda: How many workshops are there on the Assam-Bengal Railway, and which of them have been electrified?

The Honourable Sir Charles Innes: There is only one big workshop on the Assam-Bengal Railway at Pahartali and the electrification of this is approaching completion. There is also a small workshop at Lumding which has been electrified.

CARRIAGES ON THE ASSAM-BENGAL RAILWAY FITTED WITH ELECTRIC FANS.

253. Mr. Kamini Kumar Chanda: On the Assam-Bengal Railway how many compos and carriages, first class and second class, respectively, are fitted with electric fans?

The Honourable Sir Charles Innes: The information asked for by the Honourable Member has been called for and will be furnished to him when received.

APPOINTMENT OF INDIANS IN THE SUPERIOR SERVICES ON THE ASSAM-BENGAL RAILWAY.

254. Mr. Kamini Kumar Chanda: How many Indians have been taken in the superior services on the Assam-Bengal Railway since the publication of the last classified list of officers and how many Anglo-Indians and Europeans respectively?

The Honourable Sir Charles Innes: If the Honourable Member will wait till the next edition of the classified list is published, which will be before end of April 1925, he will be able to get the information for himself. The only information that Government has is that one more Indian has been appointed to the superior service on this Railway since the last list was issued.

TERMINATION OF THE CONTRACT WITH THE ASSAM-BENGAL RAILWAY.

255. Mr. Kamini Kumar Chanda: (a) In view of the continued losses in the Assam-Bengal Railway since the opening of it, has the question of putting an end to the agreement between the Secretary of State and the Company ever been considered?

(b) If so, when? What were the decisions arrived at and the reasons therefor.

The Honourable Sir Charles Innes: (a) and (b). Under the terms of the contract between the Secretary of State and the Assam-Bengal Railway Company, Government could determine the contract either on the 31st day of December 1921 or on the 31st day of December of any succeeding tenth year by giving twelve months' notice. The question of terminating the contract was taken up in 1920, but as it was not considered justifiable on financial grounds to buy out the Company's interest in the undertaking, the contract was allowed to continue for another 10 years.

MOTION FOR ADJOURNMENT.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muham-
madan Urban): I beg leave to move the adjournment of the House on a
definite matter of urgent public importance, namely, the action of the
Government in failing to provide an opportunity to the House to discuss
the Reforms Inquiry Committee Report during the current session.

Mr. President: The Honourable Member asks for leave to move the
adjournment of the House to discuss a definite matter of urgent public
importance, namely:—

“the action of the Government in failing to provide an opportunity
to the House to discuss the Reforms Inquiry Committee
Report during the current session.”

In so far as this request to move the adjournment of the House anti-
cipates discussion which will arise on a motion of which notice has already
been given in the name of Mr. Rangaswami Iyengar under the Home
Department vote, it is out of order on the ground of anticipation. It is
further out of order because the allotment of the time of the House is
made by the Governor General and not by the Governor General in
Council.

I may, however, point out to my Honourable friend that two oppor-
tunities will arise to discuss this matter, one on the Home Department
vote and the other on the vote for the Executive Council, either to-day
or to-morrow, as the case may be.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: The following Message has been received
from the Secretary of the Council of State:

“I am directed to inform you that the Council of State have, at their meeting
held on the 12th March, 1925, agreed without any amendments to the following Bills
which have been passed by the Legislative Assembly:

A Bill to amend the Cantonments (House-Accommodation) Act, 1923.

A Bill further to amend the Indian Merchant Shipping Act, 1923, for certain
purposes.

A Bill to provide for the better regulation of cotton ginning and cotton pressing
factories.”

STATEMENT OF BUSINESS.

The Honourable Sir Alexander Muddiman (Home Member): Sir, the
course of business for the week beginning with the 16th of March is, as
far as I can see, as follows: On Monday and Tuesday, the 16th and 17th
March, the Indian Finance Bill will be before the House for consideration
and, I hope, for passing. There will also be a Resolution of which the
Honourable the Finance Member has given notice on the subject of pro-
vincial contributions. Any business not finished on this day will run on
to Wednesday, the 18th. Additional business for Wednesday, the 18th, will

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be as follows: A motion will be moved by Sir Hari Singh Gour recommending concurrence with the request of the Council of State to appoint Members to a Joint Committee on the Bill introduced in the Council of State to amend the Succession Certificate Act, 1889. Secondly, a motion will be made asking for the concurrence of this House in the amendments made by the Council of State in the Prisons (Amendment) Bill. A Bill to amend the Indian Stamp Act, 1899, which was published on the 7th March, will be introduced and a motion will be made that it be taken into consideration and, if that motion is passed, that it be passed. Fourthly, motions will be made to take into consideration and to pass, if the former motion is accepted, the Indian Income-tax (Second Amendment) Bill and the Indian Tariff (Amendment) Bill as reported by the Select Committee. It is also possible that a motion may be made for leave to introduce a Bill to amend the Indian Cotton Cess Act, 1923. Any business left over from Wednesday will be taken on Monday, the 23rd. Thursday, the 19th March, has been allotted for non-official Bills.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadan Rural): May I ask the Honourable Member whether he has considered the desirability or advisability of giving another day for Bills as suggested by me?

The Honourable Sir Alexander Muddiman: I have received a request to that effect from the Honourable Member. I doubt whether it will be possible in the state of public business to give another day. It might be that if any Bills are outstanding which could be finished in this session and if the state of business permits I might find a little time for that. There is one Bill, the Age of Consent Bill, which I have in mind.

Diwan Bahadur M. Ramachandra Rao: The 20th March happens to be a day on which there is no official business as yet. If any business which is left over on the 19th can be carried over to the 20th and all the Bills which have been ballotted can be finished, it will certainly meet the wishes of many Honourable Members in this House.

The Honourable Sir Alexander Muddiman: As I said, I will have to consider the matter with reference to the state of Government business. It may be that I shall have an important Bill to bring before the House, though at present I am not in a position to make a statement on that point.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): May I know with reference to the legislative business which will be brought up on the next non-official day whether Bills which were adjourned *sine die* and Bills which were adjourned for further consideration (Mr. Patel's Bill for the repeal of the Regulations and the Bill for the abolition of Racial Distinctions in the Criminal Procedure Code), will be brought up on the agenda of the next non-official day?

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): May I inform the Honourable Member that my Racial Distinctions Bill has been already ballotted and stands third on the list on the 19th.

The Honourable Sir Alexander Muddiman: The Honourable Member (Mr. Patel) has supplied the information.

Mr. President: As far as that is concerned, Honourable Members are aware that the ballot for Bills is only a ballot for leave to introduce.

Bills which have passed beyond the stage of introduction are set down on subsequent dates after their introduction in accordance with the result of a separate informal ballot. Mr. Patel has informed Honourable Members that his Bill stands third on the list of business for the 19th.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): May I ask whether it is the intention of Government to allot more days for the Demands for Grants?

The Honourable Sir Alexander Muddiman: I have received a letter on that subject. The Honourable Member is aware that the allotment of days does not rest with Government. It rests with the Governor General. I have forwarded that request to the Governor General, but I have not been able to make a recommendation in support of that request. The House has already had three days more this year than it had last year.

Diwan Bahadur T. Rangachariar: May I also ask why there is no indication of the introduction of a Bill on the recommendations of the Bar Committee, in the statement made by the Honourable the Home Member?

The Honourable Sir Alexander Muddiman: I am glad that the Honourable Member has raised this question. It was the intention of Government to introduce a Bill dealing with the recommendations of the Bar Committee. We have however not received a reply from one important Local Government, the Government of Bombay, and as the Honourable Member is aware the law in that province on the subject of legal practitioners is special. We do not think therefore we should be justified in putting before this House a Bill till we have seen the recommendation of that Government. I recognise the interest the Honourable Member takes in that subject and the statement I am now about to make may meet him to some degree. We have drafted a Bill, and, when we have received the recommendation of the Government of Bombay, we shall have to re-examine it with reference to that recommendation. It is proposed thereafter to introduce the Bill by publication. We could not in any case have got farther than the introduction stage in this session, and therefore I think the Honourable Member will see that there will be no great delay in following that procedure.

Diwan Bahadur T. Rangachariar: May I ask, Sir, whether it is the intention of Government to take any steps on the Report of the Mercantile Marine Committee?

The Honourable Sir Alexander Muddiman: That I think would be more suitably addressed to my Honourable friend. But there is no intention I think this session.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member when this session is likely to come to an end?

The Honourable Sir Alexander Muddiman: That, Sir, will depend very largely on the course of the Finance Bill in the two Houses.

Diwan Bahadur M. Ramachandra Rao: Will the Honourable Member give us the approximate date?

The Honourable Sir Alexander Muddiman: I think the approximate date will be the 25th if all goes well.

Mr. Devaki Prasad Sinha (Chota Nagpur Divisions: Non-Muhamadan): May I ask the Honourable the Home Member if he is taking steps to see that the replies from the provinces on those recommendations are speedily obtained?

The Honourable Sir Alexander Muddiman: There is only one Local Government, as I have said, and we have been trying our best to get a reply out of that Local Government.

Mr. Devaki Prasad Sinha: Is the Honourable the Home Member also trying his best to induce those High Courts that have not yet taken steps to give effect to the recommendations of the Indian Bar Committee to do so?

The Honourable Sir Alexander Muddiman: I must have notice of that, Sir.

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

SECOND STAGE—*contd.*

Expenditure from Revenue—*contd.*

DEMAND No. 19—OPIUM—*contd.*

OPIUM POLICY OF THE GOVERNMENT OF INDIA.

Mr. President: The Assembly will now resume consideration of Part II of the Budget. The motion proposed was:

“That a sum not exceeding Rs. 1,78,95,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Opium’.”

Since which an amendment has been moved:

“That the Demand under the head ‘Opium’ be omitted.”

Further amendment moved:

“That the Demand under the head ‘Opium’ be reduced by Rs. 100.”

The Honourable Sir Basil Blackett (Finance Member): Sir, I have for some time been very desirous that an opportunity should arise for a discussion in this House of the question of opium, and I am very glad that the opportunity now before us has been taken advantage of with such useful results. The House will I am sure agree with me that the speeches which we heard yesterday were nearly all of them an extremely valuable contribution to this subject, and for my part I do not regret at all the fact that the closure was not moved. I think the House did not move the closure because they felt that they were listening to a really valuable discussion. No one who listened to Dr. Datta's speech could fail to be impressed by his sincerity, by his mastery of his subject and by the moderation with which he put forward the views which he held. I think it is most desirable that India should have an understanding of the subject of opium and should be in possession of the figures and facts on which to arrive at an informed public opinion. One of the difficulties of the past has been that, so far

as the Government of India are concerned, they have had very little to guide them in the way of an Indian public opinion on this subject. Until very recently—scarcely a year ago, the only public opinion to which much expression had been given on this subject by the leaders of Indian thought ever since the date—about 1907—when the restriction of the China trade began to be well to the fore, took the line that the Government of India and the people of India were being forced to sacrifice revenue and give up a valuable trade in order to pander to the non-conformist conscience of England. That was the line that had been taken. It is only quite recently that the emergence of a different form of public opinion has become noticeable, and I am very glad that such a public opinion should now be in process of forming; because in dealing with this question of opium, whether for internal use or for external use, it is almost essential that the Government of India should have public opinion behind them before they take any important action.

We are discussing to-day the Demand for the grant of the expenditure which will come in course of payment during the year 1925-26 under the head Opium, that is to say, the expenditure that will be incurred by the Government of India in maintaining the opium establishment, in controlling the production of opium in India and in disposing of that opium either through the Local Governments for internal consumption or for the purpose of export. Throughout the whole of British India, apart from certain inaccessible tracts on the frontier of Burma, the cultivation of opium is regulated by Statute. The important Acts are Act XIII of 1857 as amended by Act I of 1911, and Act I of 1878. Under these Acts the cultivation of the poppy within India is permissible only under license. The total area to be sown is fixed by the Government from year to year, and the license specifies the exact area which the licensee may cultivate. With the exception of the Punjab where the people are allowed to plant certain small areas with poppy and sell the opium direct to licensed vendors, the cultivator is bound to sell the whole of his produce to the Government. The crude opium so received is sent to the Government factory at Ghazipur. There used to be another factory at Patna when the China trade was in existence, but now the only factory is the factory at Ghazipur and the produce received from the cultivators is there made up into raw opium in two forms: either opium intended for export to foreign countries, which is known as provision opium owing to the fact that the proceeds of sales were originally in the old days intended to provide funds for Indian transactions with China; and opium for consumption in India which is known as excise opium. Provision opium consists at present of pure Benares opium, that is, opium grown in the United Provinces. Excise opium is a blend consisting of about one part of Benares opium with three to four parts of Malwa opium, that is, opium grown in the Indian States, in Central India and Rajputana. The cultivation, manufacture and export of opium is a central subject and it is not open to a Local Government to authorise the cultivation or manufacture or export of opium. The sale proceeds of provision opium, that is, opium for export, go to the credit of the central revenues. Excise opium is sold by the Central Government to the Local Governments at cost. The difference between the price at which the Local Government sells to the public and the price which it pays to the Central Government being equivalent to an excise duty. It is convenient to consider provision opium and excise opium, that is, as I have said, opium for export and opium for internal consumption, separately. Excise opium is sold by the Central Government to the Local Governments at cost price, as I have said. The greater

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part of it is produced in the Malwa States; the Central Government have no financial interest in the extent of the consumption of excise opium; that is a matter which interests Local Governments. The Central Government's function in regard to excise opium is simply to control the production, to manufacture and to sell it to the Local Governments at cost price. In the Local Governments, with the exception of Assam, excise is a transferred subject under a Minister responsible to the Legislative Council. The policy pursued in regard to excise opium is therefore one which rests with the Local Governments. The powers of intervention of the Central Government in a transferred subject are, as the House knows, limited. They are governed by Rule 49 of the Devolution Rules. It is, therefore, in the Provincial Legislatures in the first instance at any rate, and with the possible exception of Assam, that the subject of the excise policy of the respective Local Governments should be raised and, if it is found unsatisfactory, criticised. But I recognise that there are very considerable advantages in being able to deal with the subject of the consumption of opium in India as a single question; and that of course is possible only in the Central Legislature, and as was stated by Lord Hardinge at a meeting of the Assembly of the League of Nations a year or two ago, "any genuine measure of reform initiated by a provincial Minister will undoubtedly receive encouragement and support from the Government of India".

Let me now describe the general policy which has been pursued by the Local Government in this matter for the last 10 or 15 years. There are differences in detail, but there is a general line of policy running right through. The general policy has been to increase progressively the issue price of opium and to reduce the limit of private possession and in general to tighten control over the traffic. The issue price of opium to-day is from 2 to 3 times what it was in 1910-11 and the number of shops where opium can be obtained is about two-thirds of what it then was. The limit of private possession is quite small. It varies from 1 to 3 tolas in the case of non-smoking opium and from $\frac{1}{2}$ to $\frac{3}{4}$ tola in the case of smoking opium, which of course is very exceptional. The general policy of Local Governments may be summed up in the phrase which has been applied to the policy in regard to excise generally, that is, the policy of getting the maximum revenue from the minimum consumption. Thus in 1910-11, excise revenue from opium was 164 lakhs and the consumption was 12,530 maunds. In 1922-23, the revenue was 250 lakhs and the consumption 7,666 maunds. That is the consumption for 1922-23. The latest figures, those of 1923-24 show a further reduction to 7,406 maunds, that is to say, since 1910-11 revenue has increased by more than 50 per cent. and the consumption has gone down to not very much more than one-half of what it was in 1910-11. I think the complete statistics in regard to the consumption of opium by provinces, comparing the present day with 1910-11 would be of interest.

	Maunds.
In Madras in 1910-11 the consumption was	1,178
1923-24	878
In Bombay in 1910-11	1,436
1923-24	819
In Bengal in 1910-11	1,656
1923-24	998
In Burma in 1910-11	1,306
1923-24	772

	Maunds.
In Bihar and Orissa in 1910-11 the consumption was . . .	882
1923-24 . . .	654
In the United Provinces in 1910-11 . . .	1,545
1923-24 . . .	603
In the Punjab in 1910-11 the consumption was . . .	1,584
1923-24 . . .	834
In the North-West Frontier Province in 1910-11 the consumption was . . .	69
1923-24 . . .	72
In the Central Provinces in 1910-11 the consumption was . . .	1,307
1923-24 . . .	761
In Assam in 1910-11 the consumption was . . .	1,511
1923-24 . . .	911
In Ajmer-Merwara in 1910-11 the consumption was . . .	69
1923-24 . . .	71
In 1910-11 the total consumption was . . .	12,580
In 1923-24 . . .	7,406

Those are the figures of the issues of raw opium for consumption in those two years. They obviously show a very striking reduction. The existing restrictions on the issue and consumption of opium have been already alluded to by one or two speakers, but I should like to say a little more in regard to them. The produce of the poppy cultivated on Government account has first of all to be delivered to the Government Opium Department. Such opium can therefore only be obtained from Government. The produce of poppy cultivated by licensed cultivators in the Punjab can only be sold to licensed vendors and cannot be obtained direct by the ordinary consumer. Government excise opium is issued only to wholesale or retail vendors. The wholesale vendor may sell such opium or opium obtained from a licensed cultivator only to other licensed vendors or to licensed druggists. The retail vendor and the licensed druggist may sell to individuals. Thus the individual can obtain opium produced in India only from a licensed retail vendor or licensed druggist. Each stage of the distribution down to the retail vendor is safeguarded by an elaborate system of transport passes, while the conditions governing the license of the retail vendor are most stringent. He may not sell to any one person at any time more than the quantity of opium which an individual may lawfully possess. He may sell only for cash and only on premises for which he is licensed. He must not allow consumption on such premises and he must keep correct daily accounts of his sales, which have to be open at all times for inspection by excise officers. The manufacture of smoking preparations is forbidden except by an individual for his own use from opium lawfully in his possession and the sale of prepared opium, that is, opium prepared for smoking, is absolutely prohibited. In addition, limits are prescribed for the private preparations of opium considerably less than those fixed for raw opium and as smoking is extremely wasteful of opium and consumes a far greater quantity of the drug than eating, this makes excessive indulgence out of the question in any but exceptional cases. The attitude of the Government of India has always been to favour any steps which would effectively reduce the opium habit without driving the traffic underground. Since the subject became one for the Provincial Governments, the Provincial Governments have taken very considerable interest in the

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matter. Proposals are under consideration in several provinces for prohibiting opium smoking in company altogether and imposing severe penalties for attempting to obtain opium unlawfully. If the provinces wish to go further than at present in regard to restricting opium consumption and to initiate reasonable proposals calculated to reduce the consumption, the Government of India would be the last to raise any objection. On the other hand, the Government of India have never hesitated to take most drastic steps to check opium consumption when such steps were really necessary. It was accepted in 1893, for example, that consumption of opium for smoking was harmful to people of the Burman race. In 1894 a campaign was entered upon for the progressive suppression of smoking in Lower Burma, a campaign which can be paralleled, if at all, and then only on a very much smaller scale, by the campaign undertaken by the United States of America in the Philippines. The history of that campaign in Burma is a long and intricate one into which I need not enter at length. But the efforts of the Government of Burma have had very considerable results. By the end of 1911-12 the number of Burmans registered as smokers had fallen to 14,019. In 1921 it was 5,405 and with the extinction of this number, because no new names can be added to the register, the prohibition of opium smoking by Burmans will be absolutely complete right through the whole of Burma. The history of that effort shows that one of the biggest difficulties is the increase in smuggling and illicit consumption. That difficulty caused a change in the method on two or three occasions. The history of opium consumption in Assam is very interesting in the same connection. A good deal of information was given about Assam by Mr. Cosgrave, whose speech I am sure the House recognised as a very valuable contribution to the debate. I need not go through the details of what Assam has done except just to give these figures. Before giving these figures, I think I had better say that up to the year 1860 the cultivation and manufacture of opium in Assam was entirely unrestricted. The first restrictions were introduced in 1860 when a duty of Rs. 14 a seer was imposed on excise opium and a gradual reduction of the number of shops was undertaken. In 1873-74 Assam consumed 1,150 maunds. It had a population of 4,094,972 and its consumption per head was 17·4 grams. In 1922-23 the opium consumption in Assam was 990 maunds, just half of the previous figure. The population was 7,606,230, approaching double of the previous figure, and the consumption per head had gone down from 17·4 grams to 5 grams a head. That is still very large as compared with the figure recognised by the League of Nations as being the amount required on the average for strictly medicinal and scientific uses. But when you see that the consumption per head has been reduced from 17·4 grams to 5 grams in the last half century it is very difficult, I think, to draw any other conclusion than that the policy which is being pursued is on the right lines and that if any additional efforts are to be made, which seem very desirable in a place like Assam particularly where it is undoubtedly in some places an evil, you should be very careful that those additional efforts should be in line with the efforts that have been already made and should not be a breakaway from the old methods by which you may lose the advantage of the progressive reduction which you are securing by your existing methods.

Now, the policy of the Government of India in regard to opium consumption in India is still based on the findings of the Royal Commission of 1893.

That Commission went very thoroughly into the question of opium consumption in India. It is interesting to observe that that commission was appointed by the British Government and paid for by the British Government because it was pressed on India by the British Government. Now, the conclusions of the Royal Commission have been quoted in one or two connections, but I am afraid I must repeat some of them. The commission examined over 700 witnesses from all sections of the population including 161 medical men of whom 15 were medical missionaries. Their main conclusions were as follows:

Paragraph 259.—Opium is used as a stimulant, and it is also largely consumed in India for the mitigation of suffering and the prevention or cure of disease. It is the universal household remedy. It is extensively administered to infants, and the practice does not appear to any appreciable extent injurious. The use of opium does not cause insanity. It does not prejudicially affect the birth-rate. It does not appear responsible for any disease peculiar to itself. An Insurance Society at Bombay, after twenty years' experience, has not found it necessary to impose an extra premium on the lives of moderate opium-eaters.

Paragraph 273.—We have made exhaustive inquiry into the consumption of opium in India and its effects. We find no evidence of extensive moral or physical degradation from its use.

Opium is extensively used for non-medical and quasi-medical purposes, in some cases with benefit, and for the most part without injurious consequences. The non-medical uses are so interwoven with the medical uses that it would not be practicable to draw a distinction between them in the distribution and sale of the drug.

The habitual use of opium as a stimulant by young people is generally condemned.

Opium-smoking is little practised in India; it is considered a disreputable habit."

I was challenged by Dr. S. K. Datta in regard to my statement that there were religious connections with the use of opium. I have not spent any time in research as was suggested by Dr. Datta. Since that date and indeed until he mentioned it again I had not thought of the point. But I was relying on my memory of a passage in the Royal Commission's Report on opium. If he will look at paragraph 109, he will see that it is a long paragraph which concerns itself entirely with the ceremonial, social and religious uses of opium in Rajputana.

Dr. S. K. Datta (Nominated: Indian Christians): The whole emphasis of that paragraph was social, not political.

The Honourable Sir Basil Blackett: I said social and religious and the Royal Commission also says social and religious. I did not lay emphasis on one or the other.

Rai Sahib M. Harbilas Sarda (Ajmer-Merwara: General): I have lived all my life in Rajputana but have never heard that in Rajputana opium had any religious aspect. Neither the Princes of Rajputana nor the common people have anything to do with opium from a religious point of view. This is the first time I learn that opium has any religious significance in Rajputana.

The Honourable Sir Basil Blackett: I am sorry the Honourable Member has not wasted his time in reading the Report of the Royal Commission. I have only quoted from a report where that statement is made. I do not make any further statement. That chapter will be found in the Report of the Royal Commission.

When the Royal Commission reported in 1893 the average *per capita* consumption in India was 27 grams per annum. In 1922-23 it was less than 18 grams. Now, opium in India is, I understand, often administered to cattle. Therefore the true *per capita* consumption must be below 18

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grams if you allow for the use of opium for administration to cattle. It will be seen that *prima facie* there is no reason to suppose that the policy that is being pursued by the various Governments in regard to opium and its uses in India has not been a satisfactory one which is arriving at its object, namely, a gradual reduction of consumption and the prevention of the evils. That particular evils exist in Bombay, Assam and Burma is undeniable, and I believe that the right way to combat the evil in Bombay, for example, is the way that is already being adopted, as stated by one speaker yesterday, of educating the mothers in the danger of the practice. I do not think it is a matter that you could usefully deal with by an attempt at this stage to introduce more drastic remedies such as prohibition altogether of the use of opium for purposes other than medicinal and scientific because of the difficulties which that involves, and which were so clearly pointed out by the Royal Commission in 1893. We have evidence that the consumption is going down rapidly year by year, and that, as conditions improve, the evil, where it exists, is being lessened. Dr. Datta quoted the consumption per head in 1923 and rightly pointed out that the figure was too high. I have had the figures for some places mentioned by him examined. At Ambala the number of seers per thousand of the population consumed in 1922-23 was 26.8. The corresponding figure in 1892-93 was 52.4. In Ludhiana, which is a Sikh district, the figure in 1922-23 was 49.3 seers per thousand of the population. In 1892-93 the figure was 123.8. You will see there has been an enormous reduction in both those places. I have figures here for Cawnpore, Benares, Calcutta, Ahmedabad and so on. In Bombay the figure in 1892-93 was 108.6, and in 1922-23 it was 43.1. All the figures show enormous reductions, in many cases more than half as compared with 1892-93; so that, even when we allow for the fact that there are districts where the consumption looks high, it is at any rate satisfactory to observe that there has been a regular and a progressive reduction. The Government of India recently circularised the Local Governments in regard to this question of internal consumption. As I stated at the beginning of my speech, internal consumption is primarily a matter in which the policy is governed by Ministers in the transferred departments. Attention was drawn to some *prima facie* evidence which had been produced by some investigators of abuses of opium in various directions, and the Local Governments have been asked to re-examine the question and to consider with the Government of India by what means, whether by some special inquiry or another committee, the problem should be dealt with, if the Local Governments come to the conclusion that there is *prima facie* evidence making it desirable to review the conclusions of the Royal Commission of 1893. I am not in a position to-day to say what action the Government of India will take when the replies from Local Governments are received. They have not yet been received. I think none have been received. The Governments have naturally been watching with interest the Geneva discussions on the subject of opium and I imagine they have delayed their replies pending the possibility of examining what is going on in other parts of the world in this matter. But I can say for myself that my own view coincides entirely with that given by Mr. Cosgrave; and I think that, unless strong reasons to the contrary exist, which I do not know of, some kind of inquiry to review the conclusions of the Commission of 1893 may be very desirable. I see no reason why there should be any objection to it, but as I say, I am not in a position to go further because we have not received the replies of

the Local Governments and we do not know their views, and in a matter of this sort the views of the Local Governments, the subject being a transferred subject, must necessarily carry very considerable weight. But I think the figures which I have put before the House must convince an impartial person that the policy of the Government of India in regard to internal consumption, and the policy of the Local Governments is having very considerable results in the reduction everywhere of the consumption and the prevention of any spread of the abuses which are connected with opium when it is taken to excess.

I now turn to the question of export. I cannot say very much about that because, as the House knows, this whole subject has been very prominently before the public of the world at the Geneva Conferences, and we are not yet in possession even of a complete report of the proceedings of the Geneva Conference and have not been in a position to take action on those proceedings. But the position is really a fairly simple one. The Government of India, as is well known, have agreed to export opium only to those countries whose Governments desire to have Indian opium, and no opium is exported to China. The exports are strictly controlled. The greater part of them go to Governments with whom we have direct agreements. The rest are sold by auction and purchased by exporters who, before they can export, have to produce a license from the Government of the country to which they are exporting the opium, that the import is licensed by that Government. Something was said of the history beginning a good way back by the speaker yesterday. I do not propose to go back beyond 1908. An agreement was arrived at at the beginning of 1908 by which, with effect from the 1st January 1908, the Government undertook to diminish progressively the total amount of opium sold in Calcutta by 5,100 chests a year for a period of three years, which it was expected would indirectly diminish the amount imported into China. If the Chinese fulfilled their share of the agreement to reduce cultivation in China to a similar extent, the Government of India further agreed to continue the annual reduction of 5,100 chests until the total export reached the figure of 1,600 chests. For the five years 1901-05, the average export to all countries was 67,000 chests, of which China took 51,000. So the progressive annual reduction of 5,100 chests would have brought the export to China to an end in 1917. Negotiations were begun in 1910 in Peking for a continuance of the 1908 arrangement, and the Government of India agreed that there was general evidence that cultivation had been substantially reduced in China during the period. Under the terms of the new

12 Noon. agreement the Government of India agreed to the payment of an import duty being imposed by China three times the existing amount in return for the promised abolition of provincial taxes, the partial closure of China to Indian opium by the provinces, including not only the stoppage of transit but also Treaty Port closure, Shanghai and Canton excepted, and the total stoppage of exports on proof of the total cessation of opium growing in China. Finally, in 1912, the Government of India agreed to stop exports to China altogether although the time had not arrived at which they had agreed to do so and although there was evidence by that time that Chinese effort to reduce production was not being altogether successful. At the present time,—the figures of course are not statistically exact—at least nine-tenths of the production of opium in the world is believed to be taking place in China.

Now coming to the non-China markets the first maximum limit of 14,000 chests per annum was fixed. This has been progressively reduced

[Sir Basil Blackett.]

and the exports are nowadays between 8,000 and 9,000 chests per annum. Japan takes very little. In Macao and French Indo-China the exports go only to the Governments. The average net receipts of the Government of India for sales of export opium in the three years 1910-11 to 1912-13 were 801.62 lakhs. The average net receipts for 1921-1922-23 were 183.41 lakhs, a reduction of considerably over 6 lakhs. The reduction is really very much larger because the price of opium has increased very considerably during the period, and the opium sold at present prices that was sold in 1911 would have brought in more nearly 12 crores than 8 crores.

Dr. S. K. Datta: I am sorry to interrupt, but will the Honourable the Finance Member tell us the amount taken by each of the Overseas Colonies, *e.g.*, the Straits Settlements, over the last 10 years? My whole contention is that there has actually not been any reduction.

