

Monday, 16th July, 1923

THE
COUNCIL OF STATE DEBATES

(Official Report)

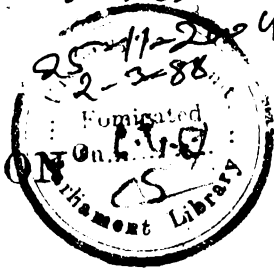
VOL. III, PART III

(From the 16th to the 28th July 1923)

THIRD SESSION

OF THE

COUNCIL OF STATE, 1923.



SLA
PRINTED AT GOVERNMENT MONOTYPE PRESS
1923

CONTENTS.

| | PAGES. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| MONDAY, 16TH JULY 1923— | |
| Members sworn | 1415 |
| Congratulations on distinctions conferred | 1415—1416 |
| Questions and Answers | 1416—1491 |
| Governor-General's assent to certain Bills | 1492 |
| Message from the Legislative Assembly <i>re</i> Mahendra Partab Singh Estates Bill | 1492 |
| Bills passed by the Legislative Assembly | 1492 |
| Resolution <i>re</i> apportionment of financial liabilities in dispute between the Government of India and His Majesty's Government—Negatived | 1493—1529 |
| Resolution <i>re</i> pound sterling as legal tender at Rs. 15—Withdrawn | 1529—1536 |
| Resolution <i>re</i> opening of port of Madras for pilgrim traffic—Postponed till next meeting | 1537 |
| TUESDAY, 17TH JULY 1923— | |
| Members sworn | 1539 |
| Questions and Answers | 1539—1542 |
| Kenya problems | 1542—1543 |
| Bills passed by the Legislative Assembly | 1543 |
| Resolution <i>re</i> reduction of allowances of members of the Council of State—Negatived | 1543—1549 |
| Amendment of Standing Orders—Passed | 1550—1552 |
| Special Marriage (Amendment) Bill—Passed | 1552—1562 |
| Statement of Government Business | 1562—1563 |
| WEDNESDAY, 18TH JULY 1923— | |
| Resolution <i>re</i> opening of the port of Madras for pilgrim traffic—Withdrawn | 1565—1577 |
| Resolution <i>re</i> withdrawal of restrictions on passengers to Ceylon at Mandapam Quarantine Camp—Negatived | 1577—1584 |
| Resolution <i>re</i> agricultural policy relating to land revenue and allied matters—Negatived | 1584—1612 |
| Resolution <i>re</i> revision of the system of taxation—Postponed till next meeting | 1612—1613 |
| THURSDAY, 19TH JULY 1923— | |
| Resolution <i>re</i> election to Advisory Committee for publicity work—Adopted | 1615—1616 |
| Moonsheeabad (Amendment) Bill—Passed | 1616 |

COUNCIL OF STATE.

Monday, the 26th July, 1923.

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

MEMBERS SWORN.

The following members took the oath of allegiance :—

The Honourable Mr. A. C. McWatters (Finance Secretary) ; the Honourable Mr. A. H. Ley (Secretary, Department of Industries & Labour) ; the Honourable Sir Robert Middleton Watson Smyth, (Bengal Chamber of Commerce) ; the Honourable Mr. W. C. Shepherd (Bombay : Nominated Official) ; the Honourable Major G. D. Ogilvie (Political Secretary) and the Honourable Mr. S. Vedamurti (Burma : General).

CONGRATULATIONS TO MEMBERS ON DISTINCTIONS CONFERRED.

The HONOURABLE THE PRESIDENT : Before we proceed to the business of the day I should like to say a few words. Since we last met several marks of distinction have been conferred upon Members of this Council, and I am sure the House would desire that I should tender on behalf of the Council and myself congratulations to the recipients of those honours. I may first mention the very distinguished honour of the Knight Commandership of the Star of India which has been conferred on the Honourable Sir Narasimha Sarma. (Applause). I may perhaps here be permitted to add a special personal note of congratulation on this honour, because the honourable gentleman is a very old friend of mine. He has been known to us all in this Council, but he was known to me in the old Council. In those days he was a distinguished financial critic, on the benches opposite to those on which he is now sitting. We heard his voice more frequently than we have had the pleasure of hearing it lately. The honourable gentleman, I think, hardly thought in those days that he would come to sit on the bench on which he is now sitting and carry on the arduous duties of administration which he is now performing with such ability. (Applause).

The Council also welcome the honour that has been conferred on my friend Sir Purshotamdas Thakurdas and also on my friend, Sir Annamalai Chettiyar. (Applause). Their public services both inside and outside the Council have been recognised, I am sure, to your entire satisfaction and on your behalf I tender them congratulations.

It was in January last that we congratulated Sir Edward Cook on the C.S.I., which had been conferred on him. He is not now a Member of this Council, but our congratulations are again called for as he has received the honour of a Knighthood.

I should like to take this opportunity of regretting the loss to this Council of the eloquent and intellectual contributions which have always been made by Professor Kale, and I am sure we all hope that, in his new sphere of action, he will add lustre to the reputation which he has certainly achieved in this Council. (Applause).

The HONOURABLE SIR NARASIMHA SARMA (Education, Health and Lands Member) : Sir, will you kindly permit me to express how deeply grateful I am to the House and to you in particular for the kind manner in which you have expressed your appreciation of the honour that has been conferred upon me so graciously by His Majesty. The only thing that I need say is that I recognise how ill I deserve that honour, and to assure the House and you, Sir, that it shall be my constant endeavour to be worthy of the distinction and to earn, if possible, the goodwill of this House and the country by my conduct both here and elsewhere.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS (Bombay Nominated Non-Official) : Sir, I need hardly say that I am most grateful to you and to the House for the kind words you have been pleased to say in connection with the honour that has been conferred upon me. This is my first session of the Council in Simla, and I well recognise that I am one of the most junior members of this House. The warm approval that the House has been pleased to give to what you said, Sir, makes me feel that I have won the confidence of the House, even though it be to a small extent. It will always be my endeavour to prove worthy of the approval that the House has been pleased to give to what you said so kindly.

The HONOURABLE SIR ANNAMALAI CHETTIYAR (Madras : Non-Muhammadan) : Sir, I thank you and my Honourable Colleagues here most heartily for the kind congratulations you have been pleased to offer me on the honour that has been conferred upon me, and I feel most grateful to you for your very kind appreciation.

The HONOURABLE MR. LALUBHAI SAMALDAS (Bombay : Non-Muhammadan) : If you will allow me, Sir, I should like to ask the Questions standing in the name of the Honourable Mr. Sethna as he is unfortunately absent to-day.

The HONOURABLE THE PRESIDENT : I consent to that course.

QUESTIONS AND ANSWERS.

RECOMMENDATIONS OF INCHEAPE COMMITTEE.

1. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to lay on the table a statement showing in detail (1) which of the recommendations of the Inchcape Committee they have accepted *in toto*, (2) which in a more or less modified form, and (3) which not at all? In the case of those which they have not been able to accept at all, will they state the reasons that have led them to reject them altogether?

The HONOURABLE MR. A. C. McWATERS : I place on the table a statement which shows briefly the action taken with regard to each recommendation of the Retrenchment Committee. The statement has been compiled in the form in which the information is most readily available, that is, the progress report maintained by the Finance Department. It is not altogether in the form in which the Honourable Member has asked for information to be supplied, but I hope he will find the statement fairly complete. If he desires further information on any particular point, I shall endeavour, as far as possible, to obtain it. I also lay on the table a further statement giving fuller reasons in the more important cases why Government have been unable to accept the recommendations of the Committee.

17.—Statement showing the action taken on the recommendations of the Indian Retrenchment Committee regarding the Military Services.

| Serial No. | Head. | Reference to Report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------|----------------------|-------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------|
| | | Para. | Para. | | | | | |
| 1 | 48—Army | 9 | 4 | Reduction of peace establishment of British infantry battalions to 683 British Other Bnks. | Rs. 144 lakhs less the necessary lag. | The proposal is under discussion with the Secretary of State. | Rs. None at present. This will depend on the decision arrived at. | |
| 2 | " | 10 | 5 | Reduction of peace establishment of active Indian infantry battalions (other than Gurkha units) to 766 Indian ranks. | | | | |
| 3 | " | 10 | 5 | Reduction of peace establishment of training battalions by 50 Indian ranks. | Rs. 43 lakhs less lag. | The proposal is under discussion with the Secretary of State. | None at present. This will depend on the decision arrived at. | |
| 4 | " | 10 | 5 | Reduction of peace establishment of active pioneer battalions to 722 Indian ranks. | | | | |
| 5 | " | 10 | 5 | Alteration of terms of service of Indian soldiers so as to include colour and reserve service. | Nil. | This question has been taken up with a view to the introduction of new conditions of service for Indian soldiers as soon as a definite decision has been arrived at on items 2, 3 and 4. The savings to be effected by this recommendation will not be realised this financial year. | Nil. | |
| 6 | " | 11 | 6 | Reduction of 3 British cavalry regiments. | Rs. 74 lakhs less the necessary lag. | The proposal is under discussion with the Secretary of State. | None at present. This will depend on the decision arrived at. | |
| 7 | " | 11 | 7 | Reduction of 10 per cent. in artillery. | Rs. 43 lakhs less the necessary lag. | The proposal is under discussion with the Secretary of State. | None at present. This will depend on the decision arrived at. | |

| Serial No. | Head. | Reference to Report. | | Recommendation. | Reduction proposed on Budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.) |
|------------|-------|----------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------|
| | | Page | Para. | | | | | |
| | Army | 13 | 13 | Reduction of officers employed at Army Headquarters to full extent recommended by Innes Committee, Rs. 4 lakhs being effected in 1923-24. | Rs. 4 lakh less the necessary lag. | These two recommendations are being dealt with together. Orders of Government giving effect to a reduction of Rs. 5,85,000 per annum have already issued. These reductions will take effect from various dates during the current year and the full saving will not therefore be realised this financial year. | Rs. 4 lakhs. | |
| 9 | " | 13 | 12 | Reduction of clerical establishment of Army Headquarters by Rs. 2 lakhs. | Rs. 2 lakhs less the necessary lag. | The question of reduction to the full extent recommended by the Innes Committee is also under consideration. | | |
| 10 | " | 13 | 13 | The necessity for retention of 4 Commands to be again reviewed after 12 months (i.e., February 1924), and in meantime no expenditure to be incurred on new offices for the Commands. | Nil | The matter is under examination. | Nil | |
| 11 | " | 13 | 16 | The provision for Command, district and brigade staffs to be reduced by Rs. 4 lakhs for 1923-24 in addition to savings under transport and forage charges. | Rs. 4 lakhs less the necessary lag. | These two recommendations are being dealt with together. Orders of Government giving effect to a reduction of Rs. 7.24 lakhs per annum have already been issued. | Rs. 6 lakh. | |
| 12 | " | 14 | 17 | All work in connection with movement of troops to be decentralised to Commands and districts and total provision for embarkation and railway transport staff be limited to Rs. 3,00,000. | Rs. 3.413 lakhs. | The question of reduction to the full extent recommended is under consideration. | | |
| 13 | " | 15 | 10 | Tenders should be obtained for the construction of the Hindu-Bagh Fort Mandeman Railway, and if the cost approximate to Rs. 35 lakhs, work should be put in hand forthwith. | Nil | Data is being obtained to enable this recommendation to be considered. | Nil | |
| 14 | " | 15 | 20 | All the 1,792 obsolete Mechanical Transport vehicles should be sold or scrapped forthwith except vehicles of standard types which should be dismantled and their parts placed in stock as spares. | Nil | Sales are proceeding | Rs. 16 lakhs. | |

QUESTIONS AND ANSWERS.

149

| Serial No. | Head. | Reference to Report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1922-24. | Remarks (further action proposed, etc.). |
|------------|---------|----------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 15 | 48—Army | 15 | 20 | While present financial conditions obtain, the authorised establishment of motor vehicles including reserves should not exceed 1,600 vehicles exclusive of motor cycles. | Rs. The proposed reduction is included in items 16 and 21. | Proposals for revised establishments are under consideration. Some reductions have already been made provisionally. | Rs. The reduction effected is included in items 16 and 21. | |
| 16 | | | 21 | Establishment of motor cars in use to be limited to 150 and their mileage to be restricted to 9,000 miles per annum. | 1 lakh... | Departmental orders regarding the limitation of motor cars to 150 have been issued. Orders of Government will issue in due course. Orders of Government regarding the restriction of mileage of motor cars have already issued. | 1 lakh. | |
| 17 | | | 22 | The possibility of increasing the mileage of Ford Cars per gallon of petrol to be explored (present mileage being 14 miles per gallon.) | Nil. | Data are being collected to enable the recommendation to be considered. | Nil. | |
| 18 | | | 22 | All lorries and miscellaneous vehicles to be limited to 1,000 miles running per annum, petrol and other supplies being rationed to ensure the mileage limitation being enforced. | Rs. 48 lakhs. | Orders of Government regarding the limitation of mileage and the rationing of petrol and lubricants have already been issued. The full savings will not accrue this financial year as, owing to the bad state of repair of vehicles, it was necessary to provide Rs. 15½ lakhs for special repairs. | Rs. 32½ lakhs. | |
| 19 | | | 22 | Number of ambulances in use to be limited to 200. | Nil | The existing peace establishment of motor ambulances is 200. No action is necessary regarding this recommendation. | ... | |
| 20 | | | 22 | Total establishment of motor cycles to be fixed at not more than 350, and all obsolete cycles to be sold or scrapped forthwith. | The proposed reduction is included in item 18. No reductions were proposed on account of sales. | Departmental orders have been issued giving effect to this recommendation. Government orders laying down the revised establishments will issue in due course. Sales are proceeding. | The reduction effected is included in item 18. The reduction effected on account of sales is Rs. 2 lakhs. | |

| Sl. No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|---------|---------|----------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 21 | 44—Army | 16 | 23 | The adoption of the recommendations, regarding personnel, of the Braithwaite Committee, with the exception of that relating to the increase of the establishment of the Mechanical Transport training school. | Rs. 20 lakhs less the necessary lag. | Departmental orders regarding this recommendation have issued. Orders of Government giving effect to the reduction in establishments will issue in due course. | Rs. 15 lakhs. | |
| 22 | | 16 | 23 | Total annual expenditure on Animal and Mechanical Transport should be reduced by Rs. 55 lakhs, viz.:— Reductions of Personnel in Mechanical Transport units and formations (para. 23) ... 20 Reductions of drivers of motor cars due to reduction of numbers of cars in use (para. 21) ... 1 Reduction in running expenses of motor lorries and other vehicles (para. 22) ... 48 Deduct annual replacements 14 Net saving... 55 There will be an additional saving under the stock account of Rs. 15 lakhs. | Shewn against items 16, 18, 21 and 67. | See remarks against Items 16, 18, 21 and 60. | Shewn against items 16, 18, 21 and 60. | |
| 23 | " | 16 | 24 | Owing to an over-estimate in 1922-23 on account of Sea Transport charges, there will be a saving of Rs. 46-05 lakh in 1923-24. | Rs. 46-05 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 46-05 lakhs. | |
| 24 | " | 17 | 25 | Provision for Railway charges under all heads for 1923-24 to be reduced to Rs. 1,85,00,000. | Rs. 14-75 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 14-75 lakhs. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget for 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------|----------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 25 | 40-Army | 18 | 26 | (a) Provision for educational and instructional establishments for 1923-24 to be reduced by Rs. 7,42,450. (b) Grant for practice ammunition will have to be increased by Rs. 23 lakhs. | Rs. 7.42 lakhs less the necessary lag. Nil. | Proposals giving effect to the recommendation are under consideration. The increased provision has been allowed for in the budget for 1923-24. | Rs. 6.16 lakhs. Nil. | |
| 26 | " | 20 | 27 | The provision for Army Education to be reduced to Rs. 33,00,000 for 1923-24 and to be fixed at this figure for the next 5 years, exclusive of any additional expenditure on the Dohra Dun and King George's Military Schools. A proportionate further reduction should be made if proposals regarding reduction of fighting troops are accepted. | Rs. 4,16,500 less the necessary lag. | The second part of the recommendation will be considered when a decision has been arrived at about the precise reduction in the strength of troops. As regards the first part of the recommendation, proposals giving effect to it are under consideration. | Rs. 3,52,000 | |
| 27 | " | 21 | 28 | An enquiry to be made with a view to closing down hospitals where their retention is not justified and to substantially reducing the number of beds in the hospitals retained. | Nil | Enquiries regarding this recommendation are proceeding. | Nil. | |
| 28 | " | 20 | 28 | A reduction of Rs. 5 lakhs to be made in the cost of the present establishments employed in hospitals in addition to the savings which should automatically result from reductions in Army personnel. | Rs. 5 lakhs less the necessary lag. | Proposals giving effect to the reductions are under consideration. Many of the reductions necessary have already been effected. | Rs. 4 lakhs. | |
| 29 | " | 21 | 28 | A reduction of Rs. 31 lakhs to be made under the head of "provisions and diets." | Rs. 31 lakhs. | The reduction has been given effect to in the budget for 1923-24. | Rs. 31 lakhs. | |
| 30 | " | 21 | 28 | A reduction of Rs. 16 lakhs to be made under the head of "clothing for patients." | Rs. 16 lakhs. | The reduction has been given effect to in the budget for 1923-24. | Rs. 16 lakhs. | |
| 31 | " | 21 | 28 | A reduction of Rs. 1 lakh to be made under the head of "cost of drugs." Total reduction under head of "working expenses of hospitals." | Rs. 1 lakh. | The reduction has been given effect to in the budget for 1923-24. | Rs. 1 lakh. | |

| Serial No. | Hrs. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|-----------|----------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 22 | 48-Art. J | 23 | 30 | The provision for Arsenals and Ordnance depots for 1923-24 to be limited to the amount provided for 1922-23, and possibility of effecting economy by temporarily utilising military labour for clearing up arrears of work to be explored. | Rs. Nil | With the exception of charges for railway freight and losses on sale of surplus stores which have gone up since last year the provision for Arsenals in the Budget for 1923-24 has been limited to the same figure as for 1922-23. The aggregate provision under all heads on account of rail charges for the Army has been restricted in accordance with the recommendation shown against Serial No. 21; but the share of the aggregate provision specifically made available for arsenals and ordnance depots is greater in 1923-24 than in 1922-23, the budget grant for the latter year having proved too low. The provision included in the estimates for 1923-24 on account of loss on sale of surplus stores represents a loss inseparable from heavy sales of surplus stores that will be necessary in order to give effect to the recommendation shown against Serial No. 59 (b). The question of temporarily utilising military labour for clearing up arrears of work is being explored. It is stated, however, that all work of a nature that troops could carry out has probably been concluded. | Rs. Nil | |
| 23 | " | 22 | 31 | Steps to be taken to close down at an early date 3 out of the 4 clothing and boot depots. | Nil | The Committee appears to have been under a misapprehension when they made this recommendation. There were 5 boot and clothing depots of which 2 were intended to close. One of these has been closed, and the closing of the other depends on the building of increased storage elsewhere. The matter is being considered. | Nil | |
| 24 | " | 22 | 31 | Withdrawal from unit charge of mobilization reserves of winter clothing and their concentration in depots. | Nil | This is being done gradually. | Nil | |
| 25 | " | 23 | 31 | Budget provision for 1923-24 for Clothing and Boot Depots to be reduced to Rs. 4,50,000. | Rs. 24,080 less necessary lag. | The matter is under consideration. | Nil | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-24. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|------------|----------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 36 | 48-Army... | 24 | 33 | A savings of Rs. 41 lakhs to be effected in the cost of the supply services in 1923-24. The whole position to be again reviewed in 12 months' time with a view to a further reduction being effected. | Rs. 41 lakhs less the necessary lag. | The saving of Rs. 41 lakhs includes Rs. 15.38 lakhs on account of saving in turnover of certain mobilisation reserves of Supply and Transport Supplies which are being either reduced or abolished. Departmental orders giving effect to these reductions have been issued. Orders of Government will issue in due course. | Rs. 38.7 lakhs. | |
| | | | | | | The balance of the saving, i.e., 25.62 lakhs is on account of reduction of the establishments of the Supply Services. Departmental orders reducing the establishments have already issued. Orders of Government will issue in due course. | | |
| 37 | | 24 | 34 | Cost of Medical Stores Depots to be reduced to Rs. 5 lakhs in 1923-24 Budget. | Rs. .04 lakhs less the necessary lag. | Proposals giving effect to this recommendation are under consideration. | Nil at present. | |
| 38 | | 24 | 35 | Reduction in Veterinary services recommended by the Braithwaite Committee to be put into effect for 1923-24 Budget. | Rs. 3.92 lakhs. | Orders of Government giving effect to this recommendation have already issued. | Rs. 3.92 lakhs. | |
| 39 | | 25 | 36 | A reduction of Rs. 20 lakhs to be made in the Budget for Remount depots and breeding operations. | Rs. 20 lakhs less the necessary lag. | Departmental orders giving effect to the majority of the reductions recommended have already issued. Orders of Government will issue in due course. The remaining recommendations are under consideration. | R. 18.0 lakhs. | |
| 40 | | 25 | 30 | Accounts on a commercial basis to be instituted for all manufacturing establishments (vide Appendix E. of Report with debit for interest on capital and depreciation. | Nil | Accounts on a commercial basis have already been introduced for most of the principal manufacturing establishments on the Army side. The question of developing the arrangements is under consideration. | Nil. | |
| 41 | | 26 | 43 | The proportion of British personnel in Army clothing factories and depots to be reduced to 13 per cent. of the total staff. | Nil | Orders of Government giving effect to this recommendation have already issued. | Nil. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------|----------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| | 48-Army | 27 | 44 | In view of the large reductions recommended in the use of the Mechanical Transport, only a small repairing shop should be retained at Chaklala, and the possibility of utilising the balance of the available accommodation to be explored. | Rs. Nil | The matter is under consideration. | Rs. Nil. | |
| | | 27 | 44 | Endeavours to be made to come to a favourable arrangement with the commercial concerns supplying the standard types of vehicles adopted by the Army to undertake complete overhauls in India of their own vehicles. | Nil | The matter is under consideration. | Nil. | |
| 44 | " | 28 | 46 | Consequent on the reduction in numbers of British troops in India of the Roman Catholic persuasion, the numbers of Roman Catholic Chaplains to be reduced to the essential minimum and all other Roman Catholic soldiers ministering to troops to be placed on a capitulation basis. | Rs. 1.5 lakhs, less the necessary lag. | The proposal is under discussion with the Secretary of State. | Nil at present. | |
| 45 | " | 28 | 46 | An early decision to be come to on the proposal to form an Army Chaplains Department for Church of England Chaplains; and, if proceeded with, no additional expenditure to be involved. | Nil | Action on the formation of an Army Chaplains Department is temporarily in abeyance. | Nil. | |
| 46 | " | 28 | 47 | A reduction of Rs. 50,000 due to fall in prices, to be made in grant for Administration of Canonments. | Rs. 5 lakhs. | The reduction has been allowed for in the Budget for 1923-24. | Rs. 5 lakhs. | |
| 47 | " | 20 | 48 | A reduction of Rs. 20,000 to be made under the head of Recruiting Staff. | Rs. 2 lakhs. | Orders of Government giving effect to this recommendation have already issued. | Rs. 2 lakhs. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-24. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|------------|----------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 48 | 48-Army... | 10 | 50 | An early settlement to be arrived at on the basis of the future capitulation rate for British soldiers serving in India. Meantime the provisional rate having been reduced to £25 there will be an automatic saving of £44,000. | Rs. Rs. 6.6 lakhs. | | Rs. | |
| 49 | " | 30 | 51 | Budget provision in 1922-23 for furlough allowances for officers of the Indian service was too high by £346,000. This will automatically produce a saving in 1923-24. | Rs. 5.9 lakhs. | | | |
| 50 | " | 30 | 51 | The payment to War Office of £93,000 in 1922-23 on account of clothing and equipment brought to India by British troops should disappear in 1923-24 consequent on the reductions proposed in British troops. | Rs. 13.95 | The reductions have been allowed for in the Budget for 1923-24. | | |
| 51 | " | 30 | 52 | The non-recurrence of the item of exchange concession in respect of Mesopotamia will produce an automatic saving of £250,000. | Rs. 37.5 lakhs. | | Rs. 183.45 lakhs. | |
| 52 | " | 30 | 53 | The non-recurrence in the stock account of arrear payments of £410,000 and £280,000 on account of ordnance and mechanical transport equipment indented for in previous years will produce an automatic saving of Rs. 73.5 lakhs. | Rs. 73.5 lakhs. | | | |
| 53 | " | 31 | 50 | Stocks to be eaten up to the extent of Rs. 35 lakhs. Credit to be taken for Rs. 35 lakhs on account of fall in prices as compared with 1922-23. Debit of Rs. 10 lakhs to be taken on account of anticipated losses and writes off. | Rs. 60 lakhs. | The reduction has been allowed for in the Budget for 1923-24. | Rs. 60 lakhs. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|------------|----------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page | Para. | | | | | |
| 54 | 46-Army... | 33 | 60 | Messing allowance of the British soldier to be reduced to 3½ annas per diem. | Rs. 37 lakhs less the necessary lag. | Orders of Government are about to issue giving effect to this recommendation. | Rs. 27 75 lakhs. | |
| 55 | | 32 | 61 | Stocks to be eaten down to the extent of Rs. 10 lakhs. Credit to be taken for Rs. 50 lakhs on account of fall in prices and reduction of ration scales. Debit of Rs. 5 lakhs to be taken on account of anticipated losses and write-off. | Rs. 55 lakhs. | The reduction has been allowed for in the Budget for 1923-24. | Rs. 55 lakhs. | |
| 56 | " | 32 | 63 | Stocks of petrol and lubricants to be reduced by Rs. 5 lakhs. | Rs. 5 lakhs. | The reduction has been allowed for in the Budget for 1923-24. | Rs. 5 lakhs. | |
| 57 | " | 33 | 61 | The stocks of medicines and surgical instruments are to be reduced to the level authorised by the orders issued on this subject in September 1921 and the estimated figures of Rs. 35.15 lakhs for new purchases in 1923-24 to be curtailed by Rs. 10 lakhs. A complete review to be made of all articles held, and, apart from the mobilization reserve of Rs. 4 lakhs, any stocks in excess of 18 months' supply of articles not in common use or liable to deterioration to be sold. | Rs. 10 lakhs. | Reports as to stocks have been called for. A reduction of Rs. 7 lakhs has been allowed for at present in the budget for 1923-24. The question of a further curtailment of purchases will be considered. | Rs. 7 lakhs. | |
| 58 | " | 33 | 65 | Possibility of authorised periods of wear of clothing being increased by 25 per cent. and other economies in clothing and kit allowances to be further reviewed. Reduction of Rs. 30 lakhs to be affected in existing stocks. | Rs. 53 lakhs. | | | |
| 59 | | 33 | 66 | (a) A reduction of 50 per cent. in the war reserve could be effected. | | Orders of Government increasing the authorised periods of wear of clothing have already issued. The question of the reduction in War reserves is | Rs. 40 lakhs. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1922-24. | Remarks (further action proposed, etc.). |
|------------|------------|----------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 60 | 46-Army... | 34 | 67 | <p>(b) The total stock of stores should be reduced to Rs. 8 crores. Expenditure on purchase in 1923-24 to be restricted to Rs. 130 lakhs after allowing for Rs. 10 lakhs fall in prices, a reduction of Rs. 1,00,00,000. Any balance required for consumption to be obtained by reduction of stocks or from the proceeds of sales of surplus stores.</p> <p>The provision for additions by purchase to be reduced by Rs. 21 lakhs, viz.—</p> <p style="text-align: right;">Rs.</p> <p>By consumption of existing stocks of tyres and spare parts. 15 lakhs.</p> <p>Omission of budget provision for purchase of new vehicles as shown in 1922-23 Bud-ot. (But see paragraph 23 of report). 6 lakhs.</p> <p style="text-align: right;">Total 21 lakhs.</p> | Rs. 100.43 lakhs. | <p>under consideration. A reduction of Rs. 140 lakhs has been allowed for in the budget for the present.</p> <p>The possibility of obtaining a further reduction is under consideration.</p> | Rs. | |
| | | | | | Rs. 21 lakhs. | <p>The reduction of Rs. 6 lakhs for the purchase of new vehicles has been allowed for in the budget for 1923-1924.</p> <p>A credit of Rs. 5 lakhs on account of consumption of existing stocks has also been allowed for. The question as to whether existing stocks can be utilized to a greater extent during the current year is under consideration.</p> | Rs. 11 lakhs. | |
| 61 | " | 34 | 68 | <p>No purchase of camels being necessary in 1923-24, there will be a saving of Rs. 3.33 lakhs. If reduction in strength of fighting troops is accepted it should be possible to reduce purchase of animals by Rs. 10 lakhs by making equivalent reduction in number of animals in remount depots.</p> | Rs. 10 lakhs. | <p>A reduction of Rs. 5 lakhs has been allowed for in the budget for 1923-24. A further reduction may be possible when the recommendations at item 6 regarding the reduction of Cavalry and Artillery have been settled.</p> | Rs. 5 lakhs. | |
| 62 | " | 34 | 69 | <p>Not saving under recommendations contained in paragraphs 58 to 67 inclusive when compared to the 1922-23 estimate is only Rs. 188.43 lakhs, since the 1922-23 estimate assumed savings of Rs. 162.29 lakhs due to reductions of stocks.</p> | Shown against items 53 to 61 inclusive. | <p>See remarks against items 53 to 67.</p> | Shown against items 53 to 67. | |

| Serial No. | Head. | Refer- enced to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------|-------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------|
| | | Page. | Para. | | | | | |
| 63 | Army... | 34 | 70 | The provision for Waziristan occupation for 1923-24 being limited to Rs. 19.5 lakhs will produce an automatic reduction of Rs. 153.5 lakhs under this head. | Rs. 153.5 lakhs less the necessary lag. | A change in the Waziristan policy since the Committee reported has rendered some 75 per cent of this saving nugatory. | Rs. 43.5 lakhs. | |
| 64 | | 34 | 70 | Recommended that the garrison at Aden be reduced to its pre-war strength representing a saving of Rs. 10 lakhs on the 1922-23 Budget. | Rs. 10 lakhs less the necessary lag. | The proposal is under discussion with the Secretary of State. A reduction of Rs. 3 lakhs has been allowed for in the budget for 1923-24. | Rs. 3 lakhs for the present. | |
| 65 | " | 34 | 70 | War arrears adjustments in connection with the Great War and the Afghan War having been completed, the sum of Rs. 3.4 lakhs allowed under these heads in the 1922-23 Budget will not recur. | Rs. 3.4 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 3.4 lakhs. | |
| 66 | " | 35 | 71 | (a) Where stores are issued by the Army to other departments, a debit should be raised against the department concerned. (b) The Grant for not miscellaneous expenditure to be reduced to Rs. 20 lakhs. | Nil. | (a) Orders of Government have issued giving effect to the recommendation. (b) The net expenditure recommended has been allowed for in the budget for 1923-24. | Nil. | |
| 67 | " | 35 | 73 | No provision for unallotted reserve to be made in future budgets. Rs. 30 lakhs is being allotted for the completion of equipment in 1923-24. As approximately half of the "new measures" for 1922-23 are recurring charges and will be shown under appropriate heads, the net saving for "new measures" amounts to Rs. 3 lakhs. | Rs. 3 lakhs. | The reduction has been allowed for in the Budget for 1923-24. | Rs. 3 lakhs. | |
| 68 | " | 35 | 73 | Recommended that the pre-war arrangement be reverted to under which a settlement of pension was arrived at for each individual on retirement on the basis of his expectation of life. | Nil. | The matter is under discussion with the Secretary of State. | Nil. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|--------------------|----------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 69 | 48-Armv... | 35 | 74 | The share of India or the allowances and gratuities payable to demobilised officers during 1923-24 will amount to £115,000 an increase of £25,000 or Rs. 1.75 lakhs over 1922-23. | Rs. Nil. | The increased provision has been allowed for in the budget for 1923-24. | Rs. Nil. | |
| 76 | " | 56 | 75 | Recommended that the Budget for 1923-24 for the Auxiliary and Territorial Forces be fixed at Rs. 108 lakhs, the main saving being in Territorial Forces charges. | Rs. 10.80 lakhs. | The reduction has been allowed for in the Budget estimates for 1923-24. | Rs. 10.8 lakhs. | |
| 71 | 50-Military Works. | 58 | 3 | That reappropriation of funds for Military Works be prohibited except for works included in the sanctioned programme when the reappropriation should be subject to the surrender of savings being justified by the financial situation. | Nil. | The recommendation is under consideration. | Nil. | |
| 72 | " | 54 | 4 | That the whole arrangement for accommodation of both British and Indian troops should be reviewed and that it should be considered whether it would be possible in some cases to accommodate the troops in existing barracks, and in other cases whether the old system of hutting grants should not be reverted to until the future distribution of the army and the strength of units have been definitely decided. | Nil. | The recommendation is under consideration. | Nil. | |

| Serial No. | Head. | Reference to Report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed etc). |
|------------|--------------------------|----------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------|
| | | Page. | Para. | | | | | |
| 73 | 50—Military Works. | 54 | 5 | That the whole programme of Military Works requirements be examined and curtailed on the basis that the total provision for new works and works in progress, apart from the requirements of the Royal Air Force and any special measures rendered necessary by the military situation, should be reduced by Rs. 20 lakhs. | Rs. 20 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 20 lakhs. | |
| 74 | " | 54 | 6 | That in the present financial conditions no major works should be embarked on without examination at headquarters and that the annual provision should be reduced to 16 lakhs. | Rs. 6·7 lakhs. | The recommendation regarding the major works is under consideration. The reduction has been allowed for in the Budget for 1923-24. | Rs. 6·7 lakhs. | |
| 75 | " | 54 | 7 | That the reserve for buildings and works costing up to Rs. 10,000 be limited to 10 lakhs. | Rs. 5 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 5 lakhs. | |
| 76 | XXXVIII —Military Works. | 55 | 9 | That the possibility be explored of effecting economies in new construction by utilization of vacant buildings for military purposes and that steps be taken to dispose of all buildings which cannot be utilised. | Nil | The recommendation is under further consideration although the policy recommended is already in force. | Nil | |
| 77 | 50—Military Works. | 55 | 9 | That the provision for repairs to buildings in 1923-24 be limited to 55 lakhs. | Rs. 9·47 lakhs. | The reduction has been allowed for in the budget for 1923-24. | ... | |
| 78 | " | 55 | 10 | That the decision be expedited on the question of retransferring certain frontier roads to the civil authorities. | Nil. | The recommendation is under consideration. | Nil. | |
| 79 | " | 55 | 10 | That the total provision for roads be reduced to 27 lakhs. | Rs. 2 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 2 lakhs. | |
| 80 | " | 55 | 11 | That the total expenditure in 1923-24 under the head Miscellaneous be limited to Rs. 78,78,000. | Rs. 8·23 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 8·23 lakhs. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget for 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------------------|----------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 81 | 50-Military Works. | 56 | 12 | That the staff of officers employed on Military Works should be progressively reduced approximately to the pre-war cadre, the grant for establishment in 1923-24 being fixed at Rs. 75,05,000, a saving of Rs. 5 lakhs and that further saving should be effected thereafter. | Rs. 5 lakhs. | Proposals giving effect to the recommendation are under consideration. The reduction has been allowed for in the budget for 1923-24. | Rs. 5 lakhs. | |
| 82 | " | 56 | 13 | That the rule under which imported material must be obtained through the High Commissioner for India should be amended, so as to enable new works or extensive repairs to be given out on lump sum contracts. | Nil. | The recommendation is under consideration. | Nil. | |
| 83 | " | 56 | 14 | That some system should be immediately introduced to obviate the wasteful expenditure incurred in consequence of the lapsing of unspent grants. | Nil. | Orders of Government giving effect to this recommendation have already issued. | Nil. | |
| 84 | " | 57 | 18 | That the provision under the head "Tools and plant" be limited to Rs. 3 lakhs. | Rs. 5 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 5 lakhs. | |
| 85 | XXXVIII-Military Works. | 57 | 16 | That in the case of all new occupants of Military Works quarters rent should be charged with reference to present rate of interest irrespective of the date of construction but subject to the usual maximum of 10 per cent. of pay. | Nil. | The recommendation is under consideration. | Nil. | |
| 86 | 50-Military Works. | 57 | 17 | That a reduction of Rs. 10 lakhs should be effected in the total purchases of Military Works stores in 1923-24. | Rs. 10 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 10 lakhs. | |
| 87 | 48-Army... | 126 | 3 | Reduction in the establishment of His Excellency the Viceroy's body-guard. | Rs. 4 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 4 lakhs. | |
| 88 | " | 126 | | Reduction in the establishment of His Excellency the Viceroy's band. | Rs. 2 lakhs. | The reduction has been allowed for in the budget for 1923-24. | Rs. 2 lakhs. | |

II. Statement showing the action taken on the recommendations of the Indian Retrenchment Committee regarding the Royal Indian Marine.

