The Council re-assembled at the Council Chamber, Fort St. George, at 11 a.m. on Wednesday, the 9th day of March 1921, the Hon'ble Diwan Bahadur Sir P. RAJAGOPALA ACHARIYAR, K.C.S.I., C.I.E., President, presiding.

I

QUESTIONS AND ANSWERS

Order made by the President of the Madras Legislative Council under Standing Order No. 15.

(1) Printed copies of the questions and answers to be put and given at a meeting of the Council shall be placed on the Council table an hour before the President takes his seat.

(2) The questions shall be put and answered in the following manner:—

The Secretary shall call the name of each interpellater in alphabetical order, specify the serial numbers of his questions, and make the sufficient pause to allow him or any other member a reasonable opportunity of rising in his place if he is desirous of asking a supplementary question. Supplementary questions must be put immediately after the principal questions to which they relate.]

Smuggling of gold into British India.

401 Q.—Mr. B. P. DEVARAJULU NAYUDU: To ask the Hon'ble the Member for Finance whether—

(*a*) it is true that, with regard to the smuggling of gold into British India, the usual fine of Rs. 2 per sovereign was not imposed but the fines of Rs. 15 per sovereign and Rs. 60 per American gold dollar were imposed; and the parties were directed to redeem the gold under section 183 of the Sea Customs Act after paying such fines;

(*b*) it is true that in some cases the parties were refused permission to redeem them even; after paying such fines, though their orders of confiscation contained a clause for redemption;

(*c*) the imposition of the full market value of the sovereign did not render the right redemption conferred by section 183 nugatory;

(*d*) it is not reasonable to impose double or treble the usual fine and allow the parties redemption under section 183 of the Sea Customs Act; and

(*e*) the petitions for lowering the fines were all dismissed by the Board of Revenue.

A.—(*a*) There is no such thing as a 'usual fine' for an offence. When moderate penalties fail to deter, higher penalties have to be imposed.

(*b*) In some cases the smuggled gold was acquired under the Gold Import Act, 1917.

(*c*) When persistent smuggling renders deterrent penalties necessary, it may happen that the penalty equals or exceeds the value of the goods smuggled.

(*d*) The penalty imposed in any particular case must depend upon the circumstances of the case.

(*e*) The answer is in the negative.

Telegraphic communication to Rasipur and Attur in Salem district.

402 Q.—Rao Sahib S. ELLAPPA CHETTIYAR: To ask the Hon'ble the Minister for Public Works—

(*a*) whether the Government have received mahazars from merchants and bankers of Rasipur and Attur towns of the Salem district requesting to open telegraphic communication to their places;

(*b*) what steps have been taken in the matter;

(*c*) whether the Government are aware that the places mentioned are big taluk trading centres and that their trade suffers much for want of telegraphic communication; and

(*d*) whether the Government cannot take early action for opening the telegraphic communication to the two places.

A.—(*a*) & (*b*) No mahazars have been received by the Government. They understand however that mahazars have been received by the Postmaster-General and the matter is under correspondence with the Director of Telegraph Engineering, Southern Circle, Madras.

(*c*) The Government are making the necessary inquiries.

(*d*) They will take action as soon as the proposals have been received from the Postmaster-General.

Listed posts open to Provincial Civil Executive Officers.

403 *Q.*—Rao Sahib P. C. ETHIRAJULU NAYUDU:—To ask the Hon'ble the Home Member—

(*a*) to state how many appointments of Collectors and District Magistrates have been listed as open for members of Provincial Civil Executive Service on the recommendations of the Public Service Commission;

(*b*) to furnish a list of Brahman, non-Brahman, Muhammadan and Indian Christian incumbents of these posts (permanent and acting) that have been directly recruited during the last ten years;

(*c*) to state the principles on which the officers of the Provincial Service have been selected for these posts; and

(*d*) if it is a fact that senior grade non-Brahman deputy collectors have been superseded for the selection and junior Brahman deputy collectors appointed.

A.—(*a*) No posts of Collectors and District Magistrates have been listed for members of the Provincial Civil Executive Service on the recommendation of the Public Service Commission. The Commission's recommendation was for a reduction of such posts (paragraph 22 of annexure X to the report).

(*b*) The question is not understood. There is no direct recruitment of Collectors from any community.

(*c*) Promotions to district posts are made on the basis of proved merit and ability.

(*d*) The officers selected have passed over both Brahmans, non-Brahmans and Europeans.

Rao Sahib P. C. ETHIRAJULU NAYUDU:—"Will the Government be pleased to recruit some non-Brahman deputy collectors?

(In the absence of the Hon'ble the Home Member) The Hon'ble Khan Bahadur MUHAMMAD HABIB-UL-LAH SAHIB BAHADUR:—"I do not think, Sir, that the Honourable Member is right in his presumption that non-Brahman deputy collectors have not been recruited."

Purchase by Government of 'Central Hotel' at Ootacamund.

404 *Q.*—Mr. R. K. SHANMUKHAM CHETTIYAR: To ask the Hon'ble the Minister for Public Works—

(*a*) to state the price paid for the purchase of the 'Central Hotel' at Ooty;

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(*b*) to state whether the management of the above hotel—now 'Willingdon House'—is to be under the Government, or whether it is to be entrusted to any private individual; and

(*c*) if the management of the hotel is to be granted to any private individual, to state the terms of the grant.

A.—(*a*) Rs. 90,000.

(*b*) & (*c*) The catering scheme is being run by Government.

Mr. R. K. SHANMUKHAM CHETTIYAR:—"Whether the 'Central Hotel' at Ootacamund is meant exclusively for Government officers and if so, whether all officers, Indian and European, will be accommodated therein?"

Mr. A. RAMASWAMI MUDALIYAR:—"I have been asked by the Hon'ble the Minister for Public Works to reply to this question. It is meant for all officers, Indian and European."

Diwan Bahadur M. RAMACHANDRA RAO PANTULU:—"I should like to know what necessity there was to undertake the running of a hotel by the Government when there is presumably accommodation at Ootacamund."

Mr. A. RAMASWAMI MUDALIYAR:—"The hotel was taken up because accommodation was found almost impossible for some Government officials and the method by which the Government is running the hotel is on a co-operative system."

Diwan Bahadur M. RAMACHANDRA RAO PANTULU:—"I do not understand the meaning of a co-operative system. Are the Government officers contributing to its maintenance?"

Mr. A. RAMASWAMI MUDALIYAR:—"Yes, Sir, those who stay in it are contributing to its maintenance."

II

Discussion on the budget.

Mr. A. RANGANATHA MUDALIYAR:—"Mr. President, as I was going through the budget, I recollected an old incident. It was this. Some years ago I had the necessity of preparing a budget and as I was preparing it I found that the receipts fell somewhat short of the expenditure. My officer immediately increased the receipts under certain items and put down the increase as due to more favourable seasons, while as a matter of fact it had no reference to the previous year's actual receipts or the receipts of any year at all. I am afraid that some such process has been adopted with regard to this budget also. I find, for example, under the head of Land Revenue, the budget provides for an increase of 35 lakhs, under Excise an increase of 14 lakhs, under Stamps 9 lakhs, under Forest 5 lakhs, under Registration 2 lakhs and so on. Now, Sir, under Land Revenue I don't know how the Government estimate the increase to occur. Are they going to enhance the assessments in any district or districts? If they are going to do so, what becomes of the resolution which was recently passed by this House that the land assessment revision should not take place pending the enactment of a statute. Again, Sir, under Excise in the budget, there is an increase of 14 lakhs. It is a well-known fact that this year there have been no bids in several taluks. I am also told that the Government have issued orders to the various district officers to give some sort of encouragement to bidders and ask them to bid with almost an

assurance that if they should incur a loss the Government are prepared to sympathetically consider their claims for remission. What with the temperance movement on one side and what with the economic distress prevailing in the various districts in the Presidency on the other side, I am unable to understand how the Government can with any certainty budget for an increase under Excise. When the season is not favourable, when people are suffering very much, it is not only the excise revenue and the land revenue that suffer but also the revenues from stamps, forests, registration and so on. If my presumption is correct, I think there is not going to be any increase of revenue under any of these heads. It appears to me that the Government are not likely to realize the receipts to the extent they have budgeted for, but I cannot say the same thing as regards expenditure, for there are many facilities for spending more than even the budgeted allotment. In the present year's budget most of the increase goes as salary for the officers. I presume there is no officer so philanthropic as to refuse to draw the additional salary that has been sanctioned to him.

"So then on the one side we have the receipts overestimated and on the other side the expenses are likely to exceed the provision made in the budget. It is for us to consider on whom is all this amount going to be spent. The main part of the revenue is contributed unfortunately by the poor people in this country. The land revenue gives us nearly 37 per cent of the total revenue and the excise gives 33 per cent and the people who pay land revenue are mostly poor pattadars and I venture to say also that the people who contribute to the excise revenue are also very poor people. The well-to-do people who indulge in the use of foreign liquors are few, but those who consume toddy and arrack are large in numbers and belong to the poorer classes. So between them, the Excise and Land Revenue departments contribute 70 per cent of the total receipts, and if you take the proportion contributed by the poorer classes under other heads also you may take it that their total contribution will be about three-fourths of the entire revenue. We shall now turn and see who has the benefit of all this amount. One would expect that at least the amounts provided for expenditure under Education, Medicine, Public Health, Agriculture and Industries would go altogether for the promotion of the welfare of the poorer people. But a perusal of the budget shows that not even one-half of the amount goes directly to promote the welfare of these people. Over half of it is being spent as usual on huge salaries, on inspecting agencies, provision of houses and so on. As regards the other heads about 40 per cent of the total expenditure goes on establishment alone, which, I must remind you, does not include those employed and paid for under Education, Medicine, Public Health, Agriculture and Industries. If the poor people are paying most of the revenue and most of it is spent on behalf of some people other than those who contribute the revenue, then there is something wrong with the system of administration. Justice requires that the people who pay should get an adequate return and I am sorry to say that not much of it is to be found in this budget. If we really mean to do good by the people whom we have come here to represent I think something definite and tangible should be done for their welfare and among those things requiring to be done, I should put down, as first and foremost, the abolition of drink. It may sound rather alarming, Sir, at the first sight, but I really confess that, after all the professions we have made in and out of the Council, after all that we have said about the evils of drink and other things, it does not stand to reason that we should hesitate over this matter. If this House or the Ministers responsible for the administration are not prepared to go to the extreme length, I suggest that they should at least lay down a clear and definite policy that they will see that the

drink evil is put an end to in the course of two or three years. The policy hitherto prevailing is supposed to be aimed at a reduction of consumption of intoxicants. Maximum of revenue and minimum of consumption is a phrase that we have heard often. But, Sir, that formula like many other formulæ is worked in quite a different way in practice. Its actual administration has resulted in maximum of revenue and maximum of consumption. Year after year the Government profess to abolish some drink shops. But they are unimportant ones and their closure is of doubtful value. If there are a hundred shops and if all of a sudden the number of shops is reduced to ninety we increase the number of bidders to the shops. The people who are thrown out of their work so to speak bid for and try to secure one or the other of the remaining shops; so that the Government consciously or unconsciously create an unhealthy competition among the bidders with the result that shops are knocked down for exorbitantly high sums and when the successful bidders are faced by the fact that they must get the money necessary to pay the rental, they have recourse to all sorts of dubious ways to promote drinking. They start gambling houses and provide all sorts of enticements to attract the unwary. That policy must be put an end to. It may be pleaded that it will involve a loss of revenue. The other day I read in a paper that though the liquor traffic was abolished in its entirety in America in a certain State, it did not result in any loss at all, but rather in an income. The explanation given there was that it meant a reduction of expenditure in several directions. So I expect that if this traffic is done away with we should have less of crime and I think the police force may be reduced and as litigation will grow less some courts of law may be closed and so on.

"Another argument adduced is that there will be a lot of illicit traffic in liquor. If there is illicit distillation and illicit traffic in liquor, that exists not without the knowledge of the Government officials but with their knowledge. They exist either because the Government officials connive at this malpractice or because they are helpless to prevent that. I know there are some districts in which illicit distillation is going on in the present day. The Government themselves are aware, but they dare not take any action against those concerned. There are other places where this thing is going on and the Government officials have probably a share in this illicit traffic and they allow it to go on."

The Hon'ble Mr. C. G. Todhunter :—"The Honourable Member is making various allegations against a class of public servants. Is he prepared to substantiate the allegation that there are Government servants who take a share in the illicit traffic?"

Mr. A. Ranganatha Mudaliyar :—"I shall give later on the information that the Honourable Member wants. I do not think he wants the names and other things."

The Hon'ble Mr. C. G. Todhunter :—"Certainly I do."

Mr. A. Ranganatha Mudaliyar :—"There is my friend here and we will both give the information we have.

"The poor people also require in their own interests that there should be a separation of the executive from the judicial functions. I am extremely sorry to say that this has not been done till now and I hope the Honourable Members will take the earliest possible opportunity of giving effect to that. I ask for the separation of the executive and judicial functions not in the interests of this or the other community but in the name of the poor people.

"The poor people are enduring many great hardships indeed. There are many villages without wells. The other day it was stated that in Ganjam people in the villages had to go a mile or so for water. That is the normal state of things in many parts of our country. We require a school for each village. We ask that you should improve the sanitary surroundings, we want you to develop the industries, so that poor people may supplement their sources of income by small handicrafts. In the case of the establishment also it is the poor paid people whose claim for more pay is reserved for consideration to the very last. At present the increase of pay is granted only to those who are highly paid but denied to those who are getting a pittance which is not even a living wage.

"What are the ways and means to meet all these demands? If really more money is required I think it is the duty of this House to provide for that, but at the same time I would say that before asking for more money the Government must satisfy us whether they are using the money already with them well and wisely. There are several departments which year after year are costing us enormous sums the increase going on by leaps and bounds. Take for example the Police department. In 1917-18 the expenditure was 121 lakhs. It rose to 141 lakhs in 1918-19 and 178 lakhs in the next year and 180 lakhs this year. In 1917-18 the expenditure on the Criminal Investigation Department was 1·51 lakhs but now it is 2·57 lakhs. Now I ask are the people really benefitted by these? Is there less of zulum, less of corruption, or greater detection of crimes? What is it then that the people are paying their huge contributions for? The police department in spite of the reorganization which it has undergone and the lavish expenditure incurred for its improvement is not better than it was before.