The Honourable Sir Basil Blackett: I have got very considerable statistics here but I have not those particular ones. Yes, I have got some figures here. I take the year 1913 and the year 1923:

	1913. Chests.	1923. Chests.
China	4,612	Nil.
Singapore	2,367	2,100
Hongkong	1,120	240
Penang	200	Nil.
Colombo	105	30
Batavia	3,535	900
Bangkok	1,350	1,600
Saigon	450	2,975

The totals for all countries are 15,760 in 1913 and 8,544 in 1923.

Dr. S. K. Datta: You accept the statement that there has been actually an increase in the Straits Settlements?

The Honourable Sir Basil Blackett: No, a decrease. In the Straits Settlements it fell from 2,367 chests in 1913 to 2,100. The Singapore figure for 1910 was 10,688 chests. In the case of Hongkong it fell from 1,120 in 1913 to 240 chests. I do not think it does carry the interpretation that Dr. Datta puts on it. The figures of Saigon are perhaps more interesting from his point of view.

Now that is the policy of the Government of India. In regard to the exports they are carrying out their agreement under the Convention to the full. They have in one or two cases gone beyond it. In the case of Macao, where they were convinced that the amount imported under licence was more than the colony could possibly require for internal consumption, they did go beyond the Convention and seriously restricted the amount for export. The Government will be perfectly happy to see these exports further reduced. They do not wish to secure revenue out of the degradation of other countries, but they do not see that they are going to help forward any useful work if they themselves suddenly or even over a period of years without co-operation from elsewhere deprive India of her revenue and the cultivators of their employment by refusing to send exports of opium to countries whose Governments continue to licence their import in pursuance of the policy which those Governments have themselves agreed to carry out of gradual reduction; since the only result so far as the Government of India can see of such an action on their part would be to mulct

the Indian tax-payer in a considerable sum of money and have no effect whatsoever on the amount of opium imported to and consumed in these places. It may be said that the Government of India themselves say that opium smoking is an evil; they ought therefore to prohibit the export of opium to any country where it is likely to be smoked even though that country may get opium in equal quantities from elsewhere. If that is the policy which it is desired the Government of India should adopt, it is one which I think ought to be carefully weighed and very carefully considered by this House and by the country generally before it is adopted. It is not as far as I can see likely to be a useful contribution to this world-problem. Much more is likely to be gained by the continuance of co-operation between the nations in the League of Nations than by isolated action of the kind that is suggested. We are awaiting the final reports from the Geneva Conference and the whole subject will then have to be studied with considerable care by the Government of India and the new obligations which have been entered into in that Conference will have to be carried out and will be carried out to the full. But in the meanwhile I think that the Government of India are entitled to claim that they have done more than any other country in the world at the expense of their own tax-payers to contribute towards the problem of reducing the consumption of opium where such consumption is abused; and I am very glad, as I said at the beginning, to have had the opportunity of putting the full facts, I am afraid at some length, before this House in order that they may be in a position to arrive at a considered judgment in the matter.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadian Rural): Sir, we have listened with great interest to the careful statement of the Honourable the Finance Member in this House to-day. There are two questions which arise out of it for the consideration of this House; one relates to the use of opium in this country and the other to the export of opium outside India. So far as the use of opium in this country is concerned, I submit that while the Government of India are entitled to claim that the use of opium in this country has been reduced to a large extent, the fact still remains clear that the amount of opium which is still used in several parts of the country is excessive. The figures which Mr. Andrews has published, and which have not been controverted, show that while the standard fixed by the League of Nations is 6 seers per ten thousand of the population after taking all the legitimate requirements of the people into account, at present Calcutta consumes 144 seers per ten thousand, Rangoon 108 seers, Ferozepur 60 seers, Ludhiana 49 seers, Lahore 40 seers, Amritsar 28 seers, Cawnpore 29 seers, Ahmedabad 42 seers, Bombay 43 seers, Broach 51 seers, Sholapur 35 seers, Karachi 46 seers, Hyderabad (Sind) 52 seers, Madras 26 seers, Cuttack 25 seers and Balasore 56 seers per ten thousand of the population. Now, Sir, this is excessive beyond expression and it indicates what amount of evil the improper use of opium is working in the country itself. There are other figures which show the consumption by provinces. The United Provinces have happily a standard of 6.6 seers per ten thousand, which is very nearly the figure which the League of Nations have fixed. Bengal has 8.1, Bihar and Orissa 8.3, Madras 8.5, the North West Frontier 10.2, Punjab 12.0, Central Provinces 16.1, Bombay 22.2, Burma 28.7, Assam 52.1, Baluchistan 6.0, Ajmer 52.7. Now, Sir, that will show the need, the very crying need, of an inquiry into this question so far as the internal use of opium in the country is concerned. If six seers per ten thousand of the population

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is the correct standard, then the enormous quantity which is being used over and above it in the different provinces beginning with the Punjab requires certainly to be curtailed. I would ask the Honourable Finance Member and this House to imagine what an amount of misery, degradation and suffering this excessive use of opium indicates. In the provinces which have been mentioned the case of Assam has already been dealt with fully. We have also the case of Ajmer where the rate of consumption is 52·1 seers where it ought to be 6 seers. Therefore, I submit that, apart from the question of the export trade, there is a very clear necessity for the appointment of a committee to go into this very important problem. It is not sufficient for the Government to say that after receiving the reports to which they have referred, they will take up the question and deal with it. If the matter were to be dealt with by the Government of India alone this House need not have interested itself in it. But the Government of India have to lay their demand in connection with Opium before this Assembly, and the Assembly has to debate it. We have been discussing it for some time; and it is only fair that, when the reports have been received from Local Governments, there ought to be a committee appointed on which the elected Members of this House should be properly represented, to go into the whole question and to lay down a policy for the whole of India. It is not a question, as the Honourable Finance Member said, which was primarily the concern of Provincial Governments. In one sense it is . . .

The Honourable Sir Basil Blackett: Of the Ministers; it is a transferred subject.

Pandit Madan Mohan Malaviya: It is a transferred subject, says the Honourable Finance Member; in one sense it is; but the Government of India sell the opium to the Local Governments; that is a fact that can not be disputed. If the Central Government sell opium to the Local Governments, and if the Central Government still direct the policy of the Local Governments in this matter, it will not do to say that the Government of India have no direct responsibility in this matter. The Government of India are responsible; the Local Governments are merely agents of the Government of India, and the Government of India are the agents of Parliament; and the Government of India sell opium to their subordinates, the Local Governments. I submit the fact stands without any doubt as I have stated it. I do not know that the Honourable Member will say that any enunciation of policy by the Government of India in this matter will be disregarded for half a moment by any Provincial Government. It is impossible to think of it . . .

The Honourable Sir Basil Blackett: What do you mean by provincial autonomy?

Pandit Madan Mohan Malaviya: Yes; when we have got provincial autonomy then I shall not have to waste my time here in trying to persuade the Honourable Member that a certain policy should be pursued in this matter; but at present we know that the Central Government are responsible primarily for the policy which has been pursued. Therefore, I submit that there ought to be a committee appointed and that the Honourable Finance Member ought definitely to promise to this Assembly that a committee will be appointed to investigate into this matter. In the presence of this great evil, it is not satisfactory for him to say that he could not commit the Government of India to any view in this matter. He said clearly that he spoke for himself; of course we know that even if he speaks for himself he counts

for a great deal in the Government of India as it is constituted at present, and that might suffice in the opinion of some people; but when he distinctly says that he does not want to commit the Government of India to any policy at this moment, he leaves the matter in a very unsatisfactory condition. I submit, Sir, that the numberless infants who have suffered, whose lives have been stunted and injured by the improper administration of opium, that the numberless men and women who have suffered by the use of opium to the extent to which it is allowed, cry out for a reform in this direction and the Government ought not to postpone the day of reform any longer.

The Honourable Finance Member rightly claimed that on the whole there has been a great deal of reduction in the use of opium in India. That fact is indisputable. But let us also note the tale that the figures tell in regard to some parts of this country. Let us take the worst of them in Assam. In 1875 the quantity of opium used there was 1,874 maunds and the revenue 12 lakhs; in 1921 the quantity used stood at 1,614 maunds though the revenue had risen to 44 lakhs. That is, in the course of about 46 years, the total reduction brought about in Assam was from 1,874 maunds to 1,614 maunds! My Honourable friend Mr. Phookun has pointed out that the larger reduction which occurred in 1922, i.e., from 1,614 maunds to 1,013 maunds, occurred because of the non-co-operation movement . . .

The Honourable Sir Basil Blackett: May I just explain, Sir. I am afraid that is not correct. The reduction occurred because of a reduction of facilities by the Assam Government, a reduction of a very considerable amount which took effect from the beginning of 1921-22, with a simultaneous increase in the issue prices.

Pandit Madan Mohan Malaviya: I thank the Honourable Member. Making allowance for what he has said, Sir, I still say that nobody can dispute the fact that the visit of Mahatma Gandhi to Assam and the great impetus which he gave to the discarding of the use of liquor and intoxicating drugs, largely brought about the reduction to which attention has been drawn. I do not think the Finance Member himself will dispute this fact. Now, Sir, let us look at the figure in the next year. In 1922 it was 1,013 maunds; in 1924 it was brought down to 890 maunds. So I submit that the efforts of the people have been very largely instrumental in reducing consumption there. But still the evil is very great and requires to be combated; and the right way to deal with the question is by appointing a committee such as I have suggested.

The Honourable Finance Member claimed that during the last fifty years there has been a great deal of change for good in the policy of the Government. I admit it; everybody admits it; the Government of India have lost a great deal, an enormous amount of revenue over this opium and they deserve credit for it. But, Sir, we cannot forget that the export of opium to the large extent to which it was exported to China was itself an evil for which the Government should never have become responsible. If the Government encouraged and sedulously worked up a State policy of the export of opium to China for a long number of years and began to earn a large revenue therefrom, they could not complain if they were required to give up that revenue. A man might have been committing robberies and accumulating a large income every year therefrom, and if he is called upon to give up his robberies and to give up the income from those robberies, he might claim that he acted correctly in giving it up and we shall all give him credit for it; but he should not claim too much credit for that.

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abandonment. We are glad this revenue has gone down. India has suffered a loss of nearly eight crores; but I am certain that Indians feel no regret for it; they feel that this revenue has been rightly given up.

I now come to the question of the export of opium. Whatever amount of opium may be needed for medical and scientific purposes ought certainly to be available to the people. There ought to be such regulations as will permit the use of opium by people for medicinal purposes without any very serious obstacle being placed in their way; all that is a proper matter for regulation. Such regulations exist in the United Provinces, and there the consumption has been brought down to six seers per 10,000 of the population; similarly it has been brought down in Madras, Bengal and Bihar and Orissa. When consumption has been brought down to this figure in these four provinces, under the operations of regulations promulgated by the Government, there should be no difficulty in bringing down the consumption to that figure in other provinces as well.

But, Sir, as regards the export trade, the position is different. Why are we bound to export opium outside India? Why should we at all export opium outside India? If the Governments of any country require opium for medical and scientific purposes, the Government of India might very well supply that much of opium which is so required, but I read in this paper for which we are indebted to Mr. Andrews, at whom I was sorry to find yesterday some speakers were inclined to sneer—Mr. Andrews deserves our gratitude for having put forward the facts relating to the use of opium—and I want to know whether the Honourable the Finance Member supports his statement or contradicts it. Mr. Andrews says that the greater part of opium which is exported now, "that practically every chest of opium that leaves India for the Far East is immediately prepared for smoking and used for smoking". Therefore, Indian opium which is used all over the Far East would come under this Article of the Hague Convention, and I should like to know if the Honourable the Finance Member can throw any light on this matter. Is it a fact that the greater part of opium, or as Mr. Andrews says, that practically every chest of opium that leaves India for the Far East is immediately prepared for smoking and used for smoking? (After a pause.) I take it, Sir, that the Honourable the Finance Member is not in a position to answer my question or that he does not wish to answer it. Mr. Andrews says:

"A very large proportion of the opium exported from India goes to the British possessions in the Far East. It is at once prepared by the Governments of those British possessions for opium smoking and sold in opium dens under a Government monopoly. The Government of India gets out of its contract by saying that it does not send out 'prepared' opium but 'raw' opium. The American delegation stated that this was a mere quibble. It was a connivance between two parties at a breach of treaty and contract, because it was well known that all the opium sent out from India to the Far East was used for smoking purposes."

If that is a fact, then I say, Sir, that every one of us, Europeans and Indians, ought to insist that the export of opium out of India should cease, and that it should cease without any delay.

Then the argument taken up by the Honourable the Finance Member was, were we to do so, what would be the result? The Governments of those countries would still allow opium to be imported into or cultivated in their territories, and therefore what would we gain by it? Well, Sir, we shall gain to this extent that we shall cease to be a party to a crime. It is a crime to send out opium to be smoked outside India or anywhere, and if

you continue to trade in opium which is used for this purpose, you are committing a grave crime. You should cease to do so. It is no argument to tell me that if other people commit a crime, I should also do the same. I want the Government of India to say with Felix Holt that if some people must steal, they will not. If other people will allow opium to be sent into any country to be smoked, or if those countries will allow opium to be cultivated in their territories to be smoked, they will be responsible before God and man for that evil, and not we. I want that the Government of India should wash their hands of this evil. That is the position which I want the Honourable the Finance Member and the Government of India to take.

Now, Sir, let us look at the position to which we were exposed at the Geneva Conference. The Government of India were a party to the Hague Conference. At that Conference in 1912 the representative of the Government of India agreed on behalf of the Government that the export of prepared opium shall be prohibited as soon as possible. Now when the last Conference met at Geneva, the representative of the Government of India—and not the representative of the Indian people, let me make it quite clear,—made a statement which exposed us to censure. Through the representative of the Government of India, as the subordinate of the British Government, we were made responsible for assuming a position which exposed us to the censure of America and of all the civilized people. The Americans said that thirteen years had elapsed since the Government of India and the British Government promised to prohibit the trade in prepared opium as soon as possible—at Geneva the representatives of the British Government said that they would suppress opium smoking within fifteen years from the time that China would go dry. The Hague Convention of 1912-13 in Article VII stated as follows:

“The contracting Powers shall prohibit the import and export of prepared opium. Those powers, however, which are not yet ready to prohibit immediately the export of prepared opium shall prohibit it as soon as possible.”

Thirteen years after that when they met in Geneva the complaint was that the British Government and the Government of India were still not prepared to carry out their part of the contract. Lord Robert Cecil brought forward on behalf of Great Britain and India the proposal that first of all it should be ascertained by an International Commission that no opium was being smuggled from China. After that date 15 years should elapse, at the end of which the contracting Powers should agree to suppress opium smoking. Why should we insist upon that, Sir? America wanted that 15 years after the date of the Geneva Conference the smoking of opium should be suppressed, but Lord Robert Cecil would not agree to that very simple, accommodating proposition, and we were thus exposed to the ridicule and censure of the civilized world. Now, Sir, what does it matter to us? How is our responsibility for participation in this crime against another nation reduced or mitigated, because those people continue to commit that crime themselves? If the Chinese will not prevent the smoking of opium in China or if they will cultivate opium in China to the extent they desire, why should we say that we shall also continue to participate in that crime? If some people commit robberies every day, is that any reason why I should not cease to commit robberies? The moment it is recognised that we are committing a grave and inexcusable wrong in allowing our opium to be exported for smoking, that very moment the Government should say “this shall cease”. And I take it that the

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verdict of this Assembly to-day will be that the export of opium which is used for smoking shall cease. I hope the Government of India will take note of this verdict, and that they will give an assurance to this House that it will accept that verdict and change their present policy. No committee of inquiry is needed with regard to the second part of the question. We do not want any investigation as to what is going on in other countries. We do not care how long China will take to adopt a sane, wise and humanitarian policy. We do not care how many smugglers there are, how many criminals there are, who would smuggle opium from one country into another. We want that not an ounce of Indian opium should go out of India for smoking purposes.

The Honourable the Finance Member quoted from the Report of the Opium Commission in order to show that the use of opium did not lead to lunacy. I think the Commission deserves to be censured for having said that. I venture to doubt if the Commission were right in saying so. If I remember aright there was evidence given before the Hemp Drugs Commission, which was also appointed by the Government, which showed that lunacy is promoted by smoking opium which is called *charas*.

The Honourable Sir Basil Blackett: It has nothing to do with opium.

Pandit Madan Mohan Malaviya: I mean the preparation called *Chandoo*. Now, Sir, that being so, perhaps the Honourable the Finance Member is wrong in endorsing the opinion of the Commission. But however that may be, I submit, Sir, that no one has as yet said that the smoking of opium promotes the health or happiness of any man, woman or child. It has universally been regarded as a great evil, and therefore it is that the Government of India are asked to put down the smoking of opium. I should personally go the length of saying without any hesitation that smoking of opium should be prohibited by law, it should be made penal for anybody to smoke opium. I submit, therefore, that the question as to whether China has or has not carried out its part of the contract or whether other countries with which we deal have or have not carried out their part of the contract in this matter does not affect the question. The simple question before the Government of India is that this is an evil trade and that this trade should be given up as early as possible. I hope the Government will make a definite announcement to satisfy this House so that the motions now before it may be correctly dealt with.

Mr. Devaki Prasad Sinha: I move, Sir, that the question be now put.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): Sir, I do not think I can make any profitable contribution to this debate at this stage. The question has been thoroughly discussed and if I rise in my place it is simply because I find that there was a desire among the Members of my Party to speak on the subject. On that question we have conferred with each other and it has been decided that if I stand and make the position of the whole Party quite clear in the House it will not be necessary for other speakers from this side of the House to follow. Now, Sir, I need only say one word as to that, and that is that the Swaraj Party agrees fully in the strongest condemnation of the Government policy as regards opium. I need not repeat all the arguments. We associate ourselves with the very able speech of my friend the Honourable Dr. Datta and of the other speakers who have followed him. There was some misapprehension about the motion of my friend Mr. Duraiswami

Aiyangar but I have had a talk with him and I have advised him to withdraw his motion about total abolition because in any event we must provide at least for the cultivation and manufacture of opium for the purposes for which the House has restricted it, that is to say, medicinal and scientific purposes. But it will serve no purpose, Sir, if my friends who have got small cuts and my other friends who have got big cuts all insist upon them. So long as the opinion of this House is made perfectly clear, and that I think has been done in the speeches that have been delivered, it will be waste of time to take up all cuts. I would therefore ask my friend Mr. Duraiswami Aiyangar, if Dr. Datta will adopt the amendment of my friend Mr. Ramachandra Rao, to withdraw his motion.

Mr. C. Duraiswami Aiyangar: Sir, out of respect for my leader I withdraw my *motion.

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

Mr. President: The original question was :

"That a sum not exceeding Rs. 1,78,95,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Opium'."

Since which an amendment has been moved :

"That the Demand under the head 'Opium' be reduced by Rs. 100."

The question I have to put is that the Demand under the head "Opium" be reduced by Rs. 100.

The Assembly divided :

AYES—62.

Abdul Karim, Khwaja.
 Abhyankar, Mr. M. V.
 Acharya, Mr. M. K.
 Ahmad Ali Khan, Mr.
 Aiyangar, Mr. C. Duraiswami.
 Aiyangar, Mr. K. Rama.
 Ariff, Mr. Yacoub C.
 Belvi, Mr. D. V.
 Bhat, Mr. K. Sadasiva.
 Chaman Lall, Mr.
 Chanda, Mr. Kamini Kumar.
 Chetty, Mr. R. K. Shanmukham.
 Das, Mr. B.
 Das, Pandit Nilakantha.
 Datta, Dr. E. K.
 Duni Chand, Lala.
 Dutt, Mr. Amar Nath.
 Ghazanfar Ali Khan, Raja.
 Ghose, Mr. S. C.
 Goswami, Mr. T. C.
 Gulab Singh, Sardar.
 Hans Raj, Lala.
 Hari Prasad Lal. Rai.
 Iyengar, Mr. A. Rangaswami.
 Jeelani, Haji S. A. K.
 Joshi, Mr. N. M.
 Kasturbhai Lalbhai, Mr.
 Kazim Ali, Shaikh-e-Chatgam
 Maulvi Muhammad.
 Kelkar, Mr. N. C.
 Lohokare, Dr. K. G.
 Mahmood Schamnad Sahib
 Bahadur, Mr.
 Malaviya, Pandit Madan Mohan.

Mehta, Mr. Jamnadas M.
 Misra, Pandit Shambhu Dayal.
 Misra, Pandit Harkaran Nath.
 Murtuza Sahib Bahadur, Maulvi
 Sayad.
 Nambiyar, Mr. K. K.
 Narain Das, Mr.
 Nehru, Dr. Kishenlal.
 Nehru, Pandit Motilal.
 Nehru, Pandit Shamlal.
 Neogy, Mr. K. C.
 Pal, Mr. Bipin Chandra.
 Patel, Mr. V. J.
 Phookun, Mr. Tarun Ram.
 Ramachandra Rao, Diwan Bahadur
 M.
 Rangachariar, Diwan Bahadur T.
 Ranga Iyer, Mr. C. S.
 Ray, Mr. Kumar Sankar.
 Reddi, Mr. K. Venkataramana.
 Samiullah Khan, Mr. M.
 Sarfaraz Hussain Khan, Khan
 Bahadur.
 Shafie, Maulvi Mohammad.
 Singh, Mr. Gaya Prasad.
 Sinha, Mr. Ambika Prasad.
 Sinha, Mr. Devaki Prasad.
 Sinha, Kumar Ganganand.
 Syamacharan, Mr.
 Tok Kyi, Maung.
 Venkatapatiraju, Mr. B.
 Yakub, Maulvi Muhammad.
 Yusuf Imam, Mr. M.

* "That the Demand under the head 'Opium' be omitted."

NOES—50.

Abdul Mumin, Khan Bahadur
 Muhammad.
 Abdul Qaiyum, Nawab Sir
 Sahibzada.
 Abul Kasem, Maulvi.
 Ahmed, Mr. K.
 Aiyer, Sir P. S. Sivaswamy.
 Ajab Khan, Captain.
 Ashworth, Mr. E. H.
 Badi-uz-Zaman, Maulvi.
 Bhoire, Mr. J. W.
 Blackett, The Honourable Sir
 Basil.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Clarke, Sir Geoffrey.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Dalal, Sardar B. A.
 Fleming, Mr. E. G.
 Fraser, Sir Gordon.
 Graham, Mr. L.
 Hira Singh Brar, Sardar Bahadur
 Captain.
 Hudson, Mr. W. F.
 Hussanally, Khan Bahadur W. M.
 Hyder, Dr. L. K.
 Innes, The Honourable Sir
 Charles.

Lindsay, Mr. Darcy.
 Lloyd, Mr. A. H.
 Makan, Mr. M. E.
 Marr, Mr. A.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir
 Bhupendra Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable
 Sir Alexander.
 Muhammad Ismail, Khan Bahadur
 Saiyid.
 Mutalik, Sardar V. N.
 Naidu, Mr. M. C.
 Purshotamdas Thakurdas, Sir.
 Rajan Bakhsh Shah, Khan Bahadur
 Makhdum Syed.
 Rau, Mr. P. R.
 Rhodes, Sir Campbell.
 Rushbrook-Williams, Prof. L. F.
 Sastri, Diwan Bahadur C. V.
 Visvanatha.
 Singh, Rai Bahadur S. N.
 Stanyon, Colonel Sir Henry.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Webb, Mr. M.
 Willson, Mr. W. S. J.
 Wilson, Mr. R. A.

The motion was adopted.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): I move, Sir, that the main question under the head "Opium" be now put.

The Honourable Sir Basil Blackett: Sir, I wish to take this opportunity, when the general question is before the House, of saying one or two things with regard to the Honourable Pandit Madan Mohan Malaviya's speech. I was under the impression that he did not desire to speak. Otherwise, I should have waited till he had spoken. In fact, I understood that that was his wish too. His statement that far the greater part of the exports of opium to the Far East go to the British Colonies is contrary to the facts. His statement that we have in any way fallen short of our obligations under the Hague Convention is entirely contrary to the facts. It is well known throughout the world that India has done more than any other country to carry out the provisions of the Hague Convention.

Pandit Madan Mohan Malaviya: Has the Honourable Member seen the statement published by Mr. Andrews in which he has stated that the American delegation left the Geneva Conference in disgust because they felt that India and the British Government had not carried out the contract they had signed at the Hague in 1912-13.

The Honourable Sir Basil Blackett: If that is stated, it is not correct. I have seen the pamphlet, but I do not propose at this stage to enter into a discussion of the line taken by the American delegate in the Conference. It was, I think, a line which has not assisted the problem of getting a solution of the opium question.

Pandit Madan Mohan Malaviya: Does the Honourable Member admit the correctness of the statement that it was the action of the Government of India and Great Britain which led President Coolidge to recall the American representatives from the Conference?

The Honourable Sir Basil Blackett: I do not.

Diwan Bahadur T. Rangachariar: I move, Sir, that the main question be now put.

Mr. President: The question is:

"That the main question be now put."

The motion was adopted.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 1,78,94,900 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, 1926, in respect of 'Opium'."

The motion was adopted.

Mr. President: It being Friday, I propose to adjourn now till 2-15 P.M. but on this occasion I shall certainly sit later than usual to make up the time thus lost.

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

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President in the Chair.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadan Rural): May I ask you, Sir, and through you, the Honourable the Home Member, whether a variation of the Demands, so as to bring up Nos. 28 and 81 which relate to the Executive Council and the Secretary of State, respectively, to-morrow morning, can be made? In view of the statement which has been made to-day by my Honourable friend, Pandit Motilal Nehru, it seems to me that an opportunity should be afforded by the Government for the discussion of the question raised in the adjournment motion this morning. I therefore suggest that these two Demands, Nos. 28 and 81, should be taken up first to-morrow morning.

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): May I intervene and ask whether it is not within the power of the Chair to take these Demands in any order that it thinks proper, or whether the Home Member has got anything to do with the matter?

Mr. President: The order in which the Demands for Grants appear, as far as the procedure of this House is concerned, is more or less arbitrary. If we were to follow the usual Parliamentary practice in England the order in which they will be taken would be arrived at by agreement between the Chief Whip of the Opposition and the Leader of the House. I do not

[Mr. President.]

know whether there is a Chief Whip of the Opposition party. I understand that Mr. Ramachandra Rao has for the moment usurped those functions. Therefore it is not so much for the Chair to decide in what order the Demands should be taken, as for the Opposition and the Government between them to decide as a matter of convenience how they will proceed. Provided notice is given it will be reasonable on the part of the Government to meet the wishes of the House as far as possible in matters of that kind..

Mr. V. J. Patel: Is the Chair bound to accept the agreement arrived at between the two parties?

Mr. President: It is almost a hypothetical question. I do not say that the Chair is bound to accept it but, as a matter of convenience, if the two sides of the House agree that the Demands should be taken up in a certain way, the Chair is always ready to meet the convenience of the House on that matter. Do I understand the Honourable Member to object to the proposed arrangement?

Mr. V. J. Patel: I do not object to anything. I think it is the right of the Chair to take the Demands in any order the Chair thinks fit. The Home Member should have nothing to do with it.

The Honourable Sir Alexander Muddiman (Home Member): In the first place let me say that in dealing with this matter I should naturally be very largely guided by the views of the Chair and indeed my action must be taken after considering any ruling the Chair may give. I may however point out that this is a somewhat late period in the course of our debates to put forward a question of this kind. The House has been taking the Demands in the order in which they appear on the order paper and obviously my Honourable friend will have no difficulty in agreeing with me that any sudden change in the order would dislocate what the Government regard as the reasonable course of business. Now, Sir, my Honourable friend has put a point to me to which I feel I must give full consideration especially in view of your ruling this morning that the matter which my Honourable friend on my right is very anxious to bring forward for discussion could be taken up under Demand No. 28. I understood that to be your ruling and therefore as regards Demand No. 28, I, speaking on behalf of Government, will be quite ready to take that first to-morrow. As regards Demand No. 81, that is too far distant, and I am not able to meet the Honourable Member.

Diwan Bahadur M. Ramachandra Rao: I wish to point out to the Honourable Member that the constitutional position of the Government of India should not be forgotten. The relations between the Government of India and the Secretary of State cannot be forgotten in a discussion of the constitutional issue proposed to be raised on this motion. I do not know whether the Honourable Member and his colleagues pretend to be outside the influence of the Secretary of State in Council or the Secretary of State, but I think, Sir, that the whole question as to responsibility for the working of the reforms or any other question between the Secretary of State and the Government of India is so connected that I should press on the attention of the Honourable Member the desirability of bringing both these Demands together, or one after the other, so that the whole question of the responsibility of the authorities constituting the Government of

India may be discussed adequately in this House. That is the aspect of the case which I should like to present to the Honourable Member and to this House.

The Honourable Sir Alexander Muddiman: I am not altogether ignorant of the relations between the Government of India and the Secretary of State. I have at times had to consider that question. I have made what I think my Honourable friend should regard as a very fair offer. I have given him an opportunity to bring forward a matter which I think the House greatly desires to discuss and whether it is debated under one Demand or the other I assume, and I think rightly, that the debate will take very much the same course. I would however like to make one thing quite clear, Sir, in connection with the proposal that we should take Grant No. 28 first to-morrow. That is that when 28 is finished we shall revert to the normal order of the Demands. That, Sir, I think was your intention. I hope the House will accept this as an earnest of what they desire.

Mr. V. J. Patel: This arrangement is subject to this, that if we reach No. 27 in the ordinary course then this arrangement does not hold good. Supposing we finish 25 to-day, then from to-morrow we take 26 and 27.

The Honourable Sir Alexander Muddiman: I have no wish to disturb the order. I have endeavoured to meet the House. If the House does not want to be met then I have nothing more to say in the matter. I understand the arrangement is that if at the end of to-day we have not got to 28, we take 28 to-morrow and when 28 is finished we go back. I do not want any misapprehension or ground for misapprehension. That is my offer and it is for the House to say whether it is reasonable or not.