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks (further action proposed, etc.) |
|------------|-------|----------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------|
| | | Page | Para. | | | | | |
| | | | | | Rs. | | Rs. | |
| | | 43-44 | 3 | The three troop-ships "Dufferin", "Hardinge" and "Northbrook" be laid up forthwith and placed under care and maintenance parties until sold. | 80,00,000 | Vessels laid up and placed under a care and maintenance party from 1st April 1923. Confirmation of Secretary of State for India awaited before advertising sale of ships. | 30,00,000 | |
| | | 44-167 | 27 | Fitting up of the "Lawrence" to perform both the duties of the Political Despatch Vessel and Light-house Tender in the Persian Gulf, the "Nearehus" (the present Light-house Tender) being disposed of. Cost of maintaining the "Lawrence", exclusive of interest of capital and depreciation to be transferred to the Political Estimates. | 4,62,000 | Proposal accepted in principle by Government. Sanction of Secretary of State will be asked for as soon as possible. Director, Royal Indian Marine authorised to refit the "Lawrence" for dual duties and meet expenditure involved from existing provision in Marine Estimates for this year pending a decision on question of incidence of cost which is under consideration. | | |
| 3 | ... | 44 | 4 | Arrangements to be made for the tending of certain of the Burma lights by trawlers and for the "Clive", station ship at Burma, to combine the duties of Port Blair and Burma station ships, thus enabling the disposal of the "Minto", station ship at Port Blair. | 1,98,000 | This can only come into force when the port authorities of Burma take over certain lights which are really harbour and port lights and not coastwise lights. This question is under consideration in the Department of Commerce in connection with the general question of light house administration in India. It will be sometime before a decision can be arrived at on the general question. | | |
| 4 | | | | Discontinuance of the use of the "Dalhousie" as a Receiving ship at Bombay and her disposal. | 1,80,000 | Scheme for reorganisation of Royal Indian Marine will be adversely affected by acceptance of recommendation. Question of policy to be adopted in regard to recommendations of this kind under consideration. | | |
| 5 | | | 6 | Immediate disposal of one patrol craft boat. | Not calculated. | Ditto | | |
| 6 | | | 6 | Immediate disposal of at least 4 trawlers. | 19,000 | Ditto | | |
| 7 | | | 7 | Reduction in the number of yard craft at Bombay. | Not calculated. | Director, Royal Indian Marine asked to submit specific proposals for reduction. | | |
| 8 | | | 7 | Reduction in the number of military launches by 6 or 7. | 80,000 | Military launches reduced by 6. | 1,21,000 | |

| Serial No. | Head. | Reference to reports | | Recommendation. | Reduction proposed on budget of 1932-33. | Action taken or proposed. | Reduction effected for 1933-34. | Remarks (further action proposed, etc.). |
|------------|---------------------------------------------------------------------------|----------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 9 | ... | 44 | 8 | Replacement of "Bhamo" and "Sladen" by two vessels purchased by the Government of Burma. | Rs. 1,70,000 | "Sladen" placed out of commission. "Bhamo" will be replaced on arrival of vessels purchased by the Government of Burma. | Rs. 1,13,000 | |
| 10 | 1—General Supervision and Accounts. | 45 | 10 | Reduction in the Accounts Section. | Not calculated. | Under consideration by Military Accountant General in consultation with controller of Marine Accounts. | ... | |
| 11 | " ... | 45 | 10 | Abolition of appointment of Deputy Director, Royal Indian Marine, and house under construction for that officer to be occupied by Director, Royal Indian Marine. | 34,900 | Vide remarks against item 4. | ... | |
| 12 | " ... | 45 | 10 | Permanent retention of an officer in the appointment of Controller of Marine Accounts. | Nil | Financial Adviser has decided to give effect to recommendation by not transferring Controller of Marine Accounts too frequently. | ... | |
| 13 | " ... | 45 | 10 | Provision for "General Supervision and Accounts" to be limited to Rs. 3 lakhs of which Rs. 2 lakhs should be recovered from Royal Navy and other bodies in connection with the work carried out in the Dockyard. | 00,530 | Recommendation largely dependent on acceptance of items (10) and (11) which are under consideration. Director, Royal Indian Marine, was asked to submit specific proposals by which reduction could be effected and to let us know amount likely to be recovered during this year from Royal Navy and other bodies. His proposals have just been received and are under examination. In the meantime a sum of Rs. 4,12,550 has been provided in this year's budget estimates as against Rs. 4,19,530 included in the last year's budget. | 6,980 | |
| 14 | 2—Marine Survey. 5—Salaries and Allowances of officers and men afloat. | 46-48 | 11-14 | Reduction in the number of crews of Royal Indian Marine vessels. | 50,000 | Recommendation of the Director, Royal Indian Marine, who was asked to submit specific proposals for reduction, have just been received and are under examination. | ... | |
| 15 | 2—Marine Survey. | 46 | 11 | Inclusion of interest on capital, depreciation and pension charges in the cost of Marine Survey to be recovered from Port Trusts, Local Governments and Anglo-Persian Oil Company. | Not calculated. | Under consideration. | ... | |
| 16 | 3—Miscellaneous Store Establishments. | 46 | 12 | Cost of working Perim Lighthouse to be recovered from light dues. | 10,000 | Under consideration by Department of Commerce. It will take some time to arrive at a decision. | | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-23. | Action taken or proposed. | Reduction effected for 1923-24. | Remarks* (further action proposed, etc.). |
|------------|--------------------------------------------------------|----------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------|
| | | Page. | Para. | | | | | |
| 17 | 3--Miscellaneous Stores Establishments. | 46 | 12 | Coal depot at Hengam be closed unless it can be shown that its retention is justified financially. If it be retained, a saving of Rs. 32,000 will be effected by the employment of an outside contractor. | Rs. 32,000 | Employment of outside contractor sanctioned, which will effect saving of Rs. 28,000 per annum approximately and further saving anticipated. Question of retention, or otherwise, of depot will be considered later on. | Rs. 16,000 | |
| 18 | " | 46 | 12 | Total provision for "Miscellaneous Stores Establishments" to be limited to Rs. 31,000 | 42,000 | Original Budget estimates for 1922-23 included Rs. 73,000. Amount subsequently increased to Rs. 1,56,000. Budget Estimates for this year provide Rs. 1,33,700 and saving of Rs. 22,000 on this figure is anticipated. There will be a saving of Rs. 40,300 over last year's Revised Estimates. Further savings anticipated. | 21,000 | |
| 19 | 4--Docks. | 47 | 13 | Drastic reduction be made in the Bombay Dockyards and only sufficient personnel maintained to provide for current work and leave the Dockyard capable of expansion in an emergency. | Not calculated | Vide remarks against item 5. | | |
| 20 | 5--Salaries and Allowances of officers and non afloat. | 48 | 14 | Reduction in the rates of pay of the ratings of the Royal Indian Marine consequent on the recent reduction in the pay of Indian Mercantile Marine ratings. | Do ... | Government of Bombay asked to furnish information as to reductions of pay of Indian Mercantile Marine ratings employed by shipping companies in the Bombay Presidency. | | |
| 21 | 6--Victualing of Officers and men afloat. | 48 | 15 | Saving owing to the fall in the price of rations. | 30,000 | Dependent on state of market. No action taken. | | |
| 22 | 9--Miscellaneous. | 48 | 17 | Limiting the total provision under "Head 9-Miscellaneous" to Rs. 3 lakhs. | 2,86,000 | Rs. 3,46,540 provided in this year's Budget Estimate. Recommendations of Director, Royal Indian Marine, who was asked to submit specific proposals whereby saving will be effected, have just been received and are under examination. | 2,39,370 | |
| 23 | " | 50-292 | 10-7 | Restricting the reserve of imported marine stores to one year's requirements, limiting the provision for such stores during 1923-24 to Rs. 1,12,000 and early and progressive reduction in the stocks at present held. | 17,45,000 (Rs. 1,10,000) | Under consideration. Budget Estimate for 1923-24 fixed at Rs. 46,720 or Rs. 6,45,800. Orders issued for the disposal of surplus articles. | 22,30,200 (Rs. 1,46,880) | |

| Serial No. | Head. | Reference to Report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or proposed? | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|------------------|----------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 24 | 9—Miscellaneous. | 50 | 19 | Limiting the provision for supply of coal to subsidised vessels of the Royal Navy and the Persian Gulf during 1923-24 to £25,000 or Rs. 3,75,000. | Rs. 3,24,000 (£21,600) | Provision for 1923-24 fixed at £34,980 or Rs. 5,24,700. At present prices and on the estimated quantity required, it is hoped to keep the expenditure on supply of coal to subsidised vessels of the Royal Navy in the Persian Gulf within the figure of £25,000 suggested by the Committee. The balance of the Budget provision represents the cost of coal to be issued on payment. | Rs. 1,74,300 (£11,620) | |
| 25 | 4—Dock-yards. | 50 | of Clause (2) of "Conclusions". | The Dockyard be worked as a separate entity on a commercial basis. | Not calculated. | Under consideration ... | | |
| 26 | ... | 50 | of Clause (8) of "Conclusions". | Budget estimates for 1923-24 be limited to Rs. 62 lakhs. | 75,00,000 | Total net Budget Estimates for 1923-24 fixed at Rs. 75,07,000. Endeavours will be made to effect as much economy as possible. | 61,92,000 | |

III. Statement showing the action taken on each recommendation of the Retrenchment Committee on the Civil Side.

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------|----------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 1 | Railways... | 61 | 5 | Steps be taken to curtail working expenses as necessary to ensure that under normal conditions an average return of at least 5½ per cent. is obtained on capital invested on State Railways. | Rs. ... | Steps have been taken to limit working expenses during the current year to the provision made in the budget, viz., Rs. 61 crores. If the earnings anticipated are realised and working expenses limited as proposed the net revenue will, it is estimated, give a return of 5.48 per cent. The Financial Commissioner is examining the question whether in the varying circumstances of the Railways the average of 5½ per cent. represents a standard which can be adopted for the regulation of working expenses and adjustment of rates and fares. | Rs. ... | |
| 2 | " | 62 | 6 | The overtaking of arrears of maintenance and renewals should be postponed on Railways not able to earn sufficient receipts to pay interest and sinking fund charges. This would mean (paragraph 27) a saving of Rs. 2½ crores on the N. W., O. & R., E. R., G. I. P. and M. & S. M. Railways. | 2½ crores | The question of provision for overtaking arrears is under consideration in connection with the report of the Depreciation Committee. In the case of the Railways mentioned it has been necessary to allow for commitments and essential renewals, e. g., of worn out material and also for works in progress. The figure of Rs. 2½ crores referred to is based on certain theoretical figures for normal depreciation proposed by the Depreciation Committee and these figures had no connection with the Budget figure for Programme Revenue. The sanctioned estimate, however, stands at Rs. 9 crores which is Rs. 2½ crores less than the figure originally proposed. The saving suggested has therefore been exceeded though it was not possible to accept the recommendations as regards individual Railways. The question of dealing with Capital and Revenue Expenditure on the Railways classed by the Committee as unremunerative is being separately considered. | 2½ crores. | |
| 3 | " | 62-63 | 7 | The present system of Programme Revenue to be abolished and adequate provisional provision to be made annually by each Railway for maintenance and renewals of permanent way rolling stocks. | ... | As stated against Serial No. 2 the whole question of provision for renewals is now under consideration and it is expected that a proper system will be evolved shortly. | ... | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or how proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|----------|----------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 4 | Railways | 66 | 12 | Revision of regulations to ensure a more equitable distribution between capital and revenue of expenditure on the maintenance of way and works and on rolling stock. | Rs. ... | The rules for allocation between Capital and Revenue are under examination in connection with the establishment of a depreciation fund. | Rs. ... | |
| | " | 66 | 12 | In present financial circumstances renewals of permanent-way on unremunerative lines be limited to cases when track is worn out and not capable of being strengthened to meet probable requirements for a substantial period. | | The principle laid down is generally in force. Renewals are not made before track has reached the limit of its useful life and in all cases rails and sleepers taken from the main line are used in branches and subsequently in sidings when the demand generally exceeds the supply. | ... | |
| 6 | | 67-68 | 14 | Expenditure on fuel to be reduced to Rs. 8.68 crores. | 55 lakhs. | The sanctioned grant for fuel stands at Rs. 8.5309 crores or a further reduction of Rs. 15 lakhs. | 70 lakhs | |
| 7 | " | 64 | 14 | The system of placing long term contracts for fuel to be reconsidered. | | The Railway Board controls contracts for the three State Railways only and the present contracts run till April 1925. Most Company Railways have contracts for a similar period. The question: whether the decision to make these contracts has proved of advantage to Railways will be further examined. | ... | |
| 8 | " | 68 | 15 | Renewals of locomotives on unremunerative lines to be postponed. | ... | The question of expenditure on lines classed as unremunerative is being examined. As far as possible expenditure on renewals of locomotives is being limited to actual commitments. | | |
| 9 | " | 70 | 18 | Operating staff on all railways to be reduced to level necessary to meet current requirements. Reductions in headquarters staff to be effected as on G. I. P. Railway. | | An enquiry is in progress on all railways and every possible reduction is being made. It is pointed out that the increase in the G. I. P. administrative and clerical staff between 1914 and 1922 was 37.6 per cent. compared with 28 per cent. in general on all railways and possibility of reduction was greater on that railway. New statistics are being prepared which will form a better classification of numbers and cost of staff employed. | ... | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed in Budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------|----------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| | | Para. | Para. | | | | | |
| | Railways... | | | | Rs. | | Rs. | |
| 10 | " | 70 | 20 | That an investigation be made into the methods adopted by the E. B. Railway to reduce losses and that the provision for compensation be reduced still further. | | These statistics will be utilised for the purpose of reducing staff on State-worked Railways to the most economical standard. There was no opportunity of explaining to the Committee that one of the reasons for the large reductions in compensation on the Eastern Bengal Railway was the construction of the Sara Bridge over the Ganges and the consequent reduction in damage and loss caused by transhipment over the river. The position of each railway is now being examined with a view to reducing expenditure under the head to the minimum. | ... | |
| 11 | " | 70 | 21 | Steps to be taken to eliminate records which serve no practical purpose. | | The Report of the Committee on Statistics has been received and the new system is being introduced. Only those items which are sufficient for working requirements will be maintained. | | |
| 12 | " | 71 | 21 | The present forms of Railway accounts to be investigated and recommendations of the Accounts Committee which have not yet been adopted to have the immediate attention of the Financial Commissioner. | | The Financial Commissioner is considering the system. | | |
| 13 | " | 73 | 23 | A saving of Rs. 1 crore on salaries and wages. | ... | The saving of Rs. 1 crore was included in the reduction of Rs. 3½ crores in working expenses as summarised in paragraph 30, and the Committee has recognised that it might be necessary to make alterations in the methods recommended for effecting this reduction. See remarks against Serial No. 9 as regards reductions of staff. | | |
| 14 | " | 75 | 23 | No expenditure to be incurred on renewals of locomotives on the North-Western Railway in 1923-24. | ... | Owing to commitments entered into before receipt of this recommendation it has not been possible to carry it out entirely. Some of the engines ordered will, however, be transferred elsewhere. The total provision for renewals which cannot be avoided stands at Rs. 27 lakhs compared with Rs. 46 lakhs originally provided. | | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|----------|----------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 15 | Railways | 75 | 28 | Provision for renewals on Great Indian Peninsula Railway for 1922-23 to be limited to actual requirements. | Rs. ... | The figures upon which the Committee worked were not the finally authorised figures and no useful deductions can be made from them. An improved system is, however, under consideration which will enable demands for renewals and replacements to be more rigidly scrutinised and revised. | Rs. | |
| 16 | " | 75 | 28 | Expenditure on freight stock on N. W. and M. and S. M. Railways to be largely curtailed as also the provision for miscellaneous vehicles on the O. and K. M. and S. M. Railways. | | See remarks against Serial No. 15. | | |
| 17 | " | 76 | 28 | On all unremunerative lines renewals of tracks to be limited to sections of line completely worn out and expenditure on certain railways to be drastically curtailed. | | See remarks against Serial No. 5. The expenditure on track renewals on the railways specified has been restricted to actual commitments in regard to running contracts for rails. | | |
| 18 | " | 76 | 28 | Total provision for other works to be limited to Rs. 1 crore. | | The actual provision for 'other works' depends largely on the Capital Programme and is made up of a number of small items representing the revenue portion of works of improvement mainly charged to Capital. Railways are now revising their Capital Programmes and when these are revised it will be possible to estimate the effect under this head. | | |
| 19 | " | 76 | 29 | Remodelling of Grant Road and Victoria Terminus at Bombay to be reconsidered. | | These estimates are now under reconsideration. No sanction has yet been given to either work. The Committee appear to have been unaware that these works are connected with the reorganisation and electrification of suburban traffic in Bombay from which substantial economies are expected in dealing with these estimates care will be taken that only such expenditure will be allowed as is financially remunerative. | ... | |

| Serial No. | Head. | References to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.) |
|------------|----------|-----------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------|
| | | Page. | Para. | | | | | |
| 20 | Railways | 76 | 29 | Programme revenue expenditure in 1923-24 to be limited to Rs. 9 crores. Agents to be empowered to utilise the amounts allocated to them at their discretion. | | The provision has been limited to Rs. 9 crores. The second proposal involves an important question of principle and is under consideration. The Railway Board point out that this recommendation appears to be inconsistent with recommendations made elsewhere in the report that the Board should prevent money being spent on unremunerative lines in renewals of plant, permanent-way, etc. | ... | |
| 21 | " | 77 | 30 | Budget provision for working expenses to be limited to Rs. 64 crores subject to further allowance to meet any increase in traffic. | 4.50 crores. | The recommendation has been given effect to. | 4.50 crores. | |
| 22 | " | 78 | 31 | Except for existing commitments no further capital expenditure to be incurred on unremunerative lines until the position has been examined by the Financial Commissioner. | | Capital programmes for all Railways for the current year are now under review. The revised programmes will be examined by the Railway Board and the Financial Commissioner. The question of expenditure on unremunerative lines is under consideration. | ... | |
| 23 | " | 79 | 32 | Reduction in Railway stores. | ... | Stores balances are being examined by the Financial Commissioner with a view to reduction of balance. Stocks are being examined for disposal of obsolete material and new standards are being fixed. The figure of Rs. 34 crores is not correct. It should be Rs. 23½ crores. | ... | |
| 24 | " | 79 | 33 | Agents of Railways to be designated General Managers and made responsible for administrative, working and financial results of their Railways. | ... | This question involves a careful consideration of the whole question of delegated powers which will be examined. It may be observed that Agents of State Railways and Boards of Companies Lines are already responsible to this extent. The extent to which powers are delegated to Agents of Companies' Lines is a matter for the Company concerned. | ... | |
| 25 | " | 79 | 34 | Appointment of a Financial Adviser. | ... | A Financial Commissioner has been appointed with effect from 1st April 1923. | ... | |
| 26 | " | 80 | 36 | Abrogation of the rule imposing restriction on salaries of Managers of Railways. | ... | There is no special rule in force as regards salaries of Agents. The present scale was fixed by Government after very careful consideration. The matter will, however, be further considered. | | |
| 27 | " | 80 | 37 | Grouping of Railways. | ... | The question is under examination. | ... | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-----------------------|----------------------|-------|-------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| 28 | Posts and Telegraphs. | 93 | | Reduction in number of officers. | Rs. 6,60,000 | The recommendation has been examined. It has been pointed out that the increase of officers included 44 officials who, on revision of pay, were automatically classed as such. The balance of 44 includes 17 officers and 15 officers respectively of the new Wireless and Telephone Branches in which no reduction is possible. Of the remaining 12 officers, 6 have been reduced. No further reductions are possible. | Rs. ... | Savings have been taken into account in the general reduction under salaries. |
| 29 | " | 94 | 9 | Economy in staff employed in telegraph offices. | | The Director-General has shown that the sanctioned strength of telegraphists is not in excess of requirements. It appears that in making their calculations the Committee did not take into account the authorised proportion of telegraphists employed on non operation duties and the additional leave reserve thereon. | ... | The question will be further examined in connection with the traffic of the current year. It is understood that the traffic of 1921-22 was below normal. |
| 30 | " | 95 | 10 | Economy in engineering and line staff. | | Under consideration. | ... | |
| 31 | " | 95 | 10 | Reduction in provision for salaries. | 25 lakhs | It is pointed out that the Committee did not take into account Rs. 18½ lakhs required in 1922-23 for increments of pay to staff on time scales and for new sanctions accorded in 1922-23. With these additions the normal budget of 1923-24 would have been Rs. 6,15,83,000 for salaries. The corresponding figure for 1922-23 is actually Rs. 5,94,74,000 a reduction of Rs. 81 lakhs on the normal expenditure though the limit imposed by the Committee has been exceeded. | 31 lakhs | The reduction on the normal scale of expenditure on salaries has been effected mainly under the following heads during the current year. Rs. Officers... 50,000 255 clerks and scribes... 1,33,000 Line staff... 1,16,000 900 Postmen... 1,83,000 828 Peons, etc... 1,32,000 Wireless staff... 72,000 Temporary establishment... 1,98,000 Reduction in grant for normal expenses of staff... 3,50,000 The total reductions for 1923-24 amount to Rs. 14 lakhs in addition to over Rs. 16 lakhs retrenchment effected in the provision under this head in 1922-23. |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-----------------------|----------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| 32 | Posts and Telegraphs. | 96 | 11 | No additional motor services to be provided save on grounds of economy and use of motor to be confined to large towns, etc. Better rates to be obtained on renewal of contracts. | Rs. | Existing motor services are governed by contracts but on termination of these, recommendation of the Committee will be followed. Proposals for new motor services will be dealt with as proposed. | Rs. | |
| 33 | " | 96 | 12 | Reduction in provision for conveyance of mails. | 7,00,000 | The provision for the current year has been reduced to Rs. 74 lakhs. | 9.3 lakhs | |
| 34 | " | 96 | 12 | Reduction in charges for Account and Audit. | 3,71,000 | A reduction to Rs. 25 lakhs has been effected in the budget and endeavour will be made to keep to this figure but it has to be remembered that it is false economy to restrict the check on the transactions of the Department, which may mean in the end a considerable loss to the Revenue. | 3,71,000 | The question of further reduction is under consideration but the Accountant General points out that considerable reductions amounting to about 170 clerks had already been effected in 1922-23. |
| 35 | " | 97 | 14 | Reduction in expenditure on travelling allowances. | 4,61,000 | The provision has been reduced to Rs. 15 lakhs and with the recent alteration of the rules and the strict supervision of travelling it is hoped to keep within this reduced figure. | 8,55,000 | |
| 36 | " | 97 | 15 | Check over wastage in forms and consequent reduction in expenditure on stationery and printing. | 3,00,000 | The provision for the current year has been reduced to Rs. 27,21,000 and steps are being taken to minimise wastage of forms. | 5,00,000 | |
| 37 | " | 97 | 16 | Reduction in provision for postal buildings. | 9,19,000 | The programme has been revised and the expenditure in the current year is limited to Rs. 6 lakhs. | 9,19,000 | |
| 38 | " | 97 | 16 | Outside tenders to be called for for large buildings. | ... | The matter is under consideration and it is hoped to employ outside agency more extensively in future. | ... | |
| 39 | " | 98 | 17 | Reductions in charges for supplies and services. | 4,92,000 | The reduced provision of Rs. 8 lakhs has been accepted. | 4,92,000 | |
| 40 | " | 99 | 20 | Revision of house rent allowances and reduction in provision for house rent, local and other allowances. | 2,69,000 | The scale of allowances is under consideration and the provision has been reduced to Rs. 22 lakhs. | 2,69,000 | |
| 41 | " | 100 | 21 | Automatic reduction in subsidies to cable companies. | 50,000 | The reduction has been effected. | 50,000 | |

QUESTIONS AND ANSWERS.

1443.

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-22. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-----------------------|----------------------|-------|---------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| 43 | Posts and Telegraphs. | 100 | 22 | Maintenance of telegraph and telephone lines. | Rs. 6,00,000 | The provision has been reduced accordingly. | Rs. 6,00,000 | |
| 43 | " | 101 | 23 | Miscellaneous expenditure (purchase of stores). | 84.3 lakhs | It has been necessary to raise the provision by Rs. 7½ lakhs owing to commitments on purchase of stores in England. | 76½ lakhs | |
| 44 | " | 102 | 24 | Payments under arrangements with Treasury. | | The sum of Rs. 7 lakhs has been omitted on the presumption that payment will not be required this year as the arrangements are still under discussion. | 7,00,000 | |
| 45 | " | 102 | 25 | Reduction in furniture grant. | 3,75,000 | The reduction has been effected. | 3,75,000 | |
| 46 | " | 103 | 27 | Reduction in scales of clothing and extension of periods between issues (central purchase of supplies). | | The question will be taken up with the Stores Department. Scales have been reduced and periods of issue extended. | | |
| 47 | " | 103 | 28 | Reduction in provision for contingencies. | 6,31,000 | Reductions have been effected but it has been found necessary to reduce the saving by Rs. 1 lakh. | 5,31,000 | |
| 48 | " | 103 | 29 | Reduction in miscellaneous expenditure. | 2,20,000 | This reduction is being effected. | 2,20,000 | |
| 49 | " | 104 | 30 | Reduction in expenditure on maintenance and repair of buildings. | 4,58,000 | The reductions have been effected in the budget but it is now realised that the reduction was too severe and it may be necessary to increase the expenditure, the increase to be met by savings elsewhere. | 4,60,000 | |
| 50 | " | 104 | 31 | Reduction in expenditure on apparatus and plant. | 97,000 | It has been found necessary to provide for the same expenditure as in the past year owing to commitments. | | |
| 51 | " | 104 | 33 | Reductions in depot establishments. | 1,01,950 | The establishment of the depots is under examination and all possible sources of economy are being explored. | 17,950 | Further reduction depends upon the enquiry now proceeding. |
| 52 | " | 105 | 34 | Reduction in telegraph workshops. | 20,000 | This reduction has been carried out. | 20,000 | |
| 53 | " | 105 | 35 | Reduction in Wireless expenditure. Closing of stations. | 98,630 | Further reductions have been effected. Patna has been closed. Poona placed in charge of maintenance party, Ishapore handed over to Army signals. Maymya placed in charge of caretaker. Eight out of nine stations mentioned have been placed under care and maintenance parties. Peshawar, none being retained with minimum staff. The matter is one of general policy and is under consideration. | 1,79,980 | |
| | | | | Dismantling of more stations. | | | | |

| Serial No. | Hond. | Reference to port. | | Recommendation. | Reduction proposed on budget of 1923-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.) |
|------------|-------------------------------------|--------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| 54 | Posts and Telegraphs. | 106 | 36-39 | Reduction in capital expenditure on the telegraph department. | Rs. 50.7 lakhs | The programme has been reduced accordingly but the reductions did not take into account necessary expenditure on telegraphs for new Delhi and essential expenditure on railway control lines and it will probably be necessary to raise the provision by Rs. 16 lakhs approximately. | Rs. 50.7 lakhs. | |
| 55 | " | 100 | 37 | Raising of rental charges on canal and railway lines. | | This question is under examination. | ... | |
| 56 | " | 107 | 39 | Further purchase of automatic apparatus to be postponed and enquiry to be made into comparative cost of ordinary and automatic exchanges. | | No new commitments will be entered into and the proposed enquiry has been undertaken. | ... | |
| 57 | " | 107 | 40 | Appointment of Financial Adviser. | | The appointment was made with effect from April 10th. | .. | |
| 58 | " | 107 | (2) | Reduction in total estimates for the Department for 1923-24. | 137.27 lakh. | The estimate has been reduced to Rs. 4,90,18,000. | 137.24 lakhs. | The difference is mainly accounted for under 'salaries' where, as shewn above, the Committee had not taken into account unavoidable commitments for 1923-24. |
| 59 | Indo-European Telegraph Department. | 116 | 5 | Steps to be taken to improve the output per man. | | To attain this object further recruitment to the signalling branches has been stopped. | ... | |
| 60 | " | 116 | 7 | Reduction in allowances. | 2,63,000 | Some expenditure will be necessary on kran compensation owing to state of exchange. Allowances are being scrutinised and some local allowances have already been reduced. It is hoped that reductions anticipated will be secured. | | Exact saving not known. |
| 61 | " | 117 | | Reduction on repairs to lines. | 32,000 | Estimates have been substantially reduced and the full saving is expected. | 32,000 | |
| 62 | " | 117 | 9 | Reduction on repairs to buildings. | 70,000 | Accepted | 70,000 | |
| 63 | " | 117 | 0 | Reduction on apparatus and plant. | 32,000 | Estimate has been reduced to Rs. 92,500. | 10,000 | Efforts are being made to effect further possible savings. |
| 64 | " | 117 | 11 | Reduction under Stationery and Printing. | 28,000 | Six months supply will only be kept. | 18,000 | Full saving not yet known. |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1922-24. | Remarks. (further action proposed, etc.). |
|------------|-------------------------------------|----------------------|----------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------|
| | | Page. | Para. | | | | | |
| | | | | | Rs. | | Rs. | |
| 65 | Indo-European Telegraph Department. | 118 | 13 | Savings under contingencies and miscellaneous. | 1,78,000 | The estimates have been reduced to Rs. 2,39,000. | 2,39,000 | |
| 66 | " | 118 | 14 | Reduction on cable repairs. | 70,000 | Estimates have been reduced to Rs. 82,000 as against Rs. 1 lakh recommended. | 94,000 | |
| 67 | " | 118 | 15 | Reductions on cable factory. | 8,940 | Estimates have been reduced to Rs. 73,631 and it is hoped to reduce to the full extent recommended if prices fall. | 6,200 | |
| 68 | " | 119 | 16 | Reductions in expenditure on cable steamer. | 1,00,000 | The budget estimate stands at Rs. 2,55,000 and reduction depends on the fall in prices. The question of reduction in salaries and wages is under consideration. | 2,000 | |
| | | | | Arrangement should be made with commercial cable company for repair of cables. | | The only company which has a steamer near is the Eastern Telegraph Company at Aden and this steamer cannot be spared for other work. | ... | |
| 69 | Indo-European Telegraphs. | 120 | 18 | Decision to be arrived at on future control of Department and meanwhile no capital expenditure to be incurred. | | The question is under the consideration of the Secretary of State and meanwhile no expenditure of a capital nature is being incurred. | ... | |
| 70 | " | 120 | 19 | System of commercial accounts should be introduced and form of accounts improved. | ... | Under consideration | ... | |
| 71 | " | 120 | Conclusion (6) | Reduction into total estimates. | 7,34,000 | The provision has been reduced accordingly. | 7,34,000 | |
| 72 | Irrigation | 121 | . | Reduction in expenditure and closing of one division. | 2,18,000 | The savings will be effected and one division has been closed. | 2,18,000 | |
| 73 | General Administration. | 128 | 8 | Modification of scales of pay for lower division of the Secretariat. | | The proposal is at present under examination. Departments already stop promotion at the efficiency bar where clerks are not qualified for more important work. | ... | |
| 74 | " | 129 | 9 | Economy in expenditure of a contingent character. | | The allotments of all departments have already been cut down materially under these heads as will appear from the demands for grants, and the expenditure is undergoing further scrutiny. | Included under general reductions in departmental budgets. | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------------------------------------|----------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page | Para | | | | | |
| | General Administration— <i>contd.</i> | 128 | 9 | Reductions in number of posts. | Rs. ... | Reductions have been carried out in all departments in accordance with a revised distribution scale calculated to effect an approximate reduction of 26 per cent. | Rs. Included under general reductions in departmental budgets. | The actual saving effected is not at present available but it is probably in the neighbourhood of the Rs. 75,000, suggested. |
| 76 | " | 128 | 10 | Reduction in expenditure on telegrams. | | Substantial reductions have been effected in the provision under all departments which are curtailing the number and length of telegrams to the full extent possible. | " | |
| 77 | " | 129 | 11 | Reduction in number of officers and amount of establishment and records moved down from Simla. | | The proposal is being examined in all departments in connection with the next move and expenditure will be restricted as much as possible. | ... | |
| 78 | " | 129 | 12 | Reductions in Foreign and Political Department. | 1,47,000 | It will be seen from the demands for grants that the allotment for this department has been reduced from Rs. 10,42,000 to Rs. 9,41,200. | 1,01,700 | The possibility of further reduction is under consideration. |
| 79 | " | 129 | 13 | Reductions in Home Department including abolition of post of Inspector of Office Procedure. | 87,000 | The Department is effecting savings of Rs. 87,000 and the balance will be effected by larger reductions under attached offices. The post of Inspector of Office Procedure has been abolished. | 87,000 | |
| 80 | " | 130 | 14 | Reductions in Legislative Department. | 1,08,000 | The full reduction is being accepted. One post of Deputy Secretary has been held in abeyance. The Peace Treaty Branch has been amalgamated with the Local Clearing Office saving Rs. 24,400. Further reductions have been made in clerical and menial staff. | 1,08,000 | |
| 81 | " | 130 | 15 | Reductions in Department of Education and Health. Abolition of Educational Commissioner, Bureau of Education and Central Advisory Board. | | The Department of Education and Health has been amalgamated with that of Revenue and Agriculture. Government have decided that it is necessary to retain the Educational Commissioner for a further year but propose to effect economy by placing him in charge of the duties of Superintendent of Education, Delhi and Ajmere. The Central Advisory Board has been held in abeyance and the post of Curator, Bureau of Education, abolished. | | The economies are shown under the remarks on the general recommendation for amalgamation of departments. The retention of Educational Commissioner will be reconsidered after experience has been gained of the working of the present reorganisation. |
| 82 | " | 130 | 16 | Reductions in Finance Department. | 1,01,200 | The budget allotment has been reduced to Rs. 5,90,000 as proposed and the reductions noted have been effected. | 1,01,200 | |
| 83 | " | 130 | 17 | Military Finance. | 68,000 | The full saving is being effected. | 68,000 | |
| 84 | " | 131 | 18 | Reductions in Revenue and Agriculture Department. | | This Department has been amalgamated with the Department of Education and Health. | ... | The financial effect of the amalgamation is shown under the section dealing with the reorganisation of the Secretariat. |