"Take again the co-operative credit societies which were intended for the benefit of the people. It was started I believe in 1904. I would ask this House to compare the work done during the early years under the first two Indian Registrars with the work that is being done now. I think we were getting for the money we paid in those years far more than we are getting now. The expenditure in 1917-18 under this head was 1·85 lakhs but in 1920-21 it was 7·58 lakhs. In 1918 we had one Registrar, nine Assistant Registrars and 54 Inspectors, now we have one Registrar, one Joint Registrar, one Personal Assistant, 24 Assistant Registrars and 317 Inspectors. I would like the House to pause and consider whether we are getting our due for all this money. No doubt the amounts that are spent will be accounted for. But my doubt is, do we require such highly-paid officials for assistant Registrars. They are all selected from deputy collectors and their pay varies from 300 to 700 rupees. Some of them are people who are fast nearing 55 years of age. Well, Sir, I think this work requires younger people, people who have still a future before them and not people who are at the end of their service and who want somehow to complete their service and quietly retire if they cannot get an extension. I think instead of deputy collectors, tahsildars may be appointed to do this work quite as efficiently. I do not think there is any necessity just now to increase the number of inspectors to the limit proposed in the budget. We have to cut short all the redundant expenditure and if more money is required for a particular purpose we shall certainly insist on that amount being voted for. I admit that if all the branches of administration had been under a single control it would have meant a unity of control and consequently economy also."

The Hon'ble the PRESIDENT:—"The Honourable Member has exceeded his time limit and I hope he will make an effort to wind up. I have no objection to allow him five minutes more."

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Mr. A. RANGANATHA MUDALIYAR :—"We have to try and find out money in all possible ways. One way would be by Indianising the administration. Yesterday I put the question whether it was the policy of the Government to Indianise the agricultural department as soon as possible, in reality and not merely *in name*. I put the question whether they would see their way to put an Indian at the head of the department. I have had the usual answer which says: we are trying to Indianise the department consistently with efficiency. Well, Sir, this allusion to efficiency means that Englishman should be left where he is or should be preferred to an Indian. I am not able to understand the charm attached to any individual on grounds of race."

The Hon'ble Rai Bahadur K. VENKATA REDDI NAYUDU :—"There was no question of race in that answer at all."

Mr. A. RANGANATHA MUDALIYAR :—"I am glad to hear that, Sir, and I only hope that he will put the principle into practice also. What I mean to say is that if the higher services are taken, the Indians are at a disadvantage there. For one reason or other we find very few of them there. I take it that if the Government are so minded they can easily find a large number of people to take up places in higher services. So long as this is not done I cannot say that racial distinction exists, but the absence of it is not made sufficiently manifest. So then I would appeal to the Ministers to lead the way for economy in all the departments, in the departments under their control as well as in the departments which for the moment are not under their control. They must not lag behind in enforcing the will of the country which is that the reserved departments should also be regarded as transferred subjects at the earliest possible opportunity and I may assure them that whatever differences of opinion may be among the members of the House, to whatever parties a few here and a few there may belong to, they (the Ministers) are sure to carry with them the whole-hearted and the united support of this House in their endeavours to wrest from the bureaucracy the reserved subjects which it wants to keep—I do not know for how long—and also in their endeavours to economize expenditure in the several departments under their control."

Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—"Sir, I have gone through the whole budget and I find that there are many items of expenditure that can well be avoided in the budget of this year. When the Government have not yet satisfied the non-gazetted officers with regard to their demand for increased salaries, I do not think the Government are justified in budgeting various items of expenditure which are not at all absolutely essential. For instance, I should just like to point out some of these items; 2 lakhs for official residence for gazetted officers in Madras, another 2 lakhs for a similar purpose at Coimbatore. I also find that we are committing ourselves to an expenditure of 3 lakhs for improvements to the General Hospital which is ultimately to be removed to some other site and I also find another expenditure of 32 lakhs for improvements to the Madras University Club. These are some of the items of expenditure which will show. . ."

The Hon'ble Mr. K. SRINIVASA AYYANGAR (*interrupting*) :—"The figure for the Madras University Club is Rs. 32,000 and not 32 lakhs."

Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur (*continuing*) :—"I am sorry for the slip. What I wish to point out is this, that Government was very generous in regard to the increase of salaries of high officials, and when it

came to the question of non-gazetted officers, an ultimatum was placed before us that we should not go beyond their scheme that was placed before us and if we wanted more, we will have to go in for increased taxation. What I say is that Government. . ."

The Hon'ble Mr. C. G. TODHUNTER (*interrupting*) :—"The Honourable Member is not quoting the instructions to the Committee correctly."

Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur (*continuing*) :—"What I want to point out is this, that in the budget we find various items which may very well be omitted and these items might go towards the increase of salaries of the non-gazetted officers. Then we find large increases in the number of higher officials. We can avoid this also. If in these two directions retrenchment could be made, we can approach the question of the salary of the non-gazetted officers in a more liberal spirit. Sir, I do not like to traverse the whole budget, survey mankind from China to Peru, but I should like to confine myself to the humbler and more prosaic needs of my community. I find, Sir, that last year a sum of Rs. 15,500 was budgeted for opening science classes in the Government Muhammadan College, and that that sum was not at all spent during the current year 1920-21. I thought that Government would do something to open the science classes in July, but I find no amount is budgeted at all The want of science classes is a very great hardship to students who have taken up science and when they pass the School Final examination they have to take History or Logic in that college or have to go out to some other college. I am also aware of some proposals to have a new building for the Muhammadan College. Till that is done, something temporary must be done in order to open the science classes. Another matter about which the Muhammadan community of Georgetown in Madras is very much interested is the incomplete secondary school for Muhammadans. About three or four years ago Government promised to raise that school, to the status of a complete secondary school, but somehow or other Government did not approach the question with sympathy and that school is now located in an ill-ventilated residential quarter in Armenian Street and owing to want of accommodation there the higher forms of the school have not yet been opened. I would appeal to the Government to see that a site is acquired at an early date and a pakka building erected for the school so that the increased demand for education by the community may be met properly.

"Sir, there is another matter about which I should like to appeal to the Hon'ble the Minister for Education and that is with regard to the Islamia School at Vaniyambadi. This school has been getting on splendidly well for the last 10 or 15 years. The strength of the school is 500 of which 400 are Muhammadans and 100 are Hindus. The income raised from rents and public subscriptions came to about Rs. 25,000. We were able to meet the expenditure with the aid of a Government grant of about Rs. 5,000, but at present owing to the bad state of trade and also to various unhealthy influences that are existing now in the country, many of the merchants of Vaniyambadi are withdrawing their aid from the school and the school is now in a very precarious state. I mean to say that this year our income has fallen to about Rs. 13,000. So I learn that the management has asked the Government to come to its aid at the present moment by giving them a special grant of Rs. 20,000. The community is now passing through a critical time, and if Government are not going to assist the community at this time the management, however reluctant, will be forced to close the

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school. This is no credit either to the community or to the Government. I would appeal, therefore, to the Hon'ble the Minister for Education to view this question with sympathy and assist us to keep this school going on.

"Sir, there is another matter about which I should like to say a word. The Government have undertaken to encourage the Unani and Ayurvedic systems of medicine by accepting the resolution of Mr. A. S. Krishna Rao and I find that no allotment is made in the budget for this year. I hope the Government will show that they are really sincere in their desire to encourage these systems of medicine by allotting some definite amount in the budget."

Mr. M. D. DEVADOSS:—"Mr. President, I am afraid, Sir, that I cannot congratulate the Hon'ble the Finance Member upon the budget that he has presented to us. He has called it 'a carrying on budget'. I am afraid, Sir, it should be called a very disappointing budget, or, if I may use such an expression, a budget of despair. The present reforms no doubt require a lot of money in order to make them a success. The present administration no doubt requires plenty of funds to carry on its affairs. But, Sir, I find in the budget no proposals for any advancement in the direction of industries, no proposals for future developments, nothing, Sir, which I would naturally expect in a new Council with new Ministers and new Council Members. I expected something more than a mere statement of receipts and expenses and how those receipts have to be disposed of and when the receipts are not sufficient to meet the expenditure that we should borrow. Therefore, Sir, I say it is a very disappointing budget.

"Again, I find that salaries have been paid with retrospective effect, and that a number of allowances have been given. Only last night, Sir, in the *Mail* we found a report, rather a statement, to the effect that the Indian Medical Service must be paid higher salaries with retrospective effect from the 1st January 1920. Sir, it is true that these services have to be paid, but what I do complain of is that at a time when we ought to make a forward movement we should rest satisfied merely with paying these services. Well, in order to go on as we ought to, we must show that we are doing it in a liberal spirit in order to enable these reforms to become a success. Otherwise, Sir, I am afraid we should be throwing the country into the arms of the non-co-operators. They will say, 'Very well, we have been saying that these reforms are very unsatisfactory and now look at the budget and what have we gained?' I may say, Sir, without meaning offence to anybody, that all our labour here will be lost and we might as well shut up shop. But I am not going to leave it at that. I am not going to be altogether disheartened over the matter. I may presume to suggest a few means by which this so-called deficit may be turned into a real credit balance. In order to have money for the purpose of expenditure we must have either an increased taxation, or retrenchment, or strict economy. Sir, so far as fresh taxation is concerned, it would be inadvisable to impose fresh taxation at this stage. The country is not prepared for it. When the country is not in a position to appreciate these reforms and when there are people that are going about traducing, if I may say so, these reforms, it would be most unwise on the part of the Government to propose additional taxation which would certainly be very unwelcome so far as the taxpayer is concerned. Then the two other courses are those of retrenchment and strict economy. I am not going to take you, Sir, or the House, through the various items in detail, because that would take a lot of time and I am not permitted to do that. But I would only make a few suggestions here and there to show how the thing could be done. No doubt the services should be well paid in

order to make them attractive. I don't quarrel with that. But the services in a number of departments could very well be cut down without interfering with efficiency. Now I will mention one or two. There are a number of Superintending Engineers and as a layman speaking from information I am informed that these Superintending Engineers are merely conduit pipes. They merely forward what they get from the Executive Engineers either to the Chief Engineer or to the Government Architect and so on. Well, Sir, those offices could very well be reduced. Then again, the Personal Assistant to the Collector could very well be dispensed with. The Collector of the district has been now deprived, if I may say so, of his duties with regard to district boards and taluk boards and therefore his work has been greatly diminished in that direction, and the Personal Assistant whose main duty, or a good portion of it, was to look after these things and to assist the Collector, may very well be dispensed with. Then it has been suggested that the Revenue Board is an archaic thing which has been in existence from the days of Clive and Tippu Sultan and that may go. Sir, I am not prepared to offer any definite opinion on that, but I do hope that a Committee will be appointed to see whether the Revenue Board could very well be made a thing of the past. A new appointment has been made, viz., that of Financial Secretary. Well, I think the Hon'ble the Finance Member will bear with me when I say that he is quite capable of doing his work without the help of a Secretary and I don't think that a Financial Secretary is necessary at this stage. I know him very well, and I think that he is quite equal to the task of managing the finances of this Province both on the receipt side as well as on the expenditure side."

The Hon'ble Mr. C. G. TODHUNTER (*interrupting*) :—"I rise to a point of order. I should like to refer the Honourable Member to the Devolution Rules under which the appointment was compulsory."

Mr. M. D. DEVADOSS (*continuing*) :—"Sir, I know these rules. But unfortunately, I am talking of retrenchment. I don't at all find fault with the Government for appointing him. I am only showing the way how to retrench, and I don't think the Finance Member was quite correct in correcting me."

The Hon'ble the PRESIDENT :—"The Finance Member was saying that the Financial Secretary had to be appointed under the rules passed by the Government of India, and the Finance Member was perfectly right in pointing it out. The Honourable Member's suggestion is that the Government should contravene the rules passed by a higher authority.

"The Honourable Member is right in putting forth any argument, but he cannot say that the Finance Member is wrong."

Mr. M. D. DEVADOSS (*continuing*) :—"I am sorry, Sir, that is not what I intended to say. I only meant that these are ways of retrenchment. Then, Sir, a large number of Divisional officers could very well be reduced. I find that the work of the Divisional officers and Deputy Collectors has been very much reduced owing to the increase in their number. Then, I find that four Deputy Directors have been appointed for Agriculture. I don't think that is necessary. The next thing is I would employ in a number of cases Indian agency or as one Honourable Member put it, Indianise the service. So far as the Civil Service is concerned, I don't want to touch it. I do not mean to flatter the Civil Service, but, Sir, the Civil Service has done very good work and is expected to do very good work and I would not touch their pay or their prospects. But there are a number of other services which could be Indianised to a very great extent. That will effect a saving and, at the same time, will also benefit the country. Now I

will mention one or two instances. Take, for instance, the medical service. The medical man after working here for 20 to 25 years gains all the experience he could and makes himself very valuable, and when he retires goes Home and sets up private practice in Harley street or in some other place. But if he is to be here, we shall have his expert advice and derive great benefit from his presence. Therefore in the case of services which require technical knowledge, in the case of services which require scientific knowledge, and services which require knowledge of a special character, I would say that those services should be Indianised as much as possible so that when the members of the services retire, their services might be availed of by the people. This is the case not only with the medical service but also with other technical services. Take, for instance, a good chemist, a professor of chemistry. After he retires he goes Home, either to England or to some other place, and we have lost the benefit of the services of such a man. On the other hand, if he settles in India we shall be able to avail ourselves of his services for a number of purposes. He will be able to make original researches in India. Therefore, Sir, that could very well be done. In this connexion, when I look through the budget I find a word which I have not come across before, the 'Agrostologist' (page 102 of the Budget), i.e., one who is versed in the science of grasses. Very well, Sir, I ask whether an Indian will not be a proper person who can study the habits and habitues of grasses, their uses and other things. His service is not going to be of great use to us. He has not been appointed yet. But I am going to suggest later on that if we have not got an Indian, it will be a very wise policy to send a number of men to England, America and Japan and other places and get them trained so that we may have their services in about two or three years. I will come to that again. Then again, as Doctor Rama Rao has said, and rightly said, a good many private medical practitioners can very well be asked to be in charge of hospitals. Now that system was tried some time ago under Mr. Morley's scheme, as he then was, but it was not continued for this reason a private medical practitioner when he went to the hospital was treated as a subordinate or as a person who was an interloper; on the other hand, if he is placed in charge of any department and treated with confidence I think the system will work very well. Last night I asked some of the leading medical practitioners in Madras whether they would give a trial to that system and I was glad to be told that they would do so provided they were treated with consideration and respect and put in charge of separate departments; but if the Indian Medical Service officers were to sit over them and consider them as interlopers or as unwelcome persons I do not think that that experiment would work well. Thus a saving could be effected.