Mr. President: I may perhaps say one word further regarding the point raised by Mr. Patel. The Honourable Member will realize that under Standing Order 7 on days allotted by the Governor General for Government business it is the business of the Secretary to set that business down in the order in which he is instructed to set it down by the Governor General in Council; that is to say, on a Government day the Government is in sole charge of business.

DEMAND No. 20—STAMPS.

Mr. President: The question is:

“That a sum not exceeding Rs. 25,53,000 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, 1926, in respect of ‘Stamps—including Expenditure in England’.”

The Honourable Sir Alexander Muddiman: Before this discussion proceeds, Sir, I should like to have it quite clear whether the House does desire to take Grant No. 28 first to-morrow.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muham-madan Urban): I take it, Sir, that that is the understanding.

The Honourable Sir Alexander Muddiman: If that is so, I am quite satisfied.

Pandit Motilal Nehru: Yes, it is so.

Mr. V. J. Patel: Supposing we finish 26 to-day. We still take 28 first to-morrow.

Pandit Motilal Nehru: I think, Sir, the position is quite clear. There is no question of going back upon what we have already finished. It is only if we have not finished the Demands before 28 that any question of going back will arise. If we have finished them already there is no question of going back to them.

Mr. V. J. Patel: Mr. President, there is some misunderstanding. Supposing we finish 26 to-day, then do we begin with 27 or go on to 28. That is the position.

Pandit Motilal Nehru: That does not matter.

The Honourable Sir Alexander Muddiman: It is perfectly clear. If the House gets to 26 to-day, we shall begin with 28 to-morrow and go back to 27 when we have finished 28.

DEMAND No. 20—STAMPS.

Charging of Expenditure on the Security Printing Press Buildings to Revenue.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, I beg to move:

“That the Demand under the head ‘Stamps—including expenditure in England,’ be reduced by Rs. 17 lakhs.”

(*Cries of “Withdraw, withdraw.”*) You cry “withdraw” because you have not read it; just wait and see. The only question that arises, Sir, is whether the expenditure on the construction of security printing press buildings recorded on page 38 of the detailed list, which is 15 lakhs, and capital expenditure charged to revenue in connection with security printing in India, 13 lakhs, together making 28 lakhs, ought to be charged to revenue this year. That is the only question that I have raised by this motion. Ordinarily I should be asking for a cut of 28 lakhs. (Laughter.) I know the Honourable the Finance Member laughs and his department also. But I am not able to follow them in their laugh, because they probably feel they easily find it possible to put into revenue large amounts which in previous years were not so charged. But yesterday the explanation was given by the Honourable the Finance Member that Capital Debt ought not to be allowed to grow. Though the people of the country are suffering under 40 crores of extra taxation, the Honourable the Finance Member comes before us and preaches that the whole practice should be altered and he tells us that capital will so swell that India cannot bear the interest that it has to pay; and therefore the best thing is to cut down the revenue wherever possible for Capital Expenditure and show no balance, so that there may be no relaxation of taxation for a number of years. At least I feel, Sir, that I can certainly say that Sir Basil Blackett is more or less determined that so long as he is here he will only have more and more money heaped up elsewhere but would not reduce taxation in the country, and I am of opinion that the theory that he enunciates must be reserved for a date when all the extra taxation,

which at the instance of this Assembly has been levied, is reduced to its normal level wherever necessary; and then if my Honourable friend Sir Basil Blackett claims credit for being able to lay by money, I should also join in congratulating him. Till then I, even as one Member of this Assembly, shall not be prepared to join in the ordinary chorus of congratulations we hear for the Finance Member in the course of this debate. I feel strongly that whatever new principles are enunciated by the Honourable the Finance Member must be enunciated only after you are able to reach normal conditions of taxation; meanwhile, while we have the excise duty pressing upon cotton goods manufactured in this country, while there are provincial contributions which have to be wiped off and while we have so many other things for our attention, we should very much like that the old principles at least are carried on. India is not so poor and the bogey of his telling us that the credit of India should be maintained and is being maintained by him, I ask the Assembly to take at its worth. India does not want the support of the Honourable the Finance Member to stand its credit in the market. I think the railway property, which has become hers now, if only valued properly and all the buildings that are available in India, if valued properly, will be 3 or 4 times the actual debts we have incurred. Even the current revenues will enable her to stand anywhere in any market and raise enough loans. Therefore, I am not at all prepared to follow the Finance Member at least so long as he does not show that his inclinations are to reduce taxation before he talks of his pet theories of keeping finances in a very fine condition. I do want to join issue with him wherever possible on this, and I say that a security printing press which is supposed to cost 55 lakhs—that was the estimate given in the Finance Committee—which is going to cost Rs. 55 lakhs being put to revenue in the course of one year or two I cannot imagine at all. 28 lakhs are sought to be taken away like that. That we cannot bear the capital debt borrowed for that purpose of 55 lakhs, and that immediately we should pay from revenue is a statement which cannot be at all supported by this Assembly; and I beg of my friends to consider this sort of easily taking away something like more than 1 crore of money—I have given notice under other heads also in which similar amounts have been disposed of—taking away 1 crore of money or about that amount at a time when we are hard pressed for everything, when we are perpetrating so much of injustice not only to industries but also to the people, to the tax-payer and the consumer, while we are under those conditions, I request the Assembly to look to the interests of the tax-payer rather than simply be guided by the statements made often by the Honourable the Finance Member, that we who put forward our arguments must be treated as almost nothing; and often times he commands the confidence of this Assembly even when it is a question of his trying to lay by many crores of rupees from which he can later on direct the finances of the country as he pleases. Of course, I shall pay my tribute to him. I admire the abilities of the Honourable Sir Basil Blackett and I will refer to it when the time comes for doing it. But I do say that we do not want that he should guide us through all these mazes just now. We shall await when we are free and when we can look at him and he can look at us with greater confidence in each other. When that time comes it will be possible for us to follow him in his new theories when they are formulated and approved. Till then I request the Assembly that it should not allow large amount of monies to be taken away in the manner proposed. The amount of the reduction ought to have been 28 lakhs. It was by mistake that I said 17 lakhs. I find that last year there was an expenditure of about 9 and odd lakhs as the

[Mr. K. Rama Aiyangar.]

ordinary revenue expenditure. I thought I might make an allowance for that. I made a mistake. However, I submit that the Assembly must take a strong view of the circumstances. It is not only this item but other heads also will have to be considered properly, so that hereafter this kind of budgeting may not recur except on definite principles which shall be either placed before the Finance Committee and approved by it or placed before this Assembly and approved by it. In this way we shall stand on surer grounds. Let not lakhs of rupees be taken away at the whim and fancy of the Finance Member, though admirably clever he may be, at a time when we are already bearing a large burden and when the tax-payer is suffering so much. I move the motion, Sir.

Mr. President: Reduction moved:

"That the Demand under the head 'Stamp—including expenditure in England,' be reduced by Rs. 17 lakhs."

The Honourable Sir Basil Blackett: Sir, I do not know quite how I have deserved the tirade which has been directed at my devoted head by the last speaker on this matter. It is really nothing more than a repetition of the debate that we had yesterday on the question of charging to capital certain items which are at present charged to revenue under the head of Salt. I am accused of introducing some new principle. I have not introduced a new principle. It has never been the principle of the Government of India that buildings of this nature should be charged to capital. The effect of borrowing for buildings in general must be, as I explained yesterday, that you will increase largely your debt under a head which cannot strictly be called productive. The principle that I enunciated yesterday is the principle that has been followed by the Government of India with only a few exceptions, of which Delhi is one, that you borrow, if you can avoid it, only for productive purposes. (*A Voice*: "What about war debt?") If you incur a war, you try to meet as much of it as you can by taxation and inevitably the rest has to be met by borrowing. It is just because there is that contingent liability that a Government like the Government of India which has to incur unproductive debt in emergencies finds it extremely dangerous to incur unproductive debt in normal times. It has never been the practice of the Government of India to do so. There is no foundation at all for the Honourable Mover's statement that this is a new practice that is being introduced. I really do not know what more I can say. I do not wish to repeat the statement that I made only yesterday which the House was good enough to support by its vote. I must once again ask the House to consider carefully what it is doing if it begins to play this sort of game with the accounts.

Diwan Bahadur T. Rangachariar: May I ask a question, Sir. Is it the policy of the Government of India that whatever the amount may be which is spent on buildings of this nature it is to be charged to revenue? Is there any limit of amount or it is spread over a number of years.

The Honourable Sir Basil Blackett: That is a hypothetical question I think. In the case of New Delhi the expenditure was so large that undoubtedly an exception was made and it was borrowed for instead of being met out of revenue. But I think that is almost the only exception to the general rule.

Mr. A. Rangaswami Iyengar: Was it not done on the ground that the burden for this scheme should be distributed as between the present and future tax-payers?

The Honourable Sir Basil Blackett: That is only the same statement in another form. If from year to year you have buildings to construct, as you have in this case, and you have to charge them from year to year to revenue, you do get a charge against revenue of much the same amount as if you charge to capital, except that you do not incur debt, and you do not pay interest on that debt, and you do not trench on the funds that are available for capital to be borrowed for the purpose of productive enterprise both for the Central Government and for the provinces. I do not think I can usefully add anything more, and I hope the House will not be misled into voting for this reduction.

Diwan Bahadur T. Rangachariar: What is the practice in England?

The Honourable Sir Basil Blackett: The practice in England is invariably to charge this sort of building to revenue.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commetee): Sir, I am afraid my Honourable friend the Finance Member has conclusively proved that Mr. Rama Aiyangar is quite right in the demand he has made. The Finance Member says there is no new principle that has been adopted in debiting this amount to revenue. He says the principle of the Government of India has been to borrow for productive purposes. I really wonder, Sir, if Sir Basil Blackett forgets that the decision of the Government of India to have a security printing press here was based on the result of an inquiry held by a committee, and that the whole thing is being undertaken on a commercial basis if that report has not been discarded by the Government of India. And if I am not mistaken in my recollection of that report, which I read last year, it distinctly says that you would, by starting this press in India, be able to have your stamps, etc., at the same rate, if not at cheaper rates, than you could import them from outside. So there is no question of an unproductive investment in this building for a printing press, and when I submit that this is being undertaken on calculations arrived at after a very exhaustive inquiry, I say Mr. Rama Aiyangar is quite justified in saying that this money should not be taken from revenue. I believe, Sir, yesterday my Honourable friend was in great distress in regard to finding funds. I present to him one of the sources from which funds could be found if the Government wish. I hope the Assembly will press for this amendment.

Mr. President: The original question was:

"That a sum not exceeding Rs. 25,53,000 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, 1926, in respect of 'Stamp—including expenditure in England'."

Since which a reduction has been moved:

"That the Demand under the head 'Stamp—including expenditure in England,' be reduced by 17 lakhs."

The question I have to put is that reduction be made.

The Assembly divided:

AYES—57.

Abdul Karim, Khwaja.
 Abhyankar, Mr. M. V.
 Aiyangar, Mr. C. Duraiswami.
 Aiyangar, Mr. K. Rama.
 Belvi, Mr. D. V.
 Bhat, Mr. K. Sadasiva.
 Chanda, Mr. Kamini Kumar.
 Chetty, Mr. R. K. Shanmukham.
 Cocke, Mr. H. G.
 Das, Mr. B.
 Das, Pandit Nilakantha.
 Duni Chand, Lala.
 Dutt, Mr. Amar Nath.
 Fleming, Mr. E. G.
 Ghazanfar Ali Khan, Raja.
 Gulab Singh, Sardar.
 Hans Raj, Lala.
 Hari Prasad Lal, Rai.
 Hussanally, Khan Bahadur W. M.
 Iyengar, Mr. A. Rangaswami.
 Jeelani, Haji S. A. K.
 Joshi, Mr. N. M.
 Kasturbhai Lalbhai, Mr.
 Kazim Ali, Shaikh-e-Chatgam
 Maulvi Muhammad.
 Kelkar, Mr. N. C.
 Lohokare, Dr. K. G.
 Malaviya, Pandit Madan Mohan.
 Mehta, Mr. Jamnadas M.
 Misra, Pandit Shambhu Dayal.

Misra, Pandit Harkaran Nath.
 Murtuza Sahib Bahadur, Maulvi
 Sayad.
 Mutalik, Sardar V. N.
 Nambiyar, Mr. K. K.
 Narain Dass, Mr.
 Nehru, Dr. Kishenlal.
 Nehru, Pandit Motilal.
 Nehru, Pandit Shanlal.
 Patel, Mr. V. J.
 Phookun, Mr. Tarun Ram.
 Purshotamdas Thakurdas, Sir.
 Ramachandra Rao, Diwan Bahadur M.
 Rangachariar, Diwan Bahadur T.
 Ranga Iyer, Mr. C. S.
 Ray, Mr. Kumar Sankar.
 Samiullah Khan, Mr. M.
 Sarada, Rai Sahib M. Harbilas.
 Sarfaraz Hussain Khan, Khan
 Bahadur.
 Shafee, Maulvi Mohammad.
 Singh, Mr. Gaya Prasad.
 Sinha, Mr. Ambika Prasad.
 Sinha, Mr. Devaki Prasad.
 Sinha, Kumar Ganganand.
 Syamacharan, Mr.
 Tok Kyi, Maung.
 Venkatapatiraju, Mr. B.
 Yakub, Maulvi Muhammad.
 Yusuf Imam, Mr. M.

NOES—50.

Abdul Mumin, Khan Bahadur
 Muhammad.
 Abdul Qiayum, Nawab Sir
 Sahibzada.
 Abul Kasem, Maulvi.
 Ahmad Ali Khan, Mr.
 Ahmed, Mr. K.
 Aiyer, Sir P. S. Sivaswamy.
 Ajab Khan, Captain.
 Akram Hussain, Prince A. M. M.
 Alimuzzaman Chowdhry, Mr.
 Ashworth, Mr. E. H.
 Badi-uz-Zaman, Maulvi.
 Bhole, Mr. J. W.
 Blackett, The Honourable Sir
 Basil.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Clarke, Sir Geoffrey.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Dalal, Sardar B. A.
 Fraser, Sir Gordon.
 Ghulam Bari, Khan Bahadur.
 Graham, Mr. L.
 Hira Singh Brar, Sardar Bahadur
 Captain.
 Hudson, Mr. W. F.
 Hyder, Dr. L. K.
 Innes, The Honourable Sir
 Charles.

Lindsay, Mr. Darcy.
 Lloyd, Mr. A. H.
 Mahmood Schamnad Sahib
 Bahadur, Mr.
 Makan, Mr. M. E.
 Marr, Mr. A.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir
 Bhupendra Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable
 Sir Alexander.
 Muhammad Ismail, Khan Bahadur
 Saiyid.
 Naidu, Mr. M. C.
 Rajan Bakhsh Shah, Khan Bahadur
 Makhdum Syed.
 Rau, Mr. P. R.
 Reddi, Mr. K. Venkataramana.
 Rhodes, Sir Campbell.
 Rushbrook-Williams, Prof. L. F.
 Sastri, Diwan Bahadur C. V.
 Visvanatha.
 Singh, Rai Bahadur S. N.
 Stanyon, Colonel Sir Henry.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Webb, Mr. M.
 Willson, Mr. W. S. J.
 Wilson, Mr. R. A.

The motion was adopted.

DESIRABILITY OF DEVANAGARI SCRIPT ON STAMP PAPERS.

Kumar Ganganand Sinha (Bhagalpur, Purnea and the Santhal Parganas: Non-Muhammadan Rural): Sir, I move this reduction in order to raise the point I have indicated in the motion, which runs as follows:—

“That the Demand under the head ‘Stamps.—including expenditure in England,’ be reduced by Rs. 100 (Desirability of Devanagari Script on the stamp papers).”

Sir, on the 28th January I asked the following question on the subject:

“Are not the Government aware of the fact that Devanagari is more extensively used and read in North India than any other script? Will the Government be pleased to state why does it not find a place in the Stamp papers published and sold by and for the Government.”

The Honourable Sir Basil Blackett replied:

“I should hesitate to answer the first part of the question in the affirmative.

I am aware that the Devanagari script has many supporters. My researches have not enabled me to answer the second part of the question.”

The answer, Sir, as it must have been clear to the House, is evasive and the Honourable the Finance Member did not give me any indication on that day that he was willing even to consider the question. I again ask, supposing we establish that it is the script of the language that is fit to be the *lingua franca* of India, that it is the script which has got the widest currency all over India, would he give the matter his best possible consideration? As the House is aware, Devanagari is very widely read in Bihar, Bengal, the United Provinces, Bombay, the Central Provinces and the Punjab. (Voices: “Not in the Punjab; Urdu is the language in the Punjab and not Hindi.”) Yes, Urdu is the spoken language in the Punjab. Even if people actually do not use it as the official language, the majority of the population can read and perhaps also write Devanagari in the Punjab. Further, Sir, it has been recognised as the court script in most of the provinces I have just mentioned, and I hope that in time to come, Devanagari will be recognised as the court script of Madras (A Voice: “Punjab!”) and also of Punjab. I may tell the House that Hindi is gaining ground very much in Madras also and side by side with it Devanagari too and we shall not be surprised that when the Swaraj Government is established, if Hindi will be recognised as the official language and Devanagari the official script all over India. The Devanagari script, Sir, I venture to suggest, is the most scientific script in the world; any sound can be reproduced by means of it, and even if it is adopted as the international script of the world, there can be no difficulty to anybody. In this connection I may mention, Sir, a movement, called the *Ekalipivistara* movement, which was started a few years ago for the encouragement and development of the Devanagari script under the patronage and guidance of the late Mr. Justice Sarada Charan Mitra, but that movement has somehow or other been languishing in recent years. Nevertheless I am gratified to find that leaders of public opinion all over India, foremost among whom are Mahatma Gandhi and Pandit Madan Mohan Malaviya, are doing their level best to encourage the spread of Hindi and Devanagari. The House will remember that a few years ago when the Government neglected to give a place to the Devanagari script in its currency notes there was a widespread discontent and agitation.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa: Muhammadan): May I know, Sir, if the Honourable Member is aware that in the Bihar and Orissa Council a Resolution was moved some-

[**Khan Bahadur Sarfaraz Hussain Khan.**]

time ago to introduce Urdu as an optional court language in the province, that it was defeated, and that the result has caused great dissatisfaction among Muhammadans there?

Kumar Ganganand Sinha: Yes. But the Honourable Member may move an amendment to my motion.

Mr. Devaki Prasad Sinha (Chota Nagpur Division: Non-Muhammadan): Is there so much room on a stamp as to incorporate all the languages of India?

Nawab Sir Sahibzada Abdul Qaiyum (North West Frontier Province: Nominated Non-official): Why not adopt the Pushtu script, Sir, in preference to Hindi?

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): I think the Government should adopt the Sindhi script, because five millions of people speak Sindhi, and therefore I think the Sindhi script should also be printed.

Kumar Ganganand Sinha: But, I was speaking about Devanagari, Sir. With regard to currency notes, we are gratified to find that in recent issues Devanagari script has been incorporated. I should be content if, in view of the divergence of opinion that has just been expressed, the Government would go into the whole case and consider the question sympathetically in the interests of a large number of people of this country.

Maulvi Muhammad Yakub (Bohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I am very sorry that this controversial point ^{3 P.M.} has been introduced in this House. It would have been better if the Honourable Member had not introduced this controversial point in this House, the language controversy and the controversy about the Hindi and Urdu script has been raging in this country for a very long time and it has been considered, and really is, one of the chief causes which is widening the gulf of disunion between the two communities. I think, Sir, a man who in these days tries to widen this gulf is the greatest enemy of his country, he is one who wants to keep away Swaraj from us. If the only blessing of Swaraj, in the opinion of my Honourable friend, is the introduction of Hindi, I am afraid he will never get Swaraj. I do not want to make a big speech, but I hope the Government will ignore such proposals that, in the garb of petty things, such as stamp scripts, are brought forward in this House. The introduction of the Urdu-Hindi question in season and out of season is sure to result in creating ill-feeling in the country. I hope, Sir, that the Government will not look into these things and will not make any change in the stamp script or anything of the sort. I strongly oppose the motion.

Mr. Narain Dass (Agra Division: Non-Muhammadan Rural): Sir, I think this is not a question of the superiority of one provincial language over another. This is really a question of script, a script just to specify the value of certain stamps and I think the suggestion to write it in the Hindi language also will go a great way to save the small debtor who goes to buy a stamp of 8 annas or a stamp of 12 annas. Some time ago specimens of stamps were sent to the Honourable Members. I saw upon them, the script in Tamil and Telugu and other languages. The idea struck

many persons outside the Assembly that the language mostly known in several provinces might also find place there, not to establish its superiority over any other language, not to expel any other language which may have found place there, not at any rate to drive out Urdu at all, but just, retaining Urdu, to give place to Hindi also. And I think it is only in the interests of administration if Hindi also were adopted. Sir, I think every Member ought to support the motion before the House.

Mr. A. H. Lloyd (Member: Central Board of Revenue): Sir, I do not want to detain the House at length but I must point out that the intention of this motion is to pass a censure on the Government for not having introduced the Devanagari script into the stamps in the past, whereas the Mover in his speech has confined himself to asking for an assurance as to the future. I trust, therefore, that, after the answer I shall give, he will see his way to withdraw his motion; because I do not think there is any occasion for censuring the Government for their action hitherto. The Mover began by referring to a question which he asked the Honourable the Finance Member early in the present session of the Assembly and he complained that the Honourable the Finance Member gave him no assurance. May I ask the Mover to read those questions again and say whether it is possible to give an assurance in answer to questions which are questions of facts and not of the intentions of Government? He asked, firstly, whether the Devanagari script was or was not used by a large number of people in the northern parts of India. Is it possible in answering that to give expression to the intentions of Government? He then asked why the script did not appear in the present designs. Is it possible, or at any rate necessary, in answering that question to say anything about future designs? If the Honourable Member had asked the Honourable the Finance Member about any future designs, I have no doubt he would have received an answer which would have expressed as far as possible the intentions of Government in this matter. But I think he is unreasonable in calling the answer which he did receive "evasive". I will not follow the Honourable Member along the lines of considering whether this script should be adopted on stamped papers because it is the hypothetical official language of a future Swaraj Government, nor because it is an even more hypothetical international script.

I would merely say that the Government of India have no objection to the incorporation of any script in their stamp papers, provided that there is room for it, and that it is not inconvenient. Obviously, in the case of the small postage stamps, there might be difficulties. Obviously also, the English language, which is the official language of India, must appear on every stamp paper. I have no doubt the Honourable Member agrees to that. As regards Urdu, the Honourable the Finance Member was not able to answer with certainty the question of the Honourable Mover as to why it appears on certain stamp papers, because that would mean lengthy researches into the remote past. But I think a very plausible theory, which I am sure will be accepted by the House, is that the Urdu script is practically the same as the Persian script, which was inherited by the Honourable East India Company as an official language. We have taken up this question and we are quite prepared, if a good case for introducing the Devanagari script is established, to introduce it where it is possible to do so. But I must point out that before we can give any definite assurance on this point, we shall have to consult the Local Governments. After all, the printing of stamps other than postage stamps is going to be carried on by us almost entirely on behalf of the Local Governments.

Pandit Shamlal Nehru (Meerut Division: Non-Muhammadan Rural): May I remind the Honourable Member that at the beginning he promised not to take up much of the time of the House?

Mr. A. H. Lloyd: I thank the Honourable Member.

Mr. President: The question is:

"That the Demand under the head 'Stamps—including expenditure in England,' be reduced by Rs. 100."

The motion was negatived.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 8,53,000 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, 1926, in respect of 'Stamps—including expenditure in England'."

The motion was adopted.

DEMAND No. 21—FOREST.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,83,000 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, 1926, in respect of 'Forest'."

INDIANISATION OF THE FOREST SERVICE.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, a few moments ago this House entered its emphatic protest, its emphatic verdict, against the shuffling of the capital and revenue accounts. My motion* stands for drawing attention to the shuffling out of Indians from the services, especially the Forest Service. I am not going to allude to the other services though our grievances apply equally to the other services. Sir, our grievances are very old. It is a very old old story. During the Islington Commission inquiry we find that the recruits for the Imperial Forest Service were 213 in number, whereas in the Lee Commission Report we find that this number has increased to 399. While we are anxious for the Indianisation of the services, our Government are seeing their way to increase the cadre of these services so that the unseen hand of the Secretary of State from London recruits a much larger number now than was recruited before. Sir, our grievances are not only against the large number of Imperial Forest officers that are recruited abroad but apply as well to the Indianisation of all the services recruited abroad and to the recruitment of these officers in India. But before I talk of the reduction of the number of these officers in different services, I must mention here that I have nothing to say against those officials who are already in the services. In spite of our adverse verdict in this House against the recommendations of the Lee Commission, we want those who are already in existing services, whether in the Forest, the Civil Service or other Imperial Services, to be happy and contented. We want to be fair to them, but we want also that the Government of India and the Secretary of State should be fair to us. They are increasing the number of Imperial officers and getting a large number from England.

* "That the Demand under the head 'Forest' be reduced by Rs. 100."

In this connection I may say that His Excellency the Viceroy is visiting England. The *Manchester Guardian*, commenting on it, said that the Viceroy's discussion with the Secretary of State will be solely on economic questions and that Indian politicians are too much accustomed to discuss politics. We discuss politics because we have no control over our finances and economic questions and so we talk politics in this House. But if His Excellency the Viceroy is going to discuss economic questions with the Secretary of State—and we find that our Finance Member is also going to have a holiday at the same time—let both of them thrash out this economic question, this top-heavy burden on India owing to the large number of Imperial service officers. Let them discuss whether the number of the services cannot be reduced and whether a smaller number of Imperial service officers cannot be recruited in future and a larger number of them be provincialised. I may incidentally remark here that His Excellency the Viceroy and also the Honourable the Finance Member should give up their shyness and talk boldly with the War Office on India's military burdens and heavy expenditure of the Army Department. The army expenditure is very very heavy and the army is maintained on a war basis. Let them say that considering India's finances the number of troops in the army should be reduced and Indianised to meet India's

Mr. President: The Honourable Member is now discussing the Army; he ought to be discussing trees!

Mr. B. Das: Then, Sir, I shall confine my remarks to this subject. (*Cries of "Withdraw."*) I will not withdraw. I hope the Secretary of the Education Department will take up my suggestion and see that the number of Imperial officers in the Forest Department is reduced.

Coming to the Provincial Services, during the war, the Provincial Forest Service rendered very good service. They took the place of the Imperial Forest Service men and did good work. After the war they were reverted to their original position and have not been given any position of responsibility. Well, there is a College at Dehra Dun. For years it confined itself to the training of lower grades of service in the Forest Department. They have now taken to training the provincial service officers and I wonder when they are going to take up the training of the Imperial Service men. May I say that the Islington Commission recommended that all the Indian forest officials should be recruited in India and that there was no need of their recruitment abroad. In the Civil List for India I find Indians in the forest service confined only to the lower rank of Assistant Conservators. I do not find one Indian Conservator of Forests. I find very few Deputy Conservators. It is impossible to expect an Inspector General of Forests for another 20 years. The Honourable Sir Charles Innes told us that Indian engineers and Indian members are not available for the Railway Board because it is a highly technical department. Now, what is the education and training for forestry? It is a little bit of knowledge of fauna and flora of India and of botany. India has produced good scientists and botanists. I look into the list of professors in the Dehra Dun College. I find only one or two Indians in that college and some of them are occupying very minor positions.

The Indian Forest Service is not attractive to recruits in England. Those who are disappointed in the Civil Services and the better services take up forestry. If the Indian student can go in for higher studies in England, for an equal amount of money expenditure, why should he take

[Mr. B. Das.]

up forestry and not some other subject which will bring higher emoluments to him? My friend Mr. Bhore himself went in for the I. C. S. He knows that the Indian educated abroad prefers the Civil Service, the bar or some other services of higher emoluments. Well these are my remarks.

I hope during the reply my friend Mr. Bhore will tell me what has been their policy as regards the Indianisation of the Forest Service and that he will also tell me whether he wants to see the forest institution at Dehra Dun truly Indian in spirit. We want Indian professors, Indian research students, so that after retirement their services may be available to India as in the case of Dr. P. C. Roy and Sir J. C. Bose. The Government of India do not look into these things. I hope my friend Mr. Bhore will give me a definite reply to these points. With these remarks, Sir, I move my motion:

"That the Demand under the head 'Forest' be reduced by Rs. 100."