| Serial No. | H. Ad. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------------------------------------|----------------------|-------|---------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| 85 | General Administration— <i>contd.</i> | 132 | 19 | Enlargement of the Board of Revenue. | Rs. ... | The scope of the Board has been enlarged to include the administrations of Customs, Salt, Opium, Excise and Stamps. | Rs. ... | |
| 86 | " | 132 | 19 | Discontinuance of Industrial Intelligence and the Labour Bureau. | ... | The intelligence work has been discontinued. The reorganisation of the Department involves the abolition of the Labour Bureau as such and consequent reduction of staff. | ... | |
| 87 | " | 132 | 20 | Reductions in Army Department. | 84,000 | Further reductions have been effected in the Marine establishment and Army list sections and in other portions of the office. The total reductions proposed have been carried out. | 84,000 | |
| 88 | " | 133 | 21 | Reductions in Public Works Department. | ... | The Department has been amalgamated with that of Industries and Labour. The "estate work" is now dealt with by the Consulting Engineer in touch with local officers. | ... | The effect of the reorganisation is shown under the section dealing with the reorganisation of the Secretariat. |
| 89 | " | 133-134 | 22-24 | Reorganisation of five Departments under two Departments and expansion of Board of Revenue. | 10,08,900 | Government have not adopted the exact line suggested by the Committee but have proposed as a more workable arrangement the reduction of five departments to three costing approximately as follows:— Rs. Commerce ... 3,00,000 Education, 5,15,000 Health and Lands. Industries and Labour. 6,00,000 Total 14,15,000 | See remarks | The figure of Rs. 14,00,000 represents the cost of the departments as reorganised and with the addition of Rs. 1 lakh for addition to the Board of Revenue, the reorganisation will cost slightly over Rs. one lakh more than the arrangements proposed by the Committee. The figure for the Education, Health and Lands Department excludes the cost of the Secretariat Library for which a reduced figure of Rs. 17,000 will be required. On the other hand there will be a saving of Rs. 14,000 approximately on the assumption by the Educational Commissioner of the duties of Superintendent of Education, Delhi and Ajmer. It must be |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------------------------|----------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Para. | Page. | | | | | |
| 89 | General Administration—contd. | | | | Rs. | | Rs. | understood that the total saving of Rs. 9½ lakhs will not be realised in the current year as it will be necessary to provide funds:— (a) for the period required to bring the new organisation into effect, i.e., up to 16th April. (b) for expenditure on the grant of notice, leave and travelling allowance or concessions to the staff which has been retrenched. Details of this extra expenditure during the current year are not yet available, but a possible estimate is Rs. 3 lakhs. |
| 90 | " | 135 | 26 | Saving on Staff Selection Board. | 13,300 | There will be no examination this year and the question of the retention and constitution of the Board will be further examined. If it is retained, endeavour will be made to make it self-supporting. The budget provision this year is only Rs. 4,880. | 17,920 | |
| 91 | " | 136 | 27 | Central Bureau of Information. | ... | No specific recommendation was made but it has been decided to reduce the expenditure proposed by Rs. 2,000. | 42,000 | |
| 92 | " | 35 | 28 | Bureau of Central Intelligence. Proposals as regards recovery of cost of the Finger Print Bureau and the Questioned Documents Section or their abolition. | 3,01,000 | Orders have issued for closing of the Bureau from 1st July, and arrangements are in train to make the Document Section self-supporting. | 2,56,000 | The Committee have assumed as a direct saving the cost of the Documents Section, but if it is continued—even if it be made self-supporting—provision will be necessary on the expenditure side of the Budget. |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------------------------------------|----------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| E3 | General Administration.— <i>contd.</i> | 136 | 20 | Speeding up of work of elimination of records with a view to reduction of staff and setting free valuable accommodation. | Rs. 2,000 | The budget estimates have been reduced to Rs. 1,03,000. Recommendations for the weeding of the pre-mutiny records are under consideration. Measures have been taken for weeding the post-mutiny records. | Rs. 11,400 | |
| E4 | " | 136 | 30 | Abolition of appointment of Inspector-General of Irrigation. | 74,100 | After careful consideration Government have decided that in view of the importance of irrigation questions it is necessary for them to retain the services of an expert. It has however been decided to abolish the separate post and the duties will be performed by the Consulting Engineer to Government who also takes over part of the works hitherto transacted in the Public Works Department of the Secretariat. The appointment of Assistant Inspector-General has been abolished. | 9,400 | The cost of the Consulting Engineer and establishment is estimated at Rs. 60,000 but this includes Rs. 13,000 for establishment which was not separately provided for in the estimates for the Inspector-General of Irrigation but was included in the budget of the old Public Works Department. |
| E5 | " | 136 | 31 | If Local Governments press claim for services rendered, the Central Government should consider whether arrangements cannot be more economically carried out by an agency of its own. | ... | This has been accepted in principle and claims will be dealt with in the light of this proposal. | ... | |
| E6 | " | 137 | 35 | Reductions on the North-West Frontier. | ... | The estimate has been reduced to Rs. 17,22,000 as against Rs. 17,38,000 proposed. | 16,000 | |
| E7 | " | 137 | 34 | Reductions in Delhi, and payment by the Municipality of the cost of their Secretary. | 32,000 | Reductions have actually been effected under the Chief Commissioner's establishment to the extent noted. The arrangement with the Municipality has been in force since 1906 but the question has been taken up whether the proposal of the Committee is practically feasible and administratively sound. | 26,000 | The budget as shown in the Demands for Grants is increased this year by the transfer of certain expenditure from the Head—Land Revenue. |
| E8 | " | 137 | 36 | Reduction in Ajmere. | 9,000 | The savings have been effected. | 9,000 | As in Delhi, charges have been transferred from Land Revenue. Excluding these the budget on the old basis is Rs. 1,40,000. |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|--------------------------------------------|----------------------|-------|-----------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page | Para. | | | | | |
| 99 | General Administration— <i>concluded</i> . | 143-144 | 49-55 | Expenditure of High Commissioner. | £ 52,000 | The High Commissioner has been addressed on the specific recommendations. As the budget is a net budget after deduction of recoveries much depends on the actual recoveries but meanwhile a lump deduction of £10,000 has been made in the net total for 1923-24 and the reductions in gross amount to £37,550. Under this head the net estimate for the present year is £142,800 compared with £109,900 (estimates) or £183,300 (revised) for 1922-23. The question of increasing recoveries for agency work done has been taken up. The reduction proposed under Stationery and Printing has been effected. The High Commissioner has been addressed on the recommendation as regards indents in paragraph 51. The issue of the orders recommended in paragraph 52 is also under consideration. | ... | NOTE.—The total reductions under General Administration already effected in the budget estimates of 1923-24 compared with the budget of 1922-23 amount to Rs. 36,37,000 as against Rs. 40,89,000 recommended by the Committee for the whole expenditure dealt with under "General Administration." |
| 100 | " | 138-142 | 37-48 | Reductions in expenditure of India Office. | 48,700 | The Government of India are in correspondence on the subject with the Secretary of State who has intimated that every practicable method of economy is being carefully considered and that a detailed statement of results expected will be furnished at an early date. Meanwhile under his instructions a lump deduction of £15,000 was made in the original estimates for the current year. The Secretary of State has pointed out that the actual expenditure of the past year was considerably higher than the figure assumed by the Committee. The net budget for the current year is £97,600. | Awaiting advice from Secretary of State. | |
| 101 | Political Expenditure | 154 | 7 | Reduction in cost of frontier defence and immediate saving on cost of rations, clothing, etc. | Rs. 1,00,000 | The position on the frontier is still un stabilised. The proposed saving will probably be effected under grain compensation charges. | Rs. 1,00,000 | |
| 102 | " | 154 | 9 | Reduction in cost of entertainment. | 48,000 | This reduction has been made. | 48,000 | |
| 103 | " | 154 | 11 | Reduction in provision for political expenditure in the North-West Frontier Province. | 26,27,000 | The budget estimate for the year 1923-24 stands at Rs. 50,31,000. | 19,77,000 | Reduction in expenditure is still under consideration. As the position on the Frontier is still un stabilised, it is impossible to say what the final expenditure of the year will be. |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.) |
|------------|---------------------------------------|----------------------|-------|--------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------|
| | | Page | Para | | | | | |
| | | | | | Rs. | | Rs. | |
| 104 | Political expenditure.— <i>contd.</i> | 154 | 14 | Reduction in Baluchistan under Political Agencies. | 1,45,000 | Reductions of Rs. 1,21,000 have already been effected and further reductions are under consideration. | 1,21,000 | |
| 105 | " | 155 | 16 | Reduction in temporary levies on the Sarhad. | 96,000 | Under consideration | ... | Exact saving likely to be effected in the current year not yet known. |
| 106 | " | 155 | 17 | Additions to irregular forces to be abandoned. | 8,22,000 | The proposed additions have been abandoned, pending examination of the Railway Project. | 8,22,000 | |
| 107 | " | 155 | 18 | Reduction in contract for food-stuffs. | 50,000 | Under consideration | 50,000 | |
| 108 | " | 155 | 10 | Reduction in political expenditure in Baluchistan. | 2,31,000 | It is hoped to limit the expenditure to Rs. 40 lakhs this year. | 2,31,000 | The total reduction made on the provisional estimate for 1923-24 is Rs. 14,35,000. |
| 109 | " | 155 | 20 | Re-consideration of plans of Kabul Legation. | | Estimates are being re-considered. | ... | |
| 110 | " | 156 | 22-23 | Administration of Aden. | | Under consideration | ... | |
| 111 | " | 157 | 24 | Incidence of pay of Chairman, Aden Port Trust and other reductions in Aden. | 33,000 | Under consideration | 16,000 | A deduction of Rs. 16,000 has been made on account of the Port Trust and other charges, pending examination. |
| 112 | " | 157 | 27 | Saving on lighting and buoying of the Persian Gulf. | 1,00,000 | A deduction on this account has been made. The transfer of the "Lawrence" is under consideration. | 1,00,000 | |
| 113 | " | 157 | 28 | Incidence of expenditure in Persia. | ... | Proposals have been made to the Secretary of State on the lines recommended. | ... | |
| 114 | " | 159 | 31 | Reduction in charges in Central India. | 21,000 | An appointment of Medical Officer, Indore, has been abolished. One agency has been kept vacant for the present as an experimental measure. | 21,000 | Savings on the agency not yet reported. |
| 115 | " | 159 | 36 | Examination of incidence of charges on account of the Resident, Mysore. | | Proposals are under examination. | ... | |
| 116 | " | 160 | 40 | Administration of the Bombay States and meanwhile a reduction of Rs. 1,75,000. | 1,75,000 | The recommendations made by the Committee will be considered when a decision has been arrived at on the question of the transfer of the Bombay States. Meanwhile the Government of Bombay are unable to accept a reduction of more than Rs. 1,40,000. | 1,40,000 | A lump deduction has been made for the current year pending examination of the question. |

| Seri. No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|-----------|------------------------------|----------------------|----------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------|
| | | Page. | Para. | | | | | |
| 107 | Political Expenditure—contd. | 160 | 41 | Reductions in charges in Burma. | Rs. 1,50,000 | Reductions slightly in excess of this amount have been accepted. | Rs. 3,50,500 | |
| | | | | Adoption of proposal for a fixed contribution for Political charges in Burma. | | The question of political charges is under consideration with the Burma Government. | ... | |
| 118 | | 161 | Conclusion (f) | Total reduction in Political expenditure. | 45,70,700 | Excluding some Rs. 60 lakhs on account of military police in Burma and Assam transferred from the head Adjustments to this head in the current year, the provision in the budget for 1923-24 is Rs. 271 lakhs, a reduction of Rs. 28½ lakhs as compared with the budget estimates of 1922-23. | 38,63,000 | Further reductions are under consideration. |
| 119 | Audit ... | 164 | 2 | Reduction of appointment of Auditor, Government of India Sanctions, and conversion of other appointments. | 88,000 | These reductions have been accepted. | Included in total saving on Department. | |
| 120 | " ... | 165 | 5 | Separation of audit and accounts. | ... | This and the other points raised in paragraphs (3) and (4) are under consideration. | ... | |
| 121 | " ... | 165 | 6 | Simplification of rules of audit. | | The matter is and has been receiving the continuous attention of the Auditor-General. | ... | |
| 122 | " ... | 165 | Conclusion (e) | Limitation of budget estimates. | 3,76,000 | The provision has been fixed at Rs. 70,40,000. | 3,76,000 | |
| 123 | Administration of Justice. | 166 | 4 | Reductions in expenditure in North-West Frontier. | 20,000 | Sanction has been accorded to certain retrenchments proposed by the Chief Commissioner on the recommendations of the Local Retrenchment Committee. | 20,000 | |
| 124 | " " | 166 | 6 | Abolition of Small Causes Court in Ajmere. | 16,000 | It has been shown that the abolition of the Court would cause great inconvenience and involve a loss of revenue. Further the total saving could not be Rs. 16,000. Reductions of Rs. 12,000 are, however, being made in other directions as a set off. | 12,000 | |
| | | | | Adoption of revised scale of court fees. | | The United Provinces' revised scale is being introduced. | | |
| 125 | Jails ... | 168 | 4 | Reduction of expenditure in Minor Administrations. | 87,000 | Larger reductions have been made on account of fall in prices. | 73,000 | |
| 126 | " ... | 68 | Conclusion (2) | Limitation of budget provision. | 4,80,000 | Provision has been limited to Rs. 40,00,000 for the current year. A reduction of Rs. 4,20,000 on the preliminary estimates of 1922-23 and of Rs. 5,00,000 on the revised estimates for that year. | 4,20,000 | |

| Serial No. | Head. | Reference to reports | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|------------|----------------------|-------|-------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| | | | | | Rs. | | Rs. | |
| 127 | Police ... | 169 | 4 | Abolition of appointment of Personal Assistant. | 16,000 | A lump deduction of Rs. 1,25,000 has been made on the estimates for 1923-24 and total provision reduced to Rs. 60,80,000 compared with Rs. 65,00,000 which was the estimate for 1922-23. | 1,25,000 | The question of further reductions will be considered on receipt of the recommendations of the Chief Commission... |
| 128 | " ... | 170 | 5 | Reductions in police force. | 2,50,000 | | | |
| 129 | " ... | 170 | 6 | Continuance of frontier allowances and economies in clothing of police. | ... | These questions are under consideration. | " | |
| 130 | " ... | 171 | 9 | Revised scale of pay for police recruits in Baluchistan. | ... | Under consideration. | | |
| 131 | " ... | 171 | 11 | Reduction of police expenditure in Baluchistan to Rs. 12,16,000. | ... | Reductions have been effected and provision has been limited to Rs. 12,06,000. | 10,000 | |
| 132 | " ... | 171 | 12 | Reduction in expenditure on police in Delhi. | 92,000 | A reduction of Rs. 60,000 has been on the estimates for the current year and the provision limited to Rs. 7,98,000 compared with Rs. 8,74,000 which was the revised estimate for 1922-23. It is doubtful whether it will be possible to effect further reductions. | 60,000 | |
| 133 | " ... | 171 | 13 | Reduction in police expenditure in Coorg. | 21,000 | This reduction will be effected. | 21,000 | |
| 134 | " ... | 172 | 14 | Reduction on police expenditure in Ajmere. | ... | The Committee recommended that expenditure should be limited to Rs. 3,28,000. Reductions of Rs. 60,000 have been effected and the provision for 1923-24 will be reduced to Rs. 3,97,000. The figure adopted by the Committee represented the original estimate for 1922-23 after deduction of a cut of Rs. 60,000 towards meeting the lump cut made by the Assembly. Necessary expenditure was subsequently restored under this head. The possibility of further economy will be explored. | 60,000 | |
| 135 | " ... | 172 | 15 | Revision of Contributions from Durbar for Rajputana Police. | | The question is under consideration in connection with the reorganisation of the Police. | | |

| Serial No. | Head. | Refer- ence to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now pro- posed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------------------------------------|------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| 136 | Police ... | 172 | 16 | Revision of arrange- ments for payment of Railway Police. | Rs. ... | Under consideration. | Rs. ... | |
| 137 | " ... | 173 | 10 | Abolition of Ins- pector General and reduction of expenditure on police. | 10,000 | Reductions of Rs. 24,000 have been made and the budget provision will stand at Rs. 3,70,000. The actual expenditure in 1921-22 was Rs. 4,27,000. | 24,000 | The possibility of further re- ductions will be examined. |
| 138 | " ... | 173 | 17 | Revision of contri- bution for police aid rendered to States and limita- tion of expenditure to Rs. 2,00,000. | | A reduction of Rs. 24,000 has been made in the current year and the net expenditure will be Rs. 2,67,000. The Committee did not take into account the additional provision required for revision of pay and extra establishment entertained in consequence of the reduction in the Malwa Bhil Corps. | | |
| 139 | " ... | 173 | Conclusion. | Limitation of police expenditure to Rs. 80,58,000 or reduction of Rs. 9,00,000 on the estimated expendi- ture for 1922-23. | | The revised estimates for 1922-23 were Rs. 80,15,000. The estimates for 1923-24 are Rs. 88,50,000 and fur- ther reductions are under consideration. | | Considerable re- ductions have been effected when allow- ances are made for necessary additional ex- penditure on account of increments of pay. |
| 140 | Ports and Pilots. | 175 | 8 | Steps should be taken to make the various services self-supporting and reduction of Rs. 2,11,000 should be made in expendi- ture. | 2,11,000 | The budget estimates for 1923-24 are Rs. 25,12,000, a reduction of Rs. 1,20,000 and it is expected that receipts will increase. The reorganisations of the services are under examina- tion. The case of the Bengal Pilot Service has been examined by a local Committee. The question of making lighthouse services and the survey of vessels entirely self-support- ing is under consideration. | 1,20,000 | |
| 141 | Ecclesiasti- cal expendi- ture. | 175 | ... | Early decisions should be arrived at on questions of policy now under consideration. Further recruit- ment of chaplains should be stopped and further econo- mies effected. | 2,00,000 | The general questions of policy with regard to ecclesiastical matters are being considered and no fresh recruitment is being made. A saving of Rs. 1,00,000 at least is expected in the current year. | 1,00,000 | |
| 142 | Scientific Depart- ments. | 180 | 4 | Reduction in cadre of military officers, etc. | 50,000 | Four vacancies in the cadre of military officers have not been filled up and re- vision of 3 officers has been arranged. Retrenchment of military officers has been suspend- ed. The immediate saving of Rs. 50,000 will be effected. | 50,000 | |

| Serial No. | Head. | Refer- ence to report. | | Recommendation. | Reduction proposed in budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|---------------------------------|------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------|
| | | Page. | Para. | | | | | |
| 143 | Scientific Depart- ments. | 180 | 5 | Co-operation be- tween Survey De- partment and Local Govern- ments, etc. | Rs. ... | Under consideration ... | ... | |
| 144 | " | 180 | 6 | Saving of 20 per cent. on Supplies and Services. | 8,400 | The saving has been effect- ed. | 8,400 | |
| 145 | " | 181 | 7 | Reduction in con- tingent charges for Trigonometri- cal Survey Office. | 24,900 | The provision has been re- duced to within Rs. 40,000. | 24,900 | |
| 146 | " | 181 | 8 | Placing of accounts of the Mathemati- cal Survey Office on a commercial basis, etc. | ... | The question is being con- sidered by a special com- mittee. | ... | |
| 147 | " | 181 | 8 | Charges of Instru- ment Office to be fixed on a uniform basis to cover full cost. | | Under examination by a special committee. | | |
| 148 | " | ... | ... | Stocks to be re- duced. | | Ditto. | ... | |
| 149 | " | 182 | 10 | Reduction in sur- vey parties. Esti- mates to be re- duced to Rs. 26 lakhs. | 9,00,000 | A lump deduction of Rs. 6½ lakhs has been made in the general charges for survey parties and the question of reducing the number of parties is under considera- tion. | 6,50,000 | |
| 150 | " | 182 | 12 | Retention of head- quarters at Cal- cutta to be exam- ined. | | According to latest esti- mates the cost of new offices at Dehra Dun would be Rs. 47 lakhs while the Calcutta offices would fetch Rs. 25 lakhs. It has been decided to postpone the transfer. | ... | |
| 151 | " | 183 | 13 | Abolition of Wea- ther Reports and reductions in general expendi- ture on Meteorol- ogy. | 84,000 | Monthly weather review has been abolished and issue of reports during dry season discontinued. | 84,000 | |
| 152 | " | 183 | 14 | Vacancies in Geol- ogical Survey to be kept unfilled till Indian recruits available. Department to work in co-opera- tion with Provin- cial Governments. | 67,000 | Of 8 vacancies in the cur- rent year three only will be filled. The budget estimate for the current year is Rs. 5,73,000. Under consideration. | 73,000 | |
| 153 | " | 185 | 17 | Reduction in plan- tation of quinine. | 50,000 | The reduction has been effected. | 50,000 | |
| 154 | " | 185 | 19 | Estimates for Bot- anical Survey to be limited to Rs. 18,35,000. | 8,50,000 | The estimate has been reduced to Rs. 18,70,000. | 9,08,000 | |
| 155 | " | 185 | 19 | Reduction of es- tablishment of Zoological Survey and provision to be limited to Rs. 1,30,000. | 47,000 | The provision will be limited to Rs. 1,55,000 and proposals for further reduction are under consideration. | 23,000 | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed in budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------------------|----------------------|-----------|---------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------|
| | | Page. | Para. | | | | | |
| 156 | Scientific Departments. | 185-187 | 20-31 | Reductions in Archaeological Survey. | Rs. 6,29,000 | It has been decided to make a lump reduction of Rs. 8 lakhs in the current year and restrict expenditure to Rs. 13,72,000 as against Rs. 10 lakhs recommended by the Committee. The reduction has been effected under the heads supplies, services and contingencies. | Rs. 3,01,400 | |
| 157 | " | 187 | 35 | Recovery of cost of Mine surveys. | ... | Will be taken up in connection with amendment of Land Acquisition (Mines) Act. | | |
| 158 | " | 187 | 25 | Curtailment of free issues of publications, etc. | ... | Under consideration | | |
| 159 | " | 188 | 27 | Reductions in Archaeological Section of Calcutta Museum. | 14,000 | The expenditure has now been transferred to the head Archaeological Survey in which a reduction of Rs. 3,00,000 has been effected. The present proposal will be considered in making the general reduction. | | |
| 100 | " | 189 | 30 | Reductions in expenditure in Minor Administrations. | 10,000 | Accepted | 16,000 | |
| 161 | " | 189 | 31 | Discontinuance of grant to Imperial Institute. | 21,000 | Accepted | 21,000 | |
| | | | | Grant to Mineral Resources Bureau to be reduced to £ 1,000. | 18,000 | Accepted | 18,000 | |
| 162 | " | 190 | 31 | Reduction in purchase of Stores in England. | 4,05,000 | The provision has been reduced to £ 23,700. | 3,40,500 | |
| 163 | " | 190 | (6) | Provision for Scientific Departments to be limited to Rs. 82,58,000. | 30,02,000 | Provision has been limited to Rs. 88,03,000. | 23,07,000 | Further reductions are under consideration. |
| 104 | Education | 192 | 3 | Elimination of grant to Rajkot College and reduction of grant to Aitchison College. | 88,000 | The provision for the Rajkot College has been reduced to Rs. 10,000 and that for the Aitchison College to Rs. 16,000. | 28,000 | |
| 105 | " | 193 | 7 | Reduction in grant to Training College, Peshawar. | 25,000 | The post of Principal will be kept unfilled and possibility of further reductions is under consideration. | | |
| | | | | Contribution to Islamia College not to be increased. Grant to Dera Ismail Khan College to be withdrawn. | 5,000 | There is no proposal to increase grant to the former college. Question of latter college under consideration. | | |
| 106 | " | 194 | 8 | Reduction in grant for secondary education in the North-West Frontier Province. | 1,68,000 | Government have decided to reduce Rs. 60,000 under University and Secondary education. The Chief Commissioner has been asked what further steps will be required to reduce the grant to the figure proposed by the committee. | 60,000 | |
| 167 | | 195 | 10 and 11 | Reductions in cost of special schools and general charges. | 44,000 | Reductions of Rs. 40,000 have been made. | 40,000 | |

| Serial No. | Head. | Reference to report | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------------------------------|---------------------|-------|----------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| | | | | | Rs. | | Rs. | |
| 168 | Education | 195 | 12 | Reductions in expenditure on Secondary Education in Baluchistan. | 15,000 | The reductions will be effected. | 15,000 | |
| 169 | " | 195 | 13 | Reduction in general charges in Baluchistan. | 18,750 | The provision has been reduced by Rs. 7,900 and further reductions are under consideration. | 7,000 | |
| 170 | " | 196 | 15 | Reductions of grants to Delhi Colleges. | 91,500 | It has been decided that the provisional out should be restored to the extent of Rs. 25,000. | 6,500 | |
| 171 | " | 196 | 15 | Scheme for Delhi University to be re-considered. | 50,000 | It has been decided to retain the University and provision has been voted by the Assembly. | ... | |
| 172 | " | 196 | 16 | Reduction in expenditure on secondary education in Delhi. | 50,500 | A provisional reduction of Rs. 45,000 was made in the budget but it has been decided to apply to the Assembly for restoration of Rs. 25,000. | 20,000 | |
| 173 | " | 197 | 17 | Reduction in expenditure on education in Coorg. | 41,000 | The provision has been reduced by Rs. 20,000. | 20,000 | |
| 174 | " | 197 | 19 | Reduction of expenditure on the Ajmere College. | 10,700 | Under consideration | ... | |
| 175 | " | 198 | 20 | Reduction in expenditure on secondary education in Ajmere. | 35,000 | A lump deduction of Rs. 20,000 was made and reductions to the extent of Rs. 13,500 are being effected. Further reductions are under consideration. | 13,500 | |
| 176 | " | 198 | 24 | Reductions in grants for secondary education in Rajputana. | 14,000 | Under consideration | ... | |
| 177 | " | 199 | 26 | Reductions in grants in Hyderabad. | 18,490 | A reduction of Rs. 9,000 has been accepted for the current year. | 9,000 | |
| 178 | " | 200 | 33 | Curtailment of grants for higher education, etc. | | The Educational Commissioner is examining the question. | | |
| 179 | " | 200 | 34 | Grants for primary education to be fixed on a capita-tion basis. | | It is stated that the system advocated by the Committee is wasteful and that it has been discredited in the past. | | |
| 180 | " | 200 | | Reduction in total expenditure on education. | 5,19,000 | The provision for Education after restoration of Rs. 90,000 will stand at Rs. 23,08,000 compared with Rs. 27,77,000 recommended by the Committee. | | The total reductions which have now been admitted amount to Rs. 1,90,000. |
| 181 | Medical Services and Public Health. | 204 | 3 | Abolition of appointments of Officer on Special Duty and D. A. D. G. | 20,900 | The appointments have been abolished. | 20,900 | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or how proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|----------------------------------------------------|----------------------|-------|--------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 181 | Medical Services and Public Health - <i>contd.</i> | ... | ... | Reduction of appointment of Public Health Commissioner. | Rs. 45,000 | It has been decided that the post should not be abolished during the current year. It is proposed to effect counter-vailing savings of Rs. 13,000 under other items. | Rs. 13,000 | |
| 182 | " | 204 | 4 | Reduction in expenditure in Director-General's Office. | 34,000 | Reductions in excess of the recommendation have been made. | 37,000 | |
| 183 | " | 205 | 8 | Abolition of appointments of 12 bacteriological officers. | 1,97,400 | The provision for 1923-24 was reduced to Rs. 1,07,000. Further reductions of Rs. 12,500 are proposed. It is considered necessary to retain a nucleus of 6 officers. | 1,02,900 | |
| 184 | Medical Services. | 205 | 8 | Contribution to Indian Research Fund to be discontinued. | 5,00,000 | This has been discontinued for the present. | 5,00,000 | |
| | | | | Appointment of Director, Medical Research to be abolished. | 3,000 | The appointment has been kept in abeyance and proposals have been made for abolition. | 27,500 | |
| 186 | " | 206 | 11 | Reduction in plague charges and grant for Central Health Board. | 10,500 | Accepted | 10,500 | |
| 186 | " | 206 | 12 | Reduction of charges for Imperial Serologist and abolition of appointment if not made self-supporting. | 20,000 | Reductions effected, fees will be levied and abolition will be considered if office does not prove self-supporting. | 20,760 | |
| 187 | " | 206 | 13 | Charges to be levied for training at X-Ray Institute. | | It appears that the amount recoverable would be so small that it would not be worth while to effect recovery. | | |
| | | | | Cancellation of indent for stores and limitation of stocks. | 1,27,000 | Accepted | 1,27,000 | |
| 188 | " | 206 | 14 | Revision of quarantine arrangements. | ... | It is stated that the Committee has misunderstood the situation and it is not proposed to pursue the matter further. | ... | |
| 189 | " | 207 | 16 | Reductions in Baluchistan. | 57,000 | A reduction of Rs. 44,500 will be effected under Medical and Rs. 10,000 under Public Health. | 54,500 | |
| 190 | " | 207 | 17 | Reductions in Delhi | 54,000 | The item of Rs. 23,000 was in correctly reported to the Committee as non-recurring. It is hoped to secure a saving of Rs. 6,000 under Medical and of Rs. 7,000 under Public Health. Plague has altered the situation. | 16,000 | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-24. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.) |
|------------|-------------------------------------|----------------------|----------------|-----------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------|
| | | Page. | Para. | | | | | |
| | | | | | Rs. | | Rs. | |
| 101 | Medical Services. | 208 | 18 | Reductions in Coorg | 11,500 | A lump deduction of Rs. 10,000 has been made and further reductions are under consideration. | 10,000 | |
| 102 | Medical Services and Public Health. | 209 | Conclusion (4) | Total reductions in these Departments. | 14,10,000 | The total reductions made under these two heads amount to about Rs. 12 lakhs. | 12,00,000 | |
| 103 | Agriculture | 209 | 4 | Dairy Farms to be self-supporting and two Military Farms to be transferred to the Department. | | Under consideration | ... | |
| 104 | " | 210 | 6 | Central Cotton Committee to be self-supporting. | 70,000 | All expenditure incurred will be met from proceeds of Cotton Cess. | 70,000 | |
| 105 | " | 210 | 7 | Continuance of Sugar Bureau to be examined. | | It has been decided to continue the Bureau in view of the useful work which it does. | | |
| 106 | " | 210 | 8 | Local Government to be asked to increase contribution to Pusa Hospital. | | The Local Government has been addressed. | | |
| 107 | " | 210 | 9 | Reductions in establishment of Agricultural Adviser. | 10,000 | Accepted | 10,000 | |
| 108 | " | 210 | 10 | Reduction of Rs. 10,000 under supplies, services, etc. | 10,000 | Reduction of Rs. 5,000 accepted. | 5,000 | |
| 109 | " | 211 | 11 | Reduction in expenditure on Research Institute. | 15,000 | Accepted | 15,000 | |
| 200 | " | 211 | 12 | Charges for training of students at Pusa Institute. | ... | Under consideration | ... | |
| 201 | " | 211 | 13 | Muktesar Institute to be self-supporting. | | Under consideration. A reduction of Rs. 35,000 has been made in the expenditure. | ... | |
| 202 | " | 211 | 14 | Reductions in North West Frontier Province and Baluchistan. | 19,000 | Accepted | 19,000 | |
| 203 | " | 211 | Conclusion (4) | Reductions in total expenditure on Agriculture. | 2,86,000 | Actual reductions amount to Rs. 2,55,000. | 2,55,000 | |
| 204 | Industries | 212 | 5 | Postponement of School of Mines and Geology. | ... | It has been decided to make no provision for the construction of the School in 1923-24. | ... | |
| 205 | Civil Aviation. | 213 | 3 | Retention of Chief Inspector not justified. | | Appointment has been retained for six months pending consideration of future arrangements. | | |
| | | | | Provision for Aeroplanes. | 7,000 | No provision has been made | 15,000 | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24 | Remarks (further action proposed, etc.). |
|------------|---------------------------|----------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 200 | Civil Aviation. | 213 | 4 | Disposal of gift Aeroplanes. | Rs. 5,000 | Machines have been disposed of. | Rs. 5,000 | |
| 207 | Do. | 213 | 5 | Reduction in total provision. | 33,000 | Provision has been reduced to Rs. 24,000 and further reductions are under consideration. | 24,000 | |
| 208 | Miscellaneous Departments | 214 | 4-6 | Reductions under Commercial Intelligence. | 2,000 | The expenditure has been reduced to Rs. 2,53,000 and the possibility of further reduction is under consideration particularly in the matter of publications. | 2,27,000 | |
| 209 | Do. ... | 216 | 12 | Abolition of Board of Examiners. | 50,000 | The Board is being abolished and expenditure in the current year reduced to Rs. 35,000. | 31,000 | |
| 210 | Do. ... | 216 | 13 | Fees to be charged for inspections by Explosives Department. | | Under consideration. | | |
| 211 | Do. ... | 216 | 15 | No provision to be made for further expansion of the Indian Stores Department until expansion is financially justified. Expenditure to be limited to Rs. 3,00,000. | 83,000 | Government have decided that expenditure on the Stores Department should be allowed to the extent of Rs. 4,41,000 in the current year to permit of expansion to the extent contemplated when the budget was originally fixed at that figure in accordance with the sanctioned programme. | | |
| 212 | Do. ... | 216 | 16 | Discontinuation of registration of Provincial Trade statistics. | 15,000 | Reductions have been effected. | 0,000 | |
| 213 | Do. ... | 217 | 18 | Abolition of separate Office of Indian Trade Commissioner in London. | 1,15,000 | The proposal has been accepted saving £4,000 in the current year. The saving will be greater next year. The appointment of Trade Commissioner, East Africa, has also been abolished at a saving of about Rs. 20,000. | 90,000 | |
| 214 | Do. ... | 217 | 19 | Reduction in provision for expenditure in England on sundry items. | 45,000 | A reduction has been effected to this extent, but it appears that there will be a carry over of some £2,500 from last year and it is doubtful whether the whole saving will be effected. | 45,000 | |
| 215 | Do. ... | 217 | Conclusion (9) | Total reductions under the head Miscellaneous Departments. | 11,18,000 | Excluding the special provision of Rs. 23,40,000 for the British Empire Exhibition a saving of Rs. 7,10,000 has been effected in the normal expenditure under this head. | 7,10,000 | Further reductions under consideration. |
| 216 | Customs | 218 | Conclusion. | Strength and pay of staff in Customs Houses to be examined. | | The question will be taken up when a Customs Member has been appointed to the Board of Revenue. | | |
| 217 | Salt | 221 | 6 | Introduction of commercial accounts. | | Under examination by an accounts officer. | | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|------------------|----------------------|-------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| | | | | | Rs. | | Rs. | |
| 218 | Salt ... | 231 | 8-9 | Reductions in Northern India Salt Revenue Department. | 13,51,000 | Accepted ... | 13,51,000 | |
| 219 | Do. ... | 223 | 12 | Reduction in Bombay and examination of possibility of Central Government taking over administration of Salt. | 5,02,000 | Reduction accepted. Question of administration is under consideration. | 5,02,000 | |
| 220 | Do. ... | 224 | 18 | Total reductions in Salt Estimates. | 10,15,000 | These reductions have been accepted. | 49,15,000 | |
| 221 | Opium ... | 2-5 | 3 | Abolition of appointment of Managing Director. | 18,000 | Under consideration. If the appointment is necessary, an endeavour will be made to effect equivalent reductions elsewhere. | | |
| 222 | Do ... | 225 | 4 | Reduction of purchase price paid to cultivators. | | The proposal has been examined, but it is reported to be too early to reduce the present price. | | Question will be reconsidered after a year. NOTE.—The reduction of Rs. 20 lakhs assumed by the Committee was based on estimates which were then incomplete. Further prior commitments for purchase of opium have made it impossible to effect the reduction assumed. In any case any reduction in expenditure would mean a considerable loss of revenue. |
| 223 | Land Revenue ... | 227 | 4 | Reductions in North-West Frontier Province. | 1,61,000 | Provision has been reduced to Rs. 4,61,000. | 65,000 | Reductions are under consideration. Special provision had to be made for the Peshawar Settlement. |
| 224 | Do. ... | 227 | 5 | Reductions in Baluchistan. | 31,000 | Accepted ... | 31,000 | |
| 225 | Do. ... | 227 | 7 | Reductions in Coorg. | 47,000 | A reduction of Rs. 46,000 has been made, but part of this is due to adjustment. The question is under consideration. | 46,000 | |
| 226 | Do. ... | 228 | Conclusion. | Reduction in total expenditure under Land Revenue. | 3,97,000 | The budget has been reduced to Rs. 11,66,000. | 3,96,000 | A part of the reduction is due to readjustment of Treasury Charges. |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on Budget of 1932-33. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|--------------|----------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------|
| | | Page | Para. | | | | | |
| | | | | | Rs. | | Rs. | |
| 227 | Excise ... | 228 | 3 | Arrangements to be made with provinces regarding payment of still-head duty or, alternatively, direct manufacture by Central Government. | | Supplying provinces are not prepared to forego the duty and the question of erecting a distillery is under consideration. | ... | |
| 229 | Stamps ... | 230 | 7 | Debit to minor administrations of cost of stamps supplied. | ... | Steps being taken to give effect to this. | | |
| 229 | Do. | 231 | 8 | Printing of post-cards in India. | | Under consideration | ... | |
| 230 | Stamps ... | 231 | 10 | Charging provincial expenditure direct to provincial accounts in England. | | Under consideration with High Commissioner. | | |
| 231 | Do. | 231 | 11 | Reduction of stocks. | | Under consideration and saving anticipated. | | |
| 232 | Do. | 231 | 12 | Claim against Provincial Governments for loss in exchange. | | Under consideration | ... | |
| | | | | Recovery of railway freight. | | Accepted | ... | |
| 233 | Do. | 234 | 13 | Improvement in system of effecting recoveries. | | The High Commissioner and the Controller have been addressed in the terms of this recommendation. | | |
| 234 | Do. | 234 | Conclusion. | Reduction in net expenditure on stamp operations. | 22,00,000 | Larger reductions are anticipated. | 25,80,000 | |
| 235 | Forests ... | 234 | 2-3 | Change in present method of administration and management of forests on commercial lines. | | Under consideration | ... | |
| 236 | Do. | 235 | 7 | Reconsideration of scheme for expansion of Research Institute and limitation of expenditure to Rs. 8 lakhs. | 80,000 | The scheme is under reconsideration and charges have been reduced to Rs. 8,78,000. | 91,000 | The reduction was made on the provisional estimate for the current year. |
| 237 | Do. | 236 | 9 | Abolition of appointment of Director of Forest studies in England. | 13,500 | Recommended to Secretary of State. | ... | |
| 238 | Do. | 236 | Conclusion. | Reduction in total Forest expenditure. | 6,90,000 | The total provision has been reduced to Rs. 4,10,000. | 6,35,000 | |
| 239 | Interest ... | 238 | 5 | Purchase of sinking funds by open tender. | ... | Under consideration | ... | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-------------|----------------------|------------|-----------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------|
| | | Page. | Page. | | | | | |
| 240 | Currency... | 239 | 5 | Discontinuance of one rupee note. | Rs. ... | The opinions of Local Governments and Chambers of Commerce have been invited. Meanwhile new supplies have been restricted and question of reducing cost of supply is also under consideration. | Rs. ... | |
| 241 | Mints ... | 242 | 4 | Closing of portion of Mints. | | Under consideration | ... | |
| | | | | Transfer of Calcutta Mint to cheaper site. | | Under consideration with Government of Bengal. | ... | |
| 242 | Do. ... | 244 | Conclusion | Reduction in expenditure on Mints. | 4,12,000 | The reduction will be effected. | 4,12,000 | |
| 243 | Exchange | 244 | 2 | Revision of method of shewing exchange in the budget. | | The method has been revised in the current budget though on different lines. | ... | |
| 244 | Civil Works | 246 | 3 | Reconsideration of expansion of Forest Research Institute. | | Expenditure will be limited to existing commitments. Provision for current year reduced. | 2,00,000 | |
| | | | | Reconsideration of plans of Kabul Legation. | ... | Plans are being reconsidered. | | |
| | | | | Dhanbad School of Mines. | 2,00,000 | Provision has been omitted in current year. | 2,00,000 | |
| | | | | Reduction in provision for Agricultural Institute. | 1,00,000 | Provision reduced accordingly. | 1,00,000 | |
| | | | | General reductions in expenditure on original works. | 5,30,000 | Total reductions effected | 5,00,000 | |
| 245 | Do. | 246 | 4 | Limitation of provision for repairs. | 7,50,000 | Accepted | 7,50,000 | |
| 246 | Do. | 246 | 5 | Future utilisation of buildings in Calcutta. | ... | Under consideration | ... | |
| 247 | Do. | 247 | 6 | Reductions in establishment charges in Rajputana and Central India. | 40,000 | An alternative scheme has been adopted involving abolition of two Executive Engineers and considerable further savings in establishment. | 1,07,000 | |
| | | | | Reductions in Coorg | 20,000 | Reduction partly effected | 12,000 | Further reduction under consideration. Saving of Rs. 42,000 proposed for 1924-25. |
| | | | | Reductions in Simla | 35,000 | Will be effected | 23,000 | |
| | | | | Total reductions in establishment charges. | 2,50,000 | Reductions have been effected on lines proposed. | 2,01,000 | |
| 248 | Do. | 247 | 7 | System of tenders for complete works and of lump sum contracts whenever possible. | — | The system has been encouraged but as Local Governments are the Agents in this work, the question is largely for their discretion. The question is however under further consideration. | | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|-----------------------------------------|----------------------|-------|------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 349 | Civil Works | 248 | 8 | Revision of arrangements for execution of works now carried out by the agency of Local Governments. | Rs. ... | The question is under consideration and a scheme is being examined for an organisation independent of Local Governments. | Rs. ... | |
| 350 | Do. ... | 248 | 9 | Reappropriation of funds and introduction of a system to obviate rush of expenditure at end of year. | | Under consideration | ... | |
| 351 | New Delhi | 249 | 5 | Revision of scheme for construction of new station. | | Under consideration | ... | |
| 353 | Territorial and Political Pensions. | 250 | ... | Endeavour to be made to effect progressive reductions. | ... | The principle has been followed in the past and will be strictly adhered to in future cases. | ... | |
| 353 | Superannuation allowances and pensions. | 251 | 4 | An actuarial examination should be made of the cost of revision of pensions. | | The Government Actuary was consulted, but an accurate examination would mean very great delay. It has been otherwise ascertained that, compared with the present system, the revised rules are not likely to involve any material charges in present scale of expenditure. | | |
| 354 | Do. | 251 | 5 | Adoption of varying mortality rates. | | The principle has been accepted and an examination will be made. | | |
| 355 | Do. | 252 | 7 | Debit to commercial departments of pensionary charges | | This is already being done in the accounts of the main commercial departments and steps are being taken to include these charges in other departments which perform functions of a commercial character. | | |
| 356 | Do. | 252 | 8 | Revision of temporary increased scales of pension in 1924. | | Local Governments have been asked for their opinion and the question will be considered on receipt of their replies. | | |
| 357 | Stationery and Printing. | 253-260 | ... | Reductions and improvements in Stationery and Printing organisation. | 10,37,000 | The specific recommendations are under consideration and budget provision for 1923-24 has been reduced to Rs. 80 lakhs. | 15,50,000 | |
| 358 | Miscellaneous. | 261 | 5 | Special commissions of enquiry to be resorted to only in exceptional cases. | | This recommendation has been noted and will be observed whenever possible. | ... | |
| 359 | Do. | 261 | 7 | Local Clearing Office to be amalgamated with Peace Treaty Branch. | | This has been carried into effect. | | |
| 360 | Do. | 263 | 9 | Revision of incidence of certain payments to provinces. | 45,000 | Decision will shortly be arrived at. A provisional saving of Rs. 20,000 has been made. | 20,000 | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1922-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|------------------------------------------|----------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| | | Page. | Para. | | | | | |
| 261 | Miscellaneous. | 263 | 11 | Reduction in miscellaneous expenditure on the North-West Frontier Province. | Rs. 1,22,000 | Provision for grain compensation has been omitted. The reserve of Rs. 30,000 has been cut out and a reduction of Rs. 2,000 effected under Durbar Presents. | Rs. 1,20,000 | |
| 262 | " | 63 | 13 | Reduction in miscellaneous charges in Delhi. | 45,000 | The reserve has been eliminated and the grant to the Notified Area reduced as proposed. | 65,000 | |
| 263 | " | 264 | Conclusion. | Reduction of provision under the head Miscellaneous. | 14,3,000 | It has not been possible to secure this reduction. The Committee assumed a reduction of Rs. 7,80,000 in expenditure in England under this head but the estimate for the current year is Rs. 21 lakhs, a reduction of Rs. 2,37,000 only. Provision has also been necessary for the Public Services and for unavoidable payments to provincial governments. Omitting the special provision for anticipated supplementary grants the normal estimate under this head will be Rs. 69,80,000. Reductions have been effected as indicated under the preceding items. | | |
| 264 | Adjustments with Provincial Governments. | 272 | 2 | Steps to be taken to determine the amount of the fixed assignment to be made to Burma for the cost of Military police. | | The question is under consideration with the Government of Burma. | | |
| 265 | Expenditure in Minor Administrations. | 277 | Conclusion. | Settlement to be entered into with the North-West Frontier Province and Baluchistan. A special enquiry to be made into the cost of minor administrations in Central India and Rajputana. | ... | The decision on the report of the North-West Frontier Province Enquiry Committee is awaited. Further, owing to the disturbed condition of the frontier, the present time is inopportune for framing standard figures to form the basis of a settlement. It is therefore proposed to postpone consideration of the question till the budget of 1924-25 is settled. This has been accepted. It is hoped to secure the services of the officer who conducted the enquiry in Coorg and to commence the investigation shortly. | | |