"Then again, Sir, the number of honorary magistrates could be increased thereby decreasing the stipendiary magistrates. The honorary magistrates are doing very good work in Madras; I do not know much about the mufassal, but in the city they are doing very good work, and if their number is increased, a number of respectable gentlemen would be happy to come forward and give their time to the public cause and thus the number of stipendiary magistrates would very well be reduced.

"Then again the number of civil courts may be reduced by appointing Arbitration Boards. Time was, no doubt, when people had no confidence in the Arbitration Boards. But now times have changed. People will gladly go to Arbitration Boards provided they are recognized and they will get their disputes settled much more quickly, than by going to civil courts. That will be a saving.

"Then again, there is the post of Deputy Commissioner of Labour. For the Labour Department, as it is at present constituted, I don't think that is

necessary, and it can very well be reduced. With regard to technical services I should not at all mind Government spending Rs. 50,000 or a lakh a year for the purpose of giving scholarships to people to go to England, France, Japan and America for studying technical subjects; agriculture, forestry and other technical subjects can be studied with great advantage in those countries and our spending money upon scholarships for sending efficient men, proper men, men of character, who will certainly be a credit to the service, I would not grudge, because in the long run it will pay. We all know that in the Native State of Mysore this has been done, and I believe, Sir, that has been done to some extent also in the State of Travancore. Their services will be cheaper and they would always be with us, and even after their retirement from service, as I said, their advice would be of great advantage to the community.

"Then, in order to effect strict economy, I would suggest that a number of items which are budgeted for should be given up. The Hon'ble the Finance Member when he gave us his memorandum gave us therein only the total as regards the amount to be spent this year, that is the coming year 1921–22. But he did not add up the totals of the estimates because evidently he thought it might be a staggering thing or at least he did not think it necessary. But, Sir, I have taken the trouble to total up these and I find that if we would sanction these things we would be committing the House to an expenditure of Rs. 48,71,000. Very well, Sir, is the House prepared to undertake or embark upon this large expenditure to be spread over probably five years, or six years or more? If some works have been started no doubt we should not stop the works half way. But if the works have not been started I would certainly suggest that those should be given up. I will only mention a few cases to show that these things could very well be put off for a more convenient season, or a more favourable season, when our finances would permit our taking them up. On page 17 of the memorandum, item 14, the 3 lakhs that is to be spent upon Agency work could very well be put off for a more convenient season, as well as the improvement to the Government Press buildings. You find at page 19 'Constructing a fly-proof kitchen in the new Central Jail, Vellore'. It may be scientific; I don't at all for one moment say that fly-proof kitchen is not a very scientific arrangement; but to spend Rs. 25,000 without the estimated cost being known is not right. I certainly would not be a party to that. I mean these things can very well be taken after some time when our funds permit.

"I have been anticipated by another Honourable Member with regard to this University Club. Sir, my opinion is that this University Students Club is a failure, and I do not know why another Rs. 32,000 should be spent upon it. It may be a useful thing, but let us wait. There is no urgency about it. Then again, a sum of Rs. 50,000 is to be spent for acquiring a bungalow in Madura, and so on. I do not want to go into the details because these things will come up for discussion again. Again there are a number of items of expenditure for housing the staff and gazetted officers. Well, I don't at all say that they are unnecessary, but they are not of such great urgency as to necessitate our finding funds at once for them. They may all wait for a little while and a few years could not matter much because these officers have not been, I suppose, sitting out in the sun; they have their quarters and with little inconvenience they can go on for some time longer, because we want money urgently for more important purposes. Then I find one item of three lakhs for acquiring land for the Queen Mary's College. Of course I am as much interested in that college as anybody else, but I would say that we need not spend these three lakhs now. We must wait because we have already two or three palatial buildings, and the acquisition of

more grounds could very well be put off. Also official residences in Madras for gazetted officers could also stand over for a while. Then I find that at page 88 one lakh of rupees is provided for tents. I do not know that tents are so urgently needed by any department costing one lakh."

The Hon'ble Mr. C. G. Todhunter (*interrupting*) :—"The tents are for Agency officers for whom a particular type of tents that can be carried on pack animals is necessary."

Mr. M. D. Devadoss (*continuing*) :—"I am glad, Sir, to have this information. But that only emphasises my previous opinion that this particular provision for agency purposes can as well be given up. It is such a costly machinery, and we do not know what the return is going to be. I do not know much of the agency tracts, but is it necessary that we should have all these things at such a cost? We want money for more urgent purposes. Could we not wait? That, Sir, is my point, and my cry.

"Then, Sir, with regard to some of these Government Colleges—I am not against higher education, I do want higher education as much as possible—it is not necessary that the Government should run a number of arts colleges. The aided colleges could be more liberally aided. The Government have taken over, I find, two or three arts colleges some time ago. There was a time no doubt when Government was bound to have arts colleges for the purpose of setting up model colleges in various parts of the country. Now times have changed. People have begun to appreciate the value of higher education. Under such circumstances, Sir I think that higher education could be left to voluntary effort but with this reservation. So far as education in science is concerned and so far as technical education is concerned, the Government is not only bound to provide colleges but also bound to provide means for equipping these colleges efficiently, because no private agency would be able to equip a scientific college properly and therefore we do want the Government to equip a proper college of science and a proper college where technical education could be imparted; because it pays in the long run and will be of great use to the country. In this connexion, for instance, I may say that a lot of money seems to have been thrown away on experiments. For a paddy-breeding station (page 150) a sum of Rs. 1,30,000 is provided. I am informed, Sir, that an experiment was tried in Mayavaram, and it did not succeed and was given up after a considerable sum of money was spent and now they want to try the so-called paddy-breeding in Tanjore and that unless these things can be considered to be satisfactory and urgent, I do not think we should devote money for such purposes.

"Then, with regard to expenditure, as Mr. Macphail has rightly contended yesterday, aided colleges should be more liberally treated. Sir, this is not the first time that I say this. In the case of aided colleges, missionary colleges especially, Sir, what they spend in rupees, annas, pies is not the real amount that should be spent. In other words, the Professors are getting a very small salary for running these institutions. They are doing their work in a spirit of love and for the mere love of the thing. That being so, Sir, we should not take them at their face value. On the other hand, the Government which runs colleges on the same lines is incurring a very very large expenditure. I believe the total deficit on these colleges is about 5 lakhs of rupees.

"As I have probably exceeded my time I would only mention this. I expected the Ministers to make proposals for a policy of advance. I find, Sir, either owing to the difficulty of finding money or owing to other circumstances, they have not done so. It is very disappointing. I should expect them, Sir, to come

forward with some proposals for improving the industries for improving the development departments and other things. Therefore, what I would urge upon the Government is this, that retrenchment on all hands should be taken up at once and the strictest economy should be enforced. Sir, with that view I have given notice of a resolution that a Committee should be appointed for the purpose of overhauling the whole machinery and going over the matter fully for the purpose of finding out what retrenchments could be effected in various departments without in any way impairing their efficiency. Unless that is done I fear, Sir, this story will be repeated year after year and Members of Council will complain that the expenditure is larger than the receipts and that they have not got enough for the development departments. To avoid that I would ask the Government to consider whether it would not be possible to make retrenchments without, at the same time, impairing the efficiency of the administration."

Mr. R. K. SHANMUKHAM CHETTIYAR:—"It is one of the local oracles that referred to our budget discussion as a feast of tongues. But a much wiser and greater man than the author of this article remarked that the time for the annual Financial statement of the country is the time of the greatest anxiety for the Financial Minister and one of the greatest interest for the House and the country at large. These were the words with which Mr. Gladstone prefaced one of his famous budgets. If, Sir, as Gladstone said, our Hon'ble the Finance Member had evinced any signs of anxiety in his memorandum I could have sympathized with him. But on the other hand, if I am able to characterise his memorandum, I must say it is a consolatory memorandum and not even an explanatory memorandum as the one which the Chief Secretary used to furnish this House with. The Hon'ble the Finance Member wants us to go back and take a retrospective view thirty years back and then asks us to think what simpletons our ancestors were thirty years ago and what nice fellows we all are to get 17 crores by way of income. That seems to be the tenor and the tone of the whole of his memorandum. He himself has confessed that it is a 'carrying on budget'. Most of the Honourable Members of this House have for the last two days dwelt upon the expenditure side of the budget. But, Sir, I would like to see the revenue side of the budget and find out if this carrying on position can be carried on for any length of time. In the memorandum of the Hon'ble the Finance Member I can see a subtle preparation of ground for future taxation. For in paragraph 33 when he refers to the supposed prosperity of the ryot whose assessment was fixed thirty years ago and who is supposed to reap enormous profits on account of the high level of prices, I can see that he is preparing a ground to tax the poor ryots. But, Sir, what is the position of the ryot? No doubt his assessment was fixed on the basis of the prices that prevailed thirty years ago. But the Hon'ble the Finance Member has not taken into consideration the counteracting causes that have altogether neutralized the supposed profit the ryot is expected to get. Sir, with the failure of the monsoon, the stringency of the money market, the enormous increase in the wages and the general increase in the level of prices, the position of the ryot, I am afraid, is far more serious to-day than it was thirty years ago. So that, taking the revenue side of the budget into consideration, I am afraid that so far as land revenue is concerned we will be kept in a stable position. Already for the last so many years we hear the cry that the ryotwari system of land tenure must be based on a permanent basis and if this is to come into being that large item of our revenue must for ever be estabilised and made inelastic.

"And what is our next source of revenue? Sir, there has been a cry from all quarters that the temperance and excise policy of Government is not above criticism.

9th March 1921] [Mr. R. K. Shanmukham Chettiyar]

In the present financial stringency of the country I do not propose to advocate any revolutionary measures in the excise policy. But now that the department of excise is one of the transferred departments it will not do for us to simply follow the policy that has been pursued so far, because we will be criticised by the country. Sir, however much Government has been professing that their policy has been 'a maximum of revenue with a minimum of consumption' we can see in the policy of the Government always an eye on the revenue side and not to the moral welfare of the people concerned. When the excise administration is placed in the hands of the revenue officials in the district, it is but natural that the men who are made responsible for the revenue of the district will try to get out of this source which has been placed in their hands as much revenue as they possibly can. This I can illustrate from instances which took place only this year. As one of the measures of excise reform, the Government issued an order last year that in the municipalities of Ootacamund and Coonoor the arrack and beer shops must be closed on market days and Sundays. That had a very salutory effect on the consumption. Because, I have got here statistics to show how this very good measure has had very marked effect in decreasing the consumption. For the nine months in the year 1919–20 when the shops were not closed on these days the consumption of arrack in the town of Coonoor was 9,465 gallons. For the corresponding period in 1920–21 when this measure was in force the consumption was only 5,715 gallons. Taking beer into consideration in the year 1919–20 the consumption was 51,300 gallons and in 1920–21 it was 35,748 gallons. That shows that the measure inaugurated by the Government has been a very wise measure and it has brought the maximum of revenue and has resulted in minimum of consumption. But, Sir, the Board of Revenue was evidently afraid that if this minimum of consumption was to continue, the maximum of revenue could not continue for a long time. So in the year 1921–22, I am sorry to say, that they have issued an order that these shops should be kept open on market days. That is a reactionary order. When we have got statistics to prove that the closure of shops on these days had a very good effect in bringing down the consumption, instead of having some more reform in this direction we are asked to go back and shops are to be kept open on these days. Temperance reformers have also been urging that on those days when country liquor shops are kept closed foreign liquor shops must also be closed on those days. I do not see any ground why Government do not agree to this proposal. It is putting more money on these days in the pockets of the foreign liquor merchants. Perhaps Government want that at least on these two days those poor people who drink country spirits must try to be gentlemen and should drink whisky and brandy instead of ordinary beer. So, in the future, if we are to justify our position to the country at large, there must be a drastic reform in the excise policy, and that must ultimately mean a considerable reduction from the second of our greatest sources of revenue.

"Then the sources that are left to us—and I agree with the Hon'ble the Finance Member in this respect—are retrenchment and development. Speaking about retrenchment, there are some very significant words of the late Mr. Gokhale in this respect. Speaking as early as 1911 in the Imperial Legislative Council about a motion for the appointment of a committee to inquire into the expenditure on the administration, he said: 'we are on the eve of a large measure of financial decentralisation to provincial Governments, and it seems certain that these Governments will be given larger powers over their own finances. If however, this is to be done, there must first of all be a careful inquiry into the present level of

their expenditure. That level must be reduced to what is fair and reasonable before they are started on their new career.' Sir, our new career which Mr. Gokhale anticipated in the year 1911 has come. But what has come with it?—a position quite the reverse of what Mr. Gokhale wanted. Instead of a committee going into the question of the expenditure of the provinces and bringing it down to a normal level, before the reforms were inaugurated and before the charge of transferred subjects was handed over to our Ministers, the Government gave them a very unenviable legacy. Instead of reducing the salaries, they have increased them. During the last three years the salaries of the Imperial officers have increased by 75 per cent, those of the provincial officers by 37½ per cent and those of the subordinate officers by 32 per cent. Sir, even this increase is contrary to the elementary principles of economics. For, in economics there is what is called 'sustenance wages'. By 'sustenance wages' is meant that amount of minimum wages which will enable a workman to discharge efficiently the work for which he is appointed. Applying that standard and applying the elementary principles of economics, it would follow that if there is a level of high prices and if the salaries ought to be increased, those who are drawing lower incomes must get a greater proportion of increase than those who are drawing higher salaries. But here we find that the Imperial service officers have got an increase of 75 per cent, the provincial officers 37½ per cent and the subordinate officers 32 per cent. This, Sir, I submit, is subverting the elementary laws of economics."