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): Before I give my Honourable friend the figures and the assurance which I hope will quite satisfy him I should like to clear the ground in regard to one small preliminary point. In moving his motion I take it that my Honourable friend refers to the present policy in regard to recruitment for the Indian Forest Service. That being so I propose to confine myself to the post-reforms figures of personnel. Since 1922 we have, including last year's recruits, who will come out next year, recruited a total of 90 new men. Of these 45 are Europeans and 45 are Indians. Of this number, Burma has absorbed 30 Europeans so that the rest of India has taken 15 Europeans and 43 Indians during this period. As the House is aware the Lee Commission recommended that 75 per cent. of the future recruits for the Indian Forest Service should be Indian. Directly that report was published we approached the Secretary of State and asked him to allow us to anticipate that percentage last year, and of the four recruits of last year three were Indians and one was a European. Now, Sir, I need hardly give this House the assurance that the rate of Indianisation recommended by the Lee Commission will continue to be maintained. I should however I think make mention of the case of Bombay and Burma. These two provinces will under the new dispensation be masters in their own house and they will regulate their own recruitment. Now, Sir, my Honourable friend has referred to the case of Dehra Dun. In regard to a research institute I think the House will agree with me that what we want in such an institute is to get the very best men available irrespective of caste, or race or creed. But I entirely agree that as far as possible we should provide training for Indians in this matter of research and this we are doing at the present moment. But, Sir, there is an explanation for the fact that a large proportion of the staff of the Research Institute at Dehra Dun is European. As the House no doubt knows, until comparatively recent times the personnel of the Indian Forest Service was almost entirely European; so that when it came to staffing the institute with the most experienced officers who had made their mark in forestry, silviculture and allied subjects, we found that our choice had to be confined to a field in which there were practically no Indians. But, Sir, in view of the fact that in recent years we have been recruiting large numbers of Indians, I have not the slightest doubt that at no distant date we shall be able to get all the Indians we want, with the qualifications, the

experience and the training necessary for employment in this institute. But, Sir, even at the present time Indians are by no means unrepresented on the staff of the Forest Institute. Let me give to the House a few figures. Take the research and the teaching section. Of the superior staff 10 are Europeans and 5 are Indians; of the special expert staff 5 are Europeans and 1 is an Indian. Now, Sir, I should like to say just one word in regard to the special expert staff. The members of this staff are men who are at the very top of their profession. They have been recruited on definite short-term contracts. In order that the House might realize the great difficulty we experienced in getting this special type of experts and the very great care exercised in their selection, I should like to refer to a case which came under my personal knowledge when I was in the office of the High Commissioner in London. We had to scour Great Britain, Canada and America in order to get the particular type of expert in wood seasoning that we wanted, and we eventually found him in America. I refer to this merely to show that we cannot get these experts without much difficulty. We cannot pick them up every day and anywhere. Now, Sir, these experts have attached to them young Indian assistants of the highest qualifications, our idea being that when these experts leave us, we shall have competent Indians trained to take their place. That, Sir, is the definite policy of Government so far as these expert appointments are concerned and I hope that it is a policy which will commend itself to this House.

Sir, I think I have said sufficient to satisfy this House and the Honourable Member that we are adopting a forward policy in regard to Indianization and I hope, Sir, that my Honourable friend will withdraw his motion.

Diwan Bahadur T. Rangachariar: As I have a motion on the head Forest Research Institute and as my Honourable friend Mr. Bhore has referred to it, in order not to repeat the motion again, I wish to say what I have to say on that point. I am more interested about one or two points that struck me on recently visiting the Institute. The first point that struck me was to inquire in regard to the great scientific and practical knowledge that is being acquired there what steps are being taken by Government to spread that knowledge among the people, so that the people interested in industries may take advantage of the research and start either minor or major industries. That is one point that struck me. The second point which struck me was the inadequate opportunities, which Indians had there. After all, this knowledge is essential for the country and it is far better that that knowledge is acquired by Indians who live in the country and who will be in a better position to spread that knowledge among their own countrymen and use it to the economic advantage of the country. I saw only three Indians there as understudies in the Forest Department of research work. I understand there are 4 already, but I saw only three there. They are only about two years old. The institution has been in existence for nearly 20 years, if not more. I wonder why no advantage was taken of putting in more Indians for this research work. The explanation given by my Honourable friend that the Forest Service was composed entirely of Europeans or almost entirely of Europeans I do not think is an answer to the point. For instance, I remember when I was in the Finance Committee there was a proposal to send for two carpenters from England. I wondered why, and I believe they were actually sent for on short-term contracts. Surely, it cannot be

[Diwan Bahadur T. Rangachariar.]

said that we cannot command Indian carpenters for the purpose of the Institute. Anyway I hope such experiments will not be made and I do trust more opportunities will be given to Indians to take part in this research work. We want more young Indians, young graduates, who can apply their knowledge and follow the example of the people who are in charge of the institute and be benefited. I was greatly struck, Sir, with the great advance which has been made by the research conducted in that institute. Many a wood and timber which we cast off as useless have now been found very valuable by certain chemical or seasoning process for various purposes; so that that knowledge is a great asset in developing the forest wealth of this country and putting minor forest produce to use. I am sorry I am not a specialist myself. But I was struck with the store of knowledge which is being acquired in that great Institute. I do wish that more emphasis is laid upon associating young Indians in the research work. It would be good if Indian graduates are employed from the Indian Forest service or the provincial service, it does not matter to me which, because I do not think we should confine the selection only to the Indian Forest Service; I think we should extend the advantages also to individuals belonging to the Provincial Forest Service. These are the observations which struck me on visiting the Institute, and I hope Government will lay due emphasis on these points.

Mr. President: The question is:

“That the Demand under the head ‘Forest’ be reduced by Rs. 100.”

The motion was negatived.

(GREATER EXPENDITURE ON FORESTS THAN THE REVENUE REALISED FROM THEM.)

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I move:

“That the Demand under the head ‘Forest’ be reduced by Rs. 100.”

My object in moving this reduction is to get an explanation from Government as to why they are spending every year more money on forests than they get from them. I think, Sir, the Government of India are conducting this department in order to get revenue for the treasury, but I find that year after year they are spending more money and getting less. I do not know whether there was any year when Government got more money from the forests than they spent on them. But I have got figures here given in the book for Demands from which I find that in the year 1923-24 they got 21 lakhs, while they spent 30 lakhs; in the revised Budget for 1924-25 they got 13 lakhs while they spent 29 lakhs. In the present Budget they estimate that they will get 26 lakhs and they propose to spend 34 lakhs. I do not know whether the Government of India consider Forests as a revenue department or whether they consider it as a spending department like the Education Department. If they consider Forests as a revenue department, I think it is high time that they should begin to get more from Forests than what they spend on them. If they consider the forests as a means for the convenience of the *Shikaris* let them say so. If they are for rainfall let Government say that the forests are developed only for rainfall. But if they propose to maintain the forests as a means of convenience to the public or as a good sight for their eyes

and a means for their comfort, I will suggest to them that they should extend their activities not to those parts where there are large forests but they should plant trees in the arid forests where trees are wanted. They should plant some trees in the track through which the Bombay, Baroda and Central India Railway takes me to Bombay; or even if they like they should plant some trees on the arid plains of Raisina. With these words I move my motion.

Mr. President: Reduction moved:

"That the Demand under the head 'Forest' be reduced by Rs. 100."

Mr. Narain Dass: Sir, apart from the financial loss to which attention has been drawn by Mr. Joshi, I may be permitted to say a few words as regards the forest policy as it affects the life of the people. Not only do the Government incur wasteful expenditure of heavy sums from year to year, but the forest activity goes a great deal to exploit the tenantry of the country, especially those tenants who live in the hills. Sir, I have heard of the scientific value of the proposition which has been enunciated by the experts, namely, that forests develop the rain capacity of the country, and many other beneficial results are also pointed out by them. We may or may not believe in those illusory benefits. But what is practically seen is the great distress to which the people living in the hills and the great jungles are reduced. There was a time when people used to take their cattle to the far distant hills for the purpose of grazing them and that was the only way by which they could make their living. Now-a-days we find that every bit of forest is reserved. Whatever may be the scientific value of this hill reservation, the poor people cannot eke out even their bare living on the small area left to them. The village life on the hills has been so stunted that I cannot depict the difficulties of the people to which this forest policy of Government has reduced them. The number of cattle is dwindling down from day to day. The area set apart for grazing is reduced. Although in some places a small plot of land is set apart for this purpose, it is not of a very good quality for grazing their cattle. All the better lands and the higher lands that are available are being taken possession of by the Government. The present policy of the Government, if it had proved a financial success, would not have left many people on the hill side. This experiment has so far at least not proved beneficial to the interests of the country. Instead of that, the people are really being reduced to a great distress. I will suggest that whatever may be the experiment, at least the rights of the tenants, so far as they ensure a bare existence, should be kept steadily in view. With these words, Sir, I support Mr. Joshi's motion.

Mr. J. W. Bhore: Sir, my Honourable friend Mr. Joshi has, I am afraid, travelled somewhat beyond the Demand which we are at present discussing, and I must therefore, Sir, beg for your indulgence if, in answering him, I refer very briefly to one or two matters which do not directly flow from this Demand. My Honourable friend Mr. Joshi has criticised the administration of Forests by the Government of India on the following grounds. He says that our estimated expenditure next year is Rs. 34,18,000, and our estimated income Rs. 28,48,000. From that, Sir, he draws the conclusion that the management of the central forests by the Government of India has been uneconomical, and I think he considers that this adverse balance ought to be considered by us as a notice to put up our shutters and hand over the business to some one who could make it pay. I would like my Honourable friend Mr. Joshi to examine with me a little

[Mr. J. W. Bhore.]

more closely the heads of receipts and expenditure which go to make up the total to which he refers. There are three such heads. There is, first, the administration of forests proper in connection with those forest areas which are directly under the Government of India. Under this, Sir, the income for the coming year is estimated at Rs. 25,22,000 and the expenditure at Rs. 21,23,000, thus leaving a profit of about four lakhs of rupees. The second head, Sir, is Headquarters Administration and the Forest Research Institute at Dehra Dun, the latter accounting for about 90 per cent. of the Demand under this head. Under this head the expenditure is calculated at Rs. 10,25,000 and the income at Rs. 1,16,000. Thirdly, Sir, there is the head of expenditure connected with the training of recruits. Only expenditure is shown under this head, and the expenditure under this head is about 1½ lakhs of rupees. Now, Sir, we can get this third head out of the way at once. This expenditure is incurred in the first instance by the Government of India on behalf of Local Governments, and the whole of it will be recoverable subsequently from the provinces. That, Sir, leaves for consideration the other two heads. In regard to forest administration in respect of forest areas directly under us, I do not think I have anything to explain. I have shown that we expect a balance on the right side of four lakhs of rupees, and I have no doubt myself that that balance will grow steadily year by year. We have had a lot of capital expenditure in the past in connection with the development of the Andamans and it is now beginning to bear fruit. The property that we have in the forests of the Andamans is a magnificent asset and at the proper time I hope I may have occasion to draw the attention of this House to its vast potentialities. If I did so now, however, I am sure I should be called to order. That leaves me, Sir, only the Research Institute at Dehra Dun, and here, as I have already pointed out, the expenditure is far in excess of the income. Now, Sir, if I understand my Honourable friend's point in regard to this, it is either that this Institute should be self-supporting, or that the income from the central forests should cover the expenditure of this institute and leave a large balance on the right side

Mr. N. M. Joshi: Let me interrupt the Honourable Member and say that was not my intention. My intention is that the Forest Department as a whole should show a profit, not that one item should show a profit.

Mr. J. W. Bhore: I have just shown to the Honourable Member* that the forests under the administration of the Central Government, excluding the Forest Research Institute, does show a profit of four lakhs of rupees.

Mr. N. M. Joshi: Why is the Institute necessary if not for the forests?

Mr. J. W. Bhore: I am coming to that in a moment. Now, Sir, in regard to the Forest Research Institute, I must bring to the notice of the Honourable Member that there is no research institute, so far as I know, which pays for itself in the world, and that for the simple reason that it is impossible to assess the money value of the work done by such an institution.

Mr. N. M. Joshi: I never suggested that.

Mr. J. W. Bhore: Will the Honourable Member please let me go on? Now, Sir, as the Honourable Member knows Research is a central subject

and this Central Research Institute exists not for the sake of the Central Government alone or of the central forests but for the sake of India as a whole. The results that we obtain from our Research Institute, Sir, are published and they are open to all Provincial Governments and to the public at large. We do not patent them. We do not charge for them. We do not keep them secret and utilise them for our own purposes. Sir, if it were possible to compute the money value of a single one of the more important results that we have obtained in Dehra Dun, I am perfectly certain that it would pay for the running of this Institute over and over again. Let me give, Sir, one single instance. As a result of protracted experiments we were able to perfect a method of treating the less valuable soft woods by which they were rendered useful sleeper material. Now what is the result of that? Firstly, railways can get their sleepers much cheaper. Secondly, valuable hard woods which had been used in the past for sleepers can now be diverted to more important purposes. And thirdly, practically valueless soft woods are now being put to the most remunerative use. I could multiply these instances, but I think I have said sufficient to convince the House and I hope the Honourable Member too that the Research Institute at Dehra Dun must not be looked upon as unproductive simply because we cannot show a direct money return on the other side of the balance sheet. The return is indirect; it is shared by the whole of India and I am quite certain that a conservative estimate of its value would show that this Research Institute has paid for itself over and over again. I trust, Sir, I have said enough to convince the Honourable Member and that he will withdraw his motion.

Mr. N. M. Joshi: Sir, I withdraw my motion.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 6,83,000 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, 1926, in respect of 'Forest'."

The motion was adopted.

DEMAND NO. 22.—IRRIGATION, NAVIGATION, EMBANKMENTS AND DRAINAGE WORKS—INCLUDING EXPENDITURE IN ENGLAND.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,67,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Irrigation, Navigation, Embankment and Drainage Works—including expenditure in England'."

The motion was adopted.

DEMAND NO. 23.—INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,70,84,000 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, 1926, in respect of the 'Indian Postal and Telegraph Department'."

AMALGAMATION OF POST AND TELEGRAPH TRAFFIC.

Diwan Bahadur M. Ramachandra Rao: Sir, before I move motion* No. 60, I should like to know from the Honourable Member in charge of this Department whether as a matter of fact a committee has been appointed to go into this question. If the Honourable Member gives me an assurance that the report of that committee will be published and placed before this Assembly, I do not propose to move the motion standing in my name (No. 60) about the amalgamation of Post and Telegraph Traffic. I should like to have a statement, Sir, from the Honourable Member.

The Honourable Sir Bhupendra Nath Mitra (Industries Member): Sir, it has been mentioned on several occasions in this House that a departmental committee was appointed by Government to investigate possible methods of economy in the Post and Telegraph Department and more particularly to report whether economy can be effected without loss of efficiency by internal rearrangement of the methods of working and redistribution of duties. That committee has just finished its report and the report is in the printer's hands. Government have decided to publish the report.

Diwan Bahadur M. Ramachandra Rao: May I know, Sir, whether that will be available to Members of the Assembly?

The Honourable Sir Bhupendra Nath Mitra: If it is published it naturally becomes available to Members of the Assembly.

Diwan Bahadur M. Ramachandra Rao: Will it be placed before this House for discussion?

The Honourable Sir Bhupendra Nath Mitra: I cannot give any undertaking on that point, Sir, because it would be premature for me to give any undertaking on that subject. As I have said the report is ready; the next stage is to publish it.

Diwan Bahadur M. Ramachandra Rao: May I know when that will be?

The Honourable Sir Bhupendra Nath Mitra: In a few days; it is now in the printer's hands.

Diwan Bahadur M. Ramachandra Rao: I do not propose to move 60. As regards 61 I do not propose to move it as there is a motion further down regarding the commercialisation of the accounts.

Mr. President: It seems to me that Nos. 58, 61 and 79 really all go together, they all relate to commercialisation of accounts.

GRIEVANCES OF TELEGRAPH PEONS.

Mr. N. M. Joshi: Sir, I move:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100."

My object in moving this reduction is to draw the attention of the Director General of Posts and Telegraphs and the Honourable Member in charge of the Department to the grievances of telegraph peons. Sir, in the Postal Department the postmen are considered to be men of superior service and they get the privileges of that service. But in the case of the Telegraph Department the telegraph peons, who possess the same education

* "That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100."

as the postmen, are not considered to be men of superior service. They are treated as men of inferior service; they do not get the same amount of leave; they do not get the same amount of pension as the men of the superior service. I do not understand why the Department makes this distinction between postmen and telegraph peons. I suggest to them therefore that they should take early steps to treat the telegraph peons as men of the superior service.

Then there is another grievance which these people have. In the year 1920 there was a strike of the telegraph peons in Bombay and I am told they were promised that they would get some increase in their salaries on a time scale. But afterwards a committee was appointed and on that committee the telegraph peons were not represented at all with the result that the Committee rejected this proposal of giving them increases on a time scale. I therefore suggest to the Honourable Member in charge of the Department that this question should be considered and some increases on a time scale should be given to the telegraph peons. The House knows, Sir, that the Honourable Member has agreed to receive a deputation from the postal employees. I suggest to him that he should also agree to receive a deputation from the telegraph peons and better their lot at least to some extent.

Mr. President: Reduction moved:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100."

Sir Geoffrey Clarke (Director General of Posts and Telegraphs): Sir, in 1920 after the strike to which Mr. Joshi refers the question of the pay of telegraph peons was considered by the Post Office Committee which dealt mostly with the post office staff but also with the pay of telegraph peons; and I am surprised to hear Mr. Joshi say that the pay was not raised, because the subsistence pay of the peons was very considerably raised. As a matter of fact in that inquiry the committee found that the pay of telegraph peons all over the country was slightly better than the pay of men doing a similar class of work in other callings. They found that the pay in Bombay City averaged about Rs. 41 a month for a peon and outside Bombay City in the Presidency there was no office in which a peon got less than Rs. 20 a month. Now, the pay of the telegraph peon in India is composed of what we call subsistence pay combined with task work pay. He gets a definite subsistence allowance every month and he also gets a task work allowance varying from four pies to six or seven pies in different places or even eight pies for every message that he delivers, and it is the combination of these two classes of pay that gives him his monthly salary, and all over the country now, as far as I have inquired, the pay of peons is satisfactory. They have the grievance to which Mr. Joshi has referred, that they are considered as inferior servants. That is a very big question which it is rather difficult for the Department of Post and Telegraphs to consider, because the only menials if I may call them such (Mr. Devaki Prasad Sinha: "They are not menials"), the only subordinate workers in the post office who are superior servants are the postmen, and the postmen were raised to the class of superior servants for very special reasons. Mr. Joshi tries to make out that telegraph peons and postal peons are a similar class of people and that they have a similar education. That is absolutely wrong. The postal peon throughout the country is a man of very much superior education. We demand from

[Sir Geoffrey Clarke.]

him superior knowledge to that of the telegraph peon. Up to date, as far as I am aware, we have had no general memorial from telegraph peons, and if we do receive a memorial at any time, we are quite willing to consider their case and do what we can for them. In these circumstances, Sir, I think Mr. Joshi might withdraw his motion.

Mr. N. M. Joshi: Sir, I beg to withdraw the motion.

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

Sir Hari Singh Gour (Central Provinces, Hindi Divisions: Non-Muhammadan): I have also an amendment, Sir, and if you will allow me, I wish to take it up.

Mr. President (to Sir Purshotamdas Thakurdas): I am not quite sure what rates the Honourable Member refers to as the postal rates. Postal rates come under the Finance Bill and not under the Demands for grants.

Sir Hari Singh Gour: Sir, I wish to draw the attention of Honourable Members opposite not merely to the postal rate but to the general increase in the working expenses of Post Offices by 3 lakhs and also in the ensuing year a further increase of 87 lakhs is estimated with a deficit.

Mr. President: I called Sir Purshotamdas Thakurdas. I was asking him what rates he refers to.

BURDENSOME RATES CHARGED BY THE POSTAL AND TELEGRAPH DEPARTMENT.

Sir Purshotamdas Thakurdas: Sir, I wish to refer to the facilities that have been withdrawn by the Post Office, apart from the question of rates. It is quite possible that I have not worded my amendment happily, but if I move any amendment in connection with the existing rates, I would do so in the Finance Bill. May I go on, Sir?

Mr. President: Yes, certainly.

Sir Purshotamdas Thakurdas: Sir, I beg to move:

“That the Demand under the head ‘Indian Postal and Telegraph Department’ be reduced by Rs. 100.”

The main difference Sir, between the Post and Telegraph Budget as presented this year and the Budgets that used to be presented till this year is that this year it is claimed that the accounts are maintained on a thoroughly commercial basis. My main complaint is that in preparing the accounts of the Post and Telegraph Department on a commercial basis, the Department has overdone commercialisation of their policy. I wish, Sir, to put before the House one or two instances to show how under the excuse of putting the whole account system on a commercial basis, the Postal Department have increased their charges indirectly on the public. I will begin, Sir, by citing a few figures. For 1923-24, of which accounts are out, the Postal Department show a surplus of 35 lakhs, and the Telegraph Department show a surplus of 8 lakhs. For 1924-25, we are told by the Honourable the Finance Member in paragraph 6 of his speech, that the net receipts of the Postal Department would be 63 lakhs in the current year, I mean for the budget year 1925-26, and we are also told that there would be a deficit of Rs. 60,000 for the Post and Telegraph Departments.

taken together. The result, as far as actual cash receipts are concerned both in respect of the post and telegraph service, however, marks, if anything, a little improvement. But several sums have been taken away in the following various methods. 38 lakhs have been written off for depreciation; 50 lakhs have been debited—I do not say incorrectly, I am only stating facts—50 lakhs have been debited for pensions to staffs of the two Departments, and 66 lakhs have been debited for interest; making in all, Sir, a total of about 1 crore and 49 lakhs which the Finance Department either take credit for or which they insist on the Post and Telegraph Department setting on one side to get the accounts on a commercial basis.

Incidentally, Sir, it would be very interesting to know, in view of the statement made by the Honourable the Finance Member on a previous amendment which was carried to a division, as to whether it was the custom of the Government of India in the past to debit anything at all to capital expenditure. I understood the Finance Member to claim that everything was being debited to revenue and if everything was being debited to revenue, what is this item of 66 lakhs by way of interest which is being debited in the Post and Telegraph accounts.

But, Sir, whilst the Finance Member happens to benefit most by this commercialisation of accounts, what happens to the public? The Honourable Member in charge and the Honourable the Director General, Sir, go on tightening their hold and go on increasing their statutory charges which are now admitted. I hope even by the Treasury Benches opposite to be high enough for India. Sir, the other day, the Finance Member claimed that he has made gold for India very cheap. But I suppose he expects that gold to be retained in important places like Calcutta and Bombay because I find that my Honourable friend opposite makes it as difficult as possible for gold to go up-country even to the cultivator. I will give you, Sir, an instance. The Post Office prevent a man from sending gold by postal parcel for a value exceeding Rs. 300 and a bar normally costs Rs. 600, which means that a gold bar has to be divided in two before it can be sent to villages and mofussil centres. I could understand it if the Post Office insisted that no article sent by postal packet should exceed Rs. 300 in value because then I would understand that either the Honourable the Director General of Posts and Telegraphs is not very sure of the honesty of his staff or he wishes to incur as small a claim as possible for loss in transit in his Insurance Department. But the facts are, Sir, that you can send articles up to Rs. 2,000, whether they are currency notes or gold ornaments or jewellery or precious stones, but as soon as it comes to a gold bar, the Postal Department refuses to handle anything worth more than Rs. 300 and that is, Sir, one of the ways in which the Honourable the Finance Member claims that with a higher exchange he is going to make gold cheap for India. I wonder how long this restriction has been in existence? I have a recollection, and I understand from one of the Members of my Chamber in Bombay, that it was not very long before the war that this restriction on the transport of gold by post was put on. But even supposing that the restriction ante-dates the year of the war I claim that since this very great handicap to the smaller men up-country was brought to the notice of the Postal Department, they ought to have considered it more favourably. I, Sir, do not wish to plead for people who wish to hoard gold. I myself am not a believer in the pet theory put forward by the Finance Member very often that the agricultural population in India hoard gold. But I certainly think that it is an artificial

[Sir Purshotamdas Thakurdas.]

handicap for the Postal Department of all others to say to their customers that you may send precious stones worth Rs. 2,000 and we will insure them and accept the same; you may send diamonds, pearls, or anything, indeed even gold ornaments, but as soon as you come to bar gold, we must restrict you to the value of Rs. 300. It practically means that they do not want bar gold to reach up-country in the same way as any other article. The restriction, Sir, and the motive of the restriction, is difficult to understand, and I wish to suggest very seriously to the Honourable Member in charge that the Government may very favourably consider this.

Sir, the next question is one which is a little more annoying. The Honourable Member in charge thought fit to issue instructions that, if a postal parcel is directed to a place and if it happens that the addressee has left that place and the postal parcel has to be redirected, another postage stamp or charge should be levied. Now, I, Sir, could easily have understood this if the Honourable Member in charge could have given us even rough figures regarding the misuse if any that may have been made till now of the facilities afforded by the Postal Department, ever since

4 P.M. the starting of the Indian Postal Department. It is since this idea of commercialisation of accounts came into being that the Honourable Member has seen fit, Sir, to go on making things more difficult for the public. The Postal Department will take a postal parcel from the uttermost southern limit of India for the same charge right up to Kashmir but if somebody happens to send a parcel from Delhi to Lucknow, and if the addressee happens to have left a day earlier than his programme in order to attend the Assembly meeting at Delhi, that parcel cannot be redirected to Delhi unless a fresh charge was paid. I call this policy commercialisation with a vengeance, and I certainly think that it does not redound to the credit of the Department that they should have ever undertaken commercialisation in this spirit. I think the Government of India owe it to the public of India to withdraw this and to let the people have the facilities that they had till now, particularly so, Sir, when the Department concerned cannot put up figures to show the amount of income that they stand to make by this and tell us the amount lost in past years before this new policy dawned on them. I do not think that this Assembly can approve of commercialisation in this direction or in this manner.

The third thing, Sir, is in connection with the rather arbitrary increase in press telegrams, a subject about which I do not think I need say much to the House, because I understand there was a question asked in this House about this not very long back. I should have thought, Sir, that commercialisation was to be restricted, when it was recommended, to accounts, and that the first anxiety of the Government of India to see that a rate of postage, which was most naturally suited to India and to the resources of the people of India, was to be reintroduced. In spite of that, Sir, charges have been put on thick and we are told that we need not complain about it because it has all been done under the idea of commercialisation.

There is one more point and I think I have finished. Schedule II to the Finance Bill says that the rates for book-post packets are half an anna for every five tolas or fraction thereof. This works out, Sir, to two annas for 40 tolas. This is the same rate for which you can send a book-post parcel from India to Japan, America or to any other part of the world,

and still, in order that the book-post may be carried from say Delhi to Lucknow, the Postal Department charges the same rate. I understand that the Director General of Post Offices has received innumerable applications and petitions from persons concerned in this traffic, with the result, I am afraid, that pending the Government of India's pleasure to revise their ideas of commercialisation of a Department like the Posts and Telegraphs, the Director General must have been compelled to turn a deaf ear to them. No wonder, Sir, that the Post Office, in spite of its many uses to India, is not very popular with the public at present. I therefore very earnestly ask the Honourable Member opposite not to do any more injury to the public under any excuse, even of the idea of commercialisation. (Diwan Bahadur T. Rangachariar here made an interruption which was inaudible.) I understood my Honourable friend to say something about merchants. May I ask him to repeat what he said? (*Diwan Bahadur T. Rangachariar*: "Not to follow the merchant's practice.") I am afraid the Honourable Member has come in contact with very poor merchants. I wish he came in contact with some better ones too. I particularly wish to refer to the very deaf ear that the Director General of Posts and Telegraphs has turned to petitions regarding the book packet rates. The Honourable the Finance Member rather took consolation to himself that this year in the budget he had been able to vote fairly large sums for what he called nation-building purposes

The Honourable Sir Bhupendra Nath Mitra: On a point of order, Sir? Is the Honourable Member in order in discussing an item entered in the Finance Bill? This book packet rate, as he has himself said, is an item in the Finance Bill.

Sir Purshotamdas Thakurdas: I, Sir, hope that I have been able to prove that the two or three instances that I gave are instances of really burdensome rates. I am not referring to those now, but as I said, I would refer to them by perhaps an amendment to the Finance Bill. But if the Honourable Member wishes to hear all I have got to say on this item now that I have commenced with it I may go on; otherwise I will shift it to another of the three so that the Honourable Member cannot take any objection.

Mr. President: Is the Honourable Member referring to the rates leviable under the Finance Bill?

Sir Purshotamdas Thakurdas: Not necessarily. I will refer to the other one, namely, redirection charges for postal parcels. That does not come under the Finance Bill and I am safely outside my Honourable friend's objection. If the Honourable Member in charge wishes to rise to an objection I am ready to give way.

The Honourable Sir Bhupendra Nath Mitra: I was referring to the item which my Honourable friend had previously mentioned, namely, the book packet rate, and I had to take the objection in view of your ruling given earlier in the debate.

Sir Purshotamdas Thakurdas: I had finished reference to that before the Honourable Member rose. I will refer, Sir, first of all, to the extra rates that are being put on redirected parcels. Have I your permission (referring to the Honourable Sir Bhupendra Nath Mitra) to refer to that?

The Honourable Sir Bhupendra Nath Mitra: It does not require my permission, Sir, but yours.

Sir Purshotamdas Thakurdas: I am in order in referring to the rates on redirected parcels. That is not in the Finance Bill.

Mr. President: I presume that is done under an administrative rule?

The Honourable Sir Bhupendra Nath Mitra: That is so.

Sir Purshotamdas Thakurdas: I can refer to it, then, on the Demands for Grants. I was saying that the Finance Member took consolation that this year he had been able to give a bigger grant for nation-building and nation-improving departments. Whether the sums voted under that head this year are big or not is for the Assembly to judge, but I would strongly impress on the Honourable Member in charge of the Posts and Telegraphs to look upon the Postal Department as one of the most civilising and one of the most nation-building of departments under the Government of India and not to put any further burden, either directly or indirectly, or through the instrumentality of the Finance Bill or by any administrative action that he may choose to take, on the public who wish to utilise or who rather have to utilise the Post Office, and to that end I would strongly ask him to do everything possible to lighten the burden on anything which adds to the literacy of the country. Just to refer to one item to which I will refer later on, the book-post packet is a thing which helps to distribute more knowledge in the country, and I very strongly press the Honourable Member to give very favourable consideration to that, because I am not sure that it will involve him in a greater expenditure than Rs. 5 or 7 lakhs. In the meantime, I again submit for favourable consideration those two or three items about which he has had notice of strong complaints from the public before now—items which cause the greatest amount of irritation among the various classes concerned. Sir, I move my amendment.

Mr. President: Reduction moved:

“That the Demand under the head ‘Indian Postal and Telegraph Department’ be reduced by Rs. 100.”