| Serial No. | Head. | Reference to report. | | Recommendation. | Reduction proposed on budget of 1923-23. | Action taken or now proposed. | Reduction in 1923-24. | Remarks (further action proposed, etc.). |
|------------|----------------------------|----------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Page. | Para. | | | | | |
| 266 | Pay, leave and allowances. | 285 | Conclusion | (1) The whole question of pay and leave conditions of the subordinate services to be made the subject of an enquiry in which local Governments will be associated. | Rs. | Local Governments have been addressed on the question of pay and their replies are awaited. An examination of the present leave rules is in progress with a view to economy. | ... | |
| 267 | Pay, leave and allowances. | 285 | Conclusions (2) and (3) | Revision of travelling allowance rules. | ... | The recommendations of the Committee have been accepted with a slight modification and orders have been issued accordingly. | ... | The probable saving is not known but on the basis of expenditure for 1923-22, it is estimated that a saving of about Rs. 15 lakhs should be secured by the revision of the rules and stricter control over this expenditure. |
| 268 | General Observations. | 292 | 0 | Introduction of commercial accounts. | ... | Will be adopted for all departments affected. | ... | |
| 269 | | 292 | 7 | Reductions in holdings of stores. | | Stocks are under examination in all departments affected and the recommendation is being carried into effect. | ... | |
| 270 | | ... | ... | Total reductions recommended in the civil departments. | 9.05 lakhs. | Exclusive of interest and sinking fund charges, the total reductions now accepted in the current year's budget are over Rs. 7½ crores. | 7.57 lakhs. | The possibility of further reductions is being considered. |

Statement showing the reasons why Government have been unable to accept the recommendations of the Retrenchment Committee in some of the more important cases.

ABOLITION OF EDUCATIONAL COMMISSIONER.*

It was considered necessary to retain an experienced adviser upon educational matters with the Government of India, but in order to effect economy, it was proposed, as an experiment for one year, to put him in charge of the duties of the Superintendent of Education, Delhi and Ajmer-Merwara, in addition to his own work. At the same time the Central Advisory Board and the staff of the Bureau of Education have been brought under reduction. Thus a saving of approximately Rs. 75,000 out of the estimate of Rs. 1,00,000 made by the Retrenchment Committee should be effected.

ABOLITION OF THE APPOINTMENT OF INSPECTOR GENERAL OF IRRIGATION.†

The Retrenchment Committee recommended the abolition of the post of Inspector General of Irrigation and also the amalgamation of the Public Works Department with some other department of Government. Had this recommendation been accepted in full, it would have led to the abolition both of the Inspector General and of the Public Works Secretary. Both these officers had technical functions, the one in connection with Irrigation, the other with Civil Works, and it was decided that the responsibility of the Central Government in regard to these matters was such that expert advice at headquarters was essential. A single Consulting Engineer to the Government of India, who will primarily be an irrigation expert, has, therefore, been appointed, who discharges the technical duties which formerly devolved upon the two officers mentioned.

TOTAL REDUCTIONS IN THE EDUCATIONAL EXPENDITURE.

North-West Frontier Province.‡—A lump reduction of Rs. 1,00,000 in the budget grants for 1923-24 under the head "31—Education" was made provisionally in order to give partial effect to the recommendations of the Indian Retrenchment Committee. But further investigations showed that it was not possible in a secondary school to ration teachers on a pupil basis in the manner recommended by the Committee. At the most it was considered possible to cut Rs. 60,000 in the current year. The Government of India will, therefore, require a supplementary grant of Rs. 40,000 this year. The question whether expenditure on education should not be reduced or restricted in other ways in 1924-25 is being examined.

Delhi.§—A reduction of Rs. 75,000 was made provisionally in the budget grants for 1925-24 under the head "31—Education". Further examination showed that it would be false economy to starve the private colleges into decay and that reductions on secondary education could not be made on the lines proposed by the Committee, as in the case of the North-West Frontier Province. The Government of India will, therefore, require a supplementary grant of Rs. 50,000 this year (Rs. 25,000 on account of arts colleges and Rs. 25,000 on account of secondary schools). The question whether expenditure on education should not be reduced or restricted in other ways in 1924-25 is being examined.

Delhi University.||—The Government of India were advised that the university could not be put on end to without a repealing Act, and that by the mere repeal of the Act the three Delhi colleges now included in the university would not automatically be restored to the Punjab University. Doubt was also expressed as to whether a repealing Act could be passed through the Legislature before the close of 1922-23. It was accordingly decided to keep the university in being so long as the Assembly voted the money needed. The matter was brought up in the Assembly and the money for 1923-24 was voted.

* Page 130, paragraph 15 of Report.

† Page 136, paragraph 30 of Report.

‡ Pages 193-5 of Report.

§ Pages 195-6 of Report.

|| Page 196, paragraph 15 of Report.

The remaining recommendations regarding the reduction of educational expenditure are dealt with in the following statement :

| Page of Report. | Paragraph of Report. | Recommendations of the Committee. | Remarks. |
|-----------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 192 | 8 | We consider that if any grant is made (to the Aitchison College), it should be limited to Rs. 15,000. | Recommendation given effect to. The grant has been reduced to Rs. 15,000. |
| 192 | 8 | We are informed that the (Rajkot) College authorities hope to make the Institution self-supporting in 1923-24. No provision should therefore be necessary. | It has been found impossible to withdraw the Central Government's subvention before 1924-25, but for the current year the grant has been reduced by Rs. 15,000. |
| 192. | 19 | "The grant to the Government College, Ajmer, has been increased from Rs. 28,614 in 1913-14 to Rs. 64,700 in 1922-23. In 1921 the teaching staff comprised a Principal and 8 Professors as against a Principal and 6 Professors in 1913-14, although the average daily attendance of students had only risen by 9. We consider that there is no justification for the increased staff and that in present financial circumstances the staff should be reduced to at least pre-war level. We are informed that the question of raising the fees charged for tuition is now under consideration and we recommend that the grant for 1923-24 should be limited to Rs. 45,000." | The Agent to the Governor General has definitely stated that no reduction in the staff of the College is possible. His views were invited on a proposal to reduce the college to an intermediate status. In his report, which has just been received, he has strongly deprecated the reduction until a definite decision is arrived at about the proposed establishment of a University for Rajputana. His views are under consideration. |
| 198 | 20 | "This table shows that whereas the average daily attendance at the Government schools has fallen off, there has been an increase in the number of teachers employed. We consider that the number of teachers should be reduced to pre-war standard, saving 19 teachers, also that the scale of fees, which is lower than in the aided schools should be raised and the grant reduced to Rs. 70,000. | The fees for tuition have been raised and an additional income of Rs. 5,000 a year is expected thereby. |
| | | "The standard of staffing in the aided schools is also excessive and we think that the grant to these schools should be reduced to Rs. 10,000." | |
| 198 | 21 | Primary Schools.—The average number of pupils per teacher in the Government Primary schools is only 19.4 and in the aided schools 17.7. We consider that these standards should be materially raised, which would set free funds for increasing the number of schools. | The Chief Commissioner deprecates any retrenchment in Primary education; his views are under consideration. He has reported that he is considering the question of raising the District Board cess, which may provide extra funds. |

| Page of Report. | Paragraph of Report. | Recommendations of the Committee. | Remarks. |
|-----------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | N.B.—The Chief Commissioner has effected a reduction of Rs. 13,566-5-1 towards meeting the lump out of Rs. 20,000 made by the Legislative Assembly in the education budget of Ajmer-Merwara for 1923-24. | |
| 195 | 12 | That the grant for secondary education in Baluchistan be reduced by Rs. 15,000. | The Agent to the Governor-General has been able to effect a reduction of Rs. 15,000 in all under the head "31—Education." |
| 195 | 13 | That the provision for scholarships in Baluchistan should not exceed Rs. 24,000. | |
| 198 | 24 | That the grants-in-aid to secondary schools in Rajputana amounting to Rs. 34,000 should be reduced to Rs. 20,000. | The Agent to the Governor-General has intimated that a reduction of Rs. 3,380 only can be effected during the current year. |
| 198 | 26 | That the grants for secondary education in Hyderabad be reduced by Rs. 18,490. | The Resident at Hyderabad intimated in May last that the lump reduction of Rs. 9,000 made under the head "31—Education" in the Central budget for 1923-24 would be effected by reducing the grant to the secondary schools in the administered areas to the extent of Rs. 9,000. |

PUBLIC HEALTH COMMISSIONER.*

It has been decided not to abolish the post of Public Health Commissioner for 1923-24. But savings amounting to Rs. 13,000 have been effected by the abandonment of the proposal to depute the Public Health Commissioner to attend a Conference in Paris during the current year and by the appointment of a Captain in place of a Major to the post of Assistant Director General, Indian Medical Service (Sanitary) with effect from the 1st June 1923.

REDUCTION IN BACTERIOLOGICAL OFFICERS.†

The Government of India have been unable to agree with the Retrenchment Committee that all the existing appointments of bacteriological officers holding unspecified posts in the Medical Research Department should be abolished. They have decided that 11 out of the 17† sanctioned posts should be held in abeyance in 1923-24 and that not more than 6 posts should be filled until the financial situation improves. The pay of the six officers will be charged to central revenues but the Indian Research Fund Association will find the money for their travelling and field allowance and the expenses generally of their enquiries. The Association is unable to meet the pay of the officers.

INDIAN STORES DEPARTMENT.§

The views expressed by the Indian Retrenchment Committee regarding the Indian Stores Department have been carefully considered by the Government of India: they have, however, now decided to proceed with the expansion and development of that Department as circumstances and the financial situation permit. In arriving at this decision they were influenced by the following facts!—

- (1) In the absence of a properly constituted Stores Department with an intelligence, purchase and inspection agency it is impossible to divert to Indian mills and workshops the large orders for stores which are at

* Page 204, paragraph 3 of Report.

† Page 208, paragraph 8 of Report.

‡ Provision was made only for 12 in the Budget for 1922-23.

§ Page 216, paragraph 15 of Report.

present sent to the London Stores Department for compliance. The organization of each branch of inspection and purchase means another step in the direction of transferring the balance of Government purchases to India.

- (2) Economics are expected from the centralised purchase of stores. The sooner these can be effected the better.
- (3) The existing headquarters staff of the Department was created with a view to expansion along the lines already announced, and it would be in the highest degree uneconomical, while retaining this headquarters' staff, to cripple its activities by postponing such expansion for an indefinite period.

The Retrenchment Committee recommended that the further expansion of the Department should be postponed until it had been ascertained whether the provinces collectively were prepared to utilize it, but this recommendation appears to have been based on a mistaken conception of the position. Compared with the purchasing transactions of the Government of India and of Railways, the purchases of provincial Governments are comparatively trifling and, whether Local Governments choose to utilize the services of the Department or not, the quantity of stores purchased by the Central Government and Railways alone amply justifies the development of the Indian Stores Department.

REPORTS OF THE INNES AND BRAITHWAITE COMMITTEES.

2. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to lay on the table the reports of the Innes Committee and of the Braithwaite Committee referred to in the report of the Inchcape Committee ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Government do not propose to lay the Reports on the table, as this would mean reprinting, the expense of which it is desirable to avoid. A copy of each of the two Reports in question will, however, be placed in the Library of the House.

CLOSING DOWN OF MILITARY HOSPITALS.

3. The HONOURABLE MR. PHIROZE C. SETHNA : Have Government made an inquiry as recommended by the Inchcape Committee with a view to closing down military hospitals where their retention is not justified, and to substantially reducing the number of beds in the hospitals retained ? If so, what is the result ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The question whether it is possible to close forthwith certain hospitals, and also to reduce the number of beds in both British and Indian station hospitals, is now being investigated.

REPORT OF INCHCAPE COMMITTEE AND THE PRESS.

4. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state why the report of the Inchcape Committee was not made available to the Press until weeks after it was distributed to the members of the Central Legislature ?

The HONOURABLE MR. A. C. McWATTERS : The facts are as follows :—

Copies of the Report were issued to the Associated Press and to the representatives of newspapers in Delhi on the 3rd March, i.e., the same day that they were distributed to the Members of the Legislature.

At the same time a telegraphic summary of the report prepared by the Finance Department was handed to the Associated Press. Between the 5th and 7th March a further consignment of 420 copies was distributed to various centres throughout India and copies were issued to the principal newspapers. Those in Calcutta received copies on the 7th March, those in Bombay on the 8th March, and those in Madras on the 10th March. Issues were also made at the same time to local branches of the Associated Press.

On the 9th March also the Government Press was directed to print off in Delhi a supply of the foolscap edition for immediate demand by the public, and also to issue a cheaper octavo edition which had to be reset in Calcutta. The issue of the octavo edition from the Calcutta Press began on the 12th April.

MILITARY DAIRIES.

5. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state what steps they propose to take in order that the military dairies may be run at a profit and not at a loss as at present ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The matter is at present under the consideration of Government. As a first step, certain reductions have already been made in the administrative and executive staffs.

REPORT OF LORD LYTTON'S COMMITTEE.

6. The HONOURABLE MR. PHIROZE C. SETHNA : Have Government considered the report of Lord Lytton's Committee and what action do they propose to take thereon ?

The HONOURABLE SIR NARASIMHA SARMA : The report has been published and circulated to Local Governments and Administrations for an expression of their views on the various recommendations made therein.

The HONOURABLE MR. LALUBHAI SAMALDAS : Will this House be given an opportunity of considering the views of the Local Governments when they are received by the Government of India ?

The HONOURABLE SIR NARASIMHA SARMA : We shall endeavour to meet the wishes of the Honourable Member.

REPORT ON IMPERIAL DEFENCES.

7. The HONOURABLE MR. PHIROZE C. SETHNA : With reference to my question No. 136 asked on 14th February 1923, will Government be pleased to lay on the table the report of the sub-committee of the committee on Imperial Defence on the conclusions of the Military Requirements Committee if they have by this time received it ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Government do not propose to lay the Report on the table. To publish it would not be in the public interest.

INDIANS IN THE EAST INDIES SQUADRON.

8. The HONOURABLE MR. PHIROZE C. SETHNA : (a) Will Government be pleased to state how many Indians are employed in the East Indies Squadron ?

(b) What is the total cost of maintenance of the Squadron, and the proportion in which it is borne by each of the countries concerned ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Indians are not eligible for admission to His Majesty's Royal Navy, of which the East Indies Squadron forms a part. A very small number, however, are employed in some of the ships as officers, stewards, cooks, etc.

(b) So far as the Government of India are aware, the cost of the squadron is borne by His Majesty's Government alone. They have no information as to what the cost amounts to.

REDUCTION OF EXECUTIVE COUNCILLORS AND MINISTERS.

9. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state whether inquiries into the question of reducing the number of Executive Councillors and Ministers have been concluded and, if so, what decision has been arrived at in the matter ?

The HONOURABLE MR. J. CRERAR : The views of the Local Governments concerned have been received and are under consideration.

The HONOURABLE MR. LALUBHAI SAMALDAS : When can we expect to receive final orders ?

The HONOURABLE MR. J. CRERAR : I am afraid I cannot give any indication as to when a final decision will be arrived at.

PRINTING OF CURRENCY NOTES IN INDIA.

10. The HONOURABLE MR. PHIROZE C. SETHNA : Have Government received Major Willis' report on the subject of printing currency notes in India and, if so, will they place it on the table ?

The HONOURABLE MR. A. C. McWATTERS : A preliminary report has been received and a final report is expected shortly. Government will be prepared to consider the question of publication.

ADMISSION OF INDIANS TO THE ROYAL ARTILLERY, ROYAL ENGINEERS AND ROYAL AIR FORCE SERVICES.

11. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state what action they have decided to take in pursuance of the resolution of the Legislative Assembly on the question of admitting Indians to the Royal Artillery and Royal Engineer Services in India and to the Royal Air Force ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The proposal that Indians should be admitted to the Royal Artillery and the Royal Engineers, which are branches of the British Army and not of the Indian Army, has not been agreed to. The proposal that Indians should be admitted to the Royal Air Force, which is also a British Service establishment, has not been agreed to. Indianisation of the commissioned ranks of the Army is for the present limited to the scheme of Indianising selected Cavalry and Infantry units in the Indian Army.

DUTIES, POWERS AND PROCEDURE OF ADVISORY COMMITTEES. . . .

12. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state—

(a) whether the duties, powers and procedure of advisory committees have been prescribed, as provided for under section 12, clause (2), of the Indian Territorial Force Act ; and

(b) if so, to place on the table the rules relating thereto ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) and (b). The duties, etc., of Advisory Committees are prescribed under rule 30 of the Indian Territorial Force rules published under the Indian Territorial Force Act. The rules are available to the public, and it is unnecessary to lay them on the table of the House.

APPOINTMENT OF INDIANS AS SECRETARY, DEPUTY SECRETARY, ETC., IN THE GOVERNMENT OF INDIA.

13. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state what action they have taken on the resolution of this Council regarding the appointment of at least one Indian as Secretary, Joint Secretary or Deputy Secretary to every Department of the Secretariat of the Government of India ?

The HONOURABLE MR. J. CRERAR : A copy of the orders issued is laid on the table.

No. F. 29-23-Esta.

GOVERNMENT OF INDIA.
HOME DEPARTMENT.

ESTABLISHMENTS.

Simla, the 7th May 1923.

OFFICE MEMORANDUM.

SUBJECT.—*Appointments of Indians as Secretary, Joint Secretary or Deputy Secretary to every Department of the Government of India Secretariat.*

The undersigned is directed to forward, for the information of the Foreign and Political Department, etc., a copy of the Right Honourable V. S. Srinivasa Sastri's Resolution on the above subject which was adopted by the Council of State at its meeting of the 26th February 1923, and to intimate the orders passed by the Governor General in Council. His Excellency the Viceroy is not prepared to agree to any fixed ratio of Indians in Secretariat posts which are essentially selection appointments, but accepts the principle of appointing Indians in Secretariat appointments in increasing numbers subject to the following conditions.

2. The principle adopted in filling the posts in the Government of India Secretariat has always been that experienced and suitable men should be selected and in the majority of cases a previous training in the provincial Secretariats has been regarded as necessary. His Excellency the Viceroy has directed that on the occurrence of vacancies in the appointments mentioned in the Resolution the possibility of obtaining a suitable and competent Indian officer from the provincial Secretariats should be definitely considered. In pursuance of this object, he desires that on every occasion on which Local Governments are asked to submit names for nomination to Secretariat appointments in the Government of India, they should be asked to give the names of Indian officers, where suitable, as well as of Europeans.

3. It is requested that action may be taken by the Foreign and Political Department, etc., in accordance with His Excellency's orders.

(Sd.) C. W. GWYNNE,

Officiating Joint Secretary to the Government of India.

To

All Departments of the Government of India.

Resolution.

This Council recommends to the Governor General in Council that, in order to give Indians an insight into the larger problems of Imperial administration and policy, he would be pleased to appoint, so far as possible, at least one Indian as Secretary, Joint Secretary, or Deputy Secretary to every Department of the Secretariat of the Government of India.

AVERAGE INCOME PER HEAD OF INDIAN POPULATION.

14. The HONOURABLE MR. PHIROZE C. SETHNA : (a) Have Government instituted any recent inquiries with the object of finding out what is the average income per head of the Indian population ?

(b) If so, will they state the results of those inquiries and also lay on the table all papers relating thereto ?

(c) If not, will they be pleased to state what in their opinion is the average income per head of the population at present ?

The HONOURABLE MR. A. C. MCWATTERS : (a) There has been no recent inquiry, and (b) therefore does not arise.

(c) Government are unable to commit themselves to any estimate of the average income per head of population. They consider that any such estimate, whether drawn up by a statistician or by a Committee appointed by Government, could only be approximate and could not be safely quoted without all the assumptions and explanations on which it is founded being quoted too.

PRINTING OF POSTAGE STAMPS IN INDIA.

15. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state what have been the results of the inquiry made by them into the feasibility of getting postage stamps printed in India ?

The HONOURABLE MR. A. C. MCWATTERS : The officers who were deputed to investigate the question of the feasibility of manufacturing currency notes, stamps and stamped papers in India have recently submitted their preliminary report. They have come to the conclusion that there is no reason why the printing of security papers should not be done in this country, and they recommend that as an initial step an experimental press should be started at the earliest possible date in order that the methods proposed by them may be thoroughly tested and learned, and that a nucleus staff may be afforded the necessary training and experience. Government have accepted this recommendation, and, with the concurrence of the Standing Finance Committee, have already taken in hand the arrangements which are required to give effect to this proposal.

IMPERIAL SERVICES.

16. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to lay on the table the replies received from the Local Governments to the Circular letter of the Home Secretary to the Government of India as regards Imperial Services ?

The HONOURABLE MR. J. CRERAR : The correspondence with of course be considered by the Royal Commission ; the Government of India do not intend to publish it or lay it on the table.

PROSECUTIONS UNDER THE INCOME-TAX ACT.

17. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to lay on the table a statement showing the number of prosecutions instituted in each province for offences against the Income Tax Act and the number of convictions ?

The HONOURABLE MR. A. C. McWATTERS : A statement is laid on the table :

Statement showing the number of prosecutions and convictions in the various Provinces for offences under the Income-tax Act, 1922, during the year 1922-23.

| Provinces. | Prosecutions. | Convictions. |
|-------------------------|---------------|--------------|
| Madras | 27 | 11 |
| Bombay | 9 | 5 |
| Bengal | 3 | .. |
| United Provinces | .. | .. |
| Punjab | 1 | 1 |
| Burma | 5 | 2 |
| Bihar and Orissa | .. | .. |
| Central Provinces | 23 | 12 |
| Assam | .. | .. |
| Baluchistan | .. | .. |
| Delhi | .. | .. |
| Coorg | .. | .. |
| Ajmer-Merwara | 1 | 1 |
| Abu | .. | .. |
| Total | 69 | 32 |

RESIGNATIONS OF EUROPEAN OFFICERS.

18. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state how many European officers in each Department since the inauguration of the Reforms have resigned their appointments before becoming entitled to full pension ?

The HONOURABLE MR. J. CRERAR : The number of European Officers of each service who have been permitted to retire in accordance with the terms of Home Department Resolutions No. F-149-I, dated the 8th November 1921, and No. F-267, dated the 5th July 1922, is as follows :—

| | |
|---------------------------------------|-----|
| Indian Civil Service | 64 |
| Indian Police Service | 93 |
| Indian Service of Engineers | 41 |
| Indian Educational Service | 22 |
| Indian Forest Service | 17 |
| Indian Agricultural Service | 9 |
| Indian Veterinary Service | 4 |
| TOTAL | 250 |

PAY OF PROVINCIAL SERVICE OFFICERS HOLDING INDIAN CIVIL SERVICE POSTS.

19. The HONOURABLE MR. PHIROZE C. SETHNA : Is it a fact that when an officer of the Provincial Civil Service officiates in a post ordinarily reserved for members of the Indian Civil Service, he draws the lowest senior scale salary of the Indian Civil Service, or Rs. 300 a month above his pay at the time of promotion, whichever is greater, and that he also receives the annual increments according to the Indian Service scale of pay ?

The HONOURABLE MR. J. CRERAR : The pay is regulated by the orders contained in the Home Department Resolution No. 1260, dated the 24th June 1920, as amended by subsequent orders, copies of which are laid on the table. It will be observed that the lowest initial pay admissible is Rs. 1,275 a month and not Rs. 1,000, the lowest pay of the superior scale of the I. C. S. Thereafter increments are drawn annually in accordance with the I. C. S. scale of pay.

No. 1260.

GOVERNMENT OF INDIA.

HOME DEPARTMENT.

ESTABLISHMENTS.

Simla, the 24th June 1920.

RESOLUTION.

With the approval of His Majesty's Secretary of State for India it has been decided to allow the officers noted on the margin* to draw with effect from the 1st December 1919, the same pay as has been sanctioned in the Home Department Resolution No. 286, dated the 13th February 1920, for regular members of the Indian Civil Service, subject to the following reservations or principles :

*1. Officer promoted from the Provincial Service to hold Indian Civil Service posts.

2. Officers recruited from the Bar.

3. Military and other uncovenanted members of the old mixed commissions (including members of the old Berar commission).

4. Statutory Civil Servants.

- (1) Only officers of non-Indian domicile belonging to the third category set forth in the margin will be eligible for overseas allowance.
- (2) (a) The initial pay of an officer promoted from the Provincial Service will on each occasion of his promotion be fixed on the superior time scale at a stage which will represent Rs. 300 a month above the pay last enjoyed by him in the regular line of the Provincial Service, or the initial stage of the superior scale (Rs. 1,000) whichever is greater.
- (b) In bringing such officers at present in service on to the time scale, their pay on permanent appointment to posts ordinarily held by members of the Indian Civil Service will first be determined in accordance with the principle in Clause (a) above, and to this will be added as many increments as they would have received according to their length of service after such promotion.
- (3) Military and other uncovenanted members of the old mixed commissions (including members of the old Berar Commission) and statutory civil servants will be brought on to the time scale in accordance with paragraph 4 of the Home Department Resolution no. 286, dated the 13th February 1920, the date of commencement of service in their case being reckoned from the date of their first appointment to the mixed Commission or Indian Civil Service.

4. In regard to officers recruited from the Bar, full discretion is left to the local Governments and Administrations to bring in such recruits at any suitable stage up to Rs. 2,000.

ORDER.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations, the several Departments of the Government of India (including the Financial Adviser, Military Finance) and the offices subordinate to this Department, for information and guidance.

Ordered also that it be published in the Supplement to the *Gazette of India* for general information.