The Hon'ble Mr. C. G. TODHUNTER:—"I do not know on what the Honourable Member is basing his percentages. I have not given them in the memorandum."

Mr. R. K. SHANMUKHAM CHETTIYAR:—"By working out the figures given in the answer to the question No. 398 put by Mr. Richmond, I got these percentages."

The Hon'ble Mr. C. G. TODHUNTER:—"May I say, Sir, that those figures are not based on the individual pay of the officers?"

Mr. R. K. SHANMUKHAM CHETTIYAR:—"Anyhow the total cost of the Imperial service has been increased by 75 per cent.

"Coming now to the expenditure side of the budget, the Hon'ble the Finance Member has already warned us that it has been the practice of this House to attack the item of civil works. But I assure him that I am not going to do that now. But one word I like to say with regard to that. That is about the provision of quarters for officers. I see, Sir, in the budget that there is a provision of two lakhs of rupees for the acquisition of sites for officers in Coimbatore and Rs. 40,000 for building a bungalow for the Collector of Coimbatore. With two lakhs of rupees, according to the present price of land in Coimbatore, we can get about 100 acres of good site. I do not know, Sir, how many quarters they are going to build for officers in Coimbatore in this land acquired for two lakhs of rupees. But apart from that, I do not question the advisability of the Government to provide quarters for their officers. Especially in these days when in big cities the problem of accommodation is becoming very difficult, it is but natural and justifiable that Government should provide more quarters for their officers. But, Sir, it must be looked from a business point of view about which we heard a great deal from the Treasury Bench. For example if you are going to provide quarters for the Collector of Coimbatore at a cost of Rs. 40,000, I am sure the ground value will be at least 10 or 15 thousands of rupees; so that the whole cost of the building comes up to about Rs. 50,000. In these

days of stringency of the money market, a prudent investor would like to get 7 per cent on the invested amount. Sir, if Government is prepared to get a rent of Rs. 350 per mensem from the Collector of Coimbatore, by all means give for him as palatial a building as he wants. This is my only criticism so far as the civil works are concerned.

"On the whole, Sir, though we have been able to carry on this year, our position is gloomy enough. The Honourable Member opposite who read yesterday words of wisdom from a massive folio took the poor Ministers to task for serving the bureaucracy and for not caring for the interests of the country. Well, Sir, if serving the bureaucracy is a dangerous game, serving popular glamour and popular applause is a more dangerous game. To quote his own words in another passage, I can say 'These gentlemen who want popular applause will, in the end, say "had we served the real interests of our country with half so zeal as we served the craze for popular applause, we would not have brought this country into the verge of bankruptcy."'

"Well, Sir, what is our financial position? A top heavy system of administration much too costly for our slender resources, a stable land revenue, with prospects of appreciable decrease in our excise revenue, very many departments like Education, Sanitation, Industries and Agriculture clamouring for more money—that seems to be our financial position. The Members of this House and the public at large expected, and justifiably expected, that with the inauguration of the new reforms greater improvements will come in those departments which affect the every day life of the people; and if we are not able to carry on the improvements, I for one am prepared for further taxation. But, Sir, before we go to the country for taxation we must prove to them in unmistakable terms that we have exhausted all the resources available to us. We must prove to them that in the matter of retrenchment we have come to the maximum limit and say 'thus far and no further can we go'. If we prove that condition, we can go and ask the country to pay further taxation—but not till then. No doubt the great war has cast the world in a great economic gloom and the bombshell that was hurled on us yesterday by Reuter that military movements had begun does not help to improve the position. But in this gloom, though we may not be able to march far, we shall be satisfied if the Hon'ble the Finance Member will bring us one ray of hope.

"I do not ask to see the distant path, one step is enough for me."

Rao Bahadur A. S. KRISHNA RAO PANTULU:—"Sir, I wish to make a few observations on some general features of the budget reserving a detailed consideration of some of the specific items to the next stage when the Hon'ble the Finance Member will come to this Council for votes upon grants. The real and the only test which can be applied in considering the proposals placed before us is to see whether adequate provision has been made to improve the moral and material condition of the people of this presidency, and whether adequate provision has been made for leading them on to a condition of prosperity, if not in the immediate, at least in the near future. It is by this test that I request this House to consider this budget. Applying that test, I think that the House will agree with me in giving expression to a sense of deep disappointment, I fear that, notwithstanding the prospects and ambitions we had of radical change in the new reformed method of Government, we are doomed to failure and despair. It will be seen that though there has been a substantial increase in the provincial revenues, though between the years 1919-20 and 1921-22 we find excess of revenue of over 7 crores

of rupees, still the expenditure provided for is even more than that amount and we have a deficit of 30·31 lakhs of rupees."

The Hon'ble Mr. C. G. TODHUNTER :—"May I point out, Sir, that the Honourable Member is comparing the revenue under two systems of Government ?"

Rao Bahadur A. S. KRISHNA RAO PANTULU :—"I am quite aware of it and if the Honourable Member has patience to wait, I shall explain fully as to how it has come about. I wish to point out that notwithstanding the fact that different systems have been in operation owing to the introduction of these reforms, it is a matter for serious consideration whether when we have budgeted for a revenue to the extent of Rs. 1,671·72 lakhs in 1921–22, when we have only to provide for a contribution of about 384 lakhs, leaving out 1,300 and odd lakhs for expenditure, —whether it is reasonable and fair to provide for a deficit of 30·31 lakhs. It is only by means of a loan of 70 lakhs which has been provided in the budget that we are showing a closing balance of 35 lakhs. What does this indicate ? It indicates that though we have succeeded, owing to the new system of division and owing to the abolition of divided heads of revenue, to increase our resources to a substantial extent, we have not been able to close the budget without a deficit. Is that, I ask, a position which will lead us to a satisfactory state of affairs ? Having stated so much about the general revenue of the country, I will point out that an examination of the figures shows that the expenditure has been increasing out of all proportion to the revenue. It is not necessary for us to go back to a period of 30 years, because during this period of 30 years various changes, somewhat revolutionary, have taken place. It is enough if we take into account the state of revenue and expenditure from 1911–12, the date of the commencement of the quasi-provincial financial settlement. It was from the 1st of April 1911 that the old system of settlement was changed and we had a new system of settlement. If we take the figures for 1911–12 and the figures for 1919–20 for which alone accounts are available, it will be clear, without any doubt, that the expansion of revenue has been very little compared with the increase of expenditure. If this is the rate at which we wish to carry on this administration, is it, I ask, a position which can be tolerated for any length of time ? Will not a continuation of this policy, whereby we allow expenditure to increase out of all proportion to the revenue, lead us to a state of financial bankruptcy ? I shall now examine, Sir, with your permission, a few of the important heads of revenue and expenditure with reference to these dates and I shall satisfy the House without any difficulty whatever that we have been running some of these departments at a rate which cannot be allowed to continue for any length of time.

"First in the case of land revenue, it will be found, that it was in 1911–12, 563·92 lakhs and in 1919–20, 596·04 lakhs. We have for the coming year 620·68 lakhs. Thus it will be seen that for a period of ten years we could only provide for an increase of 56·76 lakhs covering only 5·1 lakhs per annum and for the next two years the increase comes to 24·64 lakhs. Coming to the expenditure under that head, it will be found that it was in 1911–12, 129·38 lakhs and in 1919–20, 140·69 lakhs and for the coming year it is 199·82 lakhs. There is thus an increase of about 70 lakhs in ten years and 59 lakhs during the last two years.

"Before proceeding further, I wish to point out that under this head of Land Revenue special mention has to be made about Survey and Settlement. The expenditure under this head in 1911–12 was 13·36 lakhs and in 1919–20, 16·80

lakhs and in 1921–22 it is 24·32 lakhs. The result is that for the past ten years the increase has been 10·98 lakhs and for the last two years it is 7·52 lakhs.

"Even in the case of excise revenue, the circumstances regarding which were very hopeful in the years gone by and the circumstances regarding which are somewhat gloomy in the near future, it will be found that from 300·64 lakhs in 1911–12 we had 535·29 lakhs in 1919–20 and that we have budgeted for only 20 lakhs more or for a total sum of 556·20 lakhs in the year to come. Thus there was an increase of 255 lakhs in ten years and the increase in the last two years is only 20·81 lakhs. In the charges under the same head it will be found that the expenditure had been increased from 17·84 lakhs in 1911–12 to 23·49 in 1919–20 and 33·49 next year. Thus there has been an increase of 15·65 in ten years and 10 lakhs in the last two years.

"The figures regarding forest revenue and expenditure are more disappointing than any of these. Under the head of Forest we find that in 1911–12 the income was 41·69 lakhs, in 1919–20, 61·68 lakhs and next year we have budgeted only for 57·54 lakhs. Taking the whole period of ten years there has only been an increase of 15·85 lakhs and there has been a decrease of four lakhs for the last two years. While we take the charges into consideration it will be found that there has been an increase of 21 lakhs of rupees within these ten years under expenditure and we have provided for an increase of 18·95 or 19 lakhs during these two years. The case of forest, either in revenue or expenditure, is really very discouraging. The total increase of revenue is very little and notwithstanding the fact that some experiments are being made, still the figures regarding the expenditure deserve greater scrutiny.

"Taking then the figures for Registration, we find that the revenue is 20·85 lakhs in 1911–12, 33·16 lakhs in 1919–20 and 33·62 lakhs for 1921–22, with the result that within the ten years the increase has been only 13·04 lakhs. So far as expenditure is concerned, it is 12·49 lakhs in 1911–12 and 22·23 next year with the result that there is an increase of ten lakhs during these ten years.

"I have so far given figures regarding those departments wherein we expect some revenue. Now coming to some of the other heads of expenditure, I will refer to civil works and particularly to the expenditure on buildings. We find that the amount in 1911–12 was 110·13 lakhs and next year it will be 138·41. We may leave out of account that shown under civil officers, because it includes under it grants made to local boards for roads, bridges, communications and other objects. We may confine our attention to other items. Under Public Works officers 60·44 lakhs was the amount spent on buildings in 1911–12, 77·30 in 1920 and 125 lakhs are to be spent in 1921–22, with the result that there has been an increase of 44·56 lakhs in the expenditure under this item in ten years and during the last two years the increase has been 27·70 or nearly 28 lakhs of rupees.

"Even under the head of civil buildings original works within these two years, we have to pay. Under the head 'Reserved', we find in 1919–20 it was Rs. 1,60,617; whereas we have provided for seven lakhs and odd in 1921 to 1922, that is, Rs. 5,63,000 more. Under the head Transferred subjects, we had spent 38 lakhs and odd in 1919–20; but we have provided for 56 lakhs and odd in 1921–22. Under the head of Buildings, Original Works, we find that an increase of 23 lakhs has been provided for.

"I have now briefly given the Council an idea as to the increase in expenditure under various heads, out of all proportion to the increase of revenue. It is impossible to carry on any administration, if the expenditure does not keep pace with the revenue and if, for the purpose of making up deficits, we are called upon

to raise loans whether in a private budget or in a public budget. In the end it must lead us to sad disappointment.

"Having stated so far, let us examine the causes that have led us to this state of things and the remedies which can be suggested to meet the present conditions. So far as the causes are concerned, they can be divided under two heads. There are some causes which are beyond our control and some causes which could have been avoided. The conditions which have been created on account of the war have led to some increase in some directions. Regarding the increase which has been necessitated owing to increase in prices for reasons beyond our control, there is no one in this House who would take objection. But, at the same time there are items of expenditure which have increased beyond all proportions without due weight to other considerations.

"One of the chief circumstances to be referred to is the recommendation of the Public Services Commission. We have been told that notwithstanding the demands made on behalf of various services from time to time, the orders of the Secretary of State for India upon the recommendations of the Public Services Commission governing the whole of India led to provisions having been made in the budget before other questions of increase of salaries were settled. Sir, may I remind this House that even after the recommendations of the Public Services Commission were published, there was a grave note of warning by the dissenting minute of the Hon'ble Sir Abdur Rahim and there were protests raised throughout the country that the country cannot bear the heavy increase provided for in the recommendations of the Public Services Commission? It is that increase of salaries, pensions and various other allowances provided for in the Public Services Commission that has partly led to this miserable state of affairs. When once it was possible for the Government to provide for the increases suggested by the Commissions, they naturally found it impossible to resist the demands made in other directions. From time to time and without considering the whole of the resources available, one department after another was taken up and their demands were satisfied without any retrenchment being effected. While the Government are solicitous of increasing the pay of the higher officers there has been no attempt on their part to increase the pay of the lower services. If a different procedure had been adopted, we would not have witnessed this spectacle. I would join the Salaries Committee which considered this question only a few days ago and made their recommendation regarding this point. I agree with them in their conclusion which runs thus: 'The committee desire to express its considered opinion that the reorganization of the pay and prospects of the gazetted services has had great effect on the grievances and claims put forward by the non-gazetted officers of Government. We have been told in the note prepared by the Finance Member that the revision of the pay of superior service had no connexion with the rise in prices but was the result of the recommendations of the Public Services Commission which had long been delayed and which had to be at least to a certain extent carried out with retrospective effect.'

"'While this may be so, the committee cannot but deplore the fact that at a time when the economic condition had supervened all other considerations and when the question of the revision of the pay of non-gazetted services had already risen in 1919 due to economic stress, the Government should have thought it fit to give effect to the recommendations regarding the gazetted services before they had come to the decision on the far more urgent needs of the non-gazetted services. If the Government had tried to solve the problem of the non-gazetted

services first, its recommendation regarding the gazetted services may not have been quite so liberal.