Mr. Darcy Lindsay (Bengal European): I desire to support my Honourable friend, Sir Purshotamdas Thakurdas in one small matter to which he has referred, and that is the question of insurance, I do not know why the insurance on gold bars is restricted to Rs. 800. The Honourable Member opposite may give some information on that score later on. Sir Purshotamdas referred to other articles, postal packages, insured up to a value of Rs. 2,000. I would like the Department to go a good deal further and increase the limit to at least Rs. 10,000. I know that the department are losing considerable sums of money by limiting the amount to so small a figure. They do the work. They give the protection. It costs as much to carry the article safely, no matter what they charge and the public obtain the advantage. In my late business of insurance I have had numerous cases before me where the sender insures with the Post Office for very small sums. It may be Rs. 100 or Rs. 200. He then goes to the insurance company. (A Voice: “Who?”) Never mind who. He goes and obtains a policy under the protection of this post office receipt at a lower rate as the insurance company are satisfied that the post office guard that article of Rs. 200 value to them with as much care as they would do in the case of an article which was insured for Rs. 10,000. On those grounds, Sir, I would strongly recommend the department to increase their limit. If they are afraid of running such a big risk I have no doubt that they could underwrite the surpluses with many of the insurance offices.

In fact some time ago I put such a proposal before the Honourable Member who received it with favour, but it did not go any further. I am not out for business myself but I do earnestly put before the department the advantage they could gain by increasing their limit and getting some return for the great care they take with the insured packages. They are not sufficiently remunerated now for the amount of work they do.

Mr. A. Rangaswami Iyengar: I move that the question be put.

Mr. H. G. Cocks (Bombay: European): I sympathise with the Honourable Member from Bombay in connection with the points he has raised as regards the commercialisation of the post office accounts. It is very difficult indeed for any one to reconcile Demand No. 23 totalling a crore and 70 lakhs with the figures on pages 4 and 5 of the Posts and Telegraph Detailed Statement. The particular point that Sir Purshotamdas has raised is the question of interest—66 lakhs. That it will be noted is not part of Demand No. 23 unless it is included in working expenses which I think it is not. What is really happening to these accounts is that we are retaining the old system of budget demand but we are having a supplementary profit and loss statement and on that profit and loss statement certain "commercial" items are brought in but we are not really voting these to-day. They are not part of the demand and we are asked to vote. As regards the question whether we are being asked to vote interest on expenditure made last year on (say) new post offices which we have already paid for from revenue—that is a very pertinent question. We are not being asked to vote interest on that to-day but in the supplementary statement it is assumed that the whole of this capital expenditure has been met from capital and has not been charged to revenue. That is to say, the profit and loss statement really bears no relationship to the demand. The interest does not appear in the demand. It is merely put into this statement on the assumption that all our past capital expenditure has been made in the same way as it would have been made if we were a commercial concern.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, I feel sure that I must take part in the debate especially in an important subject like the Postal and Telegraph Department. Sir, they are the poor men's messengers. But I do not bother the Treasury Bench, especially my Honourable friends of the Department, as I do not put the burden on them of gold or silver of my Honourable friend from Bombay, nor do I ask them to carry my pearls, diamonds, or rubies. Sir, my grievances—I suppose it is a subject before the Government to-day and before we get the household demand and the Executive Council of His Excellency the Viceroy, the first thing to-morrow morning, it is worth while now before the sunset to discuss what I want, and which is absolutely necessary. Now, Sir, my grievances are these. You have got the system of sending letters, post-cards and book packets. That is to say, you can buy a post-card for half an anna, you can buy an envelope for one anna, and write a letter or send a book post that reaches a destination from one end of India to the other, say from Cape Comorin to the Mount Everest. (Laughter.) But, Sir, if you write a letter from here to some place only two or three hundred miles away, it does not reach its destination. And why, because in the Department of my Honourable friends there are certain sub-post offices where the postmasters are neither paid per month what they are entitled to get, nor is there a postman to give delivery of the letters, whether they are bearing or half anna post-card or anna envelopes,

[Mr. K. Ahmed.]

and even book packets. Particularly, Sir, I have experienced this difficulty when I was canvassing in my constituency during the election time. The Electioneering pamphlets, letters to voters, etc., never reached the destination.

Mr. A. Rangaswami Iyengar: On a point of order, Sir, is the Honourable Member talking on the question of the commercialization of postal accounts?

Mr. K. Ahmed: My object, Sir, is exactly what is down on the paper, and that is the "burdensome rates." My Honourable friend sends his letter from the Imperial town of Delhi or Simla, and pays the same half anna for a post-card and sends it all the way to Cape Comorin in Southern India. Why should I not be entitled to speak when after the "burdensome rates" this Department charges, they will not carry my letter two or three hundred miles.

Mr. President: The Honourable Member is out of order. The Honourable Member will be in order in discussing that on the Schedule to the Finance Bill.

Mr. K. Ahmed: With your permission, Sir, if the Treasury Bench will give us an answer, I will not continue.

The Honourable Sir Bhupendra Nath Mitra: Sir, before I begin to reply to my friend Sir Purshotamdas Thakurdas's observations may I be assured on one point. I see there are various other amendments on the question of commercialization of accounts. Are those amendments withdrawn? Because if so, I can deal with the whole question at this stage. Otherwise, subject to your permission, I would prefer to hear what the other Honourable Members have got to say on this question before I deal with it.

Mr. President: I meant to take commercialization of accounts first of all, but Mr. Rangaswami Iyengar was not in the Chamber. When I called his name, Mr. Ramachandra Rao did not move, and Mr. Neogy was not here either, so that that subject, for the moment, fell to the ground. I imagine that what has been said represents all the Honourable Member has to reply to.

Diwan Bahadur M. Ramachandra Rao: Sir, I took care to say that the question of the commercialisation of accounts would come up for discussion on a later motion of Mr. Venkatapatiraju. I thought, Sir, that at that time it would be opportune to go into some of the figures as now allocated in the budget estimate for Posts and Telegraphs. I have a few remarks to make, Sir, on this question. The whole question of commercialisation has now been brought under discussion and I should like to say a few words.

Mr. K. Rama Aiyangar: May I draw your attention, Sir, to No. 64 and ask the Honourable Sir Bhupendra Nath Mitra if it can also be taken up at this stage?

Mr. President: The amendment moved by Sir Purshotamdas Thakurdas raises a somewhat different question to that raised in Nos. 58, 61 and 79. No. 64, standing in the Honourable Member's name (Mr. K. Rama Aiyangar) really comes under commercialisation, although it is a subsidiary part of commercialisation of accounts.

The Honourable Sir Bhupendra Nath Mitra: Sir, if I may say so, my friend Sir Purshotamdas Thakurdas has made a confusion between two different aspects of the case. The first is a question of policy, the second is a question of accounts. Turning now firstly to the question of policy, to which he apparently wanted to refer, I think the position of Government in the matter was clearly brought out in connection with the discussion on the budget estimates for 1924-25. In the course of his speech in this House on the 12th of March 1924, Mr. Neogy said:

"As late as 1905 Government made a definite declaration of policy that it is not the desire of Government to treat the post office as a source of revenue and that all excess of receipts over expenditure will in future be devoted to the further improvement or cheapening of postal facilities. I want my Honourable friend"—(*that is my predecessor in office*)—"to declare on the floor of the House to-day that he holds fast to this declaration of policy."

The Honourable Sir A. C. Chatterjee replied:

"I do not think Mr. Neogy has been able to find a single declaration of Government that the post office and telegraph department should be a source of income to Government. All that has happened is that we have tried to prevent it from becoming a source of expenditure to Government. I entirely agree with Mr. Neogy in considering that the post office should be looked upon as a public utility service. But in the same way as railways and other organisations which are for the benefit of the general public and are looked upon as public utility services should at the same time pay their way, I consider that the Post and Telegraph Department should pay its own way and I have the authority of my Honourable colleague, the Finance Member, in saying that the Government do not look to the post and telegraph department as a revenue-earning department."

An exposition of the policy on similar lines was made by the Honourable Sir Basil Blackett in his speech in the Council of State on the 24th March 1924, in the course of which he said:

"In my view, the post and telegraph undertakings of the Government ought to pay their way. I do not mean to say that each individual item must necessarily be a paying item, but that the Post and Telegraph Department taken as whole should not be carrying the letters and mails and sending the telegrams of the people of India at the expense of the general tax-payer."

It may interest the House to know that the principle underlying this policy is followed in England also. Our position in regard to the Postal and Telegraph Department to-day is much worse than that of the corresponding department in England a year ago as disclosed in the budget statement for 1924-25. We anticipate that the revenue account of the department in 1925-26 will close with a small deficit. In England a year ago the budget estimate of the department, *i.e.*, for 1924-25, showed a surplus of several millions of pounds. But the Chancellor of the Exchequer in the first Labour Ministry in England refused to allow any consideration based on the political advantage which might accrue to his party by playing to the imagination of the people, to outweigh his duty towards the general tax-payer of his country. He refused to make any large reductions in postal rates. On the 29th of April 1924 he said in the House of Commons:

"I am not in a position to make any considerable changes in the postal rates. It is true that the post office is making a profit on all its services taken together. There are however certain charges which are now the subject of investigation and for this reason it is impossible to say definitely what these profits are likely to be at the end of the year. There is one thing clear and that is that it is not yet possible to re-establish the penny post as an economic proposition." (*At this stage a Member of the*

[Sir Bhupendra Nath Mitra.]

House interjected "Why not?" (Mr. Snowden continued.) "It is not possible as an economic proposition. I am quite sure that neither this House nor the country is thinking that the post office should be subsidized by the general tax-payer."

I have now dealt, Sir, with the question of the policy. The various specific points referred to by my Honourable friend Sir Purshotamdas Thakurdas really impinge on this question of policy and not on any question of accounting. If the soundness of the policy is admitted, namely, that the Post and Telegraph Department must pay its way and that it should not be worked in such a manner as to throw a charge on the general tax-payer, then the necessity for retaining or imposing the various imposts which he refers to is immediately established. I am not for the moment dealing with the question of the transmission of gold, in regard to which the department does not earn any revenue. I shall deal with it later on.

Sir Purshotamdas Thakurdas: May I interrupt the Honourable Member if he does not mind my doing so? What are these 66 lakhs being paid to the Finance Department for? Is there anything like capital account of the Post and Telegraph Department outstanding?

The Honourable Sir Bhupendra Nath Mitra: As I said, I shall deal with the question of commercialisation of accounts later on, because the commercialisation of accounts is only ancillary to the basic policy. The three points to which specific reference was made by Sir Purshotamdas Thakurdas were, firstly, the increase of the limit up to which gold is transmitted by the post office. Now, that has nothing to do with the revenue-earning aspect of the department. The present restriction, I can assure my Honourable friend, was imposed in the year 1910, long before the war. It was imposed for special reasons and as a measure of protection to the post office. In that year several very serious cases of loss of insured parcels containing gold in transit through the post office came to light. Inquiries into the matter showed that there was a regular trade between Bombay and upcountry in gold sent by the parcel post. The Director General represented to Government the extreme undesirability of the existing system which offered to the ill-paid postal official a very serious temptation; and in view of this representation, the limit was raised by Government, who definitely recognised that transmission of gold in large quantities was not part of the legitimate duties of the post office. The position is precisely the same in England, where the limit to the value of gold allowed to be conveyed by the parcel post is only £5. Further, the matter is not one which affects the general body of the public for whom the postal service caters. It can benefit only a limited body; and in fact it has been argued that it may interfere with the legitimate operations of banks in regard to remittances.

The next point to which my friend Sir Purshotamdas drew attention was the levy of a charge for the re-direction of postal parcels. Now, Sir, the reason why this charge was imposed with effect from the 1st July 1924 is one which hangs on the policy. With reference to the recommendations of the Inchcape Committee, of which my Honourable friend was a member, Government explored all sources of economy, as well as the possibility of securing additional payment for services rendered, so that it might be possible to make the postal and telegraph department

pay its own way. As a result of that examination, certain credits were secured by the postal department from various Government departments. The examinations also brought to light one or two cases where the public, or a section of the public, were receiving certain subsidiary services from the postal department without making adequate payment for them. The re-direction of parcels was one of these services. A charge for the re-direction of parcels has always been levied by the British post office and in other countries; and after careful consideration, we came to the conclusion that there was no reason why a similar charge should not be levied in India in the present financial condition of the department. When the department had carried the parcel to its original destination its contract was over, and it was only reasonable that further work should be charged for if it was of any considerable magnitude. As I said in this House on the 28th January last, considerable labour and expense are incurred in dealing with the transmission of postal parcels, and the labour and expense are no less in the case of re-directed parcels than in the case of the original parcel itself. We accordingly decided that, with effect from the 1st July, 1924, a parcel re-directed to any place served by the inland post shall, save when the original address and the substituted address are within the same delivery area of the same post office or within the same town, be charged for such re-direction with further postage amounting to half the pre-paid rates. The charge levied in England is the full rates, not the half rates.

Sir Purshotamdas Thakurdas: Why did you not charge the full rates to fall into line with the pattern you take?

The Honourable Sir Bhupendra Nath Mitra: It is not a question of falling into line. It is a question of trying to make the department pay its way. That is the position.

Sir Purshotamdas Thakurdas: Does the Honourable Member realise any difference between the conditions here and in England and the capacity of the people to pay?

The Honourable Sir Bhupendra Nath Mitra: I know this, that there is one difference between those conditions—a very great difference. Distances in India are much longer than distances in England. In spite of this factor, the incidence of our inland parcel rate is certainly not as high as that of the English rate.

Sir Purshotamdas Thakurdas: So that the whole policy of the Government of India is wrong according to the Honourable Member?

The Honourable Sir Bhupendra Nath Mitra: I must say that I do not quite see how the Honourable Member comes to that conclusion. As I have said, the policy of the Government is this: It is particularly anxious that the department should pay its way and should not be a drag on the general tax-payer and in that way interfere with the allotment of sums for the nation-building services proper. That is the policy, and I do not see exactly how what I have stated in any way conflicts with that policy.

The revenue from this re-direction fee is estimated at about Rs. 3 lakhs a year; but, Sir, we cannot overlook the maxim that if we look after the pence, the pounds will take care of themselves.

[Sir Bhupendra Nath Mitra.]

Sir Purshotamdas Thakurdas then referred to the book-packet rate. Here, the rate was increased in 1921 in connection with the Finance Bill for that year and it was fully open to the House at that stage not to accept the proposal of Government in that matter. The statistics which I laid on the table of the House the other day make it perfectly clear that the traffic has not in any way suffered by the increase in the rate; and in the present financial condition of the department, Government see no reason for making any reduction in the rate.

I did not quite catch what my friend Mr. Darcy Lindsay said on the subject of insurance. We cannot possibly interfere with any private person who insures with the post office for a certain sum of money any article which he wants to send by the post office and reinsures it again with some other agency for another sum of money. But if he referred to what Sir Purshotamdas Thakurdas said in regard to gold bullion, his observations were not very apposite, because we do not allow the transmission of gold bullion through the post office when the value exceeds Rs. 900.

Mr. Darcy Lindsay: The point I wished to make was that the post office should not give all the protection that they do for the very small fee they receive on an insurance of Rs. 100 or Rs. 200 on the ground that the full value is reinsured elsewhere at a very much lower premium. My point is that the post office should obtain the full premium for the value of the article. The value of the article can be declared and should be declared with the post office up to the full amount.

The Honourable Sir Bhupendra Nath Mitra: I see my friend Mr. Lindsay really wants to add to what my friend Sir Purshotamdas Thakurdas called the burdensome exactions of the department. (*Cries of "No" and "Nothing of the kind".*)

Sir Hari Singh Gour: He wants you to take what is taken by the Insurance Companies.

The Honourable Sir Bhupendra Nath Mitra: It means then that he wants us to raise the rates of premium

Sir Hari Singh Gour: Nothing of the kind.

The Honourable Sir Bhupendra Nath Mitra: I thought he said that.

Sir Purshotamdas Thakurdas: He asks you to take more risks. The risks you are taking are so safe with the traffic now offering that you might as well take the risk yourself instead of letting that money go to private insurance companies.

Mr. Darcy Lindsay: That is exactly my point.

Sir Purshotamdas Thakurdas: So it is more revenue to the Honourable Member and not burdensome charges.

The Honourable Sir Bhupendra Nath Mitra: I am glad of that suggestion. I am sorry I could not quite understand it, because I found it difficult to connect it with Sir Purshotamdas's grievances; and I shall certainly give the matter my most careful consideration to ascertain whether it will bring in more net revenue to the department.

Mr. A. Rangaswami Iyengar: What about the surcharge on the press?

The Honourable Sir Bhupendra Nath Mitra: As regards the surcharge, my friend Sir Purshotamdas Thakurdas did not touch on the point at all and that is one of the reasons why before rising to reply to him I wanted to know whether there were any other Members of the House who wanted to speak on allied questions. As the question of the surcharge on the press was not brought up, I could not possibly deal with it.

Mr. A. Rangaswami Iyengar: Sir Purshotamdas says he did refer to it.

Sir Purshotamdas Thakurdas: I mentioned it, but I did not dwell at any length on it, because I thought the House and the Honourable Member knew all the details about the grievances of it. However, it is for the Honourable Member to decide whether to speak on it or not.

The Honourable Sir Bhupendra Nath Mitra: I am quite willing to deal with the matter. The point here is as follows: Press telegrams are in certain cases accepted without prepayment. The rules used to provide that a deposit should be paid to Government in regard to these telegrams; but that deposit covered only the average monthly or fortnightly expenditure of the parties concerned *plus* the corresponding expenditure in the period elapsing between the date of termination of the monthly or fortnightly account period and the average date of settlement of periodical accounts. This deposit is charged also in England, but in addition to it a charge is levied to cover the cost of extra work thrown on the Postal and Telegraph Department in keeping the accounts and preparing bills for press messages which are accepted without prepayment. We have with effect from the 1st April of this year introduced an arrangement similar to that followed in England, I may tell my Honourable friends that the matter was brought to our notice by the Auditor General. He pointed out that here was a service for which a certain section of the public were not making proper payment, though payment is required in the corresponding case in England. As the Postal and Telegraph Department in India cannot yet pay its way, Government saw no reason why the charge should not be levied. The amount involved is not large. But as I have said before, we have got to look after the pence, so that we can get the pounds wherewith to balance the receipts and expenditure.

I next turn to the questions connected properly with the commercialization of the accounts, which were referred to by Sir Purshotamdas Thakurdas; and here I may say that the idea of commercialization of accounts was one which was very strongly recommended by the Inchcape Committee, of which he was a member. Not only that; but that Committee did notice that there was an item of interest to be included in the commercial accounts. They took no exception to the entry. All they said was this:

"As stated previously, we are informed that sufficient allowance has not been made for depreciation in arriving at the capital expenditure on which interest should be charged as part of the working expenses."

Now, for the purpose of the commercial accounts which will be introduced in the Postal and Telegraph Department from the 1st of April 1925, the block account on which interest will be charged is the depreciated value, and that, as a matter of fact, will meet the point taken by the Inchcape Committee. I may at the same time inform the House that the practice

[Sir Bhupendra Nath Mitra.]

in England in regard to charging interest on capital is as follows: The department may show a surplus in its revenue account in a particular year and the exchequer may be able to meet the capital expenditure of the department during the year wholly or partly from this surplus in the revenue account. Even so, interest is charged on the amount of surplus devoted to capital expenditure. This is undoubtedly the correct arrangement and we propose to follow it in India. In fact, the question whether the capital expenditure has been met from the surplus earned by the department or from any other source has really nothing to do with the entry of interest in the commercial accounts. The entry of interest must be with reference to the block account of the department, exactly as is due in any well-conducted business concern, and I am perfectly certain that my Honourable friend Sir Purshotamdas Thakurdas is fully familiar with that arrangement

Sir Purshotamdas Thakurdas: No, Sir, I absolutely disagree with what the Honourable Member says. I have, however, no right of reply here, but I absolutely disagree with the explanation the Honourable Member gives.

The Honourable Sir Bhupendra Nath Mitra: Sir, I think I have dealt with all the points that were raised by my Honourable friend Sir Purshotamdas Thakurdas, and I trust that in view of the explanation I have given him, he will withdraw his motion. If I may add one observation, this amendment should have been proposed by him on the grant either for the Department of Finance or the Department of Industries, because the Postal Department has got nothing to do with questions of policy. Still I have given him the fullest explanation in the matter, and I hope he will withdraw his motion.

Sir Purshotamdas Thakurdas: How does the Department of Industries come in, Sir?

The Honourable Sir Bhupendra Nath Mitra: Because it is the administrative department.

Diwan Bahadur M. Ramachandra Rao: Sir, I should like to make a few remarks arising out of the observations made both by Mr. Cocke and also the Honourable Bhupendra Nath Mitra, and that is about the commercialisation of these accounts. The Honourable the Finance Member in introducing the Budget stated as follows:

"It was not until January that various important decisions of principle were finally reached on both as regards the form of the account itself and the actual method of distributing the charges. Final orders are still to be issued in certain cases. The Statements and estimates prepared represent, therefore, on several points decisions which must be regarded as provisional."

Sir, I am drawing attention to this passage in the Honourable the Finance Member's speech, as when we consider the departmental estimates many Honourable Members are puzzled as to the results classified under the head of Post Office and Telegraphs, including Radio and Telephones and the implications and inferences which should be drawn from the allocation of charges under these respective heads. Honourable Members will see from page 4 that according to these accounts, which even according to the Finance Member are merely provisional, the charges and the receipts are balanced

and a net surplus balance of Rs. 29,28,100 is shown under the head Post Office. Then under the head of Telegraphs, including Radio, a loss of Rs. 26,15,480 is shown, and then under the head of Telephones a loss of Rs. 3,72,670 is shown.

Sir, these accounts and the accounts for 1924-25 have now been recast in accordance with the principles for commercialisation which the Accountant General and his staff have adopted and which have been embodied in the accounts for 1925-26. I think it is only due to this House that these accounts and the allocations made under the various heads should be gone into by the Finance Committee. Until this is done none of us are prepared to accept these allocations as satisfactory or even just to these three heads, namely, Post Office, Telegraphs and Telephones. I think that if this classification is intended to afford some relief in regard to postal charges and in regard to the extension of postal facilities, it seems to me that these allocations have to be very carefully examined to see whether they are as proper, satisfactory and just. There are many items which are combined charges for both the Postal and Telegraph Departments. They have to be gone into and it seems to me, Sir, that the whole question of both the form of the accounts as well as the substance of these allocations under these three heads ought to be gone into by the Finance Committee, more especially in view of the statement made by the Finance Member that the statements in the estimates represent at several points positions which must be regarded as provisional. I could say a good deal with reference to the various changes that have been made—stamp charges, charges for depreciation, charges with reference to interest on capital outlay, charges with reference to what is paid for the services rendered to other departments, from Indian States, etc., all these have also to be considered with reference to this, and the appropriateness of the figures shown has to be thoroughly gone into in the interests of the general tax-payer. We have stated several times that postal rates have been increased and postal facilities have not increased. Figures have been quoted on other occasions and they have been repeated over and over again. Therefore the whole question of economy and the allocation of charges between various heads requires consideration and I trust the Honourable the Finance Member will not misunderstand me when I say that we cannot accept these figures. We cannot accept these allocations, they must be gone into by the Standing Finance Committee of this House. I do not wish to pursue this matter further, Sir, except to state that, as my friend Sir Purshotamdas Thakurdas said, commercialisation has been overdone and the expenditure has been maintained at its full strength and economies do not seem to compare with the result, so that we see no prospect until something very radical is done under this head for the reduction of postal rates. There is the question of amalgamation of Posts and Telegraphs, which has formed the subject of an inquiry. Then there are other economies which have been suggested. Therefore, Sir, we are not prepared to accept this as the last word on this commercialisation. The thing has to be gone into, not on the floor of the House, but in committee of this House or in any special committee which this House may appoint.

LONG DISTANCE TELEPHONES.

Colonel J. D. Crawford (Bengal: European): Sir, my Honourable friend, Mr. Ramachandra Rao introduced the question of telephones, and I do not know whether I should be in order on this motion in asking the Government

[Colonel J. D. Crawford.]

of India to state their policy in regard to long distance telephones. I am absolutely in favour of the development of long distance telephones in this country. But I believe, Sir, that they are not likely to be remunerative if they only radiate out from the Government of India. If these telephones are to be remunerative at all, they should be established between the big commercial centres. It is commerce that is likely to use them and it is from commerce that you are likely to get the greatest amount of your revenue. I would be very glad if the Director General will give us an indication of the loss at present made on these long distance telephones, and as to the position regarding them generally. I understand there is a telephone in existence between Karachi and Lahore, that it is not of much use and that it would be of more use if arrangements were made so that merchants in Karachi could get into immediate touch with the wheat growing areas.

Sir Geoffrey Clarke: There is no telephone between Karachi and Lahore yet.

Colonel J. D. Crawford: Then my information on that question is wrong. But it gives an example of the manner in which I believe long distance telephones can be put up with benefit and with revenue to the Postal Department. I would be very much obliged for a statement from the Director General as to the position with regard to this question.

CAPITAL OUTLAY ON THE POSTAL AND TELEGRAPH DEPARTMENT, ETC.

Mr. K. Rama Aiyangar: Sir, Nos. 64,* 75† and 76‡ I will dispose of in a very few words. I only want some information from the Department on these motions. I want to know if in estimating the capital outlay on the Post and Telegraph Department they have taken into account the revenue portion of the capital outlay which has been contributed by the revenues to the Post and Telegraph Department in previous years, and if so, how much of the capital account relates to the capital borrowed and how much relates to the revenue portion in the present calculation of capital account. As far as I have been able to trace the papers placed before us, I have not been able to arrive at the actual capital value that has been arrived at. I know the Honourable the Finance Member has referred to the accounts as they stand in the Revenue and Finance Accounts of 1923-24, but I have not been able to trace it. I want to know what the capital value now estimated is and how much of it is revenue portion and how much has been contributed to capital by borrowings. That is the information I want.

The second thing, Sir, is as regards the depreciation fund that has been calculated. What is the actual life that has been given to the various articles? What is the average? How does that work out? I see from the papers that the depreciation fund amount is tacked on to the capital to a certain extent and to revenue to another extent. I want to know how

* "That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100." (Capital outlay on Post and Telegraph and principle of contribution to depreciation fund.)

† "That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100." (When credit has not been given to service to Marine and Indian States.)

‡ "That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100." (Share of unified stamps.)

much has been tacked on to capital this year, and what proportion is proposed to be met from the revenue from next year onwards. I want to know exactly the amount by which the depreciation fund is proposed to be charged and at what rate.

The next point to which I want to draw the attention of the Honourable Member opposite relates to my motion No. 75. I want to know why credit has not been given to the work done by the Post Office in connection with the Marine Department and the Indian States. These I find have been given credit to in previous years, but in the present calculation credit has not been given to these two heads. I find it will come to a little more than 15 lakhs, or from 13 to 15 lakhs. I want to know why credit has not been given to these two heads in the present value taken of the services rendered by the Postal Department to other Departments of Government.

The next point that I want to know relates to my motion No. 76, and that is with reference to the Civil Department share of unified stamps that has been allowed to be deducted from the income of the Postal Department. I find that in 1923-24, 1924-25 and in previous years it has been put at

5 P.M. only Rs. 19 lakhs, but it is proposed to put it at Rs. 42 lakhs for

1925-26. I know that there has been some correspondence going on between this Government and the Local Governments in respect of the share of unified stamps which we altered last year by a Bill. But the amount that is now charged is more than double of what it has been in previous years and I want to know why Rs. 42 lakhs is proposed to be taken while it was only Rs. 19 lakhs before, and on what basis this has been done. I want to know how Government are going to support this deduction of Rs. 42 lakhs from the income of the department.

The only other point that I would like to refer to relates to this debit of Rs. 66 lakhs in respect of interest. If a portion of the revenue has borne the capital expenditure before, it is not proper that the whole of the interest should be deducted from the revenues of the department now. I want to know the amount of interest on the money contributed by the Department previously and the interest on the balance of the capital. I know a good deal could have been raised at smaller rates of interest previously than now. I want these figures in order to come to a conclusion on these various matters.

Sir Purshotamdas Thakurdas: I do not wish to press my motion.

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

Mr. K. Rama Aiyangar: I would like to have a reply and I press my motion.

Mr. A. Rangaswami Iyengar: I move, Sir, that the main question be now put.

Mr. President: In respect to that, I may point out that it has been suggested to me that, as a discussion can be raised on the question of postal rates on the motion that the Finance Bill be taken into consideration, and as the question of the commercialisation of Post Office accounts will also be in order then, it may be unnecessary to continue the discussion in that form now. In the debate on the Finance Bill it will probably be easier for Government to deal with those points on much larger lines, because both of them will be in order, than if we continue the debate now.

The question is that the main question be now put.

The motion was adopted.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,70,84,000 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, 1926, in respect of the 'Indian Postal and Telegraph Department'."

The motion was adopted.

DEMAND NO. 24—INDO-EUROPEAN TELEGRAPH DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 29,55,000 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, 1926, in respect of the 'Indo-European Telegraph Department'."

GENERAL RETRENCHMENT.

Mr. K. Rama Aiyangar: I beg to move:

"That the Demand under the head 'Indo-European Telegraph Department' be reduced by Rs. 1 lakh."

I do not want to detain the House long in connection with this motion, but I will only refer to the recommendations of the Retrenchment Committee which expected only about Rs. 29.80 lakhs to be the expenditure on this Department from that date. They considered the various heads and then recommended that amount. In fact, I find that they recommend further reduction by a closer scrutiny. What I find now is that during the last three years the expenditure has gone up and it is proposed to put it at Rs. 31 lakhs for the next year. I will only draw the attention of Honourable Members to certain entries at pages 101 and 108. On page 101 there is a debit of 2.06 under the Central Persian Telegraph Line and on page 108 there is a provision of about 1.29 extra made for next year under the head line maintenance under repairs and renewals, Gulf section. These seem to be new provisions which have been added on. It is against the spirit of the recommendations of the Retrenchment Committee. The total of these come to 3 lakhs and odd. However, I do not propose to cut the whole amount because, as far as we have been able to follow the working of this Department in the Finance Committee, the Government of India are not themselves in possession of information regarding this. Whatever it is, if there is any reason for making a provision it can only be to a small extent, in view of the recommendations of the Retrenchment Committee. I therefore want only a lakh to be cut out of the 3 and odd lakhs extra provided. Therefore I move the amendment in my name.