H. McPHERSON,

Secretary to the Government of India.

No. 2353.

GOVERNMENT OF INDIA.
HOME DEPARTMENT.

ESTABLISHMENTS.

Simla, the 1st November 1920.

RESOLUTION.

The following amendment is made in the Home Department Resolution No. 1260, dated the 24th June 1920, regarding the pay to be drawn by officers (other than members of the Indian Civil Service) holding posts ordinarily held by members of the Indian Civil Service :—

For the word “pay” occurring in line 4 substitute the words “pay and allowances (including the judicial allowance of Rs. 150 sanctioned for officers holding superior judicial appointments).”

ORDER.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations, the several Departments of the Government of India (including the Financial Adviser, Military Finance) and the offices subordinate to this Department, for information and guidance.

Ordered also that it be published in the Supplement to the *Gazette of India* for general information.

H. McPHERSON,

Secretary to the Government of India.

Copy to the

C. W. GWYNNE,

Deputy Secretary to the Government of India.

No. 1053.

GOVERNMENT OF INDIA.
HOME DEPARTMENT.

ESTABLISHMENTS.

Simla, the 5th May 1921.

RESOLUTION.

The Government of India have had under consideration representations made by Provincial Civil Service officers holding Indian Civil Service posts as to the adequacy of the remuneration admissible to them, under paragraph 1 (2) (a) of the Home Department Resolution No. 1260 (Establishments), dated the 24th June 1920. With the approval of the Secretary of State, the Government of India are pleased to direct that the following shall be substituted for paragraph 1 (2) (a) of the Resolution in question :—

“(2) (a). The initial pay of an officer promoted from the Provincial Service will on each occasion of his promotion be fixed on the superior time-scale at the lowest stage which exceeds the substantive pay last enjoyed by him in the regular line of the Provincial Service by not less than Rs. 300 a month, or the stage of the superior

scale for the 10th year of service in the Indian Civil Service (Rs. 1,275), whichever is greater. In addition, he will be allowed to count towards increments any period during which he may have previously officiated in a listed post. Provided that in no case will a Provincial Service officer draw a higher pay than that to which an officer of the Indian Civil Service of the same number of years' service would be entitled under the superior time scale."

2. The following amendments shall be made in paragraph 1 (2) (b) of the same Resolution :—

(i) For the words " on permanent appointment " in line 2 read the words " when first permanently appointed ".

(A) Omit the word " first " in line 3.

3. All the changes announced in this Resolution will have effect from the 1st December 1919.

ORDER.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations, the several Departments of the Government of India (including the Financial Adviser, Military Finance) and the offices subordinate to this Department, for information and guidance.

Ordered also that it be published in the Supplement to the *Gazette of India* for general information.

C. W. GWYNNE,

for Officiating Secretary to the Government of India.

No. F. 936-Ests.

GOVERNMENT OF INDIA.

HOME DEPARTMENT

ESTABLISHMENTS.

Simla, the 23rd January 1923.

RESOLUTION.

It has been brought to the notice of the Government of India that, under the orders contained in paragraph (2) (a) of the Home Department Resolution No. 1260, dated the 24th June 1920, as amended by paragraph 1 of the Resolution No. 1053, dated the 5th May 1921, a Provincial Civil Service officer appointed to officiate in a listed post for the second or third time can sometimes earn increments on the Indian Civil Service time scale without completing one year's service in each stage. As this result, which was never contemplated by them, is directly opposed to the fundamental rules regarding increments, they have now, with the approval of the Secretary of State, decided to amend the orders in question by the insertion of the words " in that stage " before the words " in a listed post " in the penultimate sentence of paragraph (2) (a), and by the omission of sub-paragraph (b) which is no longer necessary.

2. These amendments will have effect from the 1st January 1923, and the emoluments of officers holding listed posts permanently on that date will not be affected. Officers who will have officiated in such posts prior to that date will also be protected to the extent that their stage in the superior time scale on the next occasion of holding these posts will not be lower than it was on the previous occasion.

ORDER.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations, the several Departments of the Government of India (including the Financial Adviser, Military Finance) and the offices subordinate to this Department, for information and guidance.

Ordered also that it be published in the Supplement to the *Gazette of India* for general information.

J. CRERAR,

Secretary to the Government of India.

No. F. 936-Ests.

Copy forwarded to

(Sd.) G. F. WINN,

Assistant Secretary to the Government of India

OFFICERS REDUCED UNDER RETRENCHMENT POLICY.

20. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government please state the number of those in Government service whose services were dispensed with by the Government of India in pursuance of the policy of retrenchment ?

The HONOURABLE MR. J. CRERAR : The total number is 2,027. This figure includes the staff reduced in Army Headquarters and the Government Presses and also 367 menials.

RECOMMENDATIONS OF THE INDIAN JAILS COMMITTEE, 1919-20.

21. The HONOURABLE MR. LALUBHAI SAMALDAS : Will the Government be pleased to say what action they have taken on the following recommendations of the Indian Jails Committee, 1919-20 :—

- (1) " That the punishment of flogging shall only be inflicted for mutiny or incitement to mutiny and for serious assaults on any public servant or visitor." (Paragraph 227 of the Report).
- (2) " That the use of this device (Belchain) should be prohibited except as a strict measure when men are placed in insecure huts or tents outside a permanent jail ; for instance, on the occasion of an outbreak of cholera." (Paragraph 244 of the Report).

The HONOURABLE MR. J. CRERAR : (1) The Honourable Member is referred to paragraph 2 of the Home Department letter No. 104, dated the 4th April 1921, published on pages 272-4 of the Debates of the Legislative Assembly held on the 15th September 1921 in which the Government of India expressed a general agreement with the Committee's recommendation regarding the restricted occasions on which the punishment of flogging should be resorted to. They have suggested a redraft of the rules to Local Governments ; and the replies of Local Governments, which have all been received, are now under consideration. It is hoped that final orders will be issued shortly.

(2) Attention is invited to paragraph 7 of the Home Department letter referred to above in which the Government of India asked Local Governments and Administrations to take steps to limit the use of the belchain to occasions when it is absolutely indispensable as a precaution against escape.

The HONOURABLE MR. LALUBHAI SAMALDAS : Has the attention of the Government been drawn to the Report of the Visapur Jail Committee about belchains ?

The HONOURABLE MR. J. CRERAR : This Report has not been specifically referred to other Local Governments, but the recommendations of the Committee have appeared in the press and doubtless have been duly noted by other Local Governments than the Government of Bombay. So far as the recommendations of the Committee in this particular matter are of general applicability, they substantially coincide with those of the Indian Jails Committee which, as already stated, have been referred to all Local Governments.

STATEMENT BY MICHAEL O'DWYER RE REFUSAL OF COMMISSIONS BY INDIANS.

22. The HONOURABLE MR. LALUBHAI SAMALDAS : "(1) Will the Government be pleased to say whether they have noticed a statement made by Sir Michael O'Dwyer reported in the Bombay Dailies of 21st May 1923 :—

- (a) " That the Indian officers were refusing commissions and also that Indian fighters were refusing to fight under commissioned Indian officers "; and
 - (b) " That the handling of the (Moplah) rebellion showed that Indians were most incapable of maintaining law and order ".
- (2) Will Government be pleased to state how far these statements are true ; and
- (3) If not, what steps the Government have taken or propose to take to contradict them ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The Government have seen the report in question ; and, in order to ascertain whether it was an accurate account, a reference was made to Sir Michael O'Dwyer, through the Secretary of State. In reply, Sir Michael O'Dwyer has described the report as an absolute travesty of what he said about the army. On the occasion mentioned in the report, he referred to the belief, which apparently is current in England as well as in India, that Indian officers already in the Indian Army have displayed unwillingness to transfer to Indianised regiments as such ; but denies emphatically having expressed satisfaction that this should be the case. As regards the other observations attributed to him, Sir Michael O'Dwyer asserts that he did not say that Indians were incapable of maintaining law and order, but that the reformed Government had failed in so doing and thus had prolonged the Moplah rebellion.

The remarks attributed to Sir Michael O'Dwyer by the Bombay newspapers, to which the Honourable Member has referred, were not reported in the English press, but a correct account of his speech, on the points dealt with in this question, has since been cabled to India and has already appeared in the press.

INDUSTRIAL BANKS.

23. The HONOURABLE MR. LALUBHAI SAMALDAS : Will Government be pleased to state what steps they have taken in connection with the Resolution of the Honourable Professor Kale regarding the starting of the industrial banks ?

The HONOURABLE MR. A. H. LEY : The Government of India consider that the time is inopportune for the appointment of the Committee proposed by the Honourable Mr. Kale. The subject of industrial finance is primarily a matter for the provinces, some of which have already taken action on the lines suggested by the Industrial Commission by means of legislation regulating the grant of industrial loans. The question of industrial banks was discussed at more than one of the conferences of the Directors of Industries and Ministers of Local Governments in charge of Industries, and the majority of Local Governments

were opposed to the idea of State enterprise or assistance to industrial banks. The Government of India consider that expenditure of money on the proposed Committee would not be justified in present circumstances, and have consequently decided to take no action on the Resolution in question.

TWENTY MILLION POUNDS STERLING LOAN.

24. The HONOURABLE MR. LALUBHAI SAMALDAS : Will Government be pleased to say why 20 million pounds sterling loan was raised recently in England, although the Finance Minister in his budget speech had said that it would be necessary to raise a sterling loan of 15 million pounds ?

The HONOURABLE MR. A. C. McWATTERS : If the Honourable Member will refer to the Budget Speech of the Honourable Finance Member, he will see that the figure of £15 millions for sterling borrowings was an assumption made for the purpose of the Ways and Means Estimates. In the same speech the Honourable Finance Member expressly stated that it was never possible to adhere to a strict programme in regard to Government's Ways and Means operations and that Government had to be guided very largely by the changing conditions of the money market both here and in London.

The HONOURABLE MR. LALUBHAI SAMALDAS : Will the Finance Department place the revised ways and means budget on the table ?

The HONOURABLE MR. A. C. McWATTERS : There is no revised ways and means budget at the present moment.

BROKERAGE CHARGES ON 20 MILLION POUND STERLING LOAN.

25. The HONOURABLE MR. LALUBHAI SAMALDAS : Will Government be pleased to give the service charges, i.e., the amount of brokerage and the interest on the broken period for the sterling loan of 20 million pounds ?

The HONOURABLE MR. A. C. McWATTERS : The underwriting and brokerage charges combined did not exceed $1\frac{1}{2}$ per cent. The first dividend, as stated in the prospectus of the loan, is payable on the 15th November 1923 and will represent a full half year's interest.

REPORT OF FIJI EMIGRATION COMMISSIONERS.

26. The HONOURABLE KHAN BAHADUR SIR AHMEDTHAMBY MARICAIR : Will the Government be pleased to state whether the report of the Fiji Emigration Commissioners has been received by Government ; if so, when it will be published for public information ?

The HONOURABLE SIR NARASIMHA SARMA : The report of the deputation sent to Fiji has been received. The Government of India hope to publish it shortly.

PURCHASE AND MANUFACTURE OF STEEL DURING 1915 TO 1922.

27. The HONOURABLE MR. LALUBHAI SAMALDAS : Will Government be pleased to lay on the table a statement giving—

- (a) the tonnage of steel purchased by Government and the Indian Railways in British India during the years 1915 to 1922 ;
- and

- (b) the tonnage manufactured in India and the average price paid for the same ; and
 (c) the tonnage manufactured outside India and the average price for the same ?

The HONOURABLE MR. A. H. LEY : The information asked for by the Honourable Member is not readily available and much time and labour would be involved in collecting it from various sources. The Government of India have no information of the steel purchases of Company-worked Railways, nor will it be possible to ascertain what proportion of the steel locally purchased by Railways was of indigenous manufacture or from imported stock. A reference to the accounts relating to the Sea-borne Trade and Navigation of British India will show the quantity and value of steel imported by Government during the years in question ; these figures include imports by the Central and Provincial Governments and State Railways.

DUTY ON SALT.

28. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to show, by a tabular statement, the amounts of duty realised on salt during the months of March, April and May of 1922 and 1923 and, if possible, also in the month of June 1922 and 1923 ?

The HONOURABLE MR. A. C. MCWATTERS : A statement showing the revenue realised from salt during the months of March, April and May of 1922 and 1923 is placed on the table. The figures for June 1923 are not available.

Statement showing the revenue realised from salt during the months of March, April and May of 1922 and 1923.

| Month. | Rs. | | Remarks. |
|-----------------|-----------|------------|----------|
| | 1922. | 1923. | |
| March | 56,17,000 | 32,32,000 | |
| April | 65,56,000 | 64,27,000 | |
| May | 72,77,000 | 74,55,000. | |

RECOMMENDATIONS OF INDIAN RETRENCHMENT COMMITTEE.

29. The HONOURABLE SIR PERSHOTAMDAS THAKURDAS : Will Government be pleased to put on the table a statement showing :—

- (a) the recommendations of the Indian Retrenchment Committee accepted by the Government of India during the current year ;
 (b) the recommendations of the Indian Retrenchment Committee which Government have resolved upon accepting during the coming financial year ; and
 (c) the recommendations of the Indian Retrenchment Committee which Government have resolved to reject stating the reasons for such rejection in each case ?

The HONOURABLE MR. A. C. MCWATTERS : Reference is invited to the statements laid on the table to-day in reply to a similar question

asked by the Honourable Mr. Pheroze Sethna. I hope the Honourable Member will find the information which he requires in those statements, but if further information on any point is desired, I will endeavour to furnish it.

CAPITAL EXPENDITURE ON NEW DELHI.

30. The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : (a) Has the attention of Government been drawn to paragraph 5 of the Retrenchment Committee's Report on "Capital Expenditure on New Delhi" wherein the said Committee recommend that the present scheme for the construction of the new station be again reviewed with the object of curtailing expenditure as far as practicable ?

(b) If the reply to the above be in the affirmative, will Government be pleased to state what action they have taken, or propose to take, on this recommendation of the Retrenchment Committee ?

The HONOURABLE MR. D. T. CHADWICK : (a) Yes.

(b) The Railway Board has caused to be carried out a traffic investigation of the Delhi area. The report has recently been received and is being examined with a view to curtailing, as far as practicable, expenditure on the New Station and other works.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : May I ask a supplementary question, Sir ? Do Government expect to place that report on the table ?

The HONOURABLE MR. D. T. CHADWICK : On that, I cannot speak with certainty. But they expect considerable reduction in the original estimates.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Do I understand that Government propose to withhold that report from the Council ?

The HONOURABLE MR. D. T. CHADWICK : Certainly not, Sir.

REIRENCHMENT COMMITTEE'S REPORT ON POLITICAL EXPENDITURE.

31. The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : (a) Has the attention of Government been drawn to paragraph 20 of the Report of the Indian Retrenchment Committee under the head "Political Expenditure" recommending that the proposal for building a Legation in Kabul at a cost of Rs. 16 lakhs be reconsidered with a view to restricting the cost to a smaller figure ?

(b) If the reply to the above be in the affirmative, will Government be pleased to state the result of their consideration of the Committee's recommendation ?

The HONOURABLE MAJOR G. D. OGILVIE : (a) Yes.

(b) On the receipt of the Inchcape Committee's recommendation Government instituted an exhaustive re-examination of the plans, specifications and estimates in consultation with His Majesty's Minister and the architect. The matter is still under consideration. But in view, on the one hand, of the high cost of land sites and building, of the absence of modern sanitation, and the prevalence of epidemic diseases

in Kabul, and, on the other, of the offices and official reception rooms required and of the number of persons—the Minister, his staff, their servants, and the escort—for whom accommodation has to be provided, the prospect of any material reduction seems remote.

INDIA'S LIABILITIES IN PERSIA.

32. The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : (i) Has the attention of Government been drawn to conclusion No. 3 in the Indian Retrenchment Committee's Report under the head "Political Expenditure" wherein they recommend that "the present principles governing the incidence of expenditure in Persia be revised without delay and that India's liabilities in Persia be strictly defined and limited" ?

(ii) Has the attention of Government been drawn to paragraph 22 of the Indian Retrenchment Committee's Report where under the head "Political Expenditure" the said Committee recommend that the present arrangement for the administration of Aden and incidence of charges not being in accordance with the Welby Commission Report should be reviewed ?

(iii) Will Government be pleased to state what action they have taken on the above-named two recommendations of the Indian Retrenchment Committee, stating further their reasons in case no action has been taken till now ?

The HONOURABLE MAJOR G. D. OGILVIE : (i) and (ii). Yes.

(iii) His Majesty's Government were addressed on both questions before the Incheape Committee was assembled and have since been reminded. Replies to these references are awaited.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Will Government please place the replies on the table of the Council when they are available ?

The HONOURABLE MAJOR G. D. OGILVIE : I am afraid I must ask for notice. The Honourable Member will realise that the case is one that concerns not myself but the Foreign Secretary.

ESTABLISHMENT OF RAILWAY LOCAL ADVISORY COUNCILS.

33. The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : With reference to the recommendation of the Indian Railway Committee (Paragraph 142 of their Report) for the establishment of Local Advisory Councils, will Government be pleased to state at what centres such Local Advisory Councils have been established till now, and the reasons why Government have not yet established such Local Advisory Councils in other important centres ?

The HONOURABLE MR. D. T. CHADWICK : Local Railway Advisory Committees have so far been established at the headquarters of the Eastern Bengal, North-Western, Qudh and Rohilkhand, Assam Bengal, Burma, Rohilkund and Kumaon and Bengal and North Western Railways. The Bengal and North Western Railway has in addition formed a Committee at Mirzafarpur. Arrangements for establishing committees at headquarters of other railways are well advanced.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Can Government say what is the cause of the delay in establishing the same Advisory Committees at other important stations like Bombay, Madras and Calcutta ?

The HONOURABLE MR. D. T. CHADWICK : Obviously Government has powers to establish these Committees in connection with the State Railways, but they have no powers to compel the establishment of such Committees on Company Railways. The Company Railways are actively working on this idea, but in such circumstances, there are bound to be differences of opinion. Those differences of opinion are very nearly solved.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Are Government aware that the representatives of these Company Railways who gave evidence before the Railway Committee unanimously agreed to the Advisory Committees being formed ?

The HONOURABLE MR. D. T. CHADWICK : Yes, Sir, and the Government are actively working to form these Committees.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : I take it that subsequently some objections were raised.

FINANCIAL ITEMS IN DISPUTE BETWEEN GOVERNMENT OF INDIA AND HIS
MAJESTY'S GOVERNMENT.

34. The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Will Government be pleased to put on the table a statement giving :—

- (a) the various financial items in dispute between the Government of India and His Majesty's Government in connection with allocation of expenditure incurred either in India, England or any foreign countries ;
- (b) a brief history of each item ; and
- (c) the method by which Government expect to settle these differences between them and His Majesty's Government ?

The HONOURABLE MR. A. C. McWATTERS : The information is being collected.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Do I understand that Government do not propose to give a reply to my Question No. 34 to-day ?

The HONOURABLE MR. A. C. McWATTERS : Yes, Sir. We have written to the India Office to obtain this information.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Will the Government of India give us the information which they themselves are in possession of ?

The HONOURABLE MR. A. C. McWATTERS : I think, Sir, I should require notice. We are not in possession of most of the information which the Honourable Member requires.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Will Government give such information as they may be in possession of ?

The HONOURABLE MR. A. C. MCWATTERS : I will endeavour to trace such information as we have here, but the Honourable Member will understand that it is not complete.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : May we have such information as Government have, even if it may be on one or two items?

The HONOURABLE THE PRESIDENT : I think the Honourable Member has had his answer.

ESTABLISHMENT OF RAILWAY RATES TRIBUNAL.

35. The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : (a) With reference to paragraph 156 of the Indian Railway Committee's Report, will Government be pleased to state if they have accepted the recommendations of the said Committee to establish a Rates Tribunal as contained in that paragraph ?

(b) If the reply to the above be in the affirmative, will Government be pleased to state when they expect the tribunal to be constituted and working ?

The HONOURABLE MR. D. T. CHADWICK : (a) and (b). Government hope to discuss the whole question with the Central Advisory Council in the course of the current session.

SALT DEPARTMENTS IN BIHAR AND ORISSA.

36. The HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to state—

(a) the necessity for maintaining two separate Salt Departments in the province of Bihar and Orissa, in spite of the sanction given by the Secretary of State for India in 1914 for the amalgamation of the Salt Departments in this province ;

(b) the steps, if any, that have been taken to give effect to the above scheme since the questions put on this subject by Mr. Baidyanath Prasad Sinha in the Legislative Assembly in February 1922 ?

The HONOURABLE MR. A. C. MCWATTERS : When the original scheme for the amalgamation of the Salt and Excise Departments in Bihar and Orissa was sanctioned by the Secretary of State in 1914, it was contemplated that it would result in economy. The circumstances which necessitated the postponement of the amalgamation were explained in reply to Question No. 226 asked by Babu Baidyanath Prasad Sinha at the meeting of the Legislative Assembly on the 27th February 1922 and Question No. 84 asked by the Honourable Maharaja Bahadur Keshva Prasad Sinha at the meeting of this Council on the 11th September.

* Vide page 2564 of Volume II, Part II of Legislative Assembly Debates.
 † Vide page 132 of Volume III, Part I of Council of State Debates.

ber 1922. In December 1922 the Local Government submitted proposals for giving effect to the scheme from 1st March 1923, but on examination the Government of India found that these proposals, so far from resulting in economy, would actually involve additional expenditure on Central revenues. The introduction of the scheme has therefore been postponed, with the consent of the Local Government and further discussions on the subject are now taking place. The amalgamation will however be carried out as soon as an agreement is reached which is financially satisfactory.

POSTS OF STATION AND ASSISTANT STATION MASTERS, NORTH-WESTERN RAILWAY.

37. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Is it a fact that on the North-Western Railway there are 10 posts of Station Masters and Assistant Station Masters, in the grade of Rs. 425—20—500, 16 posts in the grade of Rs. 360—20—400, 25 posts in the grade of Rs. 320—15—350 and 130 posts in the grade of Rs. 250—10—300 ? If this is wrong, what are the right grades—and what is the right number of posts in each grade ?

(b) Is it a fact that, in these two highest grades, there is not a single Hindu, Sikh or Muhammadan holding any appointment ?

(c) Is it a fact that, among the next two lower grades, there is only one Muhammadan holding the higher grade, and that there is not a single Hindu, Sikh or Muhammadan holding the lowest of these grades ?

(d) If the above facts are substantially true, will the Government please explain the cause of this state of affairs ?

The HONOURABLE MR. D. T. CHADWICK : (a) and (b). The facts are as stated.

(c) No. There are nine Indians in the lower of the two grades referred to.

(d) The explanation is that the appointments are filled from those amongst the subordinate traffic department who pass the necessary qualifying examination, and, owing to the system of recruitment now in force, most of the men who thus qualify are Anglo-Indians.

The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : In connection with the reply to (c). I do not think a proper answer has been given. My question related to the number of Hindus, Muhammadans and Sikhs in all of these grades.

The HONOURABLE THE PRESIDENT : The Honourable Member cannot comment on the answer given. He can ask a supplementary question.

The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : My supplementary question is how many Hindus, Muhammadans or Sikhs are there holding these grades.

The HONOURABLE MR. D. T. CHADWICK : My information is that there are nine Indians in these lower grades. I am not able to say whether they are Hindus, Muhammadans, Sikhs or something else.

The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I request that my question may be gone into and a reply given later on.

The HONOURABLE MR. D. T. CHADWICK : Yes, Sir, with pleasure.

(Questions Nos. 38 and 39 withdrawn.)

1ST AND 2ND CLASS PASSENGER TRAFFIC.

40. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state the number of 1st and 2nd class passengers carried by Indian Railways since the last increase in fares, as also the number carried during a similar period immediately before the great war ? The corresponding incomes from these sources may also please be stated.

The HONOURABLE MR. D. T. CHADWICK : As enhanced fares were introduced by the different railways from different dates during May, June and July 1922 an accurate comparison of the number and earnings of passenger traffic with similar figures for the period immediately before the great war, cannot easily be made.

The number of 1st and 2nd class passengers carried and the earnings realised therefrom, on 10 of the most important railways for which figures are readily available, are however, as follows :

699,380 1st class passengers with Rs. 1,23,78,065 as earnings during the year 1922-23 as against 66,63,700 1st class passengers with Rs. 58,06,000 as earnings during the year 1913-14 and 4,083,976 2nd class passengers with Rs. 1,84,80,953 as earnings during the year 1922-23 as against 2,887,300 2nd class passengers with Rs. 72,26,000 as earnings during the year 1913-14.

TRANSPORT OF BRITISH TROOPS.

41. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What was the total cost of transport of British troops to and from India last year ? What part of this cost has been met by the Imperial Government ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The Government of India have no information on the subject. Arrangements for the transport of British troops to and from India are made by the authorities in England. Under an arrangement made between His Majesty's Government and the Government of India during the war, which will remain in force for five years from the termination of the war, Indian revenues have to pay towards the transport charges, (1) a certain sum calculated on normal movements between England and India less (2) a rebate of £130,000 which was recommended by the Welby Commission. The figure for (1) in 1922-23 was taken at £610,000 in the revised estimate for that year.

REVISION OF TRANSPORT CHARGES FOR BRITISH TROOPS.

42. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state why the sea transport charges of British troops to and from India were not revised along with the capitation rate in 1908 and thereafter ? Does the Government now contemplate to move in this matter in order to secure half the actual cost and arrears due of such transport from the Imperial Government ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Before the war, India had to pay the actual transport charges of British troops to and from India less the rebate of £130,000 mentioned above. There was, therefore,

no question of revising the rate for sea transport charges along with the capitation rate in 1908 or thereafter. As the Welby Commission had recommended a fixed sum of £130,000 as rebate payable by His Majesty's Government to India in connection with those sea transport charges, and this recommendation was accepted at the time, the Government of India consider that they are precluded from raising the question of increasing the rebate pending a general revision of the principles on which the capitation rate now paid by India for British troops is based. The question of the general revision of the capitation rate is now under discussion between His Majesty's Government and the Government of India.

RETRENCHMENT IN ESTABLISHMENT CHARGES ON STATE RAILWAYS.

43 The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state the amount of retrenchment effected in establishment charges in each department on each of the three State-managed railways (North-Western, Eastern Bengal and Oudh and Rohilkhand) ? The number of posts brought under reduction in each department on each railway amongst (a) officers, (b) subordinates drawing Rs. 250 and over, (c) subordinates drawing under Rs. 250, and (d) menials, may please be stated. In the case of the first three, grades may also be given.

The HONOURABLE MR. D. T. CHADWICK : Retrenchment is in progress, and the Government of India have not the details in the form requested. But information of this kind will be included in next year's budget memorandum.

CONTROL BY WAR OFFICE OVER MILITARY POLICY AND ADMINISTRATION IN INDIA.

44. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state whether, under the present constitution, the British War Office, through the Secretary of State for India, exercises any control over the military policy and army administration in India ? If so, will they kindly explain the nature of such control over the following departments of the army administration :—

- (a) Military training and education ;
- (b) Remounts ;
- (c) Ordnance and clothing ;
- (d) Veterinary ;
- (e) Medical ;
- (f) Supplies ;
- (g) Mechanical transport ; and
- (h) Animal transport ?

CONTROL BY WAR OFFICE OVER STRENGTH OF ARMY IN INDIA.

45. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government also kindly state whether the British War Office exercises

any control or any influence in fixing the respective strengths of the cavalry, artillery, engineers, signal units, infantry forces, armoured car companies, and royal air forces, for service in India ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : With your permission, Sir. I propose to answer Questions Nos. 44, 45 and 47 together. They appear to be based upon a misconception which can be wholly removed by the following general statement. The control of the army in India is vested in the Governor General in Council, and the constitutional position of the Government of India is, in practice, adequately safeguarded. By the expression 'British War Office' I presume the Honourable Member means the Army Council and the Chief of the Imperial General Staff who is the senior member, and I may explain that the functions of the Chief of the Imperial General Staff in regard to Indian military affairs are purely advisory and consultative, while neither the Army Council nor the Chief of the Imperial General Staff are permitted to exercise direct influence over the military policy of India or to interfere in regard to the administration of the army in India. Resolution No. 6 of the Resolutions passed by the Legislative Assembly, on the 28th March 1921, with reference to the Report of the Esher Committee, recommended that a certain procedure should be laid down in regard to correspondence between the Commander-in-Chief in India and the Chief of the Imperial General Staff. This recommendation has been accepted, and the procedure is observed in practice. There is absolutely no foundation in fact for the suggestion that the War Office can or does overrule the Government of India in regard to Indian military administration either directly or through the Secretary of State for India.

THE HONOURABLE MR. S. VEDAMURTI : Supplementary question, Sir. If the military policy of India is directed by the Government of India with the consent of the Commander-in-Chief, has the attention of the Government been drawn to a recent speech in the House of Lords in which Lord Derby has expressed a contrary view ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : My recollection of the statement is that Lord Derby did not express a contrary view, but I shall be glad to examine the question again if the Honourable Member so desires.

INDIAN STORES DEPARTMENT.

46. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Will the Government kindly state whether they have definitely made up their mind to constitute the Indian Stores Department as the sole agency for the purchase and inspection of stores and materials on behalf of the various departments of the Central Government to the extent recommended by the Stores Purchase Committee ?

(b) If this is the case, will the Government kindly state whether it is not advisable, as a step in the right direction, to expand the department further during the currency of the present year so as to enable it to undertake the purchase and inspection of a larger variety of stores and materials than is possible under the existing arrangements ?

THE HONOURABLE MR. A. H. LEY : (a) Yes. It is the intention of Government that the stores required by the various officers and departments of the Central Government, except those specially exempted, should

be obtained through the Indian Stores Department, provided that such stores and materials can be purchased in India in conformity with the provisions of the Stores Purchase Rules.

(b) The Government of India are proceeding with the expansion and development of the Department as rapidly as circumstances and the financial situation permit. In pursuance of this policy they have sanctioned the following additional measures, to be given effect to during the current financial year :—

- (1) The constitution of a branch for the purchase of engineering plant and materials ;
- (2) the constitution of a branch for the collection, collation and dissemination of information regarding actual and potential sources of supply, market prices, etc. ;
- (3) the recruitment of an officer for the post of Director of Inspection, and the constitution of a branch to undertake the preparation and revision of specifications, etc. ;
- (4) the reconstitution of the office of the Superintendent of Local Manufactures and Government Test House, the separation from that organization of the inspection work hitherto undertaken by it, and the constitution of a separate Inspection Circle at Calcutta.

As a result of these measures the Stores Department will now be able to undertake the purchase and inspection of a larger variety of stores and materials than heretofore. In view of the present financial situation, Government are unable to proceed further in the current year in the direction indicated by the Honourable Member.

The HONOURABLE SIR EDGAR HOLBERTON : Arising out of the Honourable Member's answer to the first portion of this question, may I inquire whether there is any intention to alter the Indian Stores Purchase Rules in order to facilitate purchases in India ?

The HONOURABLE MR. A. H. LEY : The question is now under consideration of the Government and the Secretary of State will shortly be addressed on the subject.

CONTROL OF THE GOVERNMENT OF INDIA BY WAR OFFICE.

*47. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Will Government kindly state whether the control or influence of the British War Office, through the Secretary of State for India, is exercised either internally by issuing instructions directly to the Indian Commander-in-Chief or externally by over-ruling the Government of India ?

(b) Will Government kindly state how many times during the last five years has the Secretary of State for India, thus overruled the Government of India ?

GOVERNOR GENERAL'S ASSENT TO CERTAIN BILLS.

The SECRETARY OF THE COUNCIL : Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills :

- The Code of Criminal Procedure (Amendment) Act, 1923.
- The Indian Official Secrets Act, 1923.
- The Malkharoda and Gaontia Villages Laws Act, 1923
- The Legal Practitioners (Women) Act, 1923.
- The Indian Penal Code (Amendment) Act, 1923.
- The Indian Merchant Shipping (Consolidation) Act, 1923.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

MAHENDRA PARTAB SINGH ESTATE BILL PASSED.

The SECRETARY OF THE COUNCIL : Sir, the following message has been received from the Legislative Assembly :

“ I am directed to inform you that the Legislative Assembly have, at their meeting of the 2nd July, 1923, agreed without any amendments to the Bill to provide for the forfeiture of the estates and other property of Mahendra Partab Singh and for their grant to his son, subject to certain conditions, which was passed by the Council of State on the 26th March, 1923.”

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY.

The SECRETARY OF THE COUNCIL : Sir, In accordance with Rule 25 of the Indian Legislative Rules, I lay on the table the following Bills which were passed by the Legislative Assembly at its meetings held on the 27th March, 3rd and 5th July, 1923 :—

- A Bill further to amend the Code of Civil Procedure, 1908.
- A Bill to modify certain provisions of the Indenture confirmed by the Moorshedabad Act, 1891.
- A Bill further to amend the Code of Civil Procedure, 1908, for certain purposes.
- A Bill further to amend the Indian Income-tax Act, 1922, for certain purposes.
- A Bill further to amend the Indian Paper Currency Act, 1923.
- A Bill to repeal the Acts which provide for the levy of a cess on indigo exported from British India.
- A Bill further to amend the Code of Criminal Procedure, 1898.
- A Bill to amend the Charitable and Religious Trusts Act, 1920.
- A Bill to amend the Hindu Law relating to exclusion from inheritance of certain classes of heirs and to remove certain doubts.
- A Bill to alter the order in which certain heirs of a deceased Hindu dying intestate are entitled to succeed to his estate.

**RESOLUTION *RE* APPORTIONMENT OF FINANCIAL LIABILITIES
IN DISPUTE BETWEEN THE GOVERNMENT OF INDIA
AND HIS MAJESTY'S GOVERNMENT.**

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS (Bombay, Nominated Non-Official) : Sir, I rise to move the Resolution which stands in my name and which runs as follows :

“ This Council recommends to the Governor General in Council that in all matters where the apportionment of financial liabilities between the Government of India and His Majesty's Government may be in dispute between the Government of India and His Majesty's Government, no compromise should be made between His Majesty's Government and the Government of India without the previous sanction of the Indian Legislature : This Council further recommends to the Governor General in Council that in any such case where arbitration is resorted to, the arbitrators of such disputed items between the Government of India and His Majesty's Government shall be the Premiers of the Empire in Conference assembled and nobody else.”

Before I commence the few remarks that I have to make on, the subject-matter of this Resolution, I take it that the House will excuse me if I refer to the omission on the part of the Government to give a reply to the three sub-headings under question No. 34. The House will readily understand that the main part of my Resolution has been passed, as far as the recent few years' period is concerned, on the replies that Government may be pleased to give to the information asked for in this question, No. 34. I was, Sir, very much surprised indeed to hear from the Honourable Secretary to the Finance Department that the Government of India are not in possession of the information. I hope that I have misunderstood the Honourable the Finance Secretary, because I cannot possibly believe that the Government of India make up their accounts without finding out what items are under suspense, what items are under dispute, and what items are closed and finally settled items. I sincerely trust that I have misunderstood the Honourable the Finance Secretary when he gave the reply that he did, or which I heard him give to my question. I feel, Sir, that in spite of this handicap, which I look upon as a very great handicap, in convincing this House in favour of my Resolution, I shall be able to put before the House a very strong case in favour of the Resolution that I have the honour to move to-day. That case will not be based on any conjecture or guess or any inference on my part. The case is based on the opinions recorded in Government Blue Books on complaints made by successive Viceroy's of India and also by Secretaries of State from 1859 right up to 1900, the period up to which the public in India and I are in possession of the official records. I therefore wish that the Government of India and the Finance Department had seen the advisability of taking this House and the Indian public into their confidence by telling us in reply to the question that I had put as to what is the amount that is in dispute as far as the Government of India and His Majesty's Government are concerned. But I am afraid, Sir, you may perhaps rule once more that the Government have given their final reply ; I hope, the Honourable the Finance Secretary will be able to give us a few instances in which such disputes have been solved between the two Governments.