"'The committee is of the decided opinion that the revision of the pay and prospects of the services should have begun at the bottom. The committee is generally of opinion that the reorganization of the pay and prospects of the higher services needs further scrutiny with a view to retrenchment'

"I join with them in suggesting that the Government should have followed different procedure in dealing with this important question.

"The question regarding the necessity for inquiring into the growth of expenditure was raised in this Council in 1915. May I point out that the reply of the then Finance Member, the Hon'ble Sir Harold Stuart, will be pertinent even on this occasion. It will be a matter for consideration whether the policy initiated in this Council by the then Finance Member—the policy of retrenchment —has been really kept by this Government in the forefront and whether any retrenchment has been effected in that direction. In reply to my resolution asking for an inquiry into the increase in public expenditure of the Presidency raised in May 1915, this is what the Hon'ble Sir Harold Stuart stated as to what steps were being taken in that direction: 'I hope that the Council will not think that we do not from time to time make inquiries into our expenditure. The Public Works Department has been specially mentioned by the Honourable Member. An inquiry is actually going on, and it has been going on for some time and is not yet concluded, though we have dealt with certain items, to see whether we cannot reduce the standard of our buildings to see whether we are not building on too extravagant a scale. These questions have been examined by experts in consultation not only with officials but with non-officials also, and large contractors and bodies like the Port Trust and they have given us considerable assistance and we hope that we may be able to effect economies, though we cannot allow the Council to think that they will be very large. Again in the case of the Survey and Settlement department and the Department of Land Records a committee has been recently sitting which has just reported to us what economies can be effected and what changes can be made in that particular branch of administration. These are only instances I quote to show what we are doing. I may give one other instance and that is "Forests". I do not know whether that was mentioned by the Honourable Member or not. In the case of Forests the increase of expenditure attracted the attention of the Finance Department some time ago and at the request of this Government the Inspector-General of Forests visited Madras to advise us about our expenditure. I am sorry to say that his advice did not, on the whole, lead to economy. His advice, though it led to economy in some directions, did not lead to any reduction of expenditure. At the same time, I would like to point out that, although there has been considerable increase in expenditure on forests the net revenue is higher than what it was ten years ago.' (These are the three specific items.) Later on he stated that they were doing all that was possible to effect economy and this was how he wound up the debate with the result that the resolution was lost. 'I am confident that we are doing all that is possible and all that is necessary to prevent extravagance and to carry on a policy of economy and I feel bound to resist, Sir, the conclusion that we can strengthen our hands by an inquiry.'

"Now, Sir, the Finance Member pointed out that there are three different directions in which economy was to be effected—(1) Survey and Settlement, (2) Public Works and (3) Forests. These statements were made in 1915 and what do we find now. An increase of expenditure under all these three heads.

Under the very three heads regarding which the Hon'ble the Finance Member stated that attempts were being made to reduce the expenditure, we find to-day that there has been a substantial increase in expenditure. If this is the way in which retrenchment is carried out, we ask whether we are proceeding on proper lines and what salvation there is in the future.

"Having suggested so far the necessity for effecting economy and having pointed out that the financial situation is not satisfactory, it will be my duty to suggest some remedies for improving the condition. There are two methods —one is improvement of revenue, the second retrenchment of our expenditure. I wish this House not to lay too much stress upon retrenchment of expenditure without trying at the same time to improve our revenues. I now take leave of the House to refer to this question. It will be remembered that the Madras Government known for its parsimony and misguided economy was accumulating surplus amounts for several years.—"

The Hon'ble the PRESIDENT :—"The Honourable Member has exceeded his time-limit. I will allow him five minutes more to finish his speech."

Rao Bahadur A. S. KRISHNA RAO PANTULU :—"The Madras Government with this reputation for parsimony and economy have allowed their balances to accumulate to a considerable extent with the result that it was the Government of India that was benefited by that arrangement and not the Local Government. It is an irony of fate that even after there has been a revision of the financial arrangements between the Provincial Governments, the question of contribution to the Government of India should have been so settled. Rules 17 and 18 of the Devolution Rules which deal with the subject of contributions by Local Governments state that 348 lakhs should be contributed by this Government without any definite statement that it will be reduced within a definite period of time. This has naturally led us into this unfortunate predicament. The Hon'ble the Finance Member has referred to it in his memorandum. I think so far as that question is concerned that it is our duty to express our disappointment along with him. It is the duty of this House and it is the duty of this Government, before any further steps are taken, to protest continuously against this unequal, unfair and unjust treatment meted out to the Local Government and insist upon this system of contribution being done away with in the near or if possible in the immediate future and also upon the excess contributions made till then being treated as loans to the Government of India to be repaid in a fixed number of years.

"I think that even before we try other methods, we cannot but persist upon the necessity for improving our revenues in this important respect. Then, Sir, so far as retrenchment is concerned, so much has been said by Honourable Members already. There are various directions in which it can be done. One is by removing all unnecessary appointments, the second is by declining to sanction fresh appointments and the third is by omitting or reducing all the duty allowances, personal allowances and several other allowances introduced in the budget. There is a long list of these allowances and I need not weary the House by enumerating them.

"Then comes the question of reduction of salaries of all officers, from the gazetted officers onwards. I do not think that in the case of village officers or in the case of non-gazetted officers there is any scope for retrenchment. There is scope for improving their lot as far as possible and there is necessity for bettering their condition. It is only in the case of officers getting high

salaries that retrenchment is possible. If we effect retrenchment in the grades above, it may not lead to much discontent and dissatisfaction. Therefore if we are all agreed as to the policy of retrenchment, then let us begin from the top rather than from the bottom and thus better the state of things.

"Then there is one other question. There is a misconception in this House as to the resources of the local bodies. Let me assure the Hon'ble the Finance Member that the local bodies which have the privilege to add to their taxes have in their own way and to a reasonable extent been taxing themselves. They have begun the process already. If information is not already before the Government with regard to that, I cannot help it. Even taking the taxes as they are—I shall give the calculation later on—I wish to call attention to the fact that they have taxed themselves according to their capacity and that there is no room for improvement. Take for example the question of education; here 8·78 lakhs were provided for granting an allowance of Rs. 4 only to elementary school teachers. The Government proposals regarding elementary school teachers provide Rs. 20 to Rs. 25 in the case of trained teachers and in girls' schools something more. If you provide a minimum allowance of 8 rupees, it will come to about 17 or 18 lakhs. It will be the minimum with regard to education. What is to be done? Where are we to get money from for all these purposes? Unless the Government makes substantial contributions to local bodies, it is not possible to expect any improvement in education or sanitation.

"There is yet another point. There is an unfortunate impression in official circles that taxation in this country is not sufficiently high. I think it is my duty to refute that proposition with all my strength. I am really alarmed at the statement made by the Hon'ble the Finance Member in dealing with this question. In paragraph 36 of the memorandum it is stated that the taxes here are very insignificant when compared with the taxes in the United Kingdom. But the taxes must be compared to the income of the people and not relative proportions."

The Hon'ble Mr. C. G. Todhunter:—"These proportions are based on the income of the people."

Rao Bahadur A. S. Krishna Rao Pantulu:—"I venture to challenge the position taken by the Government and wish to state that, if the Government will take the trouble of inquiring into the income per head of the population in this Presidency, they will find it much lower than that in any other country in the world. Here, the income per head bears a lower proportion to the taxes paid by the people even as it is than in any other country. This question was raised in the Imperial Legislative Council some time ago by the late Mr. Gokhale. He satisfied the Imperial Council that taxation must be based upon the income of the people and not upon considerations of what other people pay in other countries. For want of time I am not able to quote from those discussions."

Mr. K. Gopalakrishnayya:—"Sir, the Honourable Members of this House are aware that we have fallen upon evil days. Owing to the war the economical condition of the world has fallen very low, the purchasing power of the rupee has decreased and we are not able to command even the necessaries of life. When such is the state, the reforms that are granted to us by the benign Government have not been of much consequence, and this would be clear from the budget.

"Sir, this country is essentially an agricultural country. Here, three-fourths of the population live upon agriculture. Unless you devise some means, unless some methods are adopted for the improvement of agriculture by way of introduction of agricultural industries, there is no hope of getting out of this economic crisis

in the near future. In order to arrive at such a position, we will have to see what economy we can practise in the various departments of expenditure that are presented to this House. Of course, on another occasion I pointed out to this House that the greatest economy by way of retrenchment throughout the whole service will have to be adopted in order to satisfy the people of this country—the tax-payers and the revenue payers. Unless the higher services come forward with a spirit of self-sacrifice at a time when sacrifice is most needed, unless they assume such position, the country will not rest satisfied and it will not be ready to accept many proposals for expenditure. I am not unaware, Sir, that the Hon'ble the Finance Member has been placed under very peculiar conditions in preparing this budget. Last year, when he was proposing to this House that the last year's budget was a prosperity budget, the country hoped that there were better times for the future. Now, it finds that the Hon'ble the Finance Member is not able to make both ends meet. If a country is to be prosperous, if the people are to enjoy the benefits of good administration, it should not be the policy of the Government merely to make both ends meet. Now we are in a deficit. I am reminded, Sir, at this stage, of the history of France in the 17th century when under similar conditions the improvement of the lot of agriculturists had been taken up by wise financiers like Sulla and Colbert in the days of Henry IV and Louis XIV. In the seventeenth century the Taile, the chief tax which the country derived from lands, and the Gabelle, the tax on salt, were the two main heads of revenue for that country. These two heads were not sufficient for the development of agriculture or industries in those good old days. Not that the revenues were not sufficient, but that these revenues were not properly administered with strict principles of economy. There were wise financiers who came to the rescue of the country, and they adopted plans of strict economy and in the course of 25 or 30 years France grew into a very prosperous country with plenty of money for the development of agriculture and industry. Such wise means have to be adopted because the conditions are similar and, unless our financier comes with plans of that sort, the state of the country will grow much poorer and poorer and there will be no opportunity given to our Ministers for developing the resources of the country.

"As I said, Sir, this country is chiefly agricultural and it is bound to grow into an industrial country, especially agriculturally industrious. So in order to create facilities we must scrape out some funds. No doubt the Hon'ble the Finance Member was sceptic about further taxation and this House is not prepared to accept any proposal for any such taxation. We must not only make both ends meet but we must also save certain funds in order to place them at the disposal of the transferred departments. The Hon'ble the Finance Member has, according to his memorandum, to a certain extent applied the pruning knife, but I am sorry to say that he took up the pruning knife with an unwilling hand. I am also obliged to remark that the pruning knife which he took is a blunt weapon which did not prune well. Even in pruning, the blunt knife was able only to cut off certain plants which after all is not considered to be strict economy. His blunt knife was not able to prune the stout branches, it was able to prune only certain plants, for instance, in the case of certain peons in the districts attached to the district officers, in the case of certain officers of the Forest department, in the case of certain servants in the Salt department and so on. Of course, he is not able to show much economy in that respect because the operation was not very effective. We are promised, Sir, that His Excellency the Governor himself is taking up this pruning knife and would see that some sort of economy is practised.

9th March 1921] [Mr. K. Gopalakrishnayya]

I wish that the Hon'ble the Finance Member will be able to grind his pruning knife and place it in the hands of His Excellency the Governor so that greater and more effective economy might be practised by His Excellency the Governor.

"With regard to retrenchment, several of the Honourable Members of this House have pointed out and on another occasion I also drew the attention of this House that the administration has been made top-heavy and almost the whole expenditure has been made in order to meet the expenditure on services in the higher grades. Of course, I remarked that this was not a wise policy on the part of the Government. But the Hon'ble the Finance Member at once comes forward with an explanation that it was due to the recommendations of the Public Services Commission which sat over the destinies of the various public services some time ago and in pursuance thereof the Secretary of State has been pleased to sanction these increases. But I would ask whether the Honourable Members of this House are not aware of the greatest discontent prevailing in the country, the feeling that is prevalent among the masses that what they pay is being eaten up by the services and that nothing is saved in order to meet the real wants, in order to meet the expenditure by way of industries and agriculture. In order to remove this idea from the minds of the people, it is now time that all the services should practise self-sacrifice; they should give up certain of their comforts, certain of their allowances. Unless they come forward with a spirit of self-sacrifice, the country will not rest satisfied. In order to economize, I would suggest, of course in a rather cursory manner, that some of these works which are budgeted in next year's budget under Civil Works, some of the buildings which were referred to by Mr. Devadoss might be given up; and I might also bring to the notice of the House that the budget provides for the appointment of certain technical officers under Agricultural and Industrial Departments. I do not know the technical nature of their business, but as a ryot I am bound to say that the appointment of these officers has not been appreciated by the ryots at large, because he does not know what the technical gentleman is doing in his chamber, probably experimenting upon certain matters which are not in the know of the general ryot.