The Honourable Sir Bhupendra Nath Mitra: Sir, I do not want to take any long time over this matter. The additional items for which sums have been provided in the Budget of the Indo-European Telegraph Department were examined by the Standing Finance Committee and the additional sums were passed by them. I do not quite understand on what grounds the Honourable Mr. Rama Aiyangar wants reduction to be made in the vote. Apart from the special items, the amount entered there is the sum which we require for the service of the department in the year 1925-26.

Sir Purshotamdas Thakurdas: I am very glad that a reference is made to the Finance Committee having passed this item. I wonder if the officers who represented his department before the Committee reported to

the Honourable Member that the Finance Committee were able to get pretty little information regarding several items from those officers. In fact it was mentioned to us in the Finance Committee that the few details that they got from the Secretary of State were all that they could put before the Standing Finance Committee and that it was very difficult to give the Finance Committee more details. In fact the budget period would be over if the Finance Committee waited for further details which were required. It is on this account that this motion of Mr. Rama Aiyangar should be pressed to a division for for years now, as far as I remember, the House has been pressing for the management of the Indo-European Telegraph Department being transferred to the Government of India and it is very difficult to understand why and how the Government of India justify the reluctance of the Secretary of State to transfer that department to India, which is the correct headquarter for that department. I am afraid the plea that the Finance Committee passed the expenditure should in the first instance not have been urged here and if it is to be urged the Honourable Member should be ready to give the Honourable Mr. Rama Aiyangar the explanation that he wants. I am speaking from memory, but I am pretty sure that the Finance Committee were not able to get any details more than the very very few figures that the Secretary of State was pleased to send out to the Government of India and to the Department themselves.

Mr. Devaki Prasad Sinha: Why did they pass it?

Sir Purshotamdas Thakurdas: Because we were told that if we did not pass it, the budget period in this House would be passed.

The Honourable Sir Basil Blackett: I think the Honourable Member is referring to the proceedings of the Standing Finance Committee, Vol. 4, No. 3, page 118, on Tuesday the 18th January 1925, in connection with the supplementary grant required for the purchase of a new cable steamer for the Indo-European Telegraph Department. The details which were available were put before the Committee. An explanation was given of the increase over the original estimates, which was due to the fact that the tenders received from the different ship-builders had shown wide differences of opinion as to what the ship would cost, and the original estimate proved somewhat low. Then it goes on to say:

"The approval of the Standing Finance Committee was requested to a Demand for a supplementary grant for Rs. 1,85,000 being placed before the Legislative Assembly at their next session. The Committee agreed to the supplementary grant being obtained but expressed regret that the original estimate was so wide of the mark. Some members also pointed out how difficult it was for the Legislative Assembly to exercise control over the expenditure of the Department owing to its being managed from London. But it was understood that the question of the personnel and management was under consideration."

That I think was the reference which the Honourable Member had in mind. I would point out that that was in connection with a supplementary grant which has already been dealt with by this House. The Honourable Member is no doubt right in saying that there are difficulties in giving all the details that are asked in the Standing Finance Committee when reference has to be made for them to London. But I am not clear that there was any point in regard to this year's estimate on which the Standing Finance Committee was not satisfied by the information that was placed before them. The particular case which they are referring to belongs to

[Sir Basil Blackett.]

the supplementary estimate that was presented about a month ago, not to any of the estimates now before the House. I do not know if the Honourable Member has in mind any particular case where the information, on which the decisions of the Standing Finance Committee now included in these estimates are based, was insufficient.

Sir Purshotamdas Thakurdas: My impression was exactly based on what the Honourable the Finance Member has read. If he has handy the minutes of the Finance Committee where these items are said to have been passed I have an idea that he will also find a similar record—here again I am speaking from memory—but I am sure he will also find a similar record.

Mr. K. Rama Aiyangar: I think it is a mistake to say that these amounts have been passed by the Finance Committee. Only the other day in connection with two items, one of 2 lakhs and one of 1.26 lakhs the same mistake was made by the Honourable the Finance Member. I had no right of reply so that I could not point it out. It is not correct that all this new extra expenditure is placed before the Finance Committee at all. In fact it is only particular items where they are new proposals, which are placed before the Committee for supplementary grants or adding to the new year's Budget.

Sir Purshotamdas Thakurdas: Perhaps it will suit our purpose if the Honourable the Finance Member can read to us from the minutes where these items were passed by the Finance Committee. It is quite possible that both myself and Mr. Rama Aiyangar are (A Voice: "I move that the question be now put.") No. It cannot be put. The Honourable Member has either got to explain the item or we have to put it out.

The Honourable Sir Bhupendra Nath Mitra: The trouble is that the Honourable Member has not mentioned the items to which he takes exception. He talks about general increase in expenditure. That is the whole question.

Sir Purshotamdas Thakurdas: I am very sorry the Honourable Member is shifting his ground. He said that this expenditure had the approval of the Finance Committee. It is not in any

The Honourable Sir Bhupendra Nath Mitra: What I said in the reply was this, that the amount provided in the Budget represents the money that is wanted for the service of this Department and that all provision for new items has been passed by the Standing Finance Committee. That is all I said, because I found it very difficult to connect Mr. Rama Aiyangar's attack with any specific item.

Sir Purshotamdas Thakurdas: I beg to point out to the Honourable Member that this item referred to by me has not been sanctioned by the Finance Committee. Surely the Honourable Member must have passed it after scrutinising the details.

The Honourable Sir Bhupendra Nath Mitra: What is the item?

The Honourable Sir Basil Blackett: In Volume IV, No. 4, of the Standing Finance Committee's proceedings, dated 2nd March, page 353, there are various items, some recurring, some non-recurring, set out in the schedule. For example, there is an item, No. 27, cable winding machines for the cable steamer purchased for the Indo-European Telegraph Department. That is a non-recurring item of

Rs. 68,600, which is included in the estimate which is now before the House. That is one example of a case in which the Standing Finance Committee has agreed to the placing before this House of the estimate that is now before them. If the Honourable Member will look at page 315 of the same volume he will find the item, Provision of a new cable winding machine for the cable steamer recently purchased for the Indo-European Telegraph Department. It says:

"The Government of India were now advised that it would neither be economical nor practicable to transfer the old cable winding machine to the new steamer owing to its age and bad state of repair, and to the almost certain prospect of having to replace it within a few years, and accordingly proposed to provide a new machine at a cost of Rs. 68,600. The approval of the Standing Finance Committee was accordingly requested to the inclusion of this amount in the budget estimates for 1925-26. The Committee agreed; but regretted that the estimate originally placed before them was so wide of the mark."

That is one example of the cases which were referred to by my Honourable friend, the Member for Industries, of items in this Budget which have been passed by the Standing Finance Committee, and I am quite sure that he was correct in saying that there is no new item included in these estimates which has not been passed by the Standing Finance Committee.

Mr. K. Rama Aiyangar: Please see page 101, Rental—Central Persian Telegraph Line, where an extra provision has been made.

The Honourable Sir Bhupendra Nath Mitra: Will the Honourable Member kindly speak up?

Mr. K. Rama Aiyangar: Please see page 101, about 8 lines from below. There is the item, Rental—Central Persian Telegraph Line. In the previous year provision was made for Rs. 18,700. Now Rs. 2,06,300 is provided. That is one item. Again on page 103, Abstract D—Lines of Maintenance, Repairs to Lines, Rs. 13,000 is now increased to Rs. 1,26,000. That is also given in the total 1.29 lakhs more.

The Honourable Sir Bhupendra Nath Mitra: As regards the first point, apparently my Honourable friend has not read the Explanatory Memorandum by the Financial Secretary on the Budget of the Government of India, 1925-26. If he had turned to paragraph 31, page 15, of that document, he would have seen that the difference represents payment of arrears of rental of the Central Persian Telegraph line. It is an ordinary charge, the payment of which had been overlooked for a certain number of years, and therefore arrears have to be paid in the year 1925-26.

As regards the other part, I shall be obliged if the Honourable Member will kindly repeat his demand for information.

Mr. K. Rama Aiyangar: At page 103, Abstract D—Line Maintenance, in the first paragraph Repairs and Renewals, provision is made from Stores of 110,000, 96,000 more than for the previous year. It is the same in the total of that paragraph also.

The Honourable Sir Bhupendra Nath Mitra: The explanation here too is perfectly simple. During the period of the war, the progress of work on repairs to these lines had to be considerably curtailed. Now, the position reached is such that we must incur a sufficient amount of expenditure on repairs to these lines. That is the explanation of this increase.

Mr. K. Rama Aiyangar: I withdraw my motion, Sir. But all these matters ought to have been mentioned in the Standing Finance Committee.

Mr. P. R. Rau (Finance Department: Nominated Official): Sir, I should just like to add for the information of the Honourable Member in addition to what has already been said by the Honourable the Finance Member that there are a number of items which were placed before the Standing Finance Committee in connection with the Indo-European Telegraph Department. These items will be found on page 127 of Volume IV, No. 4 of the proceedings of the Standing Finance Committee. The first item is "Dismantling coastal line from Guidor Kandak to Charbar and strengthening inland line Bakri Junction to Charbar by adding a third wire, Rs. 37,900." You will find this item in thick type on page 98 of the Yellow Book. There are many other items on the same page in the proceedings of the Standing Finance Committee which I do not propose to weary the House by reading, but which, if the Honourable Member will refer to them, will show that a number of items were placed before the Standing Finance Committee and were accepted by them.

Mr. K. Rama Aiyangar: I do not press my motion.

Mr. President: Does the Honourable Member wish to withdraw it?

Mr. K. Rama Aiyangar: I do not press the motion.

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

TRANSFER OF THE HEADQUARTERS OF THE INDO-EUROPEAN TELEGRAPH
DEPARTMENT FROM ENGLAND TO INDIA.

Diwan Bahadur M. Ramachandra Rao: Sir, I beg to move:

"That the Demand under the head 'Indo-European Telegraph Department' be reduced by Rs. 100."

Honourable Members will see that from year to year the difficulty in regard to accepting the estimates required for this department has been that the Secretary of State is responsible for the expenditure in England. The headquarters of the department is in England. Neither the Government of India nor the Standing Finance Committee nor this House is in a position to scrutinise this expenditure and a proposal has been made by the Incheape Committee that steps should be taken for the transfer of the headquarters of the Indo-European Telegraph company to this country. I think, Sir, that it is only then that we shall be in a position to scrutinise the expenditure of this Department. Till then, neither the Government of India nor the Standing Finance Committee nor this House can be in a position to scrutinise this expenditure and to fulfil their responsibilities. Proposals have been made from time to time in this House that this step should be taken and we have had no satisfactory answer. As a protest against the continued inaction of the Government of India I press this motion for the acceptance of this House.

Mr. President: Reduction moved:

"That the Demand under the head 'Indo-European Telegraph Department' be reduced by Rs. 100."

The Honourable Sir Bhupendra Nath Mitra: Sir, the Government of India have not overlooked the demand which has been made on several occasions by this House that the headquarters of the Indo-European

Department should be removed from England to India. The subject, however, bristles with difficulties. My Honourable friend Sir Geoffrey Clarke spent some time during last October in London in examining the matter from the particular aspect of the need of maintaining any agency in London for dealing with the transactions of the Indo-European Department. He has submitted a report and that report is now under the consideration of the Government of India. I can assure my friend Mr. Ramachandra Rao that the matter is not so easy that we can by a stroke of the pen transfer the headquarters from London to India. The transactions of this Department are largely mixed up with the transactions of two companies whose headquarters are in London. We have got to make periodical settlement of accounts with them and we would not gain much by simply transferring the headquarters from London to India by a stroke of the pen. We have got to devise some machinery by which fuller information would be available to this Assembly and which would also leave us an agency in London to expeditiously deal with and settle the accounts with the connected companies.

Mr. President: The question is:

“That the Demand under the head ‘Indo-European Telegraph Department’ be reduced by Rs. 100.”

The motion was negatived.

Mr. President: The question is:

“That a sum not exceeding Rs. 29,55,000 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, 1926, in respect of the ‘Indo-European Telegraph Department’.”

The motion was adopted.

DEMAND NO. 25—INTEREST ON ORDINARY DEBT AND REDUCTION OR AVOIDANCE OF DEBT.

Mr. President: The question is:

“That a sum not exceeding Rs. 1,38,18,000 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, 1926, in respect of ‘Interest on Ordinary Debt and Reduction or Avoidance of Debt’.”

Mr. Jamnadas M. Mehta (Bombay Northern Division: Non-Muhamadan Rural): Sir, I beg to move:

“That the Demand under the head ‘Interest on Ordinary Debt and Reduction or Avoidance of Debt’ be omitted.”

Sir, before showing why this reduction should be made, I want to point out a mistake which occurs in this big book on page 44. The Demand is for Rs. 1,38,18,000. Votability is indicated by the letter (a) against those items which are voted, but, Sir, the only items against which the letter (a) is shown are Rs. 6,75,000 and Rs. 1,70,000 on page 44 and Rs. 1,17,08,000 at the bottom of the same page, and on page 45, Rs. 9,49,000. Totalling up, Sir, you find that the amount falls short by Rs. 3,16,000 and that the Demand is to that extent not properly put. But I can point out the mistake to the Honourable the Finance Member; perhaps this Rs. 9,49,000 on page 45 which is expenditure in England does not

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include exchange which must come to Rs. 3,16,000, and that latter amount ought to have been shown as votable by putting the letter (a) against the item of exchange in order to make the total of the demand amount to Rs. 1.38 crores. It has cost me a number of hours to find this out and ultimately the mistake was admitted by your own department.

The Honourable Sir Basil Blackett: I do not want to interrupt the Honourable Member, but will he look at footnote (b)?

Mr. Jamnadas M. Mehta: I say (a) is the only letter which shows that items are votable, and the letter (a) occurs only against Rs. 1,17,08,000, Rs. 8,45,000 and Rs. 9,49,000, so the total of these items against which the letter (a) is shown is alone votable and that does not amount to Rs. 1,38,18,000.

The Honourable Sir Basil Blackett: (a), plus (b), plus (c) gives the full explanation. As stated it is Rs. 1,38,18,000.

Mr. Jamnadas M. Mehta: The items marked (a) alone are shown as votable, and the votable items do not total up to Rs. 1,38,18,000. I am content to leave it there. Then, Sir, I do not want the House to think that I am including in my total cut of Rs. 1,38,18,000 the Demand for Rs. 8,45,000 and Rs. 9,49,000 which are for the service of our debt respectively in India and England. I really want that this Rs. 8,45,000 and Rs. 9,49,000 may remain, but the reduction which must be made amounts, as I shall show hereafter, to over Rs. 1.38 lakhs even excluding this Rs. 8,45,000 and Rs. 9,49,000, and therefore I am compelled to press for the omission of the total grant. Sir, if the House will turn to the Explanatory Memorandum, they will find on page 19 that the total amount, which is said to be obligatory payment, amounts to Rs. 8,84,42,000. Yet the amount which the Honourable the Finance Member wants (consisting of voted and non-voted items) is Rs. 5,01,00,000. Well, Sir, I cannot understand why when Rs. 3,84,42,000 are obligatory payments, the rest should be asked for at all. Nor do I understand why even these Rs. 3.84 crores should be called either obligatory or non-voted. The Honourable the Finance Member wants 5 crores 1 lakh while as a matter of fact on his own statement the only obligatory payments are 384 lakhs. Moreover, when you turn to examine the matter closer, you find that the only obligatory payments under the Government of India Act, 1919, are those shown in section 25. That section says the only payments which are not to be put to the vote of the House are charges for interest and sinking fund and expenditure which is prescribed by or under any law; and salaries and pensions, etc. So that whatever demand is neither for interest nor for sinking fund charges nor required to be paid under any law cannot be said to be really obligatory. And yet I find under the misleading term "obligatory" we are compelled to treat Rs. 3,84,42,000 as non-voted although the only portion of it which is really non-votable under the Government of India Act is Rs. 48,55,000—Railway Sinking Fund. The whole of the rest which is in another sense equally obligatory but which is not therefore non-votable is concealed or attempted to be evaded from the scrutiny of the House without any legal authority. I hope, Sir, some enterprising Member will make a test case and teach the Government of India a lesson. A demand may be obligatory and yet not non-votable.

All non-votable Demands are obligatory but all obligatory Demands are not therefore non-votable and the Government of India Act, 1919, gives no authority to the Finance Member or to the Government of India to take away from the purview of the House items which may be obligatory but not therefore non-votable. I protest in the name of this Assembly, Sir, that whilst our rights and privileges are already limited they should be further restricted like this even in the matter of voted items because it pleases the Finance Member to withhold them from our scrutiny and vote. If you examine Rs. 91,47,000, which is the depreciation for the 5 per cent. rupee loan—why that is made non-votable I cannot understand. It is not sinking fund neither is it interest. If you turn to the Finance Member's speech last year at page 208, that amount which is now attempted to be made non-votable is described in this way: "1½ per cent. Depreciation Fund against 5 per cent. Indian War Loan and 5 per cent. Rupee Loan". Well, Sir, depreciation is not the same as sinking fund. This depreciation was provided in order to allay the feelings of those who subscribed to these loans lest these loans should go under 95; and therefore in the prospectus or advertisements of these loans Government promised that they would set aside every year 1½ per cent. as depreciation. But what was promised to our would-be creditors for their satisfaction does not become non-votable and cannot therefore be termed "sinking fund" as has been deliberately done in this big book. Although you find that in this memorandum the description sinking fund is not applied to it, although in the Finance Member's speech this item is described as depreciation fund, although in the Resolution of the Government of India, dated the 9th December 1924, this amount is also described as depreciation, still for reasons to be explained to the House this amount is mentioned as "obligatory payments" and under that misleading name made non-votable. (*The Honourable Sir Basil Blackett*: "Is it not obligatory?") Obligatory it is, according to your description on page 19 of the Explanatory Memorandum, but it is not therefore non-votable. The Government of India Act gives no countenance to that contention. (*Mr. Devaki Prasad Sinha*: "Is it not a part of the contracts?") The Government of India Act gives no countenance to that either. It may be obligatory by virtue of a contract but it is not therefore non-votable under the Act. The salaries of the gentlemen opposite are non-votable; not because they are merely obligatory but because the Government of India Act excludes them specifically from the purview of this House.

Further, there are the capital portion of railway annuities amounting to Rs. 1,73,64,000. These are our obligations for the return of capital. It may be open to a difference of opinion whether we should allow them to be paid out of capital or out of revenue; but there can be no difference of opinion whatever that there is no provision in section 25 of the Government of India Act, 1919, which allows them to be withdrawn from the vote and scrutiny of the House and turned into non-votable items.

Then, Sir, we have Rs. 65,00,000 of annual payments for redemption of the capital liabilities assumed in respect of the British War Loan. I should like to know under which section of the Government of India Act this becomes non-votable; obligatory it is, I admit; and we would all be obliged in fairness to vote for it but therefore it does not become non-votable and that is my contention. In this way Rs. 8.85 crores have been made non-votable. Why? Because the Finance Member knows that after the recent debate on debt redemption the House has been inclined to the

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view that so far as this question of the reduction or avoidance of debt is concerned, although we are obliged to pay the debts, we might return capital out of borrowings and only pay such amounts as are revenue charges out of the revenues and not all. The informal conversations to which we were called the other day—I am committing no breach of confidence, I trust, in stating it, and I hope the Finance Member will not object to it—the informal conversations broke down and almost every member of that conference urged the Finance Member at least to agree to debit a large part of those payments to capital; but nothing came out of that conference, although practically all of us, with the exception of the Finance Member and probably one or two others, were against the present system. We insisted that these capital charges must not be taken out of revenue. These 384 lakhs are not all non-votable except Rs. 48,55,000 which are for the railway sinking fund provided under Acts of Parliament; therefore they may be non-votable; but the rest, i.e., Rs. 3.35 crores, ought to have been brought to the vote of the House and I do hope that before it is too late a test case may be made and an injunction may be obtained against the Government of India restraining them from evading the control of this Assembly in this manner, for which they have no warrant at all. . . .

Mr. N. M. Joshi: Government have got the final voice in the matter.

Mr. Jamnadas M. Mehta: I know that; but the Governor General has not exercised it,

The Honourable Sir Basil Blackett: He has.

Mr. Jamnadas M. Mehta: . . . although the Finance Member may advise His Excellency to do so, and the moment his advice is accepted of course our voice is gone; but to-day the position is that the Governor General has not done anything of the kind.

The Honourable Sir Basil Blackett: That is contrary to the fact; he has.

Mr. Jamnadas M. Mehta: Very well, Sir, but I submit that, he can only do it when a conflict arises. His jurisdiction does not accrue until a conflict has arisen; and if he has done it without any conflict arising I do not think he had any right to do so. If the aforesaid Rs. 3.35 crores were put to our vote I am confident we would have agreed to pay, but not from current revenue.

Sir, the amount which the Honourable Finance Member himself describes as obligatory is, as I have already said, 384 lakhs and not more. Yet provision is made for 501 lakhs. Therefore I say 117 lakhs must go; there is no doubt in the mind of anybody who reads this page 19 that the only obligatory payment is 384 lakhs, and even agreeing that the whole of it is non-voted, 501 lakhs should not have been provided; and therefore 117 lakhs must go. That is one point.

Further, Sir, it is clear to me that the Finance Member is a perfect ostrich. On the one hand he fixes the rate of exchange at 1s. 6d., on the other, when he wants to make payments in England, although the rate of exchange which he has assumed both for this Budget and the Railway Budget is 1s. 6d., he charges us as if the rate was still 1s. 4d., so that if you take out the 5 per cent. depreciation, i.e., Rs. 97 lakhs, which are to be paid in this country, the rest of the amount he has charged at 1s. 4d.

although he has himself provided 1s. 6d. as the rate of exchange. And if the House works up his own ratio at 1s. 4d., it will see that the excessive amount which he has taken comes to about 85 lakhs. So that in addition to 1 crore and 17 lakhs, these 85 lakhs have been taken away under the cover of 1s. 4d. which, on his own admission, he does not contemplate would be the rate during the next year; the difference between 1s. 4d. and 1s. 6d., which, as I have said, comes to about 85 lakhs of rupees, must be added to the 1 crore and 17 lakhs. That would make 1 crore and 52 lakhs.

Then, Sir, there are Rs. 24 lakhs of customs revenue; because that revenue is derived from duties on railway capital stores, it is sought to be surrendered out of the customs revenue to capital payment. That would total up to 1 crore 72 lakhs.

The Honourable Sir Basil Blackett: It is already included in the 118 lakhs.

Mr. Jamnadas M. Mehta: I am sorry, Sir. If the Honourable Member says so, I will accept his statement, and the figures I have given may stand corrected to that extent.

But, Sir, our grievance does not end here. If, as I have suggested, the 3 crores 84 lakhs, most of which is votable, had been brought to the scrutiny of this House, we should have turned down the capital portion of the railway annuities, the capital portion of the annual payments for the redemption of liabilities for £100 millions war gift and these 97 lakhs of 4 per cent. rupee loan out of revenue to capital charges. We should have asked the Finance Member to pay them out of capital and not out of revenue, so that we should have further released to revenue a sum of over 3 crores which the Honourable the Finance Member has surreptitiously entered under these obligatory payments from revenue. Well, Sir, a test case might or might not come, but I want to indicate the wrong principle which is embodied in the so-called obligatory payments. Sir, we cannot touch these 3 crores, which are really capital charges, and not revenue charges, and as the Resolution which I had brought forward on the 17th February last still remains to be discussed and adopted or rejected by the Assembly, we will in due course pass our judgment on that. But, as I have shown before, at least 1 crore and 52 lakhs are being taken away unnecessarily. Therefore, although I wished to move for a larger reduction, I have moved the reduction only of 1·38 crores not that I could not, on the figures quoted by me, have been justified in moving for a larger reduction but the arbitrary way in which non-voted items are created by the Finance Member makes it impossible for me to do so. I am not cutting down Rs. 3·35 crores, but I ask the House to make a reduction of only 1 crore 38 lakhs.

Sir, we have complained again and again that larger surpluses are not possible because the Honourable the Finance Member charges to revenue items which are not so chargeable. When we complain he tries to make himself merry at our cost, but the pranks which he is perpetrating on the tax-payer are not easily and lightly to be forgotten; he has no business to charge to revenue payments which ought to be charged to capital; especially as these pranks will remain, even after he has retired from service, I must request him to take warning betimes. Great may be his reputation as a financier; he may be the Gladstone of Finance, he may be the Cavour of Finance, but if he continues to charge things which are not

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chargeable to revenue, if he continues to charge different rates of exchange, though he himself has laid down a particular rate, this House cannot possibly allow it. Then, Sir, the particular policy of charging 24 lakhs as customs duties on railway capital stores and then returning that amount to the Railway capital is a thing which requires explanation. The amount is customs revenue. Whether it comes from railway capital stores or from any other source, it is customs revenue all the same. Why should this revenue be returned to capital? I can take the Finance Member to any business house in Bombay or elsewhere and show him whether there is not some system, some principle, some method under which allocation of expenditure between revenue and capital is made. In this Budget there seems to be no principle. It will be necessary hereafter to press for a committee which will lay down definite rules and principles under which the allocation of expenditure between capital and revenue is made. In the meantime, I would ask the House to remember that we have been paying annually 40 crores as additional taxation for several years. In addition 9 crores of provincial contributions have been further taxation. Over 5 crores being the discount on *ad hoc* securities and the excess over £40 millions in the Gold Standard Reserve are further added to revenue; then the Finance Member gets about 8 crores profit from exchange; totalling Rs. 40 crores the amount of additional annual taxation since the war, Rs. 9 crores being the amount of provincial contributions; about Rs. 5 crores being the discount on *ad hoc* securities and excess of the Gold Standard Reserve over £40 millions, and 3 crores from profits on exchange, we are paying about Rs. 55 to 57 crores of additional taxation every year for some years since the termination of the war. Is it not reasonable that some part of this large amount should be released for the relief of the taxpayer? I submit, Sir, that taxation should be remitted substantially now, so that the public might be able to realise that the war has been over 7 years since, that the demands on their purse are not war demands but are made in the times of peace. Let the country have the satisfaction of feeling that the Armistice was signed on the 11th of November 1918, and that the war does not still continue. I would invite the attention of those Honourable Members who have tabled reductions to my motion that, as I have pointed out, the real reduction that we could make, even with the restricted voting power which the Finance Member has taken upon himself to give to this House, is Rs. 1.52 crores. But as that is not possible in a Demand for Grant totalling a crore and 38 lakhs, we have no remedy beyond the total reduction of the whole Demand. It is not a motion born of obstruction to-day. That motion will follow in due course, but this motion is on merits. The whole of it can be reduced. If the Demand had been larger, we should have made a larger total cut but we are powerless. For that reason, Sir, I hope the House will realise that every item to which I have referred is either not necessary for expenditure or must be charged to capital and therefore, although this 9 lakhs and this 8 lakhs may remain, what we want is that a crore and 38 lakhs must be reduced from the five crores, while the charge that has been hitherto incurred for debt service may remain. Still, Rs. 1,38,00,000 can be reduced. For such a cut, there is a precedent. My Honourable friend Mr. Patel moved the other day a reduction of Rs. 77,000 on the Railway Board Demand. He knew that he could not touch Members of the Railway Board whose salaries and allowances were non-votable but because they were non-votable he touched other items which could directly and indirectly touch those gentlemen whom he wanted

to get at; and because these latter were votable he proposed a total cut of Rs. 77,000, and the House, seeing that it was impossible to touch the people whom he wanted to get at in any other manner, accepted that cut. The whole of that cut of Rs. 77,000 was made, although it was not directly on the merits of the particular items, but because he wanted to hit indirectly the people at whom he could not get in any other manner. With these words, Sir, I move that a total reduction of Rs. 1,38,00,000 be made from the Demand for Grant.

Mr. President: The question is:

“That the Demand under the head ‘Interest on Ordinary Debt and Reduction or Avoidance of Debt’ be omitted.”

Diwan Bahadur T. Rangachariar: Sir, I have two points of difficulty, which I should like the Honourable the Finance Member to explain, in understanding his estimate of the figure which he has put in for this purpose. In the first place, he has calculated the sum of 4 crores, which he has allotted for the amortisation of the debt as it stood on the 31st March, 1923, at the exchange rate of 1s. 4d., whereas the budget figures are based on 1s. 6d. I should like to know what the amount of the debt would be if the external debt were calculated at 1s. 6d. and not at 1s. 4d. If Honourable Members turn to the statement in the speech of the Honourable Member on page 45, they will find that the external debt as it stood on the 31st March, 1924, converted at 1s. 4d. comes to Rs. 485.84 crores. I am sorry I have not got the figures as to how the external debt stood on the 31st March, 1923. Working on the above figure, these 485 crores must be reduced by much less if the exchange rate were calculated at 1s. 6d., so that the 4 crores provided for amortisation of debt on the basis of somewhere near 485 crores must be reduced. I am sorry I have not been able to get at the exact figure. There must be a deduction of somewhere between 40 to 50 crores in the amount of the indebtedness, because it will be only 8/9ths of the amount. I should like to know what the amount of the reduction will be on that basis, and whether 4 crores is not an excessive over-estimate of the amount required for the purpose of amortisation of debt. Similar remarks would also apply to the 62 crores which are provided on the basis of 1/80 for the additional debt. How much of it is external debt and how much of it is internal debt I am not able to realise. If that were also worked out on the same basis, there would be some reduction under that head also of the amount required for that purpose. I fully approve of the scheme proposed by the Honourable the Finance Member and the provision which he makes for the redemption and avoidance of debt. I do not wish to quarrel with the scheme. But I only wish to quarrel with the estimate which he has made on that basis.