[Sir Purshotanadas Thakurdas.]

I beg to ask one concession from this House, and that is, to allow me to read off and on from the manuscript that I hold in my hand. I am quite aware of the great and rather important aspect of the Resolution that I put before the House, and I wish to be as accurate as possible in my statements. As I said before, Sir, I am relying for my case on what has been said in official documents, and I hope that the House will not feel worried or tired if I read a little more than I am usually accustomed to do from the manuscript in my hand.

Sir, this Resolution refers to the apportionment of charges between the Government of India and His Majesty's Government for purposes in which both are interested. The question is not a new one. It had baffled solution till 1900 when the Welby Commission reported on it as a distinct subject of reference to them. Ever since India passed to the Crown in 1858, this question of the apportionment of charges between the Governments of the United Kingdom and of India for purposes in which both were interested has been a source of grievance as far as the Government of India are concerned.

The principal items in this category are questions relating either to Military, Naval, Political or Diplomatic questions. Questions relating to administrative charges also figure largely in this category.

A Select Committee of the House of Commons reporting on Indian Finance in 1874 stated :

"That they had received an impression from papers and evidence before them that charges had in some instances been imposed upon India which ought to have been borne by England. They had, however, been assured by various witnesses that a very general desire prevailed among the different English departments not to throw any charge on India improperly. The Committee strongly insisted on the importance of securing for India strict impartiality in all her financial arrangements with England."

The said Select Committee of the House of Commons added :—

"Your Committee would remark that while there appears to be every disposition among the heads of other Departments to consult the India Office upon proposed changes which may affect India yet this has sometimes been omitted, in consequence of the fact that India may be affected by such changes having been overlooked ; and the India Office as the controlling authority, has occasionally acted independently of, or not in accord with, the opinions of the Government of India, in India."

In spite of the above from the Select Committee of the House of Commons, the Government of India had to submit to the Welby Commission a letter, dated the 27th February 1895, enclosing a list of charges. I am quoting the Welby Commission :—

"The list of charges imposed upon the Indian revenues in consequence of orders of the War Office issued in all cases without the concurrence of the Government of India, and in some cases without that of the Secretary of State for India having been previously obtained."

Neither the Government of India nor the Secretary of State in some cases were consulted.

The Commission add that :—

"The instances are probably few in which the India Office has not been consulted, but we have no hesitation in saying that there ought to be no such instances."

Even after a period of 21 years and after what the Select Committee of the House of Commons said, the Government of India had to complain that neither they nor the Secretary of State were consulted.

Honourable Members would perhaps like to know at this stage some details of the various items in dispute between the Government of India and His Majesty's Government from 1859.

In 1861, when the Mutiny had been quelled and order had been re-established the financial condition of India required serious consideration. History perhaps repeats itself, and the financial condition of India requires serious consideration to-day also. In that year the Viceroy wrote to the Secretary of State recommending that Her Majesty's Government should place a force of ships at the disposal of the Indian Government for the naval defence of India, that the force should never be withdrawn without the consent of that Government, and that the cost of the force should in part be defrayed out of the revenues of India; that the Indian navy should then be abolished, and that a transport service should be created in its place. Sir Charles Wood, then Secretary of State, did not accept this suggestion, holding that—

“It is contrary to the true principles of naval warfare that any portion of the naval force of a country should be confined to the defence of one particular place.”

Finally, the Indian navy was abolished in November 1862, and the Admiralty undertook the general naval defence of India, the protection of her trade generally and the putting down of the slave trade on the Eastern Coast without at that time asking for a contribution from the Indian revenue.

Practically what the Viceroy wanted in 1861, though rejected on his demand, had to be conceded in 1862. On the 23rd January 1869, however, the Admiralty raised the question of a contribution from India. They proposed that India should make a contribution of £70,000 a year towards the service, that being the assumed cost of a naval force of 1,000 men at £70 per man. After some correspondence this contribution was accepted, and this was paid from 1869 to 1887. In the latter year the number of ships in the squadron was diminished, and the contribution was reduced to £38,500 a year, together with a yearly payment of 5 per cent. towards the cost of a vessel in the Persian Gulf. The Imperial Government, however, thought this contribution insufficient, and the Treasury urged a reconsideration of the question. A long correspondence ensued, and the two Governments being unable to come to an agreement, the question was referred in 1891 to a Conference which met at the Foreign Office under the presidency of the Prime Minister Lord Salisbury, and at which the Treasury, the Admiralty and the Foreign Office and the India Office were represented.

The two Governments however were unable to agree upon a definition of the term “Indian purposes” used by the Conference, and after a long correspondence it was decided, in 1894, to refer the question to the arbitration of Lord Rosebery, then Prime Minister.

Lord Rosebery made his award on the 19th February 1895.

[Sir Purshotamdas Thakurdas.]

It was agreed between the two Governments that effect should be given to the award of Lord Rosebery. The Admiralty held—

“That five ships of 6,605 tons were required and calculated the annual cost of these ships at £117,000 in addition to a separate charge (£4,000) for the repairs of the ‘Sphinx’.”

The Government of India urged that a smaller force of three ships of 750 tons only was necessary. The view of the Admiralty prevailed, but the Imperial Government agreed after the first year to reduce the annual contribution from £117,000 to £100,000, and they waived claims on account of previous years amounting to £183,000. The Secretary of State for India accepted it with reluctance in a Despatch to the Government of India on the 26th June 1895. Subsequently the India Office modified their views in a memorandum they placed before the Welby Commission. The attention of the Commission was invited to the broad question whether it is right to exact from India £17,000 of the full charge, effective and non-effective, of the squadron. Captain Hext, Director of the Indian Marine, who gave evidence before the Welby Commission on behalf of the Government of India argued against the principle of any contribution by India for naval protection.

The Welby Commission fixed India's contribution at £100,000, Sir James Peile and Mr. Buchanan dissenting.

Regarding the military questions, the examples are much more numerous and the history much fuller.

Beginning with the Army Amalgamation Scheme of 1859 the Welby Commission gave a useful summary of the various disputes up to the celebrated debate in the House of Commons in July, 1896, when Lord Morley moved that no portion of the charges of the Indian Force that was despatched to Africa in aid of the Egyptian troops, whether ordinary or extraordinary, should be imposed on the Government of India.

In paragraph 252 and subsequent paragraphs, the Welby Commission deal with the early history of the capitation charges. Later on, they record that, amongst the extremely few occasions when the Government of India won their point was one in 1870, when India disputed the fairness of the £10 rate and, pending revision of the arrangement, absolutely declined to pay more than a certain sum which they made out as payable by them on account. This strong attitude of the Government of India saved for India £400,000 in 1870, which was remitted by the War Office in accordance with an Act of Parliament. Barring this solitary instance, payments on account have been the bane of the system followed in connection with the capitation grant. The rate of £7.10 per head fixed for three years from 1892-3 was protested against by the Government of India before the Welby Commission in 1896 as too high.

The decision of the Welby Commission, six members out of thirteen dissenting and asking for much more liberal treatment for India, was as under:—

“On the whole we see no reason for immediately revising the capitation rate, so far as these services are concerned, and we think, as in the case of the recruiting

services, that it might be left in operation for a further period of five or six years, but that a general revision should take place at that time. Advantage might, however, be taken of the interval to consider these points of moment upon which we entertain a doubt."

Since then, the capitation rate of £7.10 which was considered too high by the Government of India in 1896 has had the following course :— It was raised to £11.8 in 1908, as the result of a compromise between the India Office and the War Office. Since 1920-21, a provisional basis was fixed and payments were made to the War Office on the basis of £28.10 per head. In 1922-23, the provisional basis was altered to £25.13. The question still hangs fire.

But the most exciting and annoying controversies were in regard to the employment of Indian troops outside India. Lord Cross, speaking as Secretary of State for India, and having in his mind a loan of Indian troops to the United Kingdom, laid it down in a Despatch to the Government of India of the 3rd February, 1887, that he had urged upon the Treasury that—

"In the event of any occasion arising hereafter for the employment of Indian troops on duties not directly attributable to the requirements of your Government or at a distance from India, no portion of the expense should be charged against India without Your Excellency's concurrence."

Sir Henry Fowler, who had held the same position, said in the House of Commons on the 6th July 1896 :—

"Who is to be the judge as to whether India has this interest or not? I think Lord Cross gave the right answer when he says the Government of India."

And yet, regarding the Indian troops sent to Africa in aid of the Egyptian troops, Lord George Hamilton and Her Majesty's Government took a view exactly opposite to that of the Government of India, and the question was which of the two authorities was right. Lord Morley characterised "the argument of the noble Lord (Lord George Hamilton) respecting the security of the Suez Canal as one of the most spurious and insincere arguments ever put forward," and he expressed his belief that "the Canal was in no more danger from the Dervishes than the City of London. The glory of England was to be tarnished in order to effect a saving of £35,000, but he felt sure that many Honourable Members opposite must be thoroughly ashamed of the transaction."

The London "Times" called it a "shabby transaction." India all the same had to pay the cost so that she may learn to think, and I add, so that she may learn to pay, imperially.

But this shabby deal set the responsible Ministers athinking and the idea of a Tribunal to decide such questions between India and England was officially mentioned in the House of Commons in 1896. Mr. Balfour said on the 6th July 1896 :—

"I should have asked the House to consider whether the time has not arrived when we might with advantage both to India and to England, constitute some kind of tribunal of arbitration (if I may use the phrase) for determination of questions of this sort—some tribunal in which the interests of India and Great Britain should be alike and equally represented; which might have authority in this country—an authority which perhaps, neither the expressions of the Indian Government, speaking for India, nor the expressions of the British Government—speaking as they endeavour to do, not for Great Britain alone, but for the whole Empire do not carry with them."

• [Sir Purshotamdas Thakurdas.]

Lord Salisbury even went further and expressed a wish for the establishment of a tribunal. He, however, very much regretted that the fact of the Royal Commission (Welby Commission) then sitting compelled him to postpone consideration of such a proposal as this.

• The Welby Commission unfortunately contented itself with "laying down principles which would have most powerful influence when future decisions are under consideration, whilst a tribunal (if it could be formed) would certainly facilitate their application to future circumstances."

Mr. Dadabhoi Nowroji and his colleagues Sir William Wedderburn and Mr. Caine, who made a minority report on the Welby Commission Report, suggested that any question in dispute between India and Great Britain should be referred to the Judicial Committee of the Privy Council. Paragraph 107 of the Minority Report deals fully with this suggestion of the dissenting members of the Welby Commission.

A very suitable tribunal is available now. Such differences between the Government of India and the Secretary of State for India or His Majesty's Government cannot have decreased since 1900. It is only to be hoped that the reply that I expect from the Benches opposite will enable me to deal with this part of the question a little more fully. It may have to be painfully observed that His Majesty's Government has not yet begun to look at such differences in a manner which would enable the United Kingdom to show sympathy and generosity to what was termed in the earlier part of the last 50 years as "our Indian fellow subjects." I would suggest that in cases where there is a substantial difference of opinion between the Government of India on the one side and His Majesty's Government on the other side regarding the liability of India to any charge, such questions of difference of opinion should be settled by a final reference to a Tribunal.

The whole question to my mind is what sort of tribunal will be acceptable to India and to England. The Judicial Committee of the Privy Council was suggested and the very fact that it has not been accepted till now makes me feel that there must be something in that suggestion which perhaps does not meet with the requirements of either England or India. The Premiers of the Empire Assembled in Conference appear to me to be people concerned in the welfare of the Empire, concerned in the contentment of the component parts of the Empire, people who are not outside the Empire, and who may well look at the weak points of any of the two parties appearing before them in arbitration and still not expose the same to the outer world. It is quite possible that the Government of India may be absolutely unfair and unreasonable in their contention. But to put their case before the Premiers' Conference would practically mean putting their case before the members of a common group or family, and I hesitate to believe that His Majesty's Government can have any objection to the Premiers acting as arbitrators. I, therefore, Sir, have ventured to submit for the consideration of this House that the suggestion which was made by the responsible Ministers of the Crown as far back as 1896 should now be acted upon. The main reason for it is this. In 1896, the Legislatures of India were not responsible to the tax-payers.

for taxation. "To-day they are responsible to the tax-payers, and it is only fair that in matters where sums, be they large or small, it is a pity that I cannot say what the sums involved are—perhaps the Honourable Member will help me when he gets up to reply—are involved, they should be referred to an impartial tribunal of arbitration, which will avoid charges being imposed upon the revenues of India for which she is in no way responsible. His Excellency the Commander-in-Chief said this morning in reply to a question that Government are not prepared to publish the Innes' and the Braithwaite's Committees' Reports out of considerations for economy.

If India and the Government of India have come to such stages of economy that reports cannot be published, then, even a few hundreds or thousands of pounds that may be saved is, I submit to this House, worthy of serious consideration at the hands of this House.

Lord Northbrook giving evidence before the Welby Commission suggested giving "to the Government of India a power of absolute veto upon contributions proposed by the Imperial Government," but he pointed out that "this arrangement would be quite outside the statutory rights of the Secretary of State in Council and the powers of Parliament." "It might however be provided" say the Welby Commission "that if the veto of the Indian Government is overruled at Home, the veto, together with the decision overruling it, must be laid before Parliament, and that no charge should be imposed upon India until it has been approved by Parliament." The Welby Commission thought this worthy of consideration as an alternative, "whether in the event of the two Governments of the United Kingdom and India not agreeing upon the question of 'distinct and special' interests, reference might not be made to a tribunal, such as Lord Salisbury suggested, before the final authority is invoked." The said Commission reminded themselves that section 55 of the Government of India Act of 1858 provided that the revenues of India were not to be applied to any expedition beyond the frontiers of India, except with the consent of both Houses of Parliament. Lord Northbrook had clearly informed the Commission that "in the case of the Perak Expedition, which took place during his Viceroyalty, the Statute was distinctly neglected by the Home Government and that an unconstitutional charge was made upon India, notwithstanding a remonstrance from the Government of India" then presided over by Lord Northbrook himself.

So much for the military charges as known up to the time of the Welby Commission.

Regarding charges divisible under the head "Political" in foreign countries between the Government of India and the United Kingdom, the Welby Commission observe that "it must be admitted that the imposition upon India of contributions towards the cost of these (Consular) services connected with these places has no parallel in our relations with other Colonies and dependencies." They, however, go on to say:—

"We recognise the desirability of the principle of apportionment, but the rate of apportionment requires constant revision, first in the light of the proportion which the home trade with the Far East bears to Indian trade with the same; and next in consideration of the growing interest of Australian Colonies in the maintenance of the Red Sea Route."

[Sir Purshotamdas Thakurdas.]

The Incheape Committee, which was the next Committee after the Welby Commission to have an opportunity to go into the details of the practical working of the principles laid down by the Welby Commission, the Committee which had the power to call for information from the Finance Department without being put off by them, observe that they "consider that the present arrangement should be reviewed, as it does not seem to us that India's share is strictly in accordance with the Welby Report which recommended that half the military expenditure in Aden should be borne by His Majesty's Government." Regarding Persia, the same Committee observe—I am again quoting from their report—

"At present political expenditure in Persia is divided in moieties between the Indian and Imperial Exchequers, this arrangement being based on the recommendations of the Welby Commission. We are informed, however, that owing to the lack of sufficiently strict definition, the question has arisen from time to time whether important individual items of expenditure are properly governed by this principle of division. We are impressed by the heavy liabilities imposed upon India during the War, and we are strongly of opinion that the present arrangement should be revised without delay."

In spite of this, the Finance Department of the Government are not to-day in possession of figures regarding the items in dispute between the two Governments. All I can say is that their records must either be in England or they are beginning to forget things very soon.

It is not possible to know what steps the Government of India have taken all this while to safeguard the interests of India. By "all this while" I mean the period between 1900 and the Year of Grace in which we are to-day. I hope (and I would be extremely surprised to learn to the contrary) that the Government of India have been protesting to His Majesty's Government regarding the various complaints made by the Incheape Committee. This would be in absolute keeping with the traditions of the Government of India till now, but failure to give relief would also be similarly in keeping with the traditions of His Majesty's Government till now.

Another similar question, commercial this time, has also been the subject of dispute between the two Governments. The P. and O. Company's Mail subsidy, towards which India makes a contribution, was a subject of arbitration between the Governments of the United Kingdom and India. The Halifax Award of 1876 was found unsatisfactory by the Government of India. The Government of India themselves said to the Welby Commission that they found it unsatisfactory. In 1898, this question was referred to Lord Morley for arbitration. The Welby Commission therefore expressed no opinion on the subject of India's contribution to the subsidy and the archives of the Government of India continue to be sealed to us to enable us to know what the Government of India thought of the compromise made by Lord Morley and what opinion they hold to-day regarding this P. and O. subsidy. I am afraid the Government of India may not have any more information to give us on this subject either.

Regarding administrative charges, the Welby Commission in paragraphs 316 and 317 of their Report say: "that questions of financial

administration are constantly pending between the two Governments and that the Home Government undertakes various services for the Indian Government, or in which the Indian Government has an interest. Difficulties arise in adjusting the claims which the Home Government puts forward in respect of such services and these difficulties lead to protracted official correspondence with no satisfactory result." Lord Northbrook said before the Welby Commission that he entertained—the words are his—the very strongest opinion, which opinion was expressed by the Government of India at the times of Lord Lansdowne and Lord Elgin, that these controversial questions between the two Governments are—he used deliberately a strong expression—almost a scandal. He said that he could not express his opinion too strongly upon the political importance—he almost said necessity—of some arrangement being made which will put an end to these controversies. He further added that all these little discussions were extremely annoying and wearisome. That they are from the financial point of view absolutely wasteful need not be added. The Welby Commission agreed with Lord Northbrook and added that it was essential to recognise that such differences between the Government of India and His Majesty's Government could only be decided by arbitration. They also said that it was essential to the principle of arbitration that the award of the arbitrators should be accepted as final.

All, Sir, that I have said above, will, I hope, have convinced the House that as far back as 1900, when India had not even the Morley-Minto reforms and therefore less responsibility to the taxpayer than to-day, Cabinet Ministers in England and such conservative Commissions as the Welby Commission considered necessary an impartial tribunal to decide differences of opinion in questions of apportionment of charges between the Governments of the United Kingdom and India. The said Commission doubted if a suitable tribunal for this purpose could be found then. The necessity and advisability of referring pertinent questions to its solution were recognised—nay they were emphasised.

The Welby Commission submitted their Report in April 1900. Twenty-two years have passed since then and these have been years of great and increasing expenditure for India in the directions indicated above and dealt with by me at some length. The apportionment of charges between the Governments of India and the United Kingdom for purposes in which both are interested is bound to have been a most delicate and thankless task for the officers concerned. The great war is sure to have been a fruitful source of many and substantial and grave differences of opinion between the Governments of India and the United Kingdom in this connection.

The peculiar constitution of the Government of India prevent full and detailed replies being available to the Legislature in connection with such important subjects. If the Government of India are prepared to take the Legislature in their confidence, if the Government of India are prepared to justify to the tax-payer the increasing expenditure in some of these directions, I would ask them to place on the table complete correspondence between them and the Secretary of State in connection with at least the following subjects :

- (1) The increase in the capitation charges since 1908.

[Sir Purshotamdas Thakurdas.]

(2) The increase in the cost of consular and military expenditure in Persia since, say, 1914.

(3) The increase in the cost of military expenditure in Aden since, say, 1914. Perhaps they may not like to go further back.

(4) The increase in pensions payable to the War Office since the same year or an earlier year.

If, as would be the case in any country where the Legislature is a party to taxation, the Government of India will inform the Legislature regarding the various details of the increase in expenditure here, and will place on the table the correspondence between them and the Secretary of State since the periods I have named, I think this Council will be convinced of either the one or the other of two things, either that the complaint made by the Government of India before the Welby Commission has still continued unredressed, or that everything is O. K., that His Majesty's Government are dealing with the Government of India in an absolutely fair and commercial spirit and there is no cause for this Resolution. If my Honourable friend opposite can in the course of his reply give me any figures and facts to this end nobody in this House will be a happier man than myself to withdraw this Resolution.

I would ask the House to bear in mind the long and uninterrupted traditional fate of the pleadings and objections of the Government of India in this connection, as far as His Majesty's Government are concerned. Barring one or two bright exceptions the Government of India have had generally to swallow the humble pie. Either the Secretary of State, if he is a so-called strong man, dictates to the Government of India and asks them to accept his ruling, or a compromise is made with the relative department of His Majesty's Government, or if the subject goes before Parliament, (which has been very rare) "Little Englanders," in the words of the "Times," score, "even though they may have seldom conceived anything more unworthy of the Empire or less fitted to consolidate it." I am quoting these words from the London "Times" Weekly Edition, 10th July 1896.

The utter despair of the Government of India in successfully fighting on any question with the War Office is correctly reflected in the following reply given to Lord Kimberley who in 1884 as Secretary of State told the Government of India that he agreed with the War Office that any increase of pay, etc., sanctioned by His Majesty's Government will have to be accepted by the Government of India without any question as far as the British troops in India were concerned. It is to be noted that only thirteen years before that, that is, in 1871, the Duke of Argyll, the then Secretary of State, had impressed on the War Office the Government of India's point of view with great force, and had endorsed the same. The next Secretary of State, thirteen years later, tells the Government of India here "You are absolutely in the wrong; you have got to accept what the War Office asks you to." The Government of India then wrote to Lord Kimberley, and these are their words:

"We feel that it is useless for us to combat the alterations in the establishments, rates of pay and privileges sanctioned by the War Office for the British Army."

It may be contended, Sir, that what is suggested herein will attribute to the Government of India an independence of authority which has not prevailed and perhaps cannot prevail under the strict interpretation of the existing Government of India Act. I am aware that the Governor-General must, subject to the alternative of resignation, accept and carry out the orders he receives from the Secretary of State, and the Secretary of State similarly, subject to a similar alternative of resignation, must accept the decision of the Cabinet of which he is a member. It is because of this movement in a circle—in ordinary parlance to be called a vicious circle, but I shall use the more dignified phrase—it is because of this movement in a circle that I suggest that in cases where the interests of His Majesty's Government and the Government of India clash, the Secretary of State should not enforce his authority on the Governor-General, but in all fairness in accordance with what would be done in ordinary dealings between two parties, that he would let an impartial tribunal decide on the difference of opinion.

The Welby Commission say in one place : " The fullest justice is done to both if each is conceived independent of the other, with Governments fighting out their bargains on strict commercial principles." But such a conception hardly fructifies unless natural and free scope is provided for an impartial trial of the reason and grounds of each party's contention. No commercial principle can prevail in the existing state of affairs.

And such a tribunal to my mind the Premiers in Conference might prove to be. Of the various suggestions made by the Welby Commission and the Minority Members thereon, I am inclined to think that these Premiers of the Empire are the one set of people who may be trusted to look impartially from the point of view either of both or of none, and that is all that has been asked for ever since 1896.

Sir, I have very great pleasure in moving this Resolution for the acceptance of this House.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I do not propose, Sir, to enter into a discussion of the main Resolution which the Honourable Member has put forward ; I leave that to my Honourable Colleagues in the Law and Finance Departments. But the Honourable Mover has referred to an answer to a question that I gave in this House this morning. He has complained that we have refused to publish the reports of the Innes and Braithwaite Committees. The Honourable Member knows perfectly well what those reports contain ; as a Member of the Incheape Committee he has studied them throughout. He knows perfectly well also, or he ought to know, that in answer to a question I gave this morning, I said that we refused to publish them purely on account of expense ; we have placed copies of them in the Library for anybody to study ; and the recommendations of those reports have all been included in the Incheape Committee Report, as he quite well knows, I therefore think that his complaint with reference to the answer that I gave this morning is entirely unjustified.

THE HONOURABLE SIR PURSHOTAMDAS THAKURDAS : I never complained ; I merely mentioned it to show how very hard up Government were.

The HONOURABLE SIR S. M. ANNAMALAI CHETTIYAR (Madras : Non-Muhammadan) : Sir, I have a few words to say in support of the Resolution. Instances have been given by the Honourable Mover of disputes in matters financial between the Government of India and His Majesty's Government. In almost all of these the Government of India do not seem to have been treated with that amount of consideration which is due to them. Their views do not generally prevail as they should. Unseen pressure is exerted on them through the Secretary of State for India to meet liabilities which the Government of India are least prepared for and the wonder is they say 'yes' to every demand made on them, even though they put up a brave fight against it in the beginning. From what we have heard from the Honourable Mover, it seems that the War Office is responsible for most of these things. The War Office contributes a sum of £1,30,000 as against a payment to it by the Government of India of a sum of about £7,00,000 on capitation and other charges on British troops, whereas it ought to have given us much more than this sum. The War Office was careful enough to revise the capitation charges, while studiously avoiding a corresponding revision in their contribution to the Government of India, for the capitation charges which have no parallel anywhere else in the Empire. Sir, men of eminence and position who can speak with authority in matters of this kind have questioned the propriety and fairness of the capitation charges, which, as I have said, have no parallel anywhere else within the Empire. In other matters too, there are likely to be disputes between the Government of India and the Secretary of State, I mean the Home Government. The Government of India stoutly plead their inability at first to incur additional liabilities, but, Sir, somehow or other, they climb down at the end and find themselves committed to a policy or forced to pay for what they refused at first or pay more than what they bargained for. Increased liabilities are forced on the Government of India. They find themselves opposed in the Legislative Assembly which would not vote them the money for the additional liabilities they incur. Most delicate situations are thereby created. It is but proper therefore, Sir, that the Government of India should consult the Indian Legislature before arriving at a compromise in such cases of disputes. That would give them the money and also the necessary backing for putting up a fight with the Home Government.

Now, Sir, with regard to the latter part of the Resolution, I have a word to say. My Honourable friend suggests a reference of the disputes between the Government of India and the Home Government to the Premiers of the Empire for arbitration. The Premier of England and a representative of this country will, I believe, also be Members of the suggested Premiers' Conference. Well, Sir, can these two Members while being parties to the dispute be also judges over themselves? Or are they to withdraw from the Conference when the dispute is being heard?

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Interested parties can take no part.

The HONOURABLE SIR ANNAMALAI CHETTIYAR : Then they will have to withdraw.

I would suggest, Sir, two or three Privy Councillors, and one or two selected Judges of the High Courts in India in the place of the Premiers' Conference. If I had understood my Honourable friend aright, he said that a dispute of a family should not be referred for arbitration to the members of the same family, but I think that a body consisting of the Members of the Privy Council and the Judges of the High Courts of India will be sufficiently an independent tribunal.

The HONOURABLE THE PRESIDENT : Will the Honourable Member follow up his speech by moving an amendment ?

The HONOURABLE SIR ANNAMALAI CHETTIYAR : No, Sir, I do not wish to move an amendment. I only make a suggestion.

The HONOURABLE THE PRESIDENT : If the Honourable Member wishes to press this point, I think he ought to move an amendment.

The HONOURABLE SIR ANNAMALAI CHETTIYAR : I do not propose to move an amendment. I only make a suggestion.

Well, Sir, the Resolution as a whole will strengthen the hands of the Government, and I do not see why they should not accept it.

The HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : General) : Sir, this Resolution, as I understand it, only seeks to prominently bring to the notice of this Council a subject which has been agitating the public mind for the last thirty years. The Resolution if examined without prejudice and dispassionately is nothing more than a mere attempt to strengthen and fortify the hands of the Government of India in a matter in which they often come in conflict with the Home Government, and as such I see no objection, or rather I see great force in the Resolution, and therefore to the first part of it I shall extend my whole-hearted support. My Honourable friend Sir Purshotamdas Thakurdas has so copiously and ably dealt with the subject that I do not propose to go over the same ground again. The profuse extracts which he has quoted this morning from the Welby Commission and the opinions of some of the most prominent Members of Parliament will leave no room for doubt that in the past there have been serious differences of opinion as regards appropriation charges in naval, military, political and diplomatic matters, and those differences, as a rule, have been settled to the prejudice of the Government of India. It is, therefore, unnecessary to repeat and bring back to the notice of this Council those instances.

This Council is aware that it was this pronounced difference of opinion on many vital questions which prompted the appointment of the Welby Commission. But unfortunately the Welby Commission on account of the influences then prevailing in England was not in a position to deal with this great and important subject with that completeness and precision which India's cause really demanded. The difficulty in the past has arisen mainly on account of the difficulty in the interpretation of the term "purposes of India." This term "purposes of India" has been so elastic that the Imperial Government have sought every

[Sir Maneckji Dadabhoy.]

possible opportunity of throwing on the Government of India those charges which perhaps ordinarily would not be justified, but only by the elasticity of the expression or rather the indefinite nature of this expression "public purposes." Whatever, it may be, we had then obtained the important admission from the majority of the Welby Commission that in many instances in which charges were apportioned the Government of India were not at all consulted. I submit this is a state of affairs which would hardly be tolerated in the present age. With the reformed Councils, with the conferral of fiscal powers on the Indian Legislature, it does not stand to reason for a moment that the Imperial Government should have it all their own way without the interference of the Indian Legislature. And, as far as I am able to see, the first part of the Resolution incorporates a demand which is not only just and reasonable, but to which hardly any exception can be taken by this Council.

Sir, it is, I understand, the intention of the Imperial Government to give to this country progressive powers at successive stages as this country justifies its fitness, and I say therefore that no more suitable opportunity could occur than the one which this Resolution seeks to attain, and that is that, whenever on any important question there is a great and serious difference of opinion as regards the contribution of India's share between His Majesty's Government and the Government of India, the Indian Legislature should be consulted, and that it could be safely trusted to give to the subject an impartial and a just consideration. It will, as I have said before, strengthen and fortify the hands of the Government of India. It will in a way remove the Government of India on many occasions from a very awkward predicament and enable her to resist the demands of the Imperial Government, and it will help to the speedy solution of her difficulties. Sir, I therefore think the first portion of my Honourable friend's Resolution is one to which validly no objection could be taken, and to it I shall give my whole-hearted support.

But, Sir, as regards the second part, with much deference to my friend, Sir Purshotamdas, I propose to differ from him. Sir, Sir Purshotamdas has stated that a suitable tribunal is now available, and this tribunal is no other than the conglomeration of the Premiers of the Empire, who may meet, decide and solve any difference of opinion between the Government of India and the Imperial Government. My friend has stated that it will be a welcome family arrangement, and there could be no objection to the Imperial Government agreeing to this proposal. I am afraid that this proposal is somewhat impracticable. Apart from the fact that in a domestic matter, in a matter affecting purely Indian interests, the Premiers of the Empire should not be called upon to meet and waste their time over it—perhaps the Premiers themselves would be put in an awkward position and they would very thankfully decline the offer. It must also be borne in mind, that our relations with the Dominions may be good for the time being, but there may be occasions, Sir, when our relations with the self-governing Dominions of the Empire may not be very cordial. We may differ from

them, or they may adopt an attitude in the matter of franchise and emigration hostile to Indian interests, it is also quite possible that they may find their interests antagonistic to our interests. I would, therefore, be unwilling to entrust such a task to the Premiers of the Empire. Various methods, various suggestions, Sir, have from time to time been made as regards the constitution of this Tribunal. The Welby Commission defined the principles but were not in a position to arrive at a decision as regards the composition of the tribunal itself. Mr. Balfour and Lord Salisbury were also in favour of appointing a tribunal, but they could not come to a conclusion as to the character and constitution of this contemplated tribunal. My objection to Sir Purshotamdas' recommendation is of a more serious nature. India's future, I feel, permanently rests with the House of Commons, and India should not do anything which will set the Houses of Parliament against her. I doubt very much if the Houses of Parliament will agree or submit to the Premiers of the Empire overriding their decisions. In this matter, I know that the House of Commons would feel very strongly and is not likely to delegate its authority or undermine its prestige or curtail its privileges by submitting to the verdict of the Premiers of the Empire. Further, I am of opinion that, under the present constitution, under the present Indian constitution as well as the constitution of England, such a proposal could not possibly be entertained, and I therefore think we must find out some other solution maintaining and safeguarding at the same time the prestige and authority of the House of Commons. I can see no other way and my Honourable friend is perhaps aware—I can refer him to the examination of Lord Northbrook, the statement which he made before the Welby Commission. He stated that his opinion was that there should be no other tribunal but the tribunal should be the Governor General himself in whom an absolute power of veto should be vested. He expressed that opinion and at the same time stated that such a power of veto would not be consistent or compatible with the statutory powers of the Secretary of State for India or with the powers of veto entertained by the House of Commons. We can get over this difficulty by making the Governor General, I mean, absolutely master in his own house, all-powerful in his own house, by giving him this privilege and at the same time providing that the papers should be placed in every case before both the Houses and that on the motion of any Member of either House that veto could be raised by a decision arrived at after full discussion. I submit this will be a practical solution of the difficulty. This will help the cause of India. This will enhance in my opinion the prestige and reputation of the Indian Legislature, and it will in many ways remove the Government of India from a singularly awkward position in which it would otherwise find itself. I, Sir, with your permission, therefore, will move an amendment to the second part of the Honourable Sir Purshotamdas Thakurdas' Resolution ;

“ That for the sentence beginning with ‘ This Council further recommends ’ down to the end, the following words be substituted :

‘ This Council further recommends that, in order to deal with such disputes between His Majesty's Government and the Government of India, necessary legislation be undertaken to provide and vest in His Excellency the Governor General, the right of absolute veto as far as the additional claim by His Majesty's Government is concerned, subject to the decision of the Houses of Parliament to raise such veto.’ ”

[Sir Maneckji Dadabhoy.]

With these words, Sir, I support the first part of the Resolution and seek to modify the second part of the Resolution.

THE HONOURABLE THE PRESIDENT : To the Resolution under consideration amendment moved :

“ That for the sentence beginning with ‘ This Council further recommends ’ down to the end of the Resolution, the following words be substituted :

“ This Council further recommends that in order to deal with such disputes between His Majesty’s Government and the Government of India, necessary legislation be undertaken to provide and vest in His Excellency the Governor General, the right of absolute veto, as far as the additional claim by His Majesty’s Government is concerned, subject to the decision of the Houses of Parliament to raise such veto. ”

I presume the Honourable Member has handed over a copy of his amendment to the Member in Charge.

THE HONOURABLE SIR MANECKJI DADABHOY : I will, Sir.

THE HONOURABLE THE PRESIDENT : And to the Honourable Sir Purshotamdas Thakurdas.

THE HONOURABLE SIR MANECKJI DADABHOY : I have not got many copies, Sir.

THE HONOURABLE THE PRESIDENT : That is the proper procedure. The amendment which I have just read to the House is now for its consideration, and the debate, till this amendment has been disposed of, must be confined to the question of the alternative proposals for the latter portion of the Resolution.

THE HONOURABLE SARDAR JOGENDRA SINGH (Punjab : Sikh) : Sir, I rise to oppose this amendment. I fail to follow the Honourable Member’s reasons for pressing the amendment which he has just moved. So far as we are aware, the Governor General is able to represent even now the view of the Government of India before the House of Commons. Sir Maneckji Dadabhoy may have absolute confidence in the House of Commons in dealing with the affairs between India and England. I am not sure whether this Council shares his confidence when matters of such a delicate nature are placed before the House of Commons. With these words, Sir, I oppose the amendment moved by Sir Maneckji Dadabhoy.

THE HONOURABLE SIR PURSHOTAMDAS THAKURDAS : Are we discussing the amendment, Sir ?