"We find the Finance Member now wants to provide for one Agricultural Chemist, two Economic Botanists, one Agricultural Engineer, two Mycologists, one Additional Assistant to the Director of Agriculture and one Assistant Agricultural Chemist. I do not know, Sir, whether this army of public servants would be necessary for the actual development of agriculture and industry. Probably they may be necessary, Sir, from a technical point of view. But when we examine the result of these experiments which they made in the past years, I am sorry to remark that they have not been useful to the ryot at all, because I know of some experiments tried by the paddy expert with regard to the best manure that could be produced in the country for cultivation purposes, and it was found out by him that pati earth, which our ancestors knew was the best manure for fields, was after all the best manure; and curiously enough these results are taught in the Kistna and Godavari districts where the ryots had for ages been able to find out that pati earth was the best manure for them. Also the paddy expert who was of course experimenting from time to time was able to explore the theory that the single seedling planting system, which was adopted by our forefathers in the various districts, for instance in Kistna and Godavari, is the best system that is to be adopted in this country. Is this after all the result that we expect from these experts? Further I might

bring to the notice of this House that there are two other experts. For instance, I understand from a reliable source that a paddy expert, who was taken to a demonstration farm in order to inspect some green manuring process, the process of puddling with some green vegetation, did not know the Indian conditions. He thought that this green vegetation had been mixed in the field in order to see that the legs of cattle did not go down deep into the mud and at once he came out with the remark, 'Yes that is nice, otherwise the legs of the cattle would go down into the mud'. If we are to have such officers, Sir, unaware of the Indian conditions, it is no good. We do not want experiments at the hands of men of this sort. We want experiments which would appeal to the good sense of our ryots, which would appeal to the ryots in order to adopt to their advantage such processes which are taught by these experts. I would, on the other hand, say, Sir, that instead of these experts experimenting and experimenting upon the fates of these agriculturists, some grants might be provided for the ryots in order to encourage them to adopt new methods of agriculture and irrigation. Otherwise, these experiments will go on for ever, and the ryots would not gain any advantage, and it may not at all be to his advantage to adopt the methods that might be experimented or technically taught by these experts. Sir, on another occasion when I was to move a resolution, it was with reference to this question, Sir, that I was to draw the attention of this House in order to consider whether these experts would after all be of very much use. I don't say that no expert is of any use, but, as I remarked, a good number of these experts who are provided for in the budget is unnecessary, and there would be a great saving if this provision is effectively reduced. With regard to the removal of certain peons, it is of no consequence; because the salaries of highly-paid officials matter much. With the salary of a Collector of the district we could purchase 150 to 200 peons. That is not after all a great saving. No doubt the Hon'ble the Finance Member will say that he has practised some economy as far as possible; that is after all of no consequence. Then there are certain other items which I would bring to the notice of this House, especially these allowances. For instance in Annexure B annexed to this memorandum, a sum of Rs. 30,000 has been provided for in the amount of estimate for quarters for the District Forest Officer, Cuddapah, and the budget provision for this year in the budget is Rs. 10,000; and also Rs. 21,500 has been put down as the amount of estimate for quarters for the Assistant Commissioner, Vellore. For additions and improvements to the three Government Houses there is a budget provision of Rs. 1,25,000. Of course I am not an expert to say anything about this, but I consider that Government might be well advised to postpone these works. Then we have the improvements to the Madras University Club. Mr. Devadoss has already had his say upon this subject. The immediate execution of these works is not advisable. Under the present circumstances the Government may as well postpone these works. Then there are official residences for gazetted officers and also certain quarters for Collectors, etc. All these put together would cause an appreciable amount of saving that might be devoted to the development of agriculture and industry. Then there is also provision for acquisition of sites which was also referred to by other honourable members of the House. This House contains members who are business-like and who are practical politicians unlike some of the politicians who are foolhardy and hasty, and I would ask the Finance Member to take this House into his confidence. Of course we must thank him for what he has done. There are certain circumstances which are beyond his control, but still we say there are circumstances in his control under which he

could have better managed the budget. But with the greatest sympathy with him for the preparation of the budget, I must remark that the budget is gloomy and it holds out no hope not only for the year 1921-22, but also for one decade to come. Unless we are prepared to reject the proposal of fresh taxation and take up the pruning knife immediately, and unless we economise the situation to the utmost possible limit, there would be no contentment at all among the people of this Presidency. With these observations I would remark that in a way the budget is disappointing and the budget proposals are most gloomy."

Mr. O. Tanikachala Chettiyar :—" Sir, being the first budget of the Reformed Council framed in the fashion of the English Parliamentary system, it is but right that in the discussion that follows it, a brief reference should be made to the Parliamentary system. In accordance with the practice prevailing in England, His Excellency the Governor has, after the results of the general election became known, called the leader of the party which was returned at the polls in large numbers to form a Ministry. As a member of that party I owe a duty to His Excellency to tender my thanks to him for following the English practice and not submitting himself to the clamour and the interested advice of the party which hitherto enjoyed much power and influence but whose influence in the country was not much as evidenced by the results of the election.

"Coming to the budget itself, it is a budget of the Executive Government in charge of reserved subjects and of the Ministers in charge of transferred subjects. I take it that the budget represents a transitional stage of Government by bureaucracy to responsible Government. Generally budget figures are collected from October of the preceding year, and as the Ministry was constituted only on and after the 17th December, the hand of the bureaucracy is very much visible in it, because a great deal of what is contained in the budget was compiled before the Ministers came to office and in several respects the Ministry found itself committed to a policy of continuing what had been already done. In future, more freedom of action can be expected of the Ministry. This circumstance probably accounts for a good many features in the budget which are not acceptable to any party in the House. In the budget and in the memorandum of the Finance Member, I observe there are some fine paradoxes. Well, the Finance Member quotes with approval a newspaper writer that 'economy cannot begin and end at the reduction of a few clerks and pattewallahs. It must go right through the machine'. As to this, I can only say that the Government have already had special inquiries made regarding the methods available of improving the machinery and have already made several substantial economies. I have referred above to the reduction by 15 per cent in the strength of the constables and that a large number of peons have been reduced. Well, there is in the budget evidence of several fat appointments carrying large salaries and an army of high-paid officers being created. In support of that, or by way of illustration, I refer only to page 169 of the budget referring to co-operative societies. Whereas expenses on that establishment were extremely high during last year, they have become exceedingly higher in the year to come. Whereas what was budgeted for in the previous year was only Rs. 1,71,000, the actuals came to Rs. 2,84,000. In the current year or the year to come we find it budgeted for at Rs. 4,35,000. Is this going through the machinery in right earnest ? Whereas there was a highly-paid Registrar drawing a salary of Rs. 2,650, you have superimposed upon that department a Joint Registrar drawing a salary of Rs. 1,000. Whereas formerly there were only nine Assistant Registrars, now we have an army of 22 Assistant Registrars."

[The Hon'ble Mr. K. Venkata Reddi Nayudu] [9th March 1921

The Hon'ble Rai Bahadur K. VENKATA REDDI NAYUDU (*interrupting*):—"I have pointed out yesterday, Sir, that '9' was a mistake for '17'. It is the printer's devil and we are not responsible."

Mr. O. TANIKACHALA CHETTIYAR (*continuing*):—"I am aware of the remark made by the Honourable Minister yesterday and I shall deal with it presently. I will not only deal with it as it is at 9 but also on the basis of 17 as amended by him. In the place of 9 or 17 we have now 22 Assistant Registrars. Looking into the Administration report relating to the co-operative credit societies, which was circulated a few days ago, I find it stated that up to the 30th June 1920 there were 10 Assistant Registrars; so that it follows from what the Minister has stated yesterday that there were 17 Assistant Registrars, that between the 1st July and the 5th of March, when the budget was presented, 7 more officers were appointed and apparently it is the intention to appoint another five more Assistant Registrars. In the same report I find it stated that 39 gentlemen and also Mrs. Whitehead, C.B.E., have been appointed Honorary Assistant Registrars during the year. Including the four gentlemen appointed in the previous year there are 43 Assistant Registrars at the end of the year. When voluntary services have been offered in such large numbers, why is this co-operative registration society being treated as an asylum for a good many people who cannot find a place on fat salaries elsewhere? This report also is very interesting in this sense that where the names of the Assistant Registrars are given, we find that out of ten, eight are Brahman gentlemen, two only are non-Brahmans; and a further examination of their history shows that only one non-Brahman Mudaliyar has risen from the lowest rung of the ladder and the other gentleman is supposed to be a man of very great experience in the department and therefore is posted to Malabar. What about the other gentlemen? They are all Brahman gentlemen who are Tahsildars and Deputy Collectors and other officers who have been drafted into this department as a convenient place for drawing their salaries, travelling allowances, house allowances, duty allowances, and what not. Only I am afraid they do not draw the overseas allowance which some of the officers in the Educational department are drawing. That is the state of affairs. That is only with reference to the Assistant Registrars.

"Then we find as against 116 inspectors it is intended to raise that number to 317. Is this the way we go about retrenching? Is this the way we have gone about cutting right through the machinery? If one goes through the list, one also finds that one of these gentlemen, who has been appointed to the position of Joint Registrar, has been the recipient of many favours, that his appointment was one of the many orders passed in a great hurry by the bureaucracy in its last days in the fear that it would not be done by the responsible Government by which it was going to be succeeded. It was said by the Hon'ble the Minister that 9 was a misprint for 17. As I have pointed out already, 8 more appointments must have been made between the 1st of July and the 5th of March. Now 17 have been appointed and 5 more remain to be appointed.

"Then going away from that, we turn our attention to the Labour department. It is said that this department is for the amelioration of the labourers and the depressed classes who want land to live in free from the tyranny of their rapacious landlords. They want wells, foot-paths in fields, etc. What do they get? A lump sum of Rs. 1,50,000 for their requirements and an establishment costing more than Rs. 2,50,000 to see to the utilization of 1½ lakhs so allotted. Well, may the labourers and the depressed classes exclaim 'we asked for bread; Government have given us stone consisting of highly-paid officials.' About the Labour department itself, one hears some observations made from time to time

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'what are its functions? In what way is it calculated to benefit the labourers?' While in former days strikes and disagreements between labourers and employers ended shortly since the advent of the Labour Commissioner and his staff, strikes and lock-outs continued longer than before. Is this a mere accident, or related to each other as cause and effect?

"There are a few other features in this budget to which I wish to draw attention. Before I go to them, I shall say this. Resolution after resolution has been moved in the very first sitting of the Council commencing from the 14th February urging retrenchment in the services from Rs. 100 onwards, some suggesting retrenchment from Rs. 200 and upwards. In the face of these resolutions to budget for these armies of high-paid officials looks like a mockery.

"Then there is another subject to which I wish to draw the attention of the Council. It is to the charges incurred in the administration of justice. At page 79 I find that while in the revised estimate for 1920-21 the fees paid to the pleaders in civil cases were Rs. 47,000 as against the budget allotment of Rs. 45,000, the fees to pleaders in civil cases in the year to come are provided at Rs. 63,000. In respect of criminal cases where the revised estimates came to Rs. 2,02,600 it is now put at Rs. 2,78,000. Why is this increased provision for pleaders' fees to be paid for Government cases? Does Government expect more crime and therefore more necessity for lawyers to defend the criminals? Probably in these items is to be found the answer to the criticism which my friend Mr. R. Srinivasa Ayyangar from Cuddalore made yesterday with regard to the large C.I.D. establishments. Law-abiding people do not fear the C.I.D., but it is only those who probably feel that they are an inconvenient lot that dread the maintenance of such establishment. Against 144 district munsifs who were formerly paid Rs. 4,95,000 the allotment now is Rs. 8,71,000. There are various other items of temporary munsifs, additional district munsifs, about 40 in number, of course with a corresponding salary paid to them. I had on a former occasion to refer to certain statistics which appeared in the Civil List as on the 1st of July 1920. The result of that, all told, is that out of 200 appointments of district munsifs permanent, temporary and additional, 149 were held by Brahman gentlemen and 51 by non-Brahman gentlemen. The increased salary that is being paid to these judicial officers is being paid by the tax-payer or by the litigant public whichever you take as the paymaster. The proportion of the non-Brahman to the Brahman litigant is nearly 90 per cent or more. Is not the man who pays the piper entitled to call for the tune? I say when we pay so much more for these officers, why should not the selection be made from amongst my own brethren, the non-Brahman community. I ask what answer Government has to give to this demand? While between October and December 1915, 26 district munsifs were appointed, 24 were Brahmans and only 2 were non-Brahmans, whereas from the 1st October 1917 to 1st October 1919, 25 appointments of district munsifs were made of which 20 were Brahmans and 5 only were non-Brahmans. Are not the general tax-payers and their representatives here entitled to take all the safeguards? Does the Government propose to provide that men of our community should get a fair share of these appointments for which we pay?

"Why should the High Court again be a close preserve for only one community out of the several communities in India? Are not the general tax-payers and the litigant public who pay for the salaries of the Honourable the High Court Judges to the tune of Rs. 5,39,000 (page 75 of the budget), entitled to safeguard their interests through their elected representatives in this Council? How does

Government propose to safeguard the interests of non-Brahmans to secure a proper proportion of these appointments to non-Brahman community? They say there are two vacancies . . . . ."

The Hon'ble Sir LIONEL DAVIDSON (*interrupting*) :—"I ask if the discussion of the Brahman and non-Brahman question is relevant to the issues before the Council to-day. Surely those issues are in regard to the question of expenditure and I presume the expenditure would be the same whether the recipients of the salaries were Brahmans or non-Brahmans."

Mr. O. TANIKACHALA CHETTIYAR (*continuing*) :—"May I point out, Sir, that if the answer of Government is that no protection will be given to the non-Brahmans it is open to me at the time . . . ?"

The Hon'ble Sir LIONEL DAVIDSON (*interrupting*) :—"That is not the answer given by the Government."

Mr. O. TANIKACHALA CHETTIYAR (*continuing*) :—"Probably I shall ask for the elimination of two or three judges for which we have provided in the budget. In that way, Sir, the discussion is perfectly relevant. I ask again, Sir, is the principle of communal representation which the Public Service Commission have laid down as one of the guiding principles to be kept in view in filling judicial appointments to be observed or cast to the four winds, while the other recommendations they made for increased salaries of judicial officers have been very energetically given effect to as shown by the figures to which I have already referred. Is the Government going to say that amongst the non-Brahmans either in the service or in the Bar there are not competent men to fill up these vacancies? Can it not be said that this House consisting of a large number of non-Brahman representatives is a standing refutation of the fondly nurtured myth which was hitherto assiduously circulated that there are not competent men amongst non-Brahmans? So much for the judicial service.