The other point on which I feel strongly is this question of providing the extra sum of 24 lakhs on account of customs duty on the railway capital charges. If my recollection serves me right, I think that sum is added to the value of the stores and to the capital account of the Railways for which we have provided for interest and for which we have provided a sinking fund and depreciation fund. In that case, what is the necessity for providing for an additional sum of 24 lakhs in the shape of reduction and avoidance of debt? It seems to me a duplicated provision indeed and quite unjustified. These two sums will work out to more than 70 lakhs according to my rough calculation. I am not sure of the figures. My rough calculation will give a saving of more than 70 lakhs under these

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two heads and I should like to ask the Honourable the Finance Member whether he will have the figures worked out on that basis and will give the House the benefit of that calculation.

The Honourable Sir Basil Blackett: Sir, this is not the first debate we have had this session on the question of the reduction or avoidance of debt and it is rather difficult to speak again without repeating oneself. I notice that Mr. Jamnadas Mehta found the same difficulty. I was in entire agreement with one of his statements which was that he was not very particular if he was wrong. Really, he should be more careful in his use of figures. I do not want at this hour of the night to go into all the figures which he put before the House. But he succeeded in adding about 40 lakhs to the amount of his cut or to what he said ought to be his cut by some arithmetic which I must assure him was not without fault. One particular point which he made and which has been raised by my Honourable friend, Diwan Bahadur Rangachariar, was in connection with the rate of exchange. If Honourable Members will look at the Finance Department Resolution, dated the 9th December 1924, in which this progress of debt redemption is set out, they will see the statement:

"In calculating the total of the debt charge in the schedule attached to the memorandum exchange has been taken at 1s. 4d. the rupee. If exchange stands above 1s. 4d., the amount of Rs. 4 crores proposed would help to amortise the debt at a more rapid pace."

(A Voice: "That does not bind this House.") It was clearly contemplated in the scheme that the rate of exchange during the five years in question, because this scheme is supposed to last for five years, would be taken as 1s. 4d. for the purpose of the scheme. If the rate of exchange happened to be higher, the scheme would serve to give a little bit extra for the reduction of debt. The figure for external debt on the 31st March, 1923, for which my Honourable friend, Diwan Bahadur Rangachariar asked, is Rs. 455,92,00,000 at 1s. 4d. and would be Rs. 405,27,00,000 at 1s. 6d. The figure for the 31st March, 1925, is Rs. 511,78,00,000 at 1s. 4d. and Rs. 454,92,00,000 at 1s. 6d., a difference of Rs. 56,86,00,000. I have not been able in the time available to arrive exactly at what would be the difference in the amount of the sinking fund if we were to take the 1s. 6d. figure for both years. (A Voice: "Rs. 35 lakhs.") I would point out to the House that we cannot, in taking our debt which has got to be amortised over a long series of years, take for one year 1s. 6d. as being particularly relevant unless we are looking forward, as the Honourable Member who has spoken seemed to be, to 1s. 6d. becoming a permanent rate for a series of years. (Diwan Bahadur T. Rangachariar: "You expect it.") For the current year, yes, and, as pointed out in the Finance Department Resolution, the result would be that during the current year there would be a slightly larger reduction of debt than if it was 1s. 4d. The thing was clearly foreseen in the Government of India Resolution—that is all my point—and the prospect of some extra amount being available as a result of this was taken into consideration in drawing up the scheme.

As regards the points raised by the Honourable Mover about some of these items being non-votable, I can only say that the whole question of how much of this provision for reduction or avoidance of debt was votable and how much was non-votable was carefully examined in the Departments and submitted, as there were doubts, for final decision to the Governor

General, and the final decision of the Governor General is represented by the figures as they are placed before the House. I would draw attention to the fact that probably the intention of Parliament in enacting this provision was rather stricter than as it has been worked in practice. Their intention probably was that any provision for sinking fund should be non-votable, and the fact that this is votable is rather contrary perhaps to the intention of the Government of India Act, though I agree that it is in accordance with the letter of the Act. The House of Commons carefully guards itself against the sort of temptation which Mr. Jamnadas Mehta finis irresistible. It carefully guards itself against the question arising year by year as to the possibility of relieving the Budget for the year by raiding the sinking fund.

6 P.M.

I am asked for the principle on which allocation of expenditure is made as between revenue and capital. There has been no change in that principle since I became Finance Member. The principle has been perfectly clear that so far as possible we borrow only for purposes of reproductive expenditure, particularly railways and irrigation, that we do not borrow for expenditure of a capital nature which is not directly reproductive in the sense that it is developmental. That you borrow for an item like Delhi is only an exception which, I may say, proves the rule. A breach was made in that particular rule in 1922, I think, when certain small charges were transferred from the Post Office vote from revenue to capital in respect of telephone buildings. The question whether telephone buildings were directly reproductive or not was a difficult one to decide and it was decided in favour of a charge under capital. There has been no change otherwise in the general principle and it is a principle to which I personally attach very great importance and I think this House ought to attach very great importance to it. It is easy to quote a commercial balance sheet against the Government of India or any other Government but the answer is perfectly simple that the Government of India's Budget is not in its form governed by anything like the same principles as a commercial balance sheet. No Government can be governed by such principles. If you proceed to do so, you will have the unproductive debt amounting to nearly 3 hundred crores, (I have not got the figure before me at the moment) which would represent in a commercial balance sheet a loss of capital with no assets against it and it will be a good time before such company would be in a position to declare a dividend. The Government of India on the other hand are declaring this year a dividend of at least 2½ crores to the provinces in spite of this condition of their balance sheet if drawn up on commercial lines. That is only one illustration of many which show that it is quite impossible to apply the principle of commercial accounts direct to the Government balance sheet. But that they are valuable as guides in many circumstances I am the last to deny, and the House will notice that we have introduced commercial accounts into several of the Departments where they seemed suitable in the last few years. But you must be careful when you are doing that not to be misled by the analogy into thinking that you can go further and proceed to borrow gaily for all the items which are of a capital nature. This is the second debate to-day in this House on this point. During the first one a motion was proposed to transfer to capital and borrow for the purpose the provision for the security printing press at Nasik. Now, that is a printing press which is going to do the work of the Government in India, to produce stamps and other security printed matter for the use of the Government. That is not a

[Si: Basil Blackett.]

developmental expenditure which is going to increase the area of the country under irrigation or increase the amount of the railway lines open or improve traffic facilities. It is not going to bring in new revenue by giving new facilities to the people of the country. (*A Voice*: "Reduce recurring expenditure.") It is going possibly to reduce recurring expenditure which is quite a different matter as I pointed out then though not at great length, because I thought the House would not go contrary to its previous verdict on exactly the same question. It makes very little ultimate difference whether you have an annual programme of building of a semi-capital or capital nature. Say you have 20 crores or 10 crores a year, or 20 lakhs a year—perhaps we had better take a figure 20 lakhs a year for buildings—whatever the figure is, if you spend 20 lakhs a year for 10 years on new buildings even if they are of capital nature, if you borrow the whole of this 20 lakhs year by year, at the end of 10 years you are very nearly in the position of paying as much in interest as you would have paid year by year in providing new buildings. At the end of the tenth year you are paying in interest the 20 lakhs, or something approaching it, which you would otherwise have spent on your new building programme in the eleventh year. You have saved the tax-payers for 10 years a sum every year getting smaller from a maximum of 20 lakhs and at the end of that period you have got a charge for interest on your tax-payer which will have to be increased to a further amount unless you stop your building programme altogether. I believe in the tea gardens, for example, the system they work on is that they do provide for such capital developments out of their annual revenue and do not have a capital account, because they find that in the end it is the most satisfactory way of working. The only result of borrowing for capital buildings therefore is that during the first 10 years you have slightly relieved the tax-payer and at the end of the 10 years he has both to find the interest and the cost of the new buildings thereafter. You have saved yourself to some extent for the first 10 years at the expense of the whole of the future.

But my general justification for this provision is really on very much bigger lines. I pointed out to the House the other day that we are faced during the next 10 years, and particularly during the next five years, with a very large amount of maturing debt which has to be met on maturity and for the greater part of which we must necessarily re-borrow. In addition, we have undertaken both on behalf of ourselves and on behalf of the Provincial Governments very large commitments for new capital expenditure running into a great number of crores. All that sum has to be borrowed. If you save a few lakhs this year, and next and the year after by cutting this provision, you are almost certain to have to pay an extra amount in interest on all your new borrowings, not only the amount which you borrow for new capital expenditure but on all the maturing debt which you are going to convert. A very small difference in the amount of interest which you pay, say, the difference between 5 and 5½ per cent., would mean that in a couple of years you would be paying the extra 70 lakhs that Mr. Rangachariar suggests might be cut off this vote, you will be paying that extra 70 lakhs in the shape of interest. Instead of reducing your debt by the amount of 70 lakhs a year you would at the end of two or three years have a charge for interest larger by 70 lakhs than you would if you leave this provision as it stands. The result of that would be that not only the Government of

India in all their Capital undertakings but every one of the Provincial Governments and the railways would have to pay a larger charge for interest on a large part of their existing debt, because it is a question of renewal of debt. I therefore say that in my opinion it is perfectly plain that this is a penny-wise and pound-foolish policy. (*Diwan Bahadur T. Rangachariar*: "Over-prudent.") Mr. Rangachariar says it is over-prudent. It does not matter whether it is over-prudent, or prudent or wise, if the result is going to be, as I say, that an attempt to cut it, as is proposed by this House, will be to involve your finances in a year or two in a charge for interest, which might otherwise be a charge for reduction of debt. The House has had many opportunities of discussing this matter, but I do wish to make a serious appeal to this House to think twice about making a cut of this sort. If it does so, it is, as I say, taking away some of the value at any rate that we have got from the introduction of this scheme for reduction of debt. By making such a cut it at any rate shows that the House, if it gets its way, would not conduct our finances so prudently as our creditors and those whom we want to be our creditors would wish. It also shows the wisdom of the provision in the English Acts of Parliament by which these questions are not allowed to come up annually for discussion in this way. It will be I say a failure of this House to live up to its responsibility if it makes a cut in this vote at this stage, and it is a cut that will do it no good, because within a couple of years, even if the cut were accepted, the result would be that we should have as large an amount of expenditure to meet annually in respect of interest instead of in respect of principal. You cannot get away from the difficulty that it creates. This is really the one big nation-building provision in the Government of India's Budget. The Government of India are not responsible directly for education, sanitation and so on. But they are responsible for providing capital which is required for the development of the nation-building services throughout India. If you cut this, you certainly add to the charge for interest of all the provinces. On the other hand, this provision is one which, in my opinion, is absolutely essential if you are going to contemplate undertaking anything like the large capital programme of developmental works which the Government of India and the Governments of the provinces have recently undertaken and which I regard as the direction in which most quickly the economic welfare of India as a whole and the uplift of our masses can be achieved.

***Mr. V. J. Patel** (Bombay City: Non-Muhammadan Urban): Sir, I congratulate my friend Sir Basil Blackett on his laborious attempt to justify the provision of 501 lakhs on these debt redemption schemes. I must say at once that I am not at all convinced by his arguments. He calls the policy which we ask him to pursue a penny-wise and pound-foolish policy. Now, we have pointed out that he has no business to make payments in England at the rate of 1s. 4d. when the market rate is 1s. 6d. That item is not a small item. I have calculated the amount. I will give the exact amount which he would ask us to pay more than he ought to. At page 19, Honourable Members will find that the payment of what are known as obligatory payments amounts to Rs. 8,84,42,000. Now, out of that amount Rs. 97,21,000 is the amount which is to be spent in India. The remaining three items, Rs. 178-68, Rs. 48-55 and Rs. 65-02 are to be remitted to England. If you deduct Rs. 97,21,000 from Rs. 8,84,42,000 you come to Rs. 2, 87,21,000. Now, this is the amount that he asks for debt in England. Now, this amount is calculated at the rate of 1s. 4d. If you calculate it

* Speech not corrected by the Honourable Member.

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at the rate of 1s. 6d. you find a difference of Rs. 35,95,125. So he asks this country to pay him Rs. 35,95,125 more, though he does not require them. All that he says in defence is that under the debt redemption which the Government of India have accepted by a Resolution it has been laid down that any saving on account of exchange will go towards amortising this debt. This is an entire scheme and you cannot deal with a scheme in that way. You want a certain amount to be paid annually for paying off your debt by way of this scheme and you cannot make charges in the scheme as you like. Then why not pay it all at once and finish with it. It is not the idea that we should pay it at once but pay it on definite principles and in a convenient time. This is a scheme for five years and now he says that if you pay at the rate of 1s. 4d. the gain under the exchange will go towards amortizing the debt further and further. That is what we do not want. That is not the right thing to do. This amount of Rs. 35,95,125 must go at once. There is no question of that. He asks us to pay it down at once although, as a matter of fact, he does not require it. He has got to make provision for 287.21 less 35,95,125, and this amount he is legitimately entitled to take from us if we accept his scheme.

Coming to the scheme itself, Sir, I may point out that scheme was announced by my friend Sir Basil Blackett at the last budget time and we were all taken by surprise. We did not know anything about it. He never asked this Assembly about that scheme before he actually announced it. This Assembly was never given an opportunity to discuss the scheme on its merits. Thanks to the efforts of my friend Mr. Jamnadas Mehta this House had an opportunity only recently to discuss that scheme, and as a result of that discussion an informal committee was appointed which met with what results I do not know.

The Honourable Sir Basil Blackett: I desire to ask, Sir, whether it is really in order to refer to this informal committee? I regarded it myself as an informal committee the discussions of which were not for publication, and I think it is unfair that a partial statement should be made about the proceedings which took place there.

Mr. V. J. Patel: I do not at all want to make any reference to the proceedings of that Committee because I do not know them. All I say is that this House does not know what those proceedings are.

Mr. Jamnadas M. Mehta: May I say, Sir, that this House is entitled to know the proceedings of this informal committee. It was at the instance of this House that this committee was appointed and its proceedings cannot be concealed from this House.

Mr. President: It is advisable not to make a reference to the proceedings of a committee in this House unless they can be laid on the table. It has been ruled before now that informal discussions even in a Select Committee appointed by this House, unless they appear in the Select Committee's report, are not usually referred to in the debate. In this case I do not know what the Honourable Member was referring to. If it is a report of an informal committee which is not published, it would be wise not to refer to it.

Diwan Bahadur M. Ramachandra Rao: There is no report of the proceedings of the Committee.

Mr. V. J. Patel: There is no report and that is what I am saying. I do not know anything about the proceedings. When, as the result of deliberations in this House on the Resolution of my friend Mr. Jamnadas Mehta, an informal committee was appointed, this House is entitled to know, when discussing this question, what became of that committee? We have nothing before us and we attack the whole debt reduction scheme. Our idea is that this scheme should not be put into action until this House has had the fullest opportunity to go into the whole question in all its aspects and come to a definite conclusion. It is a serious matter; it is not a small matter that every year we are asked to provide 5 crores of rupees and more for a definite period. This House is entitled to a vote and a voice in the matter, and therefore, unless and until a full opportunity is given to this House to go into the whole question of the debt reduction scheme of my Honourable friend Sir Basil Blackett, we should not be asked to vote according to that scheme. Not that we do not want to make any provision, not that we do not want to pay towards the reduction of debt; but we want the whole matter threshed out and a definite scheme laid down. My friend Mr. Chetty has given notice of an amendment that Rs. 77,50,000 should be cut down from this year's provision of Rs. 5,01,00,000 on the ground, I understand, that so long as this House has not discussed that scheme, and so long as this House has not come to any definite conclusion on the whole scheme, we should stop, and go on paying, as we have paid hitherto, this 4 crores of rupees according to the Government of India Resolution. Rs. 77,50,000 is provided for excess over that from between March 1923 and March 1925, and my friend Mr. Chetty says, "Let us not make that provision, let us only pay 4 crores and stop that Rs. 77,50,000". I go further, Sir, and say that Rs. 35 lakhs which is going to be gained by exchange should not be given. Perhaps the Honourable Members may have noticed my amendment. That amendment, Sir, is:

"That the Demand under the head 'Interest on Ordinary Debt and Reduction or Avoidance of Debt' be reduced by Rs. 1,13,40,125,"

which, with your permission, I formally move. Honourable Members have already been told how I came to this figure. I take the figure of Rs. 77,50,000 which is in the amendment of my friend Mr. Chetty, and to that I add the amount of Rs. 35,95,125 which my friend Sir Basil Blackett wants on the basis of 1s. 4d. That comes to Rs. 1,13,40,125. That is how I come to this figure and I formally move this amendment. Not that I do not agree with my friend Mr. Jamnadas Mehta. I wholeheartedly accept the arguments put forward by him, but I see that some of our friends are nervous to delete the whole provision. It sounds as if there is obstruction. I want to make it perfectly clear that my friend Mr. Mehta has not moved his amendment for the omission of the whole grant on the ground of obstruction. It is purely based on merit. If more than Rs. 138 lakhs were votable, he should have certainly moved for the omission of that additional also because the merits of the case justify the omission of 152 lakhs, as pointed out by my friend Mr. Jamnadas Mehta, after deducting the amount as the result of the mistake pointed out by my friend Sir Basil Blackett. Rs. 150 lakhs on the merits should be deducted if the amount was votable, but the only amount votable is 138 lakhs, and that is the only amount we could touch, and therefore my friend Mr. Jamnadas Mehta has moved for the omission of the whole grant on the merits and not on the ground of obstruction. There is absolutely no reason why any of my friends should be nervous, but I do not wish that this motion should be lost, and therefore I propose this amendment which is based on the motion

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of my friend Mr. Chetty, which is for the deletion of the excess provided for this year, *plus* the gain by exchange, which makes up the amount which I have stated in my amendment.

Now, Sir, there is one point I have not been able to understand and it has taken me hours and hours to try and understand it. Perhaps my Honourable friend Sir Basil Blackett will explain it. He said that the amount of obligatory payments is 384.42 at page 19 of this memorandum, and then to that the excess provision of 77.50 of this year is to be added, and to that is to be added the amount of 24 lakhs on account of customs duty on railway capital stores. That makes 485 lakhs. I do not see either from his speech or from this Explanatory Memorandum or from any other papers that have been supplied to me hitherto how this amount of 501 lakhs has been come to. All that I could find is that he wants 97.21 lakhs for the 5 per cent. rupee loans, 173.64 lakhs for the capital portion of railway annuities, 48.55 lakhs for railway sinking funds, and 65.02 lakhs for the capital portion of annual payments in redemption of liabilities assumed in respect of the British War Loan (1929-47), which comes to 384.42 lakhs. And then he says that he wants 24 lakhs on account of customs duty on railway capital stores, 77.50 lakhs for subsequent borrowings after March 1923. That comes to 485 lakhs. I shall be very grateful to my Honourable friend Sir Basil Blackett and the gentleman who sits behind him if they will explain from these papers that they have given to us how they make up 501 lakhs, unless they have concealed some item as they are in the habit of doing.

I do not wish to go into the question raised by my Honourable friend Mr. Jamnadas Mehta about votable and non-votable items. I have very strong feelings on that question and I expressed those feelings in connection with another amendment I moved some time ago. I do feel that it is entirely wrong on the part of Government to show as non-votable items which under the Government of India Act are votable. What is the use of saying that the Governor General has given his sanction to making these items non-votable. When did the question arise? This is the first time the question has arisen, and the Government of India Act says unless the question has arisen you have no business to go to the Governor General and take his sanction.

The Honourable Sir Basil Blackett: The question arose because I raised it.

Mr. V. J. Patel: You cannot raise it.

The Honourable Sir Basil Blackett: I had considerable doubts.

Mr. V. J. Patel: If you had doubts that shows that the matter is not free from doubt.

The Honourable Sir Basil Blackett: My doubts were as to whether even this was votable.

Mr. V. J. Patel: However, the Legislative Assembly contends that these items are votable excepting one item known as the sinking fund item. All the rest of the 501 lakhs is votable—that is, 501 lakhs *minus* 48.55 lakhs railway sinking fund; and yet the whole thing is put down as non-votable. I am simply surprised. If my Honourable friend had any doubts whether these items were votable

The Honourable Sir Basil Blackett: Not these. I said I had doubts whether the items included were really votable.

Mr. A. Rangaswami Iyengar: Is it not the case that the Viceroy should make a declaration under the Act?

The Honourable Sir Basil Blackett: No, I do not think so.

Mr. A. Rangaswami Iyengar: You all decided it secretly and tell us you have decided so and so.

Mr. Jamnadas M. Mehta: I submit, Sir, that under section 25 (4) of the Government of India Act, 1919, it is compulsory that the decision should be made known and that too after a question has previously arisen in this House as to the votability or otherwise of any Demand for Grant.

Mr. V. J. Patel: However this is not the occasion for discussing that; as my Honourable friend, Mr. Jamnadas Mehta has very rightly pointed out, we need a committee with a majority of elected Members of this House to go into the whole question of the allocation between revenue and expenditure and also on the question as to what items should be votable and what should not be votable. I have repeatedly pointed out in this House that crores of rupees have been made non-votable, although they are, as a matter of fact votable; and therefore it is absolutely necessary that this House should appoint a committee at an early date to go into both these questions and decide once and for all what should be votable and what should be non-votable, what should be charged to revenue and what should not be charged to revenue. My friend Sir Basil Blackett could not get any money for doing away with the cotton excise duty; but, as my Honourable friend Diwan Bahadur Rangachariar very well put it, he has irritated this Assembly not once but several times. Now that the fund is here, where is the difficulty about it? Here is 138 lakhs of rupees which you have been unnecessarily putting down in your scheme and which can very well be spared. You would not do it. There are 24 lakhs and there are several other items which you can very well utilise for the purpose of giving relief to the millowners of the Bombay Presidency. You would not do it. I know that where there is a will there is a way; but we are not discussing that question at all. We are discussing the question of what should be the provision really under this head; and while I entirely agree with Mr. Jamnadas Mehta that the whole provision which is votable should go, I limit my ambition to only 113 lakhs odd because I see that my friend Mr. Shanmukham Chetty has an amendment and I have no doubt that he will see the desirability of taking 35 lakhs more and adding it to his amount, so that the whole amount would be 118 lakhs. The votable portion is 117 lakhs according to my friend, Sir Basil Blackett; and we are only asking for a cut of 113 lakhs. I trust the Assembly will accept this small cut.

Sir Gordon Fraser (Madras: European): Sir, I do not claim to be an expert in high finance; but as a business man I would like to give my views in regard to this vexed question of debits to capital and revenue. It seems to me that if the money is spent on productive works and if those productive works are likely to show a sufficiently good return to give enough revenue to cover the interest on the debt and also provide sufficient money for a sinking fund in order to pay off that debt, within a reasonable length of time, then I consider that it would be perfectly justifiable to debit such charges to capital. In the case of unproductive works, such as money spent on

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buildings for administrative purposes, the conditions which I have just mentioned do not exist and under the circumstances the correct policy, I contend, and the only sound policy possible, would be to debit such expenditure to revenue. This, I understand, has been the policy in the past and it seems to me this policy must continue unless the House deliberately decides to give an unfair advantage to this and the next few years in comparison with the years to come. It is only possible to benefit the present year and the following eight years by this process, to the unfair detriment of the years after that. I have put the position as it appears to me in the form of a figure chart. I cannot very well put the chart before this House, but I shall try and explain the position as it appears to me. I think it has not been disputed that the expenditure on unproductive works has, generally speaking, and we will presume so for the sake of argument, been fairly level over a certain number of years. The Honourable the Finance Member has stated that in the case of abnormal expenditure, such as the building of New Delhi, it might be justifiable, or rather the expenditure might be spread over a certain number of years, although I gather from the way he referred to the subject that that procedure would not altogether receive his blessing. For the sake of my argument, I would like to take the figure of 100 as the basic figure for the expenditure annually over a period, say, of 10 years. Up to date, I understand that every year has borne its own burden of expenditure, that is to say, each year has been debited with this figure of 100. If we now decide that the expenditure on these buildings must only be written off to revenue, for the sake of argument we will say at 10 per cent. per annum, that is completely written off to revenue over a period of ten years, in my opinion we would be deliberately entering on a course of unsound finance. Take the past ten years. Each year, as I said before, has borne the burden of its own expenditure on these unproductive works, and each year has been debited with this basic figure of 100. Now if we take the next ten years, what is the position, if the new system advocated by my Honourable friends Mr. Rama Aiyangar and Sir Purshotamdas Thakurdas is adopted? The revenue of the first of these 10 years would only be debited with 10 per cent. of the actual expenditure of that year, and the remaining 90 per cent. of the basic figure of 100 would be passed on to the following year. The revenue of the second year would be debited with 10 per cent. of the expenditure of that year, *plus* 10 per cent. of the expenditure of the previous year, and 90 per cent. again of the expenditure of the second year would be passed on to succeeding years. The expenditure in each year of the 10 years would increase by 10 per cent. until when we arrive at the 10th year we will be back again to exactly the same position that we are in at present. We would be paying this basic figure of 100 every year for expenditure on unproductive works but with one difference, and that difference is a very very important one. Instead of paying this basic figure of 100 each year and clearing up our debt, we would be paying this figure of 100 and at the same time incurring a heavy debt with a constant interest charge on it. Unless we take each year on its own merits and pay off the unproductive debt of that year out of expenditure, we cannot avoid borrowing, and naturally if we borrow, we will have to pay the interest charges.

To sum up the position. A change in the present system, as proposed by my Honourable friend Mr. Rama Aiyangar, would result in the next nine years, in 1925-26 and in the following 8 years, being debited with sums less than justified. The first year, as I have mentioned just now, would only be

debited with a tenth of the normal expenditure on unproductive works; the second year would be debited with a fifth of the average annual expenditure on unproductive works, the third year would be debited with three-tenths and so on, up to the tenth year, when as I have already said we come back to identically the same position that we are in at present, but with a big debt and interest charges thereon instead of the unproductive debt being cleared off up to date. I consider that to try and benefit 1925-26 and the following 8 years at the expense of future years is a deliberate attempt—and one which I would deprecate and one which should be condemned—I consider it to be a deliberate attempt at window-dressing. Under whichever system you work, whether the system which has been in existence in the past or the system now advocated by my two Honourable friends, you cannot get away from the fact that at the end of the tenth year you are paying from revenue exactly the same figure for unproductive works as you are doing at present. I would strongly deprecate any attempt being made to carry these debits forward such as has been suggested. I gave my views the other day upon the dangers of this House interfering with the present arrangements in regard to the redemption of debt and in view of the very heavy borrowing and conversion programme ahead, so I do not propose to deal with that point again except to say that I hope the House will not interfere but will carry out the proposals that have already been made.

Mr. Jamnadas M. Mehta: Sir, I have heard what my Honourable friend Mr. Patel had to say about the nervousness of some friends. That is not however my only ground for accepting his suggestion. The sum that I proposed to deduct in addition to Mr. Patel's proposed reduction is 24 lakhs which represents the return to the Railway Capital Accounts of the customs duties collected on Railway capital stores. I am opposed to this return on principle which however I recognise might not be clear to the House within half an hour's debate and therefore some Honourable Members might not be convinced about the soundness of my view. Without surrendering the principle—that customs duties on Railway capital stores which are proposed to be returned are revenue and cannot therefore be returned—without surrendering this principle,—for the sake of the convenience of those who have not gone fully into the matter, I am willing to withdraw my amendment in favour of Mr. Patel's amendment which really means that I am not pressing for the customs question for the present.

The Honourable Sir Basil Blackett: Sir, I object to withdrawal.

Mr. A. Rangaswami Iyengar: He is not withdrawing, he is accepting Mr. Patel's amendment.

Mr. President: I was taking it the other way. If Mr. Jamnadas Mehta withdraws, I would ask Mr. Patel *pro forma* to move his amendment. Is it your pleasure that the amendment be withdrawn?

The Honourable Sir Alexander Muddiman: No.

Mr. V. J. Patel: What about my amendment?

Mr. President: Mr. Jamnadas Mehta has asked leave to withdraw and Government object to that.

Mr. Jamnadas M. Mehta: In the alternative, Sir, I may accept Mr. Patel's amendment.

Mr. President: No, it is too late for that. The Honourable Member has asked leave to withdraw and Government have objected. The motion for reduction must therefore be put forthwith.

The question is:

"That the Demand under the head 'Interest on Ordinary Debt and Reduction or Avoidance of Debt' be omitted."

Mr. Jamnadas M. Mehta: I should like to know, Sir, what would be the fate of Mr. Patel's amendment, supposing this proposition is defeated?

Mr. President: If the motion which the Honourable Member asked leave to withdraw and which I have just put from the Chair is defeated, the original motion is still before the House and Mr. Patel can move his reduction.

The motion was negatived.

Mr. V. J. Patel: Sir, I formally move:

"That the Demand under the head 'Interest on Ordinary Debt and Reduction or Avoidance of Debt' be reduced by Rs. 1,13,40,125."

I have already stated my reasons in support of this motion, and I do not wish to take up the time of the Assembly any longer.

Mr. P. R. Rau: Sir, my excuse for intervening in this debate is the invitation extended to me by Mr. Patel to explain some figures in the Memorandum. I am very sorry he has been put to trouble and has spent so much time in trying to get the figures right, in order, as he has stated, to appeal to all the people who are nervous about this motion being taken as a measure of obstruction. I am afraid I am going to add to the nervousness of his friends by pointing out that the figures he has given are not correct. I thought paragraph 43 of the Memorandum made it quite clear that the 24 lakhs on account of duty on Railway capital stores is not included in the 477.50 lakhs. If you add 24 lakhs to 477½ lakhs you get 501½ lakhs, which is the total provision for debt redemption. Mr. Jamnadas Mehta has apparently overlooked paragraph 43.

As regards the question of exchange, the Honourable Mr. Patel stated that the Honourable the Finance Member had no business to make payments in England at 1s. 4d. instead of at 1s. 6d.

Mr. V. J. Patel: May I intervene, Sir? The Honourable Member says that 24 lakhs have been included in 501½ lakhs.

Mr. P. R. Rau: Yes.