THE HONOURABLE THE PRESIDENT : The amendment is being discussed by itself.

THE HONOURABLE SIR PURSHOTAMDAS THAKURDAS : I am speaking of the amendment, Sir. I am afraid I am not in a position to accept the amendment moved by my Honourable friend, Sir Maneckji Dadabhoy. Honourable Members may have observed that during the course of my whole long speech, I purposely

kept out any reference to the House of Commons or to the British Parliaments, and I was very much pained, if my Honourable friend Sardar Jogendra Singh will excuse my saying so,—I was very much pained to hear within the portals of this House any reference to the British Parliament, especially in the strain in which my Honourable friend was pleased to make a reference to it. I personally thought that the Resolution that I have moved is, in the words of the Welby Commission, a Resolution suggesting a method of dealing with disputes between two countries which should be considered to be independent, and fighting out their cases independently. There is no question of Parliament, which are the ultimate supreme authority and can, whenever they like, step in and do what they think best. I should be most reluctant to say or even to endorse what the Honourable Sardar Jogendra Singh has said, and I do wish that in the course of this discussion, no reference shall be made to the British Parliament. For, it has to be borne in mind that rarely have these questions gone to the British Parliament—this has happened only twice, once in 1870, when the British Parliament said “You must refund to the Government of India £40,000.” In 1895, as I said, Lord Morley was very severe on the Cabinet in power. But I do not think that we are justified in the slightest degree in saying that we will not get justice from the British Parliament. The question, Sir, is this. Has the British Parliament got the time and can they go into details adequately? There may be small departmental squabbles involving sums of money either large or small, or there may be important questions of policy involved in such differences between the two Governments. The policy will always be laid down by Parliament. I fully realise the anxiety of my Honourable friend Sir Maneckji Dadabhoi not to trust anybody outside England or India in this connection. But have we not been told, Sir, year in and year out, that we are part of the Empire? Is there the slightest apprehension that questions like these which may be few and far between, when the contending parties know that somebody will sit in judgment over them,—that questions like these will be so many that the Premiers may not have time for dealing with these charges? I therefore feel, Sir, that the moral effect of any such a tribunal would be so great that these questions will tend to decrease. I should be most reluctant to think that the Premiers will say “Why should we bother ourselves about these disputes? We have no time for these.” The Honourable Sir Maneckji Dadabhoi said that we may at times be at variance with some of the Colonies or some of the Dominions. And what then? I personally feel, Sir, that a person who is a Premier, be he of the smallest Colony or of the smallest Dominion, and who comes to a representative gathering like the Premiers’ Conference, must have enough sense of responsibility to rise superior to any such petty ideas of doing a little avoidable injustice to the part of the Empire with whom they may have disputes. I personally feel that my suggestion would, at any rate, be much better than the position in which we have been carrying on till now. I am sure that I am not at all disposed to bring in any questions of reference to Parliament. That is vested in them and does not require legislation of this House. I therefore think that unless my Honourable friend Sir Maneckji Dadabhoi can suggest something else, I could not accept his amendment as a suitable alternative to the one that I have put before the House.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member) : Sir, I venture to join my friend the Honourable Sir Purshotamdas Thakurdas in deprecating any observations of the kind which was made by my Honourable friend Sardar Jogendra Singh with reference to the British Parliament. Indeed, it seems to me that, in the interests of India and of the constitutional development which we all have at heart, it is unwise in any discussion whatever to utter the kind of sentiment which my Honourable friend Sardar Jogendra Singh gave expression to this morning.

Dealing with the amendment which is now before the House, and with the amendment alone, I venture to point out that the amendment is entirely impracticable as well as inadvisable. In the first place, Honourable Members will have noticed that my Honourable friend advocates "necessary legislation." He does not tell the House by whom this legislation is to be undertaken. It cannot obviously be undertaken by the Indian Legislature. That is obvious, because, it affects Great Britain as well as India. Does he mean that the legislation is to be undertaken by the Houses of Parliament in England? If so, a Resolution moved in this Council asking for such legislation is not the proper procedure to be adopted in a case like this. Then, I would like to point out that according to my Honourable and learned friend, this legislation is "to provide and vest in His Excellency the Governor General the right of absolute veto as far as the additional claim" of His Majesty's Government is concerned. My Honourable and learned friend, who is a Barrister of long experience, is aware of the fact that where two parties are concerned in a dispute, no legislation can be undertaken to give one of the parties an absolute veto over the matter in dispute between the two.

In the amendment my Honourable and learned friend adopts a position which is contrary to all principles, either
 1 P.M. of arbitration or of adjudication, that I know of in disputes between two parties. The Governor General is the supreme head of the Indian Government and as such represents India. The dispute is between India and Great Britain, and according to the legislation proposed by my Honourable and learned friend, the supreme head of the Government of one country which is a party to this dispute would have the right of absolute veto in a matter in which that country is at loggerheads with Great Britain. Well, the proposal, again, I respectfully submit, is bad on that ground. Then, my Honourable and learned friend goes on to say that the Governor General is to have the right of absolute veto with reference to what? With reference to the additional claim by His Majesty's Government. My Honourable friend has not explained to us what he means by the words "additional claim by His Majesty's Government." What is this additional claim with reference to which the Governor General is to have this right of absolute veto?

The HONOURABLE SIR MANECKJI DADABHOY : I thought you would know that.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : I did not hear a single word from my Honourable friend in his speech defining this additional claim. Had he given his definition of this additional claim,

I would certainly have been in a position to meet it. But in the absence of any definition of this expression "additional claim" used by him in his amendment, I am unable to accept the proposition that he has put forward.

Then, my Honourable and learned friend adds these words, that this right of absolute veto which is to vest in His Excellency the Governor General is to be "subject to the decision of the Houses of Parliament to raise such veto." Now, here again, my Honourable and learned friend introduces another complication in the machinery which he proposes. How are the two Houses of Parliament to raise this veto, as my Honourable and learned friend has expressed it? By an Act of Parliament, by a Resolution, by a joint sitting of the House of Lords with the House of Commons, or in what manner? In what manner are the two Houses of Parliament to be empowered to raise this veto, which according to this legislation, is to be vested in His Excellency the Governor General? It seems to me, Sir, that the proposal put forward by my Honourable friend is in the highest degree fanciful and impractical, as well as inadvisable, and I would ask the House to reject this amendment.

THE HONOURABLE SIR EDGAR HOLBERTON : I move, Sir, that the question be put.

The motion was adopted.

The amendment was negatived.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has so exhaustively been dealt with by my Honourable friend Sir Purshotamdas Thakurdas. I give a few instances in which India has had experience of these dealings with the Imperial Government and how India has not been properly treated in the matter of sharing such expenses. The cost of the Afghan War was thrown on India, although it was a result of European policy, I mean that it was brought about as a result of European policy. The cost of the Egyptian Expedition was thrown on India without any justification. This is the way in which the British War Office deals with Indian military policy, i.e., by thrusting on the country the British Army Amalgamation Scheme. I beg to represent that no portion of the Indian tax-payer's money should be spent without the sanction of the representatives of the people in the Legislature. With these few words, I give my hearty support to the original Resolution as it stands.

THE HONOURABLE MR. A. C. McWATTERS* (Finance Secretary) : Sir, every Member of this House will fully appreciate and sympathise with the intentions of the Honourable Sir Purshotamdas Thakurdas in moving this Resolution, which he clearly put forward solely in the interests of India. I may say here, with reference to some remarks which he made regarding an answer to a question this morning that if we thought it desirable to collect the information from the India Office regarding these disputed claims it was solely in order that the Honourable Member should be given a full, up-to-date and comprehensive answer, to his question. We do not deny in the least that a real difficulty exists, and we do not deny that the sums under discussion have been and are large. But that is more or less immaterial to the main issue; the real issue before the

[Mr. A. C. McWatters.]

House is; does the Honourable Member's Resolution really provide a solution of the difficulty? The Resolution, Sir, goes very far, both constitutionally and administratively. I take it that what the Honourable Mover desires is that the Governor General in Council should bind himself to enter into no arrangements where there is a difference of opinion regarding the apportionment of financial liabilities between himself and His Majesty's Government, without the previous sanction of the Indian Legislature. The instances may be small; they may relate to the incidence of pay, shall we say, of an Officer who is performing dual functions; on the other hand, they may extend to the very widest and most important items of war expenditure. I notice by the way that the Honourable Sir Maneckji Dadabhoy, perhaps unconsciously, limited the Resolution by introducing the word 'important,' and instead of saying 'previous sanction' introduced the word 'consulted,' thereby getting rid of two of the principal difficulties which arise on this Resolution. The amounts in question also may relate to voted or to non-voted items of expenditure, a point to which I shall return a little later.

In asking the House to approve this Resolution, the Honourable Mover did not deal in any great detail with the question of procedure, but I take it that it would be necessary for Resolutions to be passed in both Houses, approving or disapproving, or modifying the financial arrangements into which Government proposes to enter. Presumably if those Resolutions were rejected, the Government would be debarred from entering into the arrangements; and if one House introduced amendments, which were agreed to by the other House, the amendments would have to be accepted by Government. If the two Houses disagreed, the Honourable Mover has not explained what should be done.

The really important point is that this Resolution goes constitutionally very much further than, I think, has been indicated in any of the speeches so far. The proposal is absolutely at variance with the powers of control of the Secretary of State as they stand at present under section 21 of the Government of India Act. With the permission of the House, I will read that section:

"Subject to the provisions of this Act and rules made thereunder, the expenditure of the revenues of India, both in British India and elsewhere, shall be subject to the control of the Secretary of State in Council, and no grant or appropriation of any part of those revenues, or of any other property coming into the possession of the Secretary of State in Council by virtue of the Government of India Act, 1858, or of this Act, shall be made without the concurrence of a majority of votes at a meeting of the Council of India."

Therefore, as the law stands now, the Secretary of State can, subject to the provisions of this Act and the rules made thereunder, give directions to the Government of India regarding the disposal of the Indian revenues and insist on compliance with those orders.

The HONOURABLE SR PURSHOTAMDAS THAKURDAS: Did this section exist in the Government of India Act of 1896?

The HONOURABLE THE PRESIDENT: Did the Honourable Member ask me that question?

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : No, Sir, asked the Honourable the Finance Secretary.

The HONOURABLE MR. A. C. McWATTERS : I have not the other Act before me at the moment.

The HONOURABLE THE PRESIDENT : The section less recent additions was in the old Act.

The HONOURABLE MR. A. C. McWATTERS : Section 21, Sir, covers cases of expenditure where payments are involved. But there may be other cases where questions may be in dispute which result in the abandonment of a claim, just as when the Government allows remissions of land-revenue or allows a rebate of customs duty. Now, Sir, the general powers of the Secretary of State are in this case also retained by sub-section (2) of section 2 of the Government of India Act, which says :

“ In particular, the Secretary of State may, subject to the provisions of this Act, or rules made thereunder, superintend, direct and control all acts, operations and concerns which relate to the Government or revenues of India, and all grants of salaries, etc.”

I read this so that it may be perfectly clear to the House what at present the constitutional position is. The Honourable Mover presumably contemplates altering the present position either by a revision of the Act or of the rules or by the establishment of a convention. With regard to the latter, I will merely say that it is not possible to frame a convention which is in contravention of or inconsistent with the Act itself. Therefore, in effect what is contemplated is a revision of the Act and rules as they stand at present.

I wish to add one further point. In practice financial disputes of this kind with the Home Government almost invariably relate to subjects which come under the heads military or political ; in other words, they come under the heading “ non-voted expenditure.” Therefore, if the House accepts this Resolution it will be doing so knowing full well that it is making a very great constitutional innovation by increasing the powers of the Legislature in regard to non-voted items of expenditure. I suggest to the House that this Resolution is an attempt to go too fast. Surely, constitutional progress will be better achieved if it follows the lines laid down by Parliament, and Parliament certainly did not contemplate in the first period of the reformed constitution an innovation of this kind.

That, Sir, is the constitutional aspect of the question. It also has a very important administrative and practical aspect. The Honourable Mover and the Honourable Sir Maneckji Dadabhoi have both emphasised that they wish to strengthen the hands of the Government of India, but I will ask them to say whether they are really strengthening the hands of the Executive Government by imposing restrictions of this kind ? In practice these questions usually involve negotiation, but if this Resolution is passed no negotiation will in fact be possible, because either the matter will have to be definitely decided first by the Legislature out here, or, if the negotiations take place first and the results are referred back to the Legislature, those negotiations cannot be final until the sanction of the

[Mr. A. C. McWatterson.]

Legislature is received. What is to be the position of an Executive Government which is to enter into negotiations with their hands tied in this fashion? I suggest to the House that there is not a Government in the world which is so restricted. Negotiations obviously require promptness of decision; they require certainty, a certainty that your decision will not be upset; they also require flexibility; you may have to yield on one point to gain another. How can you do any of these things if either your basis of negotiation is cut and dried beforehand by the previous sanction of the Legislature, or you have to refer the result of the negotiations back to the Legislature for sanction and thus introduce great delay and uncertainty? Therefore, I do not think that this Resolution, as it stands at present, would really strengthen the hands of the Government of India, because I consider that an Executive Government would be handicapped in dealing with what we must postulate to be its opponent.

The real difficulty of course in this case is one which I recognise as much as the Honourable Mover, that is the fact of distance. England and India are far apart, and it is not possible for negotiations ordinarily or normally to be conducted elsewhere than in England. It is not a difficulty which will be solved by any simple solution of this kind. This Resolution will not cut the Gordian knot. Would it benefit the Indian revenues to be handicapped in negotiation when the other side is not so bound? Is it not a necessary corollary that the British Parliament should also tie the hands of the Treasury? So far therefore as the first part of the Resolution is concerned, though I sympathise absolutely and entirely with the Honourable Mover's intentions, I think that constitutionally it goes too far and administratively, to say the least of it, it would be inconvenient.

As to the second part of the Resolution, which suggests that the Premiers of the Empire shall be the sole arbitrators in connection with disputed items, I may say that in recent years,—I have made inquiries,—I find that only one instance of arbitration has occurred, so that the matter has not been, except for that one instance, of very great practical importance. But here, again, I entirely sympathise with the Honourable Mover's object in trying to obtain an impartial tribunal in matters of this kind. My only objection to this part of the Resolution is to the selection of the Premiers of the Empire in conference as the sole arbitrators. In the first place, the Premiers of the Empire meet only once a year and not always even then, so that we might have to wait for 18 months to have the arbitration decided. In the second place, as the Honourable Sir Maneckji Dadabhoy pointed out, they are busy men who will be fully occupied with the work of the Imperial Conference, and I doubt very much if they will have the inclination to serve as arbitrators in connection with all matters relating to India. Thirdly, it is surely better in cases where technical matters are in dispute to have as arbitrators technical experts, as was suggested by the Honourable Sir Annamalai Chettiar. I suggest that it might be better if a legal point was at issue, to have an Arbitration Board of two Judges or two lawyers, one European and one Indian. I entirely suggest this as a possible alternative which, in certain circumstances, would be better than the Premiers of the Empire meeting in conference. Then again, as the House is aware, there are two parties to this transaction,

and it is really useless for this House to pass a Resolution which will be unacceptable to the other party, and the second part of the Resolution is too restrictive and too cumbrous to be likely to commend itself to the Home Government.

That is all I have to say with regard to this Resolution. From the point of view of the Government it cannot be accepted. We are entirely in sympathy with the object of it, but constitutionally it is a very great innovation and goes much further than possibly the Honourable Mover realised, while from the practical point of view, we consider it a positive handicap and at the least extremely inconvenient.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : I desire to add a few words to what has been said by my Honourable friend, Mr. McWatters, with reference to the constitutional aspect of the proposal which is now before the House. Honourable Members will have noticed that my Honourable friend proposes that in all matters where the apportionment of financial liabilities between the Government of India and His Majesty's Government may be in dispute between the two Governments no compromise should be made between..... (and then) *without the previous sanction of the Indian Legislature.*

Now, bearing the exact nature of this proposal in mind, it seems to me that, speaking from a constitutional point of view, the proposal is entirely inadmissible. That is the position which I ask the House to please bear in mind. Under the existing constitution, certain powers are vested in the Secretary of State in Council alone. Certain other powers are vested in the Governor General and others over which the Indian Legislature has a certain measure of control. "Previous sanction of the Indian Legislature" presupposes that with regard to the actual proposal embodied in the Resolution constitutionally the Indian Legislature has the final word, or has the power of sanction. Now, what my Honourable friend, Sir Purshotamdas Thakurdas has ignored is this ; that not only has the Indian Legislature no control over the matters covered by his Resolution, but on the contrary the Indian Legislature is by express enactment debarred from dealing with them. In these circumstances, it is entirely unconstitutional, I submit, for this House to adopt a Resolution of this kind. The Honourable Sir Purshotamdas Thakurdas himself admitted during the course of his speech that the principal items (I took down his words) that the principal items of dispute in the matters that he refers to are naval, military, political and diplomatic. Now, if you turn to section 67-A, sub-section (3), clause (20), you will find that expenditure, classified by the order of the Governor General in Council as "ecclesiastical, political and defence" are excluded from the vote of the Indian Legislature. The four heads mentioned by my Honourable and learned friend, "naval, military, political and diplomatic" fall under the two heads "political and defence" and items connected with political and defence are in consequence not votable. That being so, it necessarily follows that the proposal embodied by my Honourable friend in the Resolution which is now before the House is outside the powers of the Indian Legislature. My Honourable friend, I see, shakes his head. (The Honourable Sir Purshotamdas Thakurdas : "I will prove it to you when

[Sir Muhammad Shafi.]

I get up to reply.") Now, I suppose that the real object of the Resolution moved by my Honourable friend is that, when a compromise is arrived at, which is detrimental to India, that is to say, under which India has to pay to His Majesty's Government or what His Majesty's Government really owes to India is not paid to India, (these are the only two alternative cases that are conceivable), in such cases, the compromise should not be acted upon without the previous sanction of the Indian Legislature. Because, if the compromise is equitable, it is obvious that the Indian Legislature could have absolutely no objection to such a compromise being carried out. If the compromise is such that it is, according to my Honourable friend, to the detriment of India, then any action which may be taken in connection with that compromise will fall under the two heads—"defence and political"—as I have already invited the attention of the House to.

Moreover, as was pointed out by Mr. McWatters, section 21 of the Government of India Act is perfectly clear. The proposal embodied in the Resolution is entirely inconsistent with section 21. It takes away, practically takes away, from the Secretary of State in Council the powers which are vested in him under that section. That is to say, if this proposal were adopted, the Secretary of State in Council could exercise his constitutional powers, vested in him under that section, without the previous sanction of the Indian Legislature.

Well, however desirable the course suggested by my Honourable friend—I do not propose to go into that question, as I am dealing only with the constitutional aspect of the matter—I submit that constitutionally the proposal is entirely inadmissible.

Just a few words as regards the latter portion of the proposal and I have done. My Honourable friend would make the Premiers of the Colonies arbitrators between His Majesty's Government and the Government of India in respect of a dispute, which may arise between these two Governments. Is not the proposal on the face of it entirely impracticable as well as inadvisable, in so far as the interests of India are concerned? I ask, is it likely that, if a proposal of the kind which my Honourable friend has put forward were to be suggested, say, to Canada, that in all matters such as these, wherever a dispute arises between His Majesty's Government and Canada, India should be accepted as the arbitrator, that Canada would be likely to accept such a proposal as that? And, if Canada is not likely to accept such a proposal, ought India to accept the kind of proposal which my Honourable friend seeks to put forward? I do not wish to enter in detail into this portion of my argument, but I leave it at that, and I leave it to the Honourable Members to see as to whether such a proposal is desirable in the interests of India.

*Then, it should be remembered that the Premiers in the Colonies have not a permanent tenure of office. In the Colonies just as in Great Britain, a Premier may go out of office any day on any vital measure, when the local Parliament has decided against him, he would have to resign and get out. Supposing a Premier, say, of Canada, while this tribunal of arbitration is sitting in London—Is it to sit in London or in India? my Honourable friend has not made that clear;—but assum-

ing that the tribunal is sitting in London and at that time one of the Premiers is ousted from office. What is to happen in that case? Is this tribunal to begin its proceedings *de novo* on the arrival of his successor, the new Premier appointed in that particular Colony? Is it to suspend its sittings until he arrives from Australia, from Canada, from New Zealand, as the case may be? Then, when he arrives, is it to begin its proceedings *de novo*, for he is not the man who originally sat on this tribunal when the proceedings were started, and therefore, when a new judge is substituted, the whole proceedings should begin *de novo*. Then, as was suggested by my Honourable friend, Sir Narasimha Sarma, this tribunal may be more expensive to India than the item in dispute before the tribunal itself. Indeed, it seems to me that in a case of this kind, such a proposal as this is really impracticable, and from the point of view of the interests of India is also inadvisable. I would therefore ask the House not too readily to accept a somewhat dangerous proposal of this kind.

THE HONOURABLE THE PRESIDENT : I think this will be a convenient opportunity for the Council to adjourn. I understand some Honourable Members have long distances to go. I would like to ask the Leader of the House if in these circumstances it would be convenient if I adjourn the Council till 3 O'Clock.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : I have no objection, Sir. It is true that some Honourable Members have to go long distances and return, (A voice : " Finish the debate "), and if an adjournment is necessary, I think that 3 O'Clock would be the best. If you think, Sir, that the debate on this Resolution is practically finished—I do not know whether any other Honourable Member would like to speak.

THE HONOURABLE THE PRESIDENT : I see no reason to suppose that the debate is finished. I think two Honourable Members got up to speak and the Mover has still got to reply. I adjourn the Council till 3 O'Clock.

The Council then adjourned for Lunch till Three of the Clock.

The Council re-assembled after Lunch at Three of the Clock. The Honourable the President in the Chair.

THE HONOURABLE THE PRESIDENT : The Council will now resume the debate on the Honourable Sir Purshotamdas Thakurdas's Resolution.

THE HONOURABLE SARDAR JÓGENDRA SINGH : I was waiting anxiously to hear the Honourable Mr. McWatters on this Resolution. From what His Excellency the Commander-in-Chief said, I thought that the arguments which Mr. McWatters was going to advance would simply smash all the arguments which my Honourable friend, Sir Purshotamdas Thakurdas advanced. I am sorry that his arguments have left me altogether uncontroverted. I have a lurking suspicion that

[Sardar Jogendra Singh.]

Mr. McWatters himself sympathised with the principle of the Resolution and was only concerned with administrative difficulties. I am sure this Council will not be led away by considerations of administrative difficulties but will take into consideration the principle which my Honourable friend, Sir Purshotamdas Thakurdas has so clearly set forth. It would be idle to deny, so far as the records of Government show, that for many years past there have been many questions which have come up for settlement and remained unsettled. It may be, that the Government of India can, with a good grace, accept defeat, but now that it has got the Legislative Councils, the representatives of the people of India at its back, the time has arrived when the will of the country ought to prevail, and we should seek justice in all financial matters which concern the Government of India and His Majesty's Government. I was really surprised when I heard that the Government was going to oppose this Resolution. I expected that they would welcome it, that they would like to get the strength which the Legislative Councils would bring them, but I fear they are more nervous about the Legislative Councils and would rather trust the uncertain tribunal to which they have so far appealed in vain. It would mark a great advance if the Government of India were more intimately identified with the Legislatures and depended upon them more than they do to-day. Is it want of confidence in the Legislatures that inspires them? I should like to know. For the last three years, so far as I remember, the Councils have supported them in everything, and I am sure that if the matters in dispute were brought forward before the Councils and their sanction was obtained, the Government would strengthen their case enormously, rather than rely on pleadings before a tribunal which so far has not been very fair. I will not repeat what my friend, Sir Purshotamdas, has so ably argued. There are instances in which English Statesmen have shown themselves unjust and unfair. With the changing Government in England, is it very surprising that we in India are also a little distrustful of the Government. In earlier times the Government of England was in the hands of aristocratic and fighting classes. It is now in other hands. I for myself believe in a little idealism and have a great distrust of practical men, with eyes glued to the shop window, looking for immediate profits. Are you quite sure that with this kind of Government now ruling the Empire, you can expect a fair treatment? Are you quite sure that it will not be better if our own Councils had the power to influence decisions? I was rather surprised at the hyper-sensitiveness of my friend, Sir Purshotamdas, but not so much at what my friend, Sir Muhammad Shafi, said. All I can say is, that the kingdom of unrealities is for the faithful, but the realities are there and they will have to be faced. The Honourable Mian Sir Muhammad Shafi when speaking talked a good deal about the tribunal which the Honourable Sir Purshotamdas wanted to constitute. He ignored completely the generosity and fairness and the spirit of the trustfulness that underlay that proposition. He was quite prepared to trust the Premiers and he must have been disillusioned when told that he could not do so. There are practical difficulties about the constitution of the tribunal. I personally adhere to the first proposition that all disputes, not every

matter that is pending between His Majesty's Government and the Indian Government, as Mr. McWatters seemed to imply, should be put before the Council and their sanction obtained. I do not see anything unreasonable in it.

It has been said that this Resolution is beyond the present constitution. I am not a lawyer and so I cannot say how far that is true, but what I feel is, that the country wishes to broaden the constitution and to make the Legislatures the final authority in all matters. The Members on the Government benches may cut themselves from the currents of opinion, but those who are in touch with them, must force those opinions before the Council and press for the broadening of the constitution. I hope, Sir, that Members of this Council, both official and non-official, will consider the principle that underlies this proposition, the principle that there should be fairness between India and England, that there should be justice, so far as business transactions are concerned. We want business fairness and nothing else. I support this Resolution without any hesitation whatsoever.

The HONOURABLE MR. LALUBHAI SAMALDAS (Bombay : Non-Muhammadian) : Before referring to the constitutional aspect which has been so strongly put forward by the Honourable the Leader of the House and my Honourable friend, Mr. McWatters, may I just explain the position from a business point of view ? Take the Empire as a family and Great Britain and India as two branches of the family and suppose there is a difference of opinion between the two branches. Would it not be right that India should go and put its case before a tribunal, if there was a tribunal appointed, with all the members of that branch united, or is it right, is it advisable that the senior member, the Government of India, should go and present the case without the other members knowing anything about it ? Is it not desirable that when there is a dispute, all the members of one branch of the family should come together and discuss the points and then ask the senior member to represent the case before a tribunal ? That appears to be a correct solution and I did not expect that Government benches would oppose it. My friend the Honourable Mr. McWatters said that he was in entire sympathy with what we said and what is underlying the Resolution. Sympathy we have had by the cart loads. What we want now is some actual proposal to carry out our wishes. Mr. McWatters told us that it may be difficult to get the previous sanction of both the Houses of the Legislature at every turn, when carrying on negotiations. If that is the difficulty, is it not up to him and the Members of the Government to suggest some other remedy ? The basic principle of the Resolution is that whenever we want to go to the British Government to put our case before them, the Secretary of State, the Government of India and the Legislature should be united. We have been told by the Leader of the House and by the Honourable Mr. McWatters that under the Act as it stands the Secretary of State's voice is the final voice in the matter. That view is quite correct, and nobody can take exception to it. We have moreover been told by the Joint Committee that in this as well as other matters relating to fiscal autonomy conventions shall grow. Is it not possible for Government to meet us and allow conventions to grow, they can only grow if they take us into their confidence ?

[Mr. Lalubhai Samaldas.]

The best way to take us into their confidence is to appoint a Standing Committee of both Houses whom they can consult on these occasions. This Committee should consist of Members elected by the elected Members of both the Houses. At present whenever we make definite proposals for reforms, we hear words of sympathy from the other side, and then attempts are made to pick holes in our proposals, but no attempt is made to help us to arrive at a solution. Is that the correct attitude for the Government to take up, after three years of reforms? I appeal to the Honourable the Leader of the House and the Honourable Mr. McWatters whether we cannot put our heads together and find out some solution, by which we can go to the War Office or to the Foreign Office as a united body. Another difficulty raised was as to what was to be done if both the Houses differ. One solution is the adoption of the system of a Joint Session of both the Houses. Let me however add that I do not insist that such questions should always be discussed in full Houses of both the Chambers. Government could very well appoint a Standing Committee, whom they can consult confidentially. The discussion will not then be made public and the committee will be able to guide the Government as to how to put their case before the War Office or the Foreign Office, as the case may be. My friend, Sir Purshotamdas Thakurdas, cited so many cases that it is unnecessary for me to go into detail in regard to them. I shall therefore refer to the general policy of Government in such matters. It is an unhappy coincidence that ever since the Morley-Minto Reforms and since the time when the Government was said to be more responsible to the Legislature and to the tax-payers through the Legislature the Government of India have for some reason or other not told the Legislature what action they are taking to fight their battles either with the War Office or the Foreign Office. We have found, Sir, that so long as the Government considered themselves as trustees of the people of India, they showed greater moral responsibility than they do now. I do not insinuate that the moral responsibility has grown less but the way in which they treat us, the way in which they keep back their cards (and sometimes even the good work that they do is concealed) shows that they do not exhibit their moral responsibility to the same extent as before. In their interests, and in the interests of the reforms, it is much better that we should all combine. It is up to the Government to place full confidence in us and if they do that, I think there will be very few occasions when either this House or the other House will not agree to proposals for compromise with the Home Government.

I now come to the second part of the question; the question whether these matters should be referred to the Premiers of the Dominions or the Imperial Conference has been objected to by the Honourable the Leader of the House. He said that it was most impracticable and inadvisable and he said that so many questions would arise that it would not be possible to arrive at a decision at all. I do not know what my Honourable friend the Mover of the Resolution had in view when he put down this portion of the Resolution on the paper. But I take it, Sir, that what he wanted was, not that the details of all such disputes should be settled at the Imperial Conference or by the Premiers, but that the general lines,

the principles underlying these questions, should be discussed by them and then the Premiers may well appoint a committee to decide the details. Is it not possible for the Premiers or for the Imperial Conference to find time to do this much work? I do not entirely agree with the Honourable Sir Maneckji Dadabhoy when he said that he feared that the Premiers, if we had any difference with their colonies may not give a just decision. I have not much love for the colonies that treat our fellow countrymen as helots and yet I have confidence that when we go to their accredited representatives as arbitrators and as judges they will decide the case not on racial grounds but on grounds of justice and fairness. It is only when their other interests are involved that they may treat us not as citizens of the British Empire or as brethren. But leaving aside that point, the only way is to appoint arbitrators when two parties differ. Here in this Resolution, we have the principle of arbitration; it may not be an ideal principle as Sir Maneckji Dadabhoy said, but it should be borne in mind that this principle was suggested by conservative Prime Ministers like Lord Salisbury and Mr. (now Lord) Balfour, and recommended also by the minority of the Welby Commission; that it is absolutely necessary that some Board or tribunal should be appointed for the disposal of these disputes. For the present let us be satisfied with this Board or tribunal as suggested in the Resolution. Later on, if we find cause, as Sir Maneckji Dadabhoy fears, that they do not do us justice, we can appoint another tribunal. When there is a dispute between two parties, each party ought to have the right to appoint the tribunal. For the present as the Resolution says we are prepared to accept the tribunal of the Premiers for the time being; later on we may have to reconsider it if we find that they do not decide cases justly or fairly. With these few words, I strongly support the Resolution.

THE HONOURABLE SIR PURSHOTAMDAS THAKURDAS.: Sir, I wish His Excellency the Commander-in-Chief was present here now. I feel that unfortunately, for both of us he completely misunderstood the reference I made to the Innes and Braithwaite Committee reports being laid in the Council's Library and not being printed for publication. I referred to that only as an instance, the freshest instance that the House had before them, as to how the Government were driven to economy even in publishing reports of important committees for circulation amongst Members of the Council. But it appears that His Excellency the Commander-in-Chief thought that I was rather trying to, what they say in colloquial words, pull his leg. I am very sorry if he understood what I said in that light. I know what confidential information is contained in those reports, and I was agreeably surprised when he said in reply to the question of the Honourable Mr. Sethna that the reports would be placed in the Library for the perusal of Members of the Council. If His Excellency the Commander-in-Chief had only said in reply to the Honourable Mr. P. C. Sethna's question that the reports cannot be published for circulation as Government did not want them to be published in the press, but that they will be laid at the disposal of Members of Council in the Library, there would have been no occasion for me to refer to that as an instance of economy which the Government of India were driven to make. I hope His Excellency the Commander-in-Chief will somehow hear of or read what I am saying now and that he will

[Sir Purshottamdas Thakurdas.]

understand that I had nothing else in my mind except the reference to the freshest instance, as given by himself to the House, of the minutest economy that the Government of India have to make.

I must, Sir, in the very first instance thank those of my non-official colleagues who have very kindly supported me as far as this Resolution is concerned. I am very grateful to them and appreciate immensely the cordial support that they have given to my Resolution, in spite of the most serious and grave warnings of the Honourable the Leader of the House as to the unconstitutional and other grave disabilities and flaws in the Resolution. The support that I have received for this Resolution in spite of these very high-sounding warnings from the Leader of the House, naturally touches one's heart. I shall only, therefore, content myself as far as my non-official colleagues are concerned, by expressing to them my grateful thanks for their support. I propose, Sir, to deal now with the only two official speeches that have been made on my Resolution.

The Honourable the Finance Secretary made a speech about which I have not much to say. He began by saying that there were some disputes between His Majesty's Government and the Government of India ; but I am sorry he was not in a position, or was not able, to give to the Council either the rough approximate amounts of money concerned in such disputes, or the approximate periods over which the disputes he had in his mind had extended. If the Honourable the Finance Secretary could have given even this meagre information to the House I am sure the House would have appreciated it and would have been able to decide whether the Resolution that I place before them is a merely frivolous Resolution, or whether it is a Resolution that deserves their most serious consideration. The Honourable the Finance Secretary again said that I had not dealt with the procedure by which the arbitration was to be done, or the procedure by which the Legislatures were to be informed as to any compromise that the Government of India may propose or wish to make. I should have thought that in this House we dealt more with the underlying principles and the broader aspects of questions, and not with the details of the procedure as to how the arbitrators were to be asked to meet, etc., etc. If the Honourable the Finance Secretary had anything else in his mind, I at any rate cannot think what he meant by procedure. I feel that the procedure is one which is for the department concerned to devise ; this House only lays down what is to be done and there its duty ordinarily ends. If this House is to lay down the procedure, I would very much like to ask whether in some of the other departments of the Government of India the Executive Government would allow this House any sort of interference or meddling regarding the procedure to be followed. Why ask this House this rather extraordinary question, and why remark that I did not say what procedure should be followed ?

The Honourable Finance Secretary then referred to the Government of India Act, which I take it is the latest Government of India Act. I am not a lawyer, I do not claim to have studied the Government of India Act minutely ; but I go on what I call my little common-sense and I say

that the Government of India Act of 1919 cannot be stricter than the Act of 1858 ; and if under the Act of 1858 a tribunal was feasible in 1896, *a fortiori* a tribunal is feasible, is a sound proposition, is a sensible proposition even to-day ; for both the Government of India and the people at Home claim and some of us also believe that the Government of India Act of 1919 has been an advance on the Government of India Act of 1858. The Honourable the Finance Secretary next said that the main questions that can be dealt with under this head under dispute would be either political, military or naval ; all non-votable. The Honourable the Leader of the House, a responsible adviser to the Government of India in matters legal and constitutional, gave his very strong support to the Honourable the Finance Secretary in this plea of his. I then, Sir, interjected and said that I expected to be able to prove to this House, according to the best of my lights, that there is no question here of votable or non-votable items, and I venture to submit that in pressing this point before this House, the Honourable the Leader of the House has given a support to the Honourable the Finance Secretary which it would be difficult to justify.