"I now turn to education. Well, for want of funds large grants are not allotted for education generally, in the budget. But there is evidence of extreme partiality for a few institutions which Government keeps in its protective wings. There are only 132 girls receiving education in the Queen Mary's College and about 16 acres of land and a big bungalow were acquired some five or six years ago for nearly 78 or 80 thousand rupees, and several lakhs have already been spent in buildings and improvement. It is now sought to spend another 3 lakhs of rupees to acquire a neighbouring property consisting of 3 to 4 acres at a liberal estimate. I submit it would be a woeful waste of public money to spend such a large sum on this. So likewise is the sum of Rs. 32,000 sought to be spent on improvements to the University Club. These moneys may with advantage be utilized in building and opening several elementary and secondary schools throughout the city where several thousands of girls could be given education as against 132 in the Queen Mary's College.

"With these fat appointments created in this very budget, to ask His Excellency the Governor to preside over a committee to sit in retrenchment is to place His Excellency in a somewhat difficult and embarrassing position.

"My friends Mr. Krishnan Nayar, Mr. Ramalingam Chettiyar and other speakers, have already referred to various allowances that are being drawn. Only as I have said they have not drawn attention to the allowances for overseas which amount to as much as Rs. 3,000 per annum drawn by several officers in the Education Department, and if necessary I give reference to pages 121 and 123 of the budget.

9th March 1921] [Mr. O. Tanikachala Chettiyar]

"Another subject to which I wish to draw attention is that in the memorandum submitted by the Hon'ble the Finance Member there is indication that there is a desire on the part of the Government that the General Hospital should be removed to some other site if funds permit. In the budget there is provision for a sum of Rs. 2,10,000 as estimate against which it is intended to spend Rs. 20,000 for addition to the nurses' quarters in the General Hospital. I ask is this sound policy to abandon that building as being insanitary and undesirable to keep and to commit this House to an expenditure, if not in the current year, in the years to come to a sum of Rs. 2,10,000 and spend a sum of Rs. 20,000 in the year to come?

"In the speeches of some of the Honourable Members on the subject, in the benches opposite, of Ministers' salaries there was a sourness of temper, containing a reversal of all arguments which were urged by leaders of their parties, in their evidence before Mr. Montagu and Lord Chelmsford and before the Joint Parliamentary Committee when they asked that the salaries of the Ministers might, by statute, be made the same as those paid to the Executive Councillors. That sourness is probably born of expectations disappointed and of the happening of what they did not expect to happen but these are passing phases which the House need not take into serious consideration.

"Well, as a representative of the people who returned us in large numbers the duty devolves on the members of this Council to see that in every service not merely in the judicial but in all other services the members of the non-Brahman community are represented to the extent and proportion which they bear to the Brahman community and to this end we must press for reforms in the service.

"The difficulty in which the Finance Department finds itself is due to the wrong method applied in raising the salaries of higher services beginning from the top. Revision should have begun at the bottom where the need is urgent and want is great. The services are already over-organized. The result is that the services consume the greater part of the country's revenues leaving practically nothing for the Development departments.

"There is another matter to which I would like to refer before I resume my seat. It is in my capacity as councillor of the Corporation of Madras. While Government is proposing to raise 70 lakhs of rupees for its own purposes by way of loan, the Corporation has also a claim upon Government for such assistance to be rendered by Government, no doubt to be paid back by the Corporation. Under the development schemes to which the Corporation is committed by the decisions of the Government in respect of water-works and drainage, Government has committed itself or promised to bear one half of the expense and the contribution of Government for this year is 10 lakhs against a total expenditure of 20 lakhs, the other 10 lakhs being found by the Corporation itself. Government has also been during the last year inquiring of the Corporation how it intended to finance certain schemes for the immediate relief of the people without houses and how it is going to provide schools for the advancement of elementary education. The Corporation committed itself to an expenditure of 9 lakhs and 1 lakh respectively and it finds itself unable to find the money. With reference to the lighting scheme it went into the market and offered 6 per cent for a sum of 5 lakhs of rupees and what was the result? Not even a tender for a thousand rupees was offered. So that when the Corporation finds it difficult, it is the duty of the Government to assist the Corporation in raising for it such sums as it requires which, according to the figures I have given, amount to 25 lakhs, Government itself is bound to pay 10 lakhs. The loan may be raised at even 7 per cent so as to make the loan a success, the interest

being paid and the debt repaid by the Corporation in due time. With these suggestions I resume my seat."

Diwan Bahadur M. Ramachandra Rao Pantulu :—" Mr. President, Sir, the rules in regard to the discussion of the budget show that this stage of the financial discussion is intended for the discussion of general principles. I take it, Sir, that the words 'the general principles' embody the usual Parliamentary practice on the introduction of the financial statement in the House of Commons. I, therefore, confine myself strictly to the general features of the budget as presented to this House and will offer a few observations and perhaps a few suggestions as to what might be done to bring about an improvement of financial condition of the Province.

" The Hon'ble the Finance Member has characterised this budget as a 'carrying on' budget. The first budget, after the introduction of the constitutional reforms, has caused, as judged by the remarks which have been made from all sections of the House, great disappointment. I might at the outset assure the House and also the Hon'ble the Finance Member and the other members of the Government who are responsible for the budget and also for the future financial policy of their Government, that unless this reformed Council is able to secure rapid development in the departments which are committed to the Ministers, profound disappointment would be caused to the people of this Presidency. Great expectations have been formed that after the introduction of the reforms various improvements in the department of Industries and in the allied departments and in the department of Local Self-Government, will be brought about and that these departments which have been starved in the past would receive better treatment. But, Sir, there is no evidence of any advance, and it is admitted by the Finance Member that there is not much evidence of a new policy. How can this present position be improved? As has been pointed out by my friend Mr. Shanmukham Chettiyar, there is, I fear, an underlying suggestion of new taxation not in the present year but in the near future. I join with those honourable members who have already spoken on the subject that taxation cannot be thought of for some time, notwithstanding the readiness of my Honourable friend who is prepared for it. I must inform him and other honourable members that the people at any rate are not prepared for it. We have now a number of Acts which have been brought into force which certainly impose new taxation. In the first place we have the Village Panchayat Act. If this is to be a success, a certain amount of taxation in the near future in the villages is inevitable. Then we have the Local Boards Act and all those honourable members who are connected with these bodies know very well the difficulties of carrying out the provisions of the new Local Boards Act. The District Municipalities Act is already causing considerable anxiety to the municipal authorities. At the top of all these we are to have a new Education Act which certainly means some amount of new taxation for education. Sir, I ask you to consider, whether it is reasonable to expect the people to consent to any additional taxation, at any rate, for some time till all these new ventures in the department of Local Self-Government have settled down for work. Whatever that may be, Sir, I am certain, —and I am a believer in the reforms—that unless this new constitution that has been set up in the province justifies itself, unless it shows some progress in the department entrusted to Ministers, and unless some reasonable advance is shown, I am sure the Reform scheme will be a source not only of great disappointment but of great irritation all round. Therefore I would ask the Hon'ble the Finance Member and the House to consider whether the fundamental basis of this Reform scheme, viz., the financial system which has been given to us, is a sound one.

9th March 1921] [Mr. M. Ramachandra Rao Pantulu]

"I contend that Lord Meston's scheme has completely broken down. We have, so far as the Central Government is concerned, a deficit of 19 crores which is proposed to be made up by new taxation. Lord Meston's Committee thought that the deficit would be 9 crores. I need not go into the reasons that have caused this large deficit. But the fact remains that, so far as the Central Government is concerned, the expectations of Lord Meston's Committee have been entirely belied. As regards the provinces Honourable Members would have noticed that in Bengal there is a deficit of 2 crores, and in Bombay a deficit of 1 crore and though I have not been able to look into the financial statements of other provinces there is no doubt that the financial system of Lord Meston's Committee has belied all expectations. Our scale of expenditure has been considered by the Committee and there were witnesses before that Committee from Madras who suggested that this Government will not be able to digest this 348 lakhs which was fixed as contribution to the Central Government. Well, Sir, I am certain that the Hon'ble the Finance Member, if entrusted with this 348 lakhs, will make good use of these funds even this year. The other provincial governments are already taking steps to make their voices heard by both the Central Government and the Secretary of State. In Bengal, Sir William Wheeler announced in the Bengal Council that he is already in communication with the Secretary of State to secure a modification of Lord Meston's award. A definite proposal has been put forward that the jute duty of 2½ crores should be handed over to Bengal. In Bombay, similarly, the Bombay Council and the Bombay Government are fighting for a substantial portion of their income-tax. I believe an attempt is also being made in the United Provinces to reopen this question. With an intention of bringing this award as quickly as possible under discussion in this Council, I gave notice of a resolution which has unfortunately been disallowed. Sir, the best thing I consider under these circumstances is to give an opportunity to this House to re-examine the fundamental principles of Lord Meston's award and the Devolution rules which embody that award and to point out clearly that the financial resources which have been placed at our disposal are absolutely inadequate for purposes of the government of this province. This is the course that is being adopted in other provinces. I must also invite the attention of Honourable Members to the fact that resolutions have been tabled in the Legislative Assembly for this purpose. Therefore, Sir, I will suggest to the Hon'ble the Finance Member not to delay this matter as the other provinces have already been pressing their case. If by any sense of official etiquette this Government will not reopen the subject, I believe that the interests of this Presidency will again very seriously suffer as they have suffered in the past.

"Therefore the first suggestion I will make to the Hon'ble the Finance Member is to give an opportunity to this House to express their view with reference to the financial position created by Lord Meston's award; and to the combined Government, to take up this matter and to set on foot the necessary inquiries and to make the necessary representations. Perhaps, Sir, it may be that in the course of the next two years it may be possible for the Central Government, in view of the taxes which have been put up, to bring this question of financial contributions again under consideration. All that I submit for your consideration is that no time should be lost in undertaking this inquiry and to make the necessary representations. The Hon'ble the Finance Member stated in the memorandum which has been placed before us the incidence of the various classes of revenue which are raised in this province. It is perhaps his purpose to draw our attention to the rapid growth of our customs and to the rapid growth of income-tax in this Presidency. Sir, it is my belief that, so far as the Meston award is concerned, the

two sources of revenue which have been allotted to this Presidency, viz., land revenue and excise, are sources which are inelastic and which can never give us a growth of revenue so necessary to meet the rapid expansion of public expenditure in this province. As regards land revenue, Honourable Members would have noticed from the figures which the Hon'ble the Finance Member has furnished to us, that the growth in the last ten years has been about 10 per cent over the figures of 1910–11, the revenue in 1910–11 being 563 lakhs and odd as against 620 lakhs in the coming year. As regards excise, the growth is about 60 per cent. The excise revenue was about 300 lakhs in the year 1910–11 and it is 556 lakhs at the present day. In regard to other taxes mentioned in the memorandum, i.e., income-tax and customs, the growth in income-tax is about 130 per cent during the decennium and it was not possible for me to work out the figures for customs; but I am sure it will be more than 100 per cent. Therefore when Honourable Members stated that the Hon'ble the Finance Member was referring us to matters which had no bearing on provincial finance, I am afraid, they missed the point. Though he did not say so, I am certain that the idea at the back of his mind was that the inelastic resources have been marked out for this province and the really elastic resources where the growth of revenue is very rapid, have been reserved to the Central Government. I submit, Sir, that the whole basis of the Meston award is wrong and that we should press for a portion of the very growing revenues, viz., customs and income-tax, being allotted to us. If, as a matter of fact, the Hon'ble the Finance Member takes that view, I am certain that if a proper opportunity is given to this House, we are prepared to affirm that this award is unsatisfactory and that we should be allowed a portion of the growing revenues under customs and income-tax. Whatever that may be, I am certain, Sir, that so far as land revenue is concerned, there is no further scope for expansion. We are already the most heavily taxed province in India. We pay at the present time, according to the latest figures, Rs. 2–8–11 per head of population as against Rs. 1–5–7 in Bombay, Rs. 1–12–8 in the United Provinces, Rs. 1–15–3 in Oudh and Rs. 1–8–6 in the Punjab. As regards excise we occupy the same position. Therefore under the two heads of land revenue and excise, it will be evident to Honourable Members that there is not much scope for expansion. The fundamental basis of the scheme must be attacked. I am sure all the Honourable Members of this House will only be too ready to co-operate in this matter with the Government.

"Having said so much in regard to Lord Meston's award, I will now proceed to deal with a satisfactory feature of the budget; and that is the loan policy, which for the first time finds a place in the Financial Statement of this province. Sir, our development has been very much retarded in the past by our being very much dependent for our expansion such as water-works, works in relation to railways and for construction of buildings, upon current revenues. I am sincerely glad that this new policy of enabling our revenues to go as far as they can by a simultaneous system of loans, is the only sound policy which ought to have been adopted years ago. I am glad to say that in regard to the local boards and municipalities such a policy has been recently discussed by a committee which has been appointed by the Government, of which my Hon'ble friend Mr. Habib-ul-lah Sahib was the President. We went into the matter very thoroughly. I think this policy will be very satisfactory not only with reference to matters relating to local bodies but also in this larger sphere of the Provincial Government.

"I shall now say a few words in regard to the question of retrenchment. I am glad that the Hon'ble the Finance Member has foreshadowed a policy of retrenchment in certain directions and the matter has already been discussed

by all sides of the House, whether by persons sitting on this side or on that side it does not matter. So far as I can see, there are as yet no signs of any party system in this House based on political principles. There is no doubt that everybody in this House is anxiously looking forward to retrenchment in all directions. I entirely agree with the Hon'ble the Finance Member that retrenchment should be the keynote of the new administration. It should not be by a reduction of a few peons as stated by the Hon'ble the Finance Member, but the process should be carried on right through the machine. Very drastic reforms have to be undertaken in regard to our village administration, which, it is within the knowledge of every member of this House, is very meticulous. In regard to our services, I submit that a wrong step has been taken, however just it may be to the services themselves. The Hon'ble the Finance Member has stated that 24 lakhs of rupees has been budgeted for the services in the year previous. I suppose I am not wrong in thinking that this provision was made for the pay and the allowance due to the all-India services. That was the step that was first taken. This led to an agitation by all the Provincial services. One after another of these services was taken up for revision, and the result is that in 1920 the Educational Department was reorganized. The pay of the service has been fixed at Rs. 400 rising to Rs. 1,750. In the case of the Agricultural Department, the pay has been fixed at Rs. 500—50—1,750; Veterinary Department, Rs. 250 to 2,000; Police Department, Rs. 225—10—325. Then the pay of the Deputy Collectors was revised and ranges from Rs. 300 to 850; that of the Subordinate Judges and District Munsifs, from Rs. 300 to 850. There are also selection grades at Rs. 1,000 and Rs. 1,200. I will not weary the House with statistics. All that I submit is that all this process was gone through during the course of six months or rather nine months of the current year."