Mr. V. J. Patel: That is true. But I do not understand how he makes up 501½ lakhs. The total of obligatory payments is 384 lakhs and if you add 24 lakhs to that, and 77 lakhs on account of the excess provision, that would make 485 lakhs. How does the Honourable Member make up 501½ lakhs?

Mr. P. R. Rau: I shall explain that in a minute. This 501.5 lakhs is the result of adding 477½ lakhs, the total amount to be set apart for debt redemption under the Government scheme, and 24 lakhs. It has nothing to do with the obligatory payment of 384 lakhs.

Mr. V. J. Patel: Where does the difference between 384 lakhs and 4 crores go? For what do you provide that?

Mr. P. R. Rau: 477½ lakhs is the amount calculated according to the terms of the Government of India Resolution which prescribes the datum line of 4 crores which should be added $\frac{1}{10}$ th of the difference between the debt outstanding on the 31st March, 1925, and that on the 31st March, 1923.

Mr. V. J. Patel: You are begging the question. I want to know how you make up .5 crores. It consists of 384 obligatory payments, 24 for customs and 77 for the excess and the rest for what?

Mr. P. R. Rau: May I explain to the House that the 4 crores has really nothing to do with the exact amount of the obligatory payments. It is a figure the genesis of which will be explained to the Honourable Member if he reads the Honourable the Finance Member's budget speech of last year and the Resolution of December, 1924.

Mr. V. J. Patel: I have read everything.

Mr. Jamnadas M. Mehta: 15.58 lakhs cannot be traced to any specified head of debt. We want to know why you provide these 15.58 lakhs which have to be added to 384 to make up your 4 crores. To what particular creditors do you pay it?

Mr. P. R. Rau: May I explain that we do not pay it to anybody.

Mr. Jamnadas M. Mehta: That's it.

Mr. V. J. Patel: You keep it to yourself.

Mr. P. R. Rau: 501½ lakhs is supposed to be for reduction or avoidance of debt. Whatever is left after the obligatory payments have been made goes towards the reduction or avoidance of debt, as the title itself shows.

Mr. B. K. Shanmukham Chetty: Am I then to understand that the 4 crores is the arbitrary law of the financial Manu that we have got?

Mr. P. R. Rau: I have already explained how the 4 crores is arrived at. I can only refer Honourable Members to the speech of the Honourable the Finance Member of last year.

Now, coming to the other question, the question of making payments in England at 1s. 4d. instead of at 1s. 6d., let me explain at once that the provision made does not assume that payment will be made at 1s. 4d. The exact amount of the obligatory payments is as follows: The capital portion of Railway Annuities is £1,302,300, which, including exchange at 1s. 6d., is equivalent to 173.64 lakhs. For Railway Sinking Funds the total is £364,100, which including exchange at 1s. 6d. comes to 48.55 lakhs. The capital portion of the annual payments in redemption of liabilities assumed in respect of the British War Loan is £487,700, which including exchange at 1s. 6d. is 65.02 lakhs. The total is £2,154,100 and exchange on it at 1s. 6d. is Rs. 71,80 lakhs.

So that there is no amount of Rs. 35 lakhs which can be deducted from the total. The exact rupee amount has been calculated on the basis of 1s. 6d.

Mr. V. J. Patel: Does the Honourable Member mean that the amount of 384 lakhs is on the basis of 1s. 6d. and not on 1s. 4d.?

Mr. P. R. Rau: That is exactly what I mean.

Mr. V. J. Patel: I will invite your attention to paragraph 44 of the Explanatory Memorandum.

Mr. P. B. Rau: As regards paragraph 44 of the Explanatory Memorandum to which my Honourable friend Mr. Patel has just drawn my attention to, that refers to the calculation of the Rs. 477½ lakhs and not to the actual payments out of that provision. Rs. 477½ lakhs is based on taking the total external debt at 1s. 4d., but let me make this point clear to the House. As the Honourable the Finance Member has just told the House, if the total external debt outstanding on the 31st March 1923, is revalued at 1s. 6d. there would be a difference of about 50 crores. Similarly, a revaluation of the external debt outstanding on the 31st March 1925 would give a difference of about 56 crores. If you take the figures for the two years on the same basis the difference is only 6 crores, and one-eighth of it is Rs. 7½ lakhs. So that the exact method in which the calculation is made does not make an enormous difference, and the fact that exchange for the purpose of this Resolution is taken at 1s. 4d. does not, I am sure the House will realise, make so much difference as has been sought to be made.

Diwan Bahadur T. Rangachariar: I am sorry I do not follow the Honourable Member. Does the Honourable Member suggest that, if calculated at 1s. 6d., the amount of the indebtedness will be reduced to Rs. 400 crores in 1923? In that case what would be an ample provision for amortisation of that debt?

Mr. P. B. Rau: As I have already explained to the House, the Rs 4 crores was arrived at in a different manner which has been explained both in the Resolution and in the Honourable Finance Member's budget speech of last year. The point that I am on now is that the extra amount of Rs. 77.50 lakhs would not have been very much different if the debts at the end of 1923 and 1925 had been taken on the same basis of exchange.

Mr. Jamnadas M. Mehta: May I say, Sir, that the Honourable Member is misleading the House? The Resolution of the Government of India puts it down that they have calculated at 1s. 4d., and how can they argue at 1s. 6d.? (*Cries of "Order, order" and "Sit down"*.)

Pandit Motilal Nehru: May I rise to a point of order, Sir? What business has the Finance Member to say, "Sit down" to my friend Mr. Jamnadas Mehta? I appeal to the Chair. I resent such interference from anybody though he may be the Finance Member. After all, all Members of this House are equal and no Member has a right to shout to another Member "Sit down".

Mr. V. J. Patel: I protest against that remark. It is habitual. It is not through mere inadvertence.

Mr. Jamnadas M. Mehta: I forgive him.

Mr. President: I did not hear the remark. In any case shouts of "Order, order" when one Honourable Member rises another being in possession, are perfectly in order.

Pandit Motilal Nehru: I do not object to that shout, but the Honourable the Finance Member did distinctly shout "Sit down" to Mr. Jamnadas Mehta.

Mr. Jamnadas M. Mehta: Does he deny that?

Mr. President: I did not hear that: and, even if I had, I am not sure that I should have felt compelled to intervene.

Mr. P. R. Rau: If I may resume my speech, Sir, I would like to say again that the amount of Rs. 477½ lakhs has no reference to the obligatory payments. That is, Rs. 477½ lakhs is calculated at 1s. 4d. exchange, but the exact amount of the payments that are shown in paragraph 45 of the memorandum is calculated at 1s. 6d., and, as already stated in the Resolution, the fact that the exchange is higher will only aid in amortising the debt quicker. I was attempting to explain to the House that if instead of a 1s. 4d. basis, a 1s. 6d. basis had been taken for both years, the difference in the total would have been only about 7½ lakhs. The second point that I would venture to emphasise is that though the total amount of 478 lakhs, compares somewhat unfavourably with the amount that we have provided in the revised estimate of the current year, 1924-25 if it is compared with the amount taken in the original estimates for 1923-24, it does not appear to be very high at all. The provision in the original estimates of 1923-24 was 4.52 crores as the House knows, I am sure. I hope I have proved to the Honourable Mr. Patel and the Honourable Mr. Jamnadas Mehta . . .

Mr. Jamnadas M. Mehta: You have proved nothing.

Mr. P. R. Rau: I hope I have proved to the other Members of the House at least (*Mr. Jamnadas M. Mehta:* "That remains to be seen") that the figure shown here for the obligatory payments is calculated at an exchange rate of 1s. 6d. and not 1s. 4d., and that is all that I attempted to prove.

The Honourable Sir Basil Blackett: On a point of personal explanation. I should be sorry if it went abroad and the House remained under the impression that I shouted loudly "Sit down". What I did do was that I first shouted 'Order, order.' I was trying to explain to the Honourable Member who did not understand my cry of "Order, order," that he was standing while another Member was also standing up.

Pandit Motilal Nehru: Does the Honourable Member say that he did not shout "Sit down."

The Honourable Sir Basil Blackett: I apologise, Sir, if I shouted "Sit down." I shouted 'Order, order' because the Honourable Member was standing up while my Honourable friend behind was also standing. My Honourable friend Mr. Jamnadas Mehta misunderstood what I meant. It was not at all meant as a peremptory order, and I apologise if there has been any misunderstanding.

Sir Purshotamdas Thakurdas: The hour is late but the subject is so important that I must put before the House the point of view from which I regard this question. The Honourable the Finance Member has told us of a few ideals to which he would like this House to work up in connection with this head that is under discussion. He has told us that in the House of Commons a head of expenditure of this nature would not come up for discussion at all, and, if it did come up, it would not take anything like the time that we are taking over this. I fully agree with him and I hope that every Member in this House would aspire to the time when it would not be necessary for the executive to bring up for discussion before the Assembly

[Sir Purshotamdas Thakurdas.]

this head, namely, debt reduction or sinking fund. But the Honourable the Finance Member overlooks that the House of Commons would fix the lines on which debt reduction would take place, and once that was fixed it would hardly be necessary for anybody to go into the question except perhaps to check the figures as my friend on my right is trying to do in connection with something else on this question. The whole position therefore is that this particular head is under very serious discussion to-day because the Honourable the Finance Member thought it fit to fix on his own scheme; he has now embodied that scheme in the Budget before us and this House, as I said on the other discussion on Mr. Jamnadas' Resolution, is very anxious not to take for granted a particular scheme which the Honourable the Finance Member has fixed in his own mind and this House wishes to have a substantial say in that scheme before it is finally approved of. I am sure that the Honourable the Finance Member at least cannot overlook that if the House of Commons in England do not raid sinking funds they also are very jealous of their powers and do not allow the Chancellor of the Exchequer to raid the tax-payers' surplus balances. Once he remembers that, he will realise how necessary it is for him not to raid the tax-payers' surpluses. I am sure that there will now be no difference of opinion between the two sides of the House. As a proof positive of this Assembly's determination not to be liable to any charge of the nature of raiding sinking funds I have only to mention to the Honourable the Finance Member that the Assembly did not raise a single voice in connection with the reservation for depreciation and the reserve fund amounts on the Railway Budget. We all

7 P.M. wanted a dividend from the Railway Department. We all wanted lowering of rates, etc., etc., but was there a single amendment on that score regarding the depreciation and reserve fund amounts to be set aside? Did anybody even refer to it in the course of the general discussion on the Railway Budget? Why was that so? Simply because the Honourable Sir Charles Innes for once at any rate saw the necessity and the wisdom of getting the Assembly to agree to a scheme of depreciation and reserve fund. The Honourable the Finance Member will do very well to follow in those footsteps and not insist on any figure that he may like to fix being passed by this House.

Now, Sir, let us see which are the items on which the whole discussion hangs. The first item, Sir, is with regard to the total amount that the Honourable the Finance Member has fixed. My Honourable friend Mr. Patel appears to have spent a good deal of midnight electric current in trying to find out how the 4 crores have been arrived at. But the Honourable Mr. Rau has admitted that it was a rough figure, a guess in fact. But with the caution that has been characteristic of the Finance Member it is almost bound to be on the right side for him and on the wrong side for the tax-payer, and this Assembly is not going to accept even a pie more than is due for the purposes of safe finance. The next point is the one-eightieth per cent. As I said on that previous discussion, that is a proportion that even the Finance Member wanted the House to approve of. Well, by that Finance Department Resolution which is now being quoted here, (and basing his opinion on which my Honourable friend Sir Gordon Fraser says that any change in the figure is to be deprecated,) the Honourable the Finance Member wants us to accept a further debit of 77 lakhs out of revenue without even asking or allowing this Assembly an opportunity of discussing or being convinced that our financial position is so precarious that if we do not agree

to it we would have to pay one half per cent. more in interest when we borrow next. In matters of finance nothing helps like conversation and conviction across the table, and if the Honourable the Finance Member is not prepared to have it, he must be prepared for long sittings like this and ultimate rejection too of his proposals by this House. The responsibility for that must lie with the Government Benches and not with this side of the House.

Regarding the question of exchange the Honourable Member over there says that the exchange that has been calculated in this is at 1s. 6d. per rupee. I personally am not sorry that the Honourable the Finance Member is rather doubtful about his 1s. 6d. lasting longer than a year, but that is another question about which we will talk another time. May I refer to this Government Resolution which says:

“If exchange stands above 1s. 4d. the amount of 4 crores proposed would help to amortise the debt at a more rapid pace.”

Now that line, Sir, which I have read from the Government Resolution, gives a clear indication that exchange is to be taken in the calculation which is given on page 19 of the notes at 1s. 4d. And I think it is a very sound thing for this House to find out whether in arriving at the figure of Rs. 1,38,00,000 odd the exchange has been taken at 1s. 4d. If it has been taken where is the explanation for it? If the Honourable the Finance Member says it has been taken at 1s. 6d., I submit—I am now judging at rather a late hour and I am not very fresh—that what I have read from the Government Resolution is not operative as far as this Budget is concerned. Now, the Government of India, and I know especially the Finance Member, is very jealous about everything that he puts before this House being absolutely well set and being absolutely correct. Unless he therefore convinces the House that this is correct and is in keeping with 1s. 6d. which my Honourable friend from behind him has assured us is the case, the House must calculate the difference between exchange at 1s. 4d. and at 1s. 6d. in the item which the House wishes to reject. And, Sir, that item consists mainly of the extra 73 or 74 lakhs which the Honourable the Finance Member wishes to take over and above the four crores four lakhs which he took last year and which latter figure I at any rate am prepared that he should take this year. That extra 77 lakhs cannot possibly be allowed by this Assembly if they at all care for their self-respect and if they wish to be convinced before they vote that that amount is necessary. The question of the difference in exchange I still leave open in case the Honourable Finance Member can convince my friends over here and the House that exchange has been calculated at 1s. 6d.

Sir, the most serious item is the item of 24 lakhs, the amount that has been taken by the Finance Member in respect of extra customs receipt from stores imported on capital railway expenditure. A very important question of principle underlies this question, and it is this: You agreed to charge customs duty on Government stores when people here clamoured for local stores being purchased. What you now do is you put it on and then instead of taking it to revenue, you take it to a reserve, which still leaves the temptation for officers to buy from abroad; because they say that customs duty is after all going to the credit of Government fund. (*The Honourable Sir Basil Blackett*: “No.”) It is no use the Honourable Member saying “No”. I have heard of persons who have the placing of

[Sir Purshotamdas Thakurdas.]

orders in their hands reason with some of my friends on those lines. It is no use the Government members saying "Yes" and "No". They are confined mostly to Delhi and Simla with flying visits here and there. Let the Finance Member take it from me definitely that these railway managers and others who have the placing of orders for machinery, etc., in their hands argue to themselves thus. They say "We know that on paper your Indian material and imported material work out to the same, but the customs duty is going to our credit; somewhere in some Government fund and therefore the imported article is actually cheaper to the Government." The officers always take care to argue in the name of the Indian tax-payer. The officers say that the tax-payer is best benefited by buying from abroad. Here is a proof. There is 24 lakhs to be credited to debt redemption on account of customs duty that you receive on railway stores. Now, I do not quarrel with the Finance Member holding a particular view. He is welcome to have his view, and I dare say he will convince me. But why should he insist on the Assembly accepting his view without being convinced and without discussing it with a committee that that is the right thing? I therefore submit that there is no question in this debate of raiding anything. In fact, it does not lie in the mouths of Honourable Members to talk of raiding by the Assembly. Sir Charles Innes should be in a position to assure his colleague that this Assembly stand by its commitments absolutely and with great sacredness. Therefore it is a question of the manner in which the Assembly should be treated now. We have expressed our desire on my friend Mr. Jamnadas Mehta's Resolution. We wish to decide what should be the percentage, etc., etc. of what we want to set aside for debt redemption. The Finance Member had his chance of accepting that Resolution and convincing a Committee of this House if he wanted to do so. But he had not the time. Nothing is lost. Let us vote on this question according to our lights. We still stand by the 4 crores and 4 lakhs which he wanted last year. But I do not think that any Member of the Assembly would agree to vote anything more until the Finance Member convinces the Assembly through a Committee to be appointed from the Assembly that the scheme that he has put before us is the correct one. It is no use, Sir, frightening us away by saying "We will be doing the wrong thing, financially; the thing is suicidal, etc." There is no suicide about this. It is plain business. The Assembly want to lay down their own lines for debt redemption. Some of us hold that the lines that the Honourable the Finance Member has laid down are over-cautious. They may be wrong. We want to learn from him, we want to be convinced. If the Finance Member is not prepared to convince us, the result can only be that we will put on record what we think. He can act only according to the powers that are given to him.

Mr. A. Rangaswami Iyengar: I move that the question be now put.

The Honourable Sir Basil Blackett: Sir, it is a little difficult at this late hour of the evening to persuade people who do not want to be persuaded, especially when we have had the cat let out of the bag, out of the usual bag, by Mr. Patel that his object is to raid the sinking fund in order to get money for the cotton excise duty. I have already pointed out that that would be at the expense of the provinces in many ways. It would also be at the expense of provinces as I pointed out in that it would mean that they would have to pay additional interest on future borrowings. I am

sorry that my Honourable friend Mr. Rau was unable to convince some Honourable Members of the correctness of the figures. I am not sure that, if he had been less interrupted specially in view of the fact that it was practically his maiden speech, he might not have been more successful. (Hear, hear.)

Sir Purshotamdas Thakurdas has again raised the question about exchange. I cannot quite follow what his difficulty is. But I think I might perhaps make one more attempt to explain the position. There are certain charges which are obligatory charges which are set out in paragraph 45 of the Memorandum.

Sir Purshotamdas Thakurdas: I do not wish to interrupt the Honourable Member, but I did not raise the question of exchange to begin with, and secondly, I only wanted that the last sentence in the Finance Department Resolution may be reconciled with what Mr. Rau has said.

The Honourable Sir Basil Blackett: That is what I was laboriously trying to do. There are certain charges amounting to 3,84,42 lakhs set out in paragraph 45 of the Memorandum which represent in all cases except one—sterling charges. These charges are calculated on the basis of 1s. 6d. Their only connection with the total of the provision this year for redemption or avoidance of debt is that it is their rupee amount which determines how much is votable and how much is non-votable. That is their only connection. The amount that is provided in the Budget, votable and non-votable, consists of a figure of 4 crores, the additional figure representing 1/80th of the additional debt and the sum representing customs duty collected on railway capital. As regards the last point I would like to say at once that if Sir Purshotamdas Thakurdas could convince me that it is really the case that railway officers buy stores in England rather than in India in order to increase the sinking fund of the Finance Member, I should regard it as a very serious argument and it is an argument that I should like to look into very carefully. If that is the case, I should like to attempt to deal with this difficulty by some new means. I can say this however that it is not a new provision. It is only the continuance of a provision that was made last year. There is nothing new in it. The discussion has taken place largely because the Finance Department has brought the facts very clearly before the House. There is nothing new in this provision. At this time last year we passed an Act which made Government stores liable to duty. The immediate effect of that Act was to increase our customs revenue by quite an appreciable sum at the expense of our expenditure. It is obviously not desirable that you should be suspect of inflating your revenue at the expense of your capital. That is clearly what you were doing last year, if you take the position as it stood. You were able to increase the figure of your customs duty by quite a considerable amount although you had no intention in passing the Act to increase the customs revenue. In fact, its object is to try and get rather less customs revenue by purchasing material inside India rather than outside India. You were faced with the difficulty that you were inflating revenue at the expense of your capital. We included this item last year and it has been included again this year in order to avoid that result. I am quite prepared after the suggestion of Sir Purshotamdas Thakurdas to have the matter reconsidered in regard to a future year and see whether we can overcome the difficulty by some other method. But the fact remains that we are unduly inflating our revenue at the expense of our capital.

[Sir Basil Blackett.]

So much for that particular item. There remains the item of Rs. 4,77½ lakhs, made up of the 4 crores *plus* the 1/80th of the addition. The House has complained that it has had no opportunity of discussing this sinking fund scheme. It was not brought into effect a year ago, but it was carefully put before this House in the budget speech with the statement that it was hoped it would provoke criticism in order that, before the Government put it into effect, it would receive criticism. It did receive quite considerable examination in another place, but it was not much referred to in this House, though so far as I remember, such reference as was made to it was favourable. But it was considered at some length in another place and a favourable verdict was passed. Now Sir Purshotamdas has pointed out quite rightly that the position in the House of Commons and the position here in regard to the votable and non-votable items is different. Of course you cannot have an exact analogy between the two cases, and that is always a difficulty in making a comparison, but what invariably does happen in the House of Commons is that the executive government introduces a scheme for a sinking fund and carries it by its majority. It is never interfered with by detailed criticism and the examination of details by the House of Commons. They regard that as the function of the executive

Mr. Rangaswami Iyengar: You never even put it before us.

The Honourable Sir Basil Blackett: On the contrary, it was very carefully put before this House a year ago. I do claim that this is a function mainly of the executive; I do not say entirely, but I say mainly. It is moreover a subject which is very intimately concerned with the day to day operation of your ways and means dealings. It is a subject for which the executive must take responsibility almost entirely, and therefore I do think that the charge that the House has been given an insufficient opportunity to deal with this question is not one which is really justifiable. It is in a position now to understand what it did not apparently understand before, the exact amount of the provision in the year's Budget for reduction or avoidance of debt and the reasons for the inclusion of those provisions. Two years ago the amount that was included for reduction or avoidance of debt was 452 lakhs. This year the corresponding provision, leaving out the special item in respect of customs duty, which is a new item due to the passing of a new Act, is Rs. 4,78,00,000. That is an increase of only 26 lakhs as compared with two years ago. The reason that there was not this tremendous debate on the subject two years ago, when there was surely more reason than this year for objecting to the provision is perhaps two-fold. First, Mr. Patel was not here to raid the sinking fund for the purpose of the cotton excise duty, and secondly, the figures were not clearly before the House. The figures are now before the House because the Finance Department very carefully put them before the House

Mr. Rangaswami Iyengar: That gives the measure of the past.

The Honourable Sir Basil Blackett: That gives the measure of the amount we applied in the past and the amount we are applying to-day and shows that the increase is small. It is surely a large claim that the amount

should be reduced now when we are right up against the necessity for dealing with a large programme of maturing debt and heavy commitments for new borrowings. I do not think that the House really has much to complain of at an increase which amounts, as compared with the Budget of two years ago, to only 26 lakhs. The customs duty is quite separate because that is due to the passing of an Act last year. It may be discussed on its merits, but it is a separate issue, and it is the repetition of an item of last year. The House is therefore proposing, for various reasons, to reduce by a sum (I have forgotten the exact amount before us), but by a very large sum, the provision that is made in this estimate, a provision that is a very small increase on the amount provided two years ago. And I do put it to the House that its action in making such a raid cannot be for the good of India, and that it must necessarily be to the detriment both of the Central Government's finances and of the Provincial Government's finances and of the whole of our new attempts to develop the railways, the irrigation and the other capital requirements of India at the present time.

Several Honourable Members: I move that the question be now put.

Mr. President: The original question was:

"That a sum not exceeding Rs. 1,38,18,000 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, 1926, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

Since which a reduction has been moved:

"That the Demand be reduced by Rs. 1,13,40,125."

The question I have to put is that reduction be made.

The Assembly divided:

AYES—43.

Abdul Karim, Khwaja.
Abhyankar, Mr. M. V.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Ariff, Mr. Yacoob C.
Belvi, Mr. D. V.
Bhat, Mr. K. Sadasiva.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Das, Pandit Nilakantha.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Hans Raj, Lala.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam
Maulvi Muhammad.
Kelkar, Mr. N. C.
Lohokare, Dr. K. G.

Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Syad.
Narain Das, Mr.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Sham Lal.
Patel, Mr. V. J.
Phookun, Mr. Tarun Ram.
Purshotamdas Thakurdas, Sir.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Syamacharan, Mr.
Tok Kyi, Maung,
Yusuf Saad, Mr. M.

NOES—47.

Abdul Mumin, Khan Bahadur Muhammad.	Innes, The Honourable Sir Charles.
Abdul Qaiyum, Nawab Sir Sahibzada.	Lindsay, Mr. Darcy.
Abul Kasem, Maulvi.	Lloyd, Mr. A. H.
Ahmad Ali Khan, Mr.	Mahmood Schamnad Sahib Bahadur, Mr.
Ajab Khan, Captain.	Marr, Mr. A.
Akram Hussain, Prince A. M. M.	McCallum, Mr. J. L.
Alimuzzaman Chowdhry, Mr.	Mitra, The Honourable Sir Bhupendra Nath.
Ashworth, Mr. E. H.	Moir, Mr. T. E.
Bhore, Mr. J. W.	Muddiman, The Honourable Sir Alexander.
Blackett, The Honourable Sir Basil.	Muhammad Ismail, Khan Bahadur Saiyid.
Bray, Mr. Deuys.	Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Burdon, Mr. E.	Rau, Mr. P. R.
Calvert, Mr. H.	Rhodes, Sir Campbell.
Clarke, Sir Geoffrey.	Rushbrook-Williams, Prof. L. F.
Cocke, Mr. H. G.	Sastri, Diwan Bahadur C. V. Visvanatha.
Cosgrave, Mr. W. A.	Singh, Rai Bahadur S. N.
Crawford, Colonel J. D.	Stanyon, Colonel Sir Henry.
Dalal, Sardar B. A.	Sykes, Mr. E. F.
Fleming, Mr. E. G.	Tonkinson, Mr. H.
Fraser, Sir Gordon.	Webb, Mr. M.
Ghazanfar Ali Khan, Raja.	Willson, Mr. W. S. J.
Graham, Mr. L.	Wilson, Mr. R. A.
Hira Singh Brar, Sardar Bahadur Captain.	
Hudson, Mr. W. F.	
Hyder, Dr. L. K.	

The motion was negatived.

Mr. R. Shanmukham Chetty: I would like to move my motion, Sir.

Mr. President: Does the Honourable Member propose to discuss the same subject?

Mr. R. Shanmukham Chetty: I do not propose to discuss it, but simply to move it.

Mr. President: There will be no debate on it.

Mr. R. Shanmukham Chetty: I formally move, Sir:

"That the Demand under the head 'Interest on Ordinary Debt and Reduction or Avoidance of Debt' be reduced by Rs. 77·50 lakhs."

How I have arrived at that figure has been explained by my Honourable friend Mr. Patel. I therefore move my amendment.

Mr. President: Reduction moved:

"That the Demand under the head 'Interest on Ordinary Debt and Reduction or Avoidance of Debt' be reduced by Rs. 77·50 lakhs."

(The motion was put and there were cries of Ayes and Noes from all sides of the House.)

Mr. President: Those who desire a division will rise in their places.

(A few members rose.)

Mr. President: The original question was :

"That a sum not exceeding Rs. 1,38,18,000 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, 1926, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

Since which an amendment has been moved :

"That the Demand under the head 'Interest on Ordinary Debt and Reduction or Avoidance of Debt' be reduced by Rs. 77.50 lakhs."

The question I have to put is that that reduction be made.

The Assembly divided :

AYES—14.

Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Ariff, Mr. Yacoub C.
Bhat, Mr. K. Sadasiva.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Ghazanfar Ali Khan, Raja.

Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kasturbhai Lalbhai, Mr.
Purshotamdas Thakurdas, Sir.
Rangachariar, Diwan Bahadur T.
Venkatapatiraju, Mr. B.
Yakub, Maulvi Muhammad.

NOES—46.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada
Abul Kasem, Maulvi.
Ahmad Ali Khan, Mr.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Alimuzzaman Chowdhry, Mr.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Graham, Mr. L.
Hira Singh Brar, Sardar Bahadur
Captain.
Hudson, Mr. W. F.
Hussanally, Khan Bahadur W. M.
Hyder, Dr. L. K.

Innes, The Honourable Sir Charles.
Lindsay, Mr. Darcy.
Lloyd, Mr. A. H.
Mahmood Schamnad Sahib Bahadur,
Mr.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra
Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Rau, Mr. P. B.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Singh, Rai Bahadur S. N.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.

The motion was negatived.

The Honourable Sir Alexander Muddiman: Sir, I move that the main question be now put.

The motion was adopted.

Mr. President: The question is :

"That a sum not exceeding Rs. 1,38,18,000 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, 1926, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

The Assembly divided:

AYES—54.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir
Sahibzada
Abul Kasem, Maulvi.
Aiyer, Sir P. S. Sivaswamy.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Alimuzzaman Chowdhry, Mr.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir
Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Das, Mr. B.
Datta, Dr. S. K.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Graham, Mr. L.
Hira Singh Brar, Sardar Bahadur
Captain.
Hudson, Mr. W. F.
Hussanally, Khan Bahadur W. M.
Hyder, Dr. L. K.
Innes, The Honourable Sir
Charles.

Joshi, Mr. N. M.
Lindsay, Mr. Darcy.
Lloyd, Mr. A. H.
Mahmood Schamnad Sahib
Bahadur, Mr.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir
Bhupendra Nath.
Moir, Mr. T. E.
Muddiman, The Honourable
Sir Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Mutalik, Sardar V. N.
Rajan Bakhsh Shah, Khan Bahadur
Makhdum Syed.
Ramachandra Rao, Diwan Bahadur
M.
Rangachariar, Diwan Bahadur T.
Rau, Mr. P. R.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Singh, Rai Bahadur S. N.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Venkatapatiraju, Mr. B.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.

NOES—39.

Abdul Karim, Khwaja.
Abhyankar, Mr. M. V.
Aiyangar, Mr. C. Duraiswami.
Ariff, Mr. Yacoub C.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Das, Pandit Nilakantha.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Hans Raj, Lala.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Kazim Ali, Shaikh-e-Chatgam
Maulvi Muhammad.
Kelkar, Mr. N. C.
Lohokare, Dr. K. G.
Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.

Murtuza Sahib Bahadur, Maulvi
Sayad.
Narain Das, Mr.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Patel, Mr. V. J.
Phookun, Mr. Tarun Ram.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Tok Kyi, Maung.
Yusuf Imam, Mr. M.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 14th March, 1925.