Votable and non-votable items relate only to sanction before expenditure. If the Government of India say that they want to spend so many lakhs or crores of rupees on the frontier, they need not go to the Assembly ; they may and indeed do spend it and debit it. The question at issue there in my Resolution is not at the time of or before expenditure. The expenditure has been made by the Government of India or by the Government of the United Kingdom. The question comes up *after* the expenditure has been made ; it comes up, be it a lakh or a hundred crores of rupees, when the expenditure has to be divided between the two parties concerned or interested in the expenditure. Where, Sir, may I ask, in the name of common sense,—I do not know what the law is,—but where, Sir, is the risk of telling the Legislatures of India as constituted under the present Act that “ Government have spent, say, a hundred lakhs of rupees in Persia or Iran ? That the Government of India claim that they are liable to pay 25 lakhs of rupees and the British Government must pay the other 75. That His Majesty’s Government claim that they are liable to pay only 50 lakhs and we should pay the other 50 lakhs. We propose a compromise or to go in for arbitration.” What risk is there, what is there unconstitutional, what is there unfeasible, what is there unpractical,—to use the words of the Honourable the Leader of the House,—in a proposition like this ?

Regarding the constitutional and legal part of it, the Honourable the Leader of the House reminded my Honourable friend, Sir Maneckjee Dadabhoy that he was a Barrister of long-standing. He also reminded him that as such Sir Maneckjee Dadabhoy ought to know that certain things suggested in my Resolution are not legal or constitutional. I do not know which of the two Honourable Members are Barristers of longer standing, but I as a humble merchant will leave it to them both, one the Honourable the Leader of the House and the other to the Honourable the Vice-President of the House, to decide between themselves as to which is the constitutional and which is the unconstitutional part in dispute between them. All that I am concerned with is, Sir, this. Here is money belonging to the tax-payers of India which, as far as

[Sir Purshotamdas Thakurdas.]

the history that we know of, might be at stake. All that we say is we should devise some means by which we could save this or be convinced that it is justifiably debited to India. The Honourable the Leader of the House comes out with all sorts of constitutional and legal questions, which must be correct. I am prepared to concede that the Honourable the Leader of the House cannot say anything here which is not most accurate and correct. But what I contend, Sir, is that he has not showed us a way out of the difficulty if my proposal is unconstitutional or illegal. Sir, the House must be thankful, and I am thankful,—for small mercies,—to the Honourable the Leader of the House that although he found many faults with this Resolution, he did not say that the grievances of India complained of by the Welby Commission and the grievances to deal with which the Resolution has been submitted, did not exist.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : Sir, may I rise to make a personal explanation ?

The HONOURABLE THE PRESIDENT : The Honourable Member in possession of the House has not given way.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : All that he said, Sir, was that things are not in absolute keeping with the law and the constitution. I should have expected, Sir, to hear from him, "No, there is no room for this Resolution, there is no friction between the Government of India and the Home Government ; we are absolutely in agreement with each other and therefore this Resolution is unnecessary." If he had said something like that and brought us facts and figures in support of the same, I should have been most happy to hear it. On the other hand, the Honourable the Finance Secretary did say that there was at least one Arbitration since 1900, though he was not pleased to give the details to the House. He did say that there are certain items in dispute between the Government of India and His Majesty's Government. Nay, he went further and said that he has asked for full information from the Secretary of State. In spite of all that, the Honourable the Leader of the House says, "This is wrong, and that is wrong and that is wrong, and therefore, do not vote for this Resolution." I submit, Sir, that the House has just reason to say to the Honourable the Leader of the House that they expected from him more constructive remarks, a more constructive suggestion, a better helping hand, and if I may use a phrase which is perhaps more apt, more co-operation with the non-officials.

Then the Honourable the Finance Secretary said that not a Government in the world is tied down or can be tied down to take the sanction of the Legislature before a compromise is made in financial matters with another Government. I venture to ask him, Sir, if he can point out to me in this big broad world another parallel to the Government of India, and further another parallel to the present constitution of the Government of India where the tax-payer's money is at stake and still the tax-payers' representatives are not to know what is the amount that is at stake ?

The Honourable the Finance Secretary said that the difficulty will not be solved by so simple a course as I suggest. If the course that I suggest is much too simple to be acceptable to the Government of India, I should have been happy to hear from him of a less simple or a more acceptable course to the Government of India. My complaint, Sir, is that although we have not been told that there have been no occurrences of the sort which were related before the Welby Commission, there is not one small finger moved by occupants of the Benches opposite to help a humble non-official, without the backing of any legal knowledge and without the backing of any sort of precedent in this matter to take the interests of India to a safe and reliable end.

The Honourable the Finance Secretary divided my Resolution into two parts, and he condemned both of them. He said that my proposal to obtain the sanction of the Indian Legislature went too fast and too far. I fail to see how it is too fast, because 25 years ago responsible Viceroy and Secretaries of State and Cabinet Ministers in England said that India was being done an injustice, and still to-day we are told that this very modest demand would take the Government of India too fast. He further told us that my proposal went too far. I am afraid I have not been able to understand what is the distance which he would call reasonable and moderate and what is the distance that he would call fairly distant, and how he will compare that with the one covered by my Resolution?

Regarding the second part, namely, the reference to the Premiers in conference, he apprehended that Premiers may not have the time. Why not let the Premiers themselves say so? Would it be *infradig* for this House or for the Government of India to hear from them that they have not the time? Why speak for people who are quite capable of speaking for themselves? I hesitate to accept any such reason from anybody in India until official intimation has been received and a flat refusal has come.

The Honourable the Finance Secretary then referred to my Honourable friend Sir Annamalai Chettiar's suggestion for employing experts, and he said that experts may be wanted, but the Premiers may be nothing better than diplomats and politicians. I can refer the Honourable the Finance Secretary to further quotations from Government Blue Books, but I do not want to worry the House with any further quotations, and I may refer him to paragraph 317 of the Welby Commission's Report where they themselves say that such arbitrations are best done by keeping away experts who are to be sent for only when they are wanted. You do not want expert knowledge in first-class arbitrators beyond absolutely open minds and all the other requirements of arbitrators. Experts can always be employed on fees.

Then the Honourable the Finance Secretary was followed by the Honourable the Leader of the House and, as I have pointed out already at some length some of the grounds on which the Honourable the Leader of the House recommended this House to throw out this Resolution, I will have very little more to say about it. But I am bound to say this, that the Honourable the Leader of the House has in his great enthusiasm either to look at this question only from the constitutional point of

[Sir, Purshotamdas Thakurdas.]

view—which he is in duty bound to do and with which I am not quarrelling at all—in fact for the opinion which he has given us I am grateful—but I am afraid that in his preoccupation with the constitutional point of view, he has overlooked the more practical and more solid part of the whole grievance sought to be remedied by this Resolution. The Resolution as worded may not be absolutely as constitutional and as legally worded as the Honourable the Leader of the House may wish it to be; but when he says that it is absolutely unconstitutional I would certainly very much like him to consider if the idea of an arbitration court like this, mooted first, suggested originally by such eminent people as Mr. Balfour and Lord Salisbury, can be as absurd as he would like this House to believe. Sir, since the last few years, we may have made immense strides regarding legal knowledge and legal acumen, but I also submit, Sir, we have made great strides in India, as far as constitutional reform in India is concerned. Two reform schemes have been introduced and tried. The responsibility of this House to the tax-payer has increased, and I looked for a solid lead from the Honourable the Leader of the House in the direction of making the Resolution, with such modifications as was necessary, acceptable to the Government of India. I am greatly disappointed that no such lead has been given. The only effort made has been at picking holes. I will content myself, therefore, with just recommending this House to pass the Resolution as it stands in order to show His Excellency the Viceroy and the Government of India which way the feelings of this House go. In fairness to this House, in fairness to the subject under discussion, Sir, I submit that the official Members here to-day should not vote. My reason is simple and I propose to put it before the House.

THE HONOURABLE THE PRESIDENT : I must remind the Honourable Member that he has already exceeded his time.

THE HONOURABLE SIR PURSHOTAMDAS THAKURDAS : I will finish in two or three minutes, Sir. I submit, Sir, the question is one affecting the relations between the Government of India and His Majesty's Government. Even if the Government of India may be fighting and standing up for the best interests of India—which must be the case because all precedents point to that—the official Members present here to-day cannot say so, and I therefore submit for the sake of discipline and for the sake of loyalty to the ultimate superior—whoever or whatever that may be—whether the Secretary of State or the United Kingdom—the fairest thing to the official Members themselves and to the House and to the subject-matter of the Resolution, would be for the official Members to abstain from voting and say “The Resolution expresses general feeling amongst the non-officials only.” I do not know whether this would be accepted but I know one thing, that when it suits Government or when it does not affect Government, they do ask the official Members to abstain from voting. I only therefore suggest that the official Members may see their way not to vote on this Resolution. The Resolution has been condemned by the Leader of the House as being bad in many respects, and there is no reason why Government officials should be a party to it. Let the non-official Members

take the responsibility for my Resolution, if passed, and then I will have very little to add.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : With your permission, Sir, I would like to offer a personal explanation. As a Law Member it is, I venture to submit, my duty to advise the Council in so far as the constitutional aspect of a proposal before the House is concerned. So far as the policy of Government towards a particular proposal put forward in a Resolution is concerned, it is the business of the Member representing the Department in question to state to the House what that policy is. My Honourable friend, Mr. McWatters, did that. I, when I rose, expressly stated that I was only going to add a few words to what Mr. McWatters had said on the constitutional aspect of this question. My Honourable friend's observations or strictures as regards myself, therefore, I submit, were entirely out of place. As regards co-operation.....

The HONOURABLE THE PRESIDENT : The Honourable Member must not answer the speech.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : That, I venture to submit, is a personal explanation ; I am not answering the arguments.

The HONOURABLE THE PRESIDENT : The Honourable Member may go on with a personal explanation. I am merely laying down the rule. If the Honourable Member does answer the arguments, I shall stop him.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : I was only going to say, Sir, that, if my Honourable friend had been longer in this House, he would have known whether the Leader of the House does co-operate with non-official Members or not.

The HONOURABLE MR. A. C. McWATTERS : Sir, I do not propose to detain the House for long. In some ways, perhaps, it is unfortunate that the Member who has the right of reply is myself and not the Leader of the House, who, I am quite confident, would have been able to reply effectively to the criticisms which have been made by the Honourable Mover. I should like, however, to point out, with regard to the question of voted and non-voted expenditure, that it is clear that the previous sanction which is required by this Resolution must in fact amount either to an authorisation of expenditure or to vetoing of expenditure. In either event, it relates to an appropriation of funds. In the second place, either I or the Honourable the Leader of the House was accused of saying that a tribunal is impossible. We never said that. I quite admit that a tribunal is not impossible. What we objected to was the particular form of tribunal proposed. I may say, Sir, that Government are quite as anxious to recognise the principle of justice as Sardar Jogendra Singh wishes us to do, and we claim to be trustees for India as much as the Honourable Mr. Lalubhai Samaldas desires. Further we have the most absolute confidence not only in this House but in the Indian Legislature in general. But we are dealing with a practical point before us—a definite Resolution. I never suggested it was a frivolous Resolution—far from it—it is a very serious Resolution—and I should wish the House to regard it in a practical manner. It is a Resolution, I submit,

[Mr. A. C. McWatters.]

which is in no way a solution of the real difficulty which we are trying to face. I call attention to the wording of the Resolution: "in all matters where...without the previous sanction of the Indian Legislature"; I may say, Sir, that the Honourable Mover and the Honourable Mr. Lalubhai Samaldas seem a little doubtful themselves with regard to the wording of the Resolution and in fact invited us to try and put it right. It is rather late in the day to put it right. The Honourable Mover never approached any officer of Government to try and put it right.

The HONOURABLE SIR PURSHOTAMDAS THAKURDAS : I gave notice of it on the 16th of last month.

The HONOURABLE MR. A. C. McWATTERS : I say, as it stands, I see no way in which it can be put right : it must be entirely altered. I therefore submit that it would be a pity for this House, merely because they want to ventilate a certain subject, which purpose has already been served by the speeches in this House, to pass a Resolution which on the face of it is not workable in practice and which, as was stated by the Honourable the Leader of the House, is constitutionally a very great innovation indeed, and further would be to the detriment of Indian revenues inasmuch as it handicaps the Executive Government in matters in which their hands should not be tied. Therefore, I am afraid I must ask the House to oppose the Resolution.

The HONOURABLE THE PRESIDENT : I propose to put the Resolution in two parts.

The Question is that the first part of the Resolution, which runs as follows, be adopted :—

'This Council recommends to the Governor General in Council that in all matters where the apportionment of financial liabilities between the Government of India and His Majesty's Government may be in dispute between the Government of India and His Majesty's Government, no compromise should be made between His Majesty's Government and the Government of India without the previous sanction of the Indian Legislature.'

The Council then divided as follows :—

AYES—12.

| | |
|------------------------------------|------------------------------|
| Acharyya Chaudhuri, Maharaja S. K. | Lalubhai Samaldas, Mr. |
| Chettiyar, Sir S. M. Annamalai. | Maricair, Sir Ahmedthamby. |
| Dadabhai, Sir Maneckji. | Purshotamdas Thakurdas, Sir. |
| Harnauf Singh, Raja Sir. | Ram Saran Das, Mr. |
| Jogendra Singh, Mr. | Vedamurti, Mr. S. |
| Lal Chand, Lieut. | Zulfiqar Ali Khan, Sir. |

NOES—14.

| | |
|------------------------------|-------------------------------------|
| Amin-ul-Islam, Mr. | McWatters, Mr. A. C. |
| Barron, Mr. C. A. | Ogilvie, Major G. D. |
| Chadwick, Mr. D. T. | Sarna, Sir Narasimha. |
| Crerar, Mr. J. | Shafi, Dr. Mian Sir Muhammad. |
| Holberton, Sir Edgar. | Shepherd, Mr. W. C. |
| Lay, Mr. A. H. | Tek Chand, Mr. |
| MacWatt, Major-General R. C. | Watson Smyth, Sir Robert Middleton. |

The motion was therefore negatived.

The HONOURABLE THE PRESIDENT : The question is that the second part of the Resolution, which runs as follows, be adopted :—

“ This Council further recommends to the Governor General in Council that in any such case where arbitration is resorted to, the arbitrators of such disputed items between the Government of India and His Majesty's Government shall be the Premiers of the Empire in Conference assembled and nobody else.” •

The Council then divided as follows :—

AYES—10.

Harnam Singh, Raja Sir.
Holberton, Sir Edgar.
Jogendra Singh, Mr.
Lal Chand, Lieut.
Lalubhai Samaldas, Mr.

Maricair, Sir Ahmedthamby.
Purshotamdas Thakurdas, Sir.
Ram Saran Das, Mr.
Vedamurti, Mr. S.
Zulfiqar Ali Khan, Sir.

NOES—13.

Amin-ul-Islam, Mr.
Barron, Mr. C. A.
Chadwick, Mr. D. T.
Cramer, Mr. J.
Ley, Mr. A. H.
MacWatt, Major-General R. C.
McWatters, Mr. A. C.

Ogilvie, Major G. D.
Sarna, Sir Narasimha.
Shafi, Dr. Mian Sir Muhammad.
Shepherd, Mr. W. C.
Tek Chand, Mr.
Watson Smyth, Sir Robert Middleton.

The motion was therefore negatived.

RESOLUTION *RE* POUND STERLING AS LEGAL TENDER AT RS. 15.

The HONOURABLE SARDAR JOGENDRA SINGH : (Punjab : Sikh) : Sir, I move that—

“ This Council recommends to the Governor General in Council to make pound sterling a legal tender in India with Rs. 15 to the pound and delete from the Currency Act the words which make Rs. 10 legal tender to a pound.”

I feel rather diffident in moving a Resolution of this kind, dealing with a complicated subject on which there are bales of files in the Secretariat. Mr. Findlay Shirras remarks that the ink that had flowed on the subject would suffice to float a dreadnought. I will be very brief in explaining my views.

We in the villages are not really concerned with currency questions. We deal with the money as it passes, without noticing what the authorities in the Finance Department are doing, lowering or raising the price of produce. To me, if I may take an example from village life, the whole question appears in this way. Suppose there was a group of villages dealing with each other and they made wheat as a commodity of barter between themselves. Suppose one of these villages made it gram when in all the surrounding villages wheat was the standard of values. How can the man making gram his standard of value attain any stability in currency ? And that is really what is happening in India. For a long time almost all the countries of the world have recognised gold as the standard of values. Only we in India, in spite of many Committees and Commissions,

[Sardar Jogendra Singh.]

are still clinging to a silver currency and trying somehow to link it to a gold standard. It may be that the Government of India without the support of the Legislatures never had the courage of its convictions to follow up what they have so often desired and introduce a gold standard. They have always somehow hesitated before taking action. They have talked about it. They have written about it. They have appointed innumerable Commissions, and commented on the reports, but so far as it has come to taking action, they have always stopped short and clung to the silver currency, keeping trade and production dependent on an uncertain exchange.

If I may for a moment indulge in a sort of historical survey of the question, I hope I will not be wearying the Council. I should like to point out that according to Prinsep even in the Hindu times there was gold currency. Abul Fazl, in his memorable book, says that silver coin was only introduced by Sher Shah. Up till the time of Muhammed Shah, so far as I am aware, gold coin was current in India. Indeed, even when the government was taken over in Madras there was a gold coin which found currency. It was in 1835 that it was positively declared that gold was not to be accepted as legal tender, and from that date our troubles begin. From 1835 onwards the Government of India and most of the Chambers of Commerce have been pressing for the introduction of gold standard. Some of my friends outside the House, if not here, would like to know what is the difference between a gold and a silver standard in the country. The question which they might reasonably ask is, what is the Indian currency, and I shall leave it to the Financial Secretary to answer what is really the Indian currency; is it the silver coin, with its altering values? Is it the gold coin to which our currency is linked? What is really the current coin of India with a stable value; and if the currency has no stable value, why has it not? I suppose the Finance Secretary, when he stands up, will explain the matter. I will not dwell on the disadvantages of an uncertain exchange. Most of us are aware of it. The Government of India has to frame its budgets depending on an uncertain monsoon to which also is added an uncertain exchange, and the result generally is they have to depend on additional taxation—this year it was the salt tax. The serious handicap on trade I need not enlarge upon. People who are placing orders in India and England do not know what they are going to get, when the shipping documents are presented—whether it is going to be at Rs. 10 a sovereign or a sovereign is going to get Rs. 15 and *vice versa*. Ricardo, a hundred years ago, pointed out “to secure the public against any other variation than those to which the standard itself is subject,” and our standard is subject to tremendous fluctuations. For instance, if we ask the Finance Member what is our Gold Standard Reserve in India he will calculate it at Rs. 10 to the pound, while the market rate is Rs. 15 to the pound! I depend entirely on official records and I will just try to show you in a very brief manner that from 1835 to 1874 except Mr. Wilson every Financial Member supported the introduction of a gold standard. At the same time all the Chambers of Commerce pressed for it. In 1866 a Commission recommended “the legal tender of gold to be part of the currency arrangements of India” but nothing happened. Then, again, in 1878, the Government of India found themselves in serious diff-

culties owing to heavy losses in purchasing gold. Then in 1881 the Government of India admit that they never knew their loss or gain on exchange, silver having failed to fulfil the function required of a standard of value. Sir David Barbour who was opposed to the introduction of a gold standard, was finally convinced and frankly and firmly turned to a gold standard. Then we come down to the Fowler Committee which finally decided that gold should be legal tender in India and ought to find effective circulation. I remember not many years ago Sir William Meyer's bringing out, at a dinner, a gold mohur which was coined in Bombay and which he promised would be current coin for India in future. The gold mohur somehow disappeared, and we had another Committee to consider the question. The evils of an uncertain exchange and managed currency were nowhere illustrated more clearly than by the adoption of the report of this Committee.

Losses on the reverse Councils have been clearly brought before this Council, the decline of trade which followed and the flow of gold from India to England which continued brought about a serious situation. India's exports declined from 31 crores to 16 crores in ten months. The balance of trade swung against India to the extent of 33 crores ! It may be, that because, India is a dependent country that we are given a managed currency. I have the authority of Professor Nicholson who says that a managed currency is only available in a dependent country. His reason seems to be that a dependent country having no voice in its financial affairs, the paramount power manages the currency as it wishes. I leave it at that, but there can be no question that since 1835 in spite of every effort the Government of India have failed to introduce a stable currency.

May I ask you, is it fair to deny India her share of gold, the gold that flowed in India for centuries. How is it that our Government with all its resources is unable to give us gold currency. Perhaps the Financial Secretary will enlighten us on that point. There can be no doubt that a currency that fails to perform its function, and that function is none other than to give stability values is a serious danger to trade. It has been said that India will prove a sink of gold absorbing all the gold that is produced in the world. That remains to be seen, and depends on trade currents. When we are buying and selling, to hoard to any large extent is impossible; we shall have to meet our obligations. Our foreign trade for five years ending with 1914 showed a credit balance of 78 crores, in the next five years, ending with 1919, 76 crores and in 1920 our balance of trade reached 119 crores. In 1921, when the new report of the Currency Committee was adopted, the balance swung back with a debit of 79 crores. Our trade with England is enormous. In 1920 imports were 140 crores and exports 65 crores. The figures are sometimes in gold and sometimes in silver, and as the standard of value varies, in different periods, it is very difficult to reach any definite conclusions. As I just now pointed out, the quotation to-day is Rs. 10 to the pound, while the current price is practically Rs. 15 to the pound. The idea that pound sterling should be made legal tender in India is not mine. It originated with Sir Leslie Protyn. He proposed that there should be a gold standard without gold currency. Mr. Lindsay advocated again a gold standard with rupees and paper for internal currency. Professor Slater, in 1918, put forth the idea in the papers and I recently saw very

[Sardar Jogendra Singh.]

careful articles in support of the 'proposition in the "Financial Review," making practically the same recommendations. So I may say that though I am not connected with trade or anything of that kind, I am not speaking without authority and high authority at that. The main question is, as Dr. Marshall pointed out, whether we are going to be isolated from the main currents of trade and bring our gauge in line with the standard gauge of the world. I do not know what objection the Financial Department may have. Personally I hope that the Financial Secretary is going to accept the Resolution, because I am merely proposing the introduction of a stable standard which the Government of India have been wishing to introduce all these years. We have ample resources in our gold standard in England, in our bullion and gold coinage in India to support this issue. I would cancel the Rs. 10 note, as we have cancelled the 15 rupee note and issue a pound note with Rs. 15 marked in one corner, so that we may get stability of value. We can certainly wait for a little while till the pound sterling has made its way, for the final coming of the gold currency, which is inevitable. I get a good deal of strength from the idea which has found support on the need of an Empire currency. What I propose before this House, is that India should take the lead in this matter and start an Empire currency by introducing pound sterling in India. It will help all parts of the Empire to have a uniform current coin. I suppose that nearly 100 years of experience and experimenting is enough to convince our Financial Department, if not, nothing can. In that case the Government influenced by the Vedanta takes time as an illusion and will not act. I do hope this Council will support this Resolution.

THE HONOURABLE SIR EDGAR HOLBERTON : (Burma Chamber of Commerce) : Sir, I do not intend to enter upon an argument with my Honourable friend as to the rights and wrongs of his Resolution, nor to enter with him into a discussion as to whether the causes of the differences in balances of trade which he has given have been due to exchange or to other reasons. On general principles, like most people in India at the present moment, I shall be very much opposed to anything in the way of a commission which did anything towards fixing exchange. The only thing in the minds of most of us that exchange requires at the present moment is that it should be left alone. The trade of the country is gradually adjusting itself. Many have been the failures, many the collapses. Those that are living through are gradually managing to adjust themselves to the conditions of the present day and exchange is gradually following along the road of trade. It would in the opinion of myself, which I know is not entirely unsupported, be the greatest of errors at this juncture to enter into any attempt to alter the fixation of exchange ; but there is one point, Sir, on which I should like to have some information from the Finance Secretary, if he will be good enough to give it to me. I foresee a danger in leaving the exchange standing in the books of the Government at its present figure. When the question of competitive tenders, arises between goods from England and goods that can be purchased and sold in India, I have been told on good authority that it is the custom of certain government or semi-government institutions to adopt the figure of 2s. exchange in their calculations, while others take the figure, I am told, at 18. That is to say, any calcula-

tions entered upon by these particular branches or semi-branches of Government with reference to the merits of a tender received in this country and a tender received from England are entirely obscured by the extraordinary start which they make in fixing the exchange some 3*d.* or 4*d.* or even 8*d.* or 9*d.* above the actual exchange of the day. If there is any danger, Sir, in my mind of the Government of India continuing to trade on a 2*s.* or 1-8 basis instead of following the exchange of the day in all their trade transactions, I should be inclined to agree with my Honourable friend that some step would have to be taken to tamper with or alter the present fixation of exchange. If I can get, as I hope, a satisfactory answer from my friend the Finance Secretary, I shall be able with a perfectly free heart to vote, as I desire to do, against this Resolution.

The HONOURABLE MR. A. C. McWATTERS: (Finance Secretary) : Sir, I think it will be for the convenience of the House if I get up at this stage to reply on this Resolution. I do not propose to follow the Honourable Mover back to the days of Abul Fazl ; I want to deal with the matter as a practical problem of the present day. When I first saw the Resolution I admit it seemed to me somewhat confusing, as it perhaps did to other people ; but the Honourable Mover has made quite clear what he means. It is what I call a portmanteau Resolution : it aims at doing two things ; first of all, it proposes to link the rupee to the pound sterling ; in other words to the British paper pound instead of to gold. In the second place, it proposes to link it at the old rate of 1*s.* 4*d.* ; in other words, to fix the value of the rupee as against sterling. I may point out incidentally to the Honourable Mover that the substantive section which will require to be amended is not in the Paper Currency Act at all ; it is in the Indian Coinage Act. Section 11 of the Indian Coinage Act makes gold coin legal tender at present at Rs. 10 to the sovereign. The sections in the Paper Currency Act—sections 13 and 18 (8) (a)—relate to the rate at which currency notes may be issued from the currency offices and treasuries in exchange for gold coin other than legal tender coin, and for bullion, and the rate at which gold coin shall be held in the Paper Currency Reserve. But the substantive section is, I say, section 11 of the Indian Coinage Act, and that section at present fixes the sovereign as legal tender at Rs. 10. Now, I ask the Honourable Mover if his Resolution is given effect to and the pound sterling is made legal tender at Rs. 10, at what rate does he propose the sovereign is to be legal tender, or does he propose that the sovereign should remain legal tender in India at all ? It is not an academic question at the present moment ; it goes to the root of the whole problem. The pound sterling and the sovereign are not at present synonymous, and that is the reason why I must oppose both parts of this Resolution as premature.

I quite admit the importance of inter-Imperial trade and we want to foster trade with sterling-using countries. Very many ingenious solutions, in addition to the one put forward by the Honourable Mover, have been made for an inter-Imperial currency ; but I must say that the time is not yet ripe for it ; and the time will not be ripe for it until the pound sterling and gold are together again. There was one point at any rate on which the majority report of the Babington-Smith Committee on Indian Currency and the minority Report were in agreement, and that is the importance of basing Indian currency on gold. When the pound

[Mr. A. C. McWatters.]

sterling and gold come together again that particular difficulty will disappear ; but at the moment it is a very real difficulty. I will not trouble the House with the various practical difficulties which would arise in giving effect to an empire currency. They are possibly not insuperable, but they are very great. If we had such a currency, with a note for Rs. 15 equivalent to a pound note, circulating in India as well as outside India, our responsibilities for that currency outside our borders would be enormous ; we should have to consider very carefully the extent of the reserve we should have to keep against that extra currency ; we should have to consider very carefully, for example, what would happen at the outbreak of war, supposing large quantities of paper were returned to us, as would have happened in 1914. I merely mention these as some of the difficulties. The real answer to the present Resolution is that it is premature. The Resolution contemplates fixing now a new ratio and abandoning our waiting policy. The Honourable Member gave notice of this in August last, and since then the Honourable the Finance Member in his budget speech made, if I may say so, with exceptional knowledge and authority, a very important pronouncement in which he showed, conclusively, I think, to most people, that the time was not ripe for making any experiments. He pointed out as follows :—

“ Can we say that the position to-day is such that an attempt to give the rupee a fixed value, whether at 1s. 4d. or any other rate, in terms of gold, or in terms of some other currency,” (*I call the attention of the Honourable Member to that remark because it applies to the pound sterling*) “ is much more likely to succeed than it was in 1920 ? I think not. The French are in the Ruhr ; the whole of Continental Europe is faced with the threat of impending chaos ; throughout the world prices are unstable ; sterling has approached close to par with gold, but it is not yet at par ; and even if it were at par, it is too soon to say whether political and monetary conditions in the United States may not lead to a fresh cycle of rising prices in terms of dollars which would almost necessarily have to be followed by a rise in sterling prices. For the moment, therefore, I repeat that the time has not yet come for a new attempt to fix the rupee, whether at 1s. 4d., 1s. 6d., or any other figure.”

I ask the House whether the position in July has materially altered from the position in March last. The French are still in the Ruhr. The German mark has taken an even greater plunge. The reparations question is probably in the acutest stage that it has reached. The British Premier, as recently as the 12th of this month, is reported to have said that British anticipations regarding the consequences of the Ruhr occupation had largely been realised. Germany herself appeared to be moving fast towards economic chaos and the recovery of the world was in danger. Even since March sterling has declined in terms of gold and English prices have been showing a tendency to rise. The English Bank rate was raised about a fortnight ago, and those who are in touch with such things, as many Members of this House are, know that it portends a financial situation of some anxiety in the United States of America. I ask the House whether this is an opportune moment for any experiment of the kind suggested ?

I do not wish the House to think that Government is not alive to the importance of stability in exchange as soon as it can be reached and maintained. It is obvious that so long as uncertainty in exchange remains business men must work on larger margins and trade must be restricted. Government will aim at stability as soon as conditions per-

mit. The Honourable the Finance Member emphasised this also in his Budget speech from which I have quoted. He said : " If therefore the time has not yet come for an attempt finally to stabilize the currency of India, stability is our goal, and we mean to achieve it at the first opportunity ". It is purely a question of choosing the right time, and our contention is that action now will be premature. The question for discussion is not what would be a suitable rate. This must eventually be determined in the interests of India as a whole. The only question now before us is whether the present is an opportune moment for making an experiment and trying to fix a rate. It is not even a question of what the currency in India now is, which I admit is an extremely interesting question. I had the privilege of discussing this question of exchange when I was Controller of the Currency with many business men, and I may say that, while welcoming stability in exchange, they were all agreed that Government should not take any action unless they were absolutely certain that such action would be a final settlement of this exchange question and could be made effective.

With regard to the very pertinent question which the Honourable Sir Edgar Holberton put to me, I must ask him to put the question to me outside this House when I will certainly inquire into it. If what he says is true it seems to demand inquiry.

I think, Sir, that as Government's attitude has been so recently and so clearly defined at the time of the Budget, I need do little more than emphasise this, that it is dangerous to legislate in currency matters, especially in matters of such importance as the legal standard for money payments at a time when international relations, exchanges, price levels and world conditions generally are so unsettled. There is nothing to be lost by waiting, but there is a great deal to be risked by premature action. The time will certainly come for the consideration of such questions as an Inter-Imperial Currency, such as the Honourable Member has put forward, and other similar measures for improving inter-Imperial and International trade. That time will certainly come but not until the pound sterling has again reached parity with gold. In view of these considerations, I hope that the House will agree that this Resolution is premature and I would ask the Honourable Mover to withdraw it.

THE HONOURABLE SARDAR JOGENDRA SINGH : There are just a few points to which I should like to refer, and with your permission later on and in view of what the Honourable the Finance Secretary has said that the present is an unsuitable time, I shall have to ask your permission to withdraw my Resolution.

THE HONOURABLE THE PRESIDENT : Permission to withdraw the Resolution is a matter for the Council and not for me. If the Honourable Member makes a speech he exposes himself to the risk of being refused leave of the Council to withdraw his Resolution, in which case I will have to put the Resolution to the Council.

THE HONOURABLE SARDAR JOGENDRA SINGH : I have not quite followed you, Sir. Will you put the Resolution to the vote.

The HONOURABLE THE PRESIDENT : The position as to the withdrawal of a Resolution is this. The Honourable Member must obtain the unanimous permission of the Council to withdraw his Resolution. If he makes a speech he will lay himself open to the danger of arousing opposition at least in the mind of one Member of the Council. If he arouses that opposition and his application to withdraw is objected to, it will be my duty to put the Resolution to the vote of the Council. It is now for the Honourable Member to consider his position.

The HONOURABLE SARDAR JOGENDRA SINGH : I shall take the risk and make a few remarks. In the first place, the Honourable the Finance Member has laid great stress on the point that this is a very unripe time for trying to stabilise the currency. I am sure the Members of this Council will agree that it would strengthen stability if there was a stable currency in India and England, and the united currency of these two countries will certainly influence the stability of other countries with which we are in trade. Then again, as the Honourable Sir Edgar Holberton pointed out, the retention of the Rs. 10 in the Coinage Act as legal tender is full of tremendous confusion in India and outside, I submit that Government should consider this matter seriously and take early steps to remove it.

The Honourable the Finance Member pointed out that there is no parity at present between the gold sovereign and the paper pound, and until that is attained, it would not be wise to attempt to introduce any paper pound in India. I would like to point out, Sir, that these conditions only came into being after the War, and I would ask what prevented the Government of India before the war from introducing a stable currency in India ? The Indian merchants too, as I pointed out before, are concerned with their immediate gains and would not approve of any change which would alter the present conditions, but I think taking a long view of things, the Finance Department might consider and take the first opportunity in giving us a stable currency, and to my mind, it would not be difficult if paper pound was introduced in India. The distrust that arises in the minds of most people, is based on the fact, that it is nearly a hundred years since we have been tinkering with our currency, and there never has been a time which could be called ripe for putting the currency on a stable basis. I hope the Honourable Finance Secretary in his time, will find an opportunity to give India a stable currency. With the assurance which the Honourable the Finance Secretary has given us, and with your leave, Sir, I would ask the Council to permit me to withdraw the Resolution.

The HONOURABLE THE PRESIDENT : Has the Honourable Mr. McWatters got anything to say ?

The HONOURABLE MR. A. C. MCWATTERS : I do not object.

The HONOURABLE THE PRESIDENT : I did not ask whether the Honourable Member has any objection. I wish to know whether he wants to make a reply as the Mover had made a speech.

The HONOURABLE MR. A. C. MCWATTERS : No, Sir.

The Resolution was, by leave of the Council, withdrawn.

The HONOURABLE THE PRESIDENT : It is now late, but I will allow the Honourable Member (Sir Ahmedthamby Maricair), if he so wishes, formally to move his Resolution, so that he may secure his priority.

**RESOLUTION RE OPENING OF PORT OF MADRAS FOR PILGRIM
TRAFFIC.**

The HONOURABLE SIR AHMEDTHAMBY MARICAIR (Madras :
Muhammadian) : Sir, I beg to move the Resolution standing in my name,
which reads thus :

“ This Council recommends to the Governor General in Council that arrangements
be made with the Madras Government to open the port of Madras for pilgrim traffic
to Mecca and other holy places, as per my Resolution moved and adopted by Govern-
ment in the meeting of the Council held on the 13th February, 1922, by providing
required funds for the upkeep of sanitary arrangements, etc.”

The HONOURABLE THE PRESIDENT : I think it would be convenient
if the discussion of this Resolution were postponed as the Honourable
Member has now secured his priority. I therefore adjourn the Council
till to-morrow at 11 A.M.

The Council adjourned till Eleven of the Clock on Tuesday, the 17th
July 1923.