The Hon'ble Mr. C. G. Todhunter:—"Though orders were issued last year, the process has been going on for the last three years."

Diwan Bahadur M. Ramachandra Rao Pantulu:—"At any rate, orders were given effect to during the last nine months; that is my point. What is the effect of all these? The subordinate services have now come on the scene and are asking for an increase of salaries which is impossible to meet. So far as the all-India services are concerned, Honourable Members are aware that under the Devolution Rules they have been placed absolutely beyond the control of this House. The result is that a sum of 557 lakhs of rupees of this budget cannot be voted upon. We cannot suggest any economies in the reduction of these services. I contend that it is open to us to abolish offices, for example those of the Labour Commissioner and the Publicity Bureau Officer. But so far as the pay is concerned, we cannot raise our voice against the sanctioned scales.

"I will now say a few words with regard to allowances about which considerable discussion has already taken place. These allowances are: acting allowance, personal allowance, special allowance, charge allowance, deputation allowance, travelling allowance, presidency allowance, car allowance and there are also other allowances of a similar character. All these allowances come to several lakhs of rupees and for this I have the high authority of Sir Abdur Rahim who was a member of the Royal Commission on Public Services. He said that 'the amounts ordinarily range from one hundred to three hundred rupees and that the acting allowances, however, might amount to more than the pay of the officers and sometimes over eight hundred rupees a month.' Those allowances did not enter into the calculations in fixing the salaries and were not generally mentioned in the

terms on which those officers were recruited. Therefore I contend that it is within the competence of this Council to examine these allowances and say which of them are necessary and which of them might be usefully curtailed. I had to deal with this question in connexion with the Salaries Committee of which I was a member. We made a recommendation that the allowances of the subordinate services should be examined and such of them as are not necessary should be taken away.

"Sir, there is another matter to which I should like to refer and that is the question of new appointments. I believe it is the Hon'ble Mr. Devadoss that suggested to-day that if it is necessary to give European training for the recruitment of the Agricultural Service, young men may be sent for training. I cannot imagine a more reasonable proposal and I trust sincerely that the Minister for Development would accept that proposal. It will save us the super-annuation allowances. It will keep the gentlemen concerned in the country and make their services available to us after their retirement. I believe this will work for economy. I therefore submit that all new appointments should come under reconsideration. Recruitment for new appointments for two or three years may also be stopped. Wherever opportunities are available, Provincial officers should be employed and wherever it is necessary to secure men with European qualifications, let us begin by sending young men for training to England or the United Kingdom or America and get them trained. Unless some such system is adopted, I do not see any chance of economy. May I know, Sir, if I have exhausted my time?"

The Hon'ble the PRESIDENT:—"It looks like it. But the Honourable Member may wind up his speech."

The Hon'ble Mr. C. G. TODHUNTER:—"I hope we shall not be deprived of any suggestions that the Honourable Member may have to make."

The Hon'ble the PRESIDENT:—"I am sure the Honourable Member will be content to take a little more time and finish his speech."

Diwan Bahadur M. RAMACHANDRA RAO PANTULU:—"There are two courses open to the Finance Member. Now that the new Department of Finance has been organized it will be a good step if a Standing Committee of Finance is attached to that department to examine all new proposals made by heads of departments and to find out which of their proposals are necessary and which can be rejected. I think, if I can judge from the tone of the House, it is certainly one of retrenchment in financial matters. That being so I think the Hon'ble the Finance Member will be doing the right thing if in addition to a Public Accounts Committee which it is necessary to appoint under the statutory rules another committee to examine all proposals made by heads of departments is also set up. There is such a committee appointed in the Central Government quite recently in addition to the Public Works Committee.

"My Hon'ble friend Mr. Patro referred to the costing accounts. I might perhaps invite the attention of the Honourable Members to the fact that the Hon'ble Mr. Hailey announced very recently that they are employing the services of Accountants from England to give the Government a new set of costing accounts for the new departments. I hope the Hon'ble the Finance Member will take the opportunity of having a set of costing accounts for the services in the Province. Some such recommendation has been made in the report of the Financial Relations Committee at the suggestion of my friend Mr. Richards. I trust the same will be extended to the Provincial Government also.

9th March 1921] [Mr. M. Ramachandra Rao Pantulu]

"Now, Sir, I wish to say a very few words in regard to the departments which are under the control of the Honourable the Ministers. I sympathize with them. But at the same time I should think that under the Devolution rules they are equally entitled to press for the claims of their departments on the Finance Member. The proposals in the budget have been put forward by both the halves of the Government with the connivance, with the sanction and with the authority of the Ministers. Therefore critics of the budget should not lose sight of this fundamental fact forming the basic principle of the reforms. On the question of general policy, Sir, I should think that so far as I can see the Honourable the Ministers have not secured any advance in any direction. I regret I have to say this. In the Department of Education it has been pointed out that continuity of policy in regard to the allotment of various heads has not been secured. First there is the question of pay of elementary school-teachers for which there is an urgent necessity.

"The Rev. E. M. Macphail has already dealt with the question of 'aided institutions'. Without extending secondary education, I consider it is impossible to secure any development in elementary education. This is fundamental and before we attempt the expansion of elementary education on any large scale, it is absolutely necessary to secure the expansion of secondary education, and I say this on the authority of Mr. Fisher, the Education Member of the United Kingdom. I also wish to point out that the new district educational councils for which provision has been made in the budget are likely to prove very expensive institutions. A sum of Rs. 6 lakhs has been budgeted for and the Hon'ble Mr. Grieve told me that 1 lakh and 30,000 rupees has been provided on account of the establishment charges of these new councils. I radically differ from the principles of the new Education Act, but this is not the time to dilate on this matter. But I wish to impress upon this Council that these 26 new educational councils with their establishments, secretaries, and their peons, and the allowances of members who travel for the purpose of attending meetings would be very costly and this aspect of the question will have to be considered. It is also necessary to have a clear statement from the Hon'ble the Education Member as to the future policy of elementary education.

"In regard to the Ministry of Local Self-Government, I regret to say that though considerable trouble has been taken over the report of the Financial Relations Committee, nothing tangible has been done so far. I had great hopes that at least a portion of those recommendations would be adopted in the budget On the other hand expenditure on public health is at a standstill, and this fact is admitted by the Hon'ble the Finance Member. There is no good of constituting a Public Health Board or a Road Board without the necessary financial backing."

The Hon'ble Mr. C. G. Todhunter :—"What I said was that the grants would be in arrear instead of in advance."

Diwan Bahadur M. Ramachandra Rao Pantulu :—"Whatever it is, there is no advance in expenditure. I suppose it is correct."

The Hon'ble Mr. C. G. Todhunter :—"Hitherto the provision made in the budget has been for grants given before the works are executed, but hereafter the grants will be provided in arrear."

Diwan Bahadur M. Ramachandra Rao Pantutu :—"The Hon'ble the Finance Member has raised a very important question. It is expected that all these local boards should find funds for the public health expenditure during the

course of the year and try to recoup it after the financial year is over. The question is, where are they to get the funds from? Are they to borrow or are they to raise them from their cesses? We have not any Provincial balances to fall back upon."

The Hon'ble Mr. C. G. Todhunter :—"The Financial Relations Committee suggested that provision should be made for advances."

Diwan Bahadur M. Ramachandra Rao Pantulu :—"There is no provision in the budget for sums to be so advanced. I trust the Hon'ble the Finance Member would now see my point that some provision must be made for advances to local bodies."

The Hon'ble Mr. P. Ramarayaningar :—"I believe there is provision."

Diwan Bahadur M. Ramachandra Rao Pantulu :—"Will the Honourable Member be pleased to point it out?"

The Hon'ble Mr. P. Ramarayaningar :—"The Government propose to resume unspent grants on buildings for local bodies and when these grants are resumed, Local Self-Government will be made the first charge whenever it is thought fit to do so."

Diwan Bahadur M. Ramachandra Rao Pantulu :—"I understood the orders in quite a different way. I understood that all these resumed grants are going to the local loan fund. I plead for the present that some provision for advances ought to be made in the budget.

"Before I deal with the Ministry of Development, I have one or two words to say regarding the water-supply and drainage schemes which are ready for execution. Reference has been made to this matter in the report of the Financial Relations Committee and it was suggested that a provision of 15 lakhs per annum should be made for this purpose. But there is no such provision.

"In regard to the Ministry of Development, I must inform my honourable friend that the practice of appointing a district staff before the district organization is in existence has led to the fact that four or five Assistant Directors have been appointed this year, and large sums of money have been provided for for their pay, local allowances, duty allowances, travelling allowances, and other allowances. I should like to know what the immediate return will be for the expenditure. Is it right to appoint these highly paid officers before we are ready in the district for their work?

"Sir, I have finished my remarks upon the budget. I have only a word or two to add regarding an important local grievance, and that is the drainage of deltas. Honourable Members who have been in this Council know all about it for several years and I may say this will continue to be pressed again in this Council. Many honourable members seem to be under the impression that the Gōdāvari and Kistna delta systems have been constructed for revenues. I suppose they have got an impression that a lot of public money is being spent on the deltas and that the people of those delta districts are benefited at the expense of the general tax-payer. Every one of these improvements has been made under the head Capital and all that we have been asking for is that the Government may borrow more money and let us have our improvements. I propose this not only in the interests of the Gōdāvari and Kistna deltas but for every other delta as well. Tanjore has suffered a good deal in the past along with Gōdāvari and Kistna. Therefore I suggest to my honourable friend to develop his loan policy boldly and

make it a point to borrow more funds from the Government of India, for being utilized for drainage schemes and irrigation works and also for effecting other improvements."

The Council then adjourned at 2-12 p.m. for lunch, to meet again at 3 p.m.

Mr. P. Siva Rao :—" Sir, before I go to the budget proper I wish to draw the attention of the Hon'ble the Finance Member to the form in which the budget has been presented in this House. I wish he had been here because in his memorandum he invited our suggestions regarding the way in which it has been done and regarding the way in which it should have been prepared according to our views. The members of this House even old as we are felt considerable difficulty in going through the budget figures. The budget is nothing but a series of figures. It has not got any explanatory remarks as we used to have before. We very much miss the explanatory memorandum which used to be presented along with the budget in former times. For instance, I see on the receipts side there is a rise of Rs. 31 to 35 lakhs under the head of Land Revenue. When I saw it first, I wanted to know the reason for this rise, whether it is due to the introduction of the resettlement rates in the coming year or fasli or due to any other reason. With that explanatory remark hitherto called the Chief Secretary's explanatory memorandum, we would be enabled to know what this rise is due to. If the budget is meant to give a full and frank information to the Honourable Members of the House regarding the receipt items or the items of expenditure, I must say at once the budget has failed in that object. I must say that even with regard to Excise, there is a rise of about ten or twelve lakhs provided for in the budget. There is absolutely no explanation as to why this rise has been provided for. We very much wish that the old system be revived, that an explanatory note or memorandum should be tacked on to the budget explaining any serious rise or fall in the amounts either on the revenue side or on the expenditure side as well.

" With these remarks I pass on to the most burning subject and that is the improvement or revision of the pay and the emoluments of the non-gazetted officers. Honourable Members are aware that the other day this House appointed a committee from among its members to consider this matter and to submit an interim report as early as possible. Now the committee has submitted its interim report and the Honourable Members have got the recommendations before them. One of the recommendations is that the initial salary of the clerk in the mufassal should be not less than Rs. 35 and of a clerk in the city of Madras should be not less than Rs. 40. That is the report of the majority. I see no attempt whatever has been made in the present budget to make provision for the increase which has been recommended by the committee of this House. It involves only an excess provision of Rs. 3½ lakhs but even that has to be provided for in the budget. It also proposed a pay of Rs. 15 to 20 for all village officers whether they are karnams or village headmen and the controversy whether the village headmen should be regarded as honorary officer or as a salaried one has been settled in a satisfactory manner I think by this committee. They say that some distinction should be drawn between village headmen who choose to receive only honorarium, who choose to do honorary work and who like to continue in the hereditary manner, and those who like to receive fixed salary from the Government. In the case of those who elect to take fixed salary from the Government they propose as in the case of karnams that they should receive a pay of Rs. 15 to 20 per mensem. There is absolutely no provision made in the budget, not even a suggestion of a lump provision, towards meeting or carrying out the recommendations of the committee of this House. I am aware, Sir, that the final report of the committee

is not yet forthcoming but it is sufficient for me to state that the interim report had already been published and the Hon'ble the Finance Member has to take note of that fact and has to make a lump provision towards meeting that expenditure and now, Sir, having made these remarks on the non-gazetted services I quite agree with the following finding of the committee, viz.—

'The committee is of the decided opinion that revision of the pay and prospects of the services should have begun at the bottom. The committee is generally of opinion that the reorganization of the pay and prospects of the higher services needs further scrutiny, with a view to retrenchment.'

"Now, Sir, the Hon'ble the Finance Member has explained it away by saying that the Public Services Commission was appointed long ago, that their findings had nothing to do with rise in prices, that it was a commission appointed several years ago although it gave the report later and that for some reason or other their recommendations could not be carried into effect. If the Hon'ble the Finance Member goes into the matter a little more closely, especially, if he reads the report of the Public Services Commission a little more carefully, I am sure he will find that the recommendations were based on rise in prices. They have quoted very extensively copious extracts from that well-known work of Datta on Prices."

The Hon'ble Mr. C. G. TODHUNTER:—"May I know, Sir, to what period the Honourable Member is referring? The Public Services Commission reported long before the recent rise in prices. What particular rise in prices was taken into account by the Public Services Commission is not clear from the Honourable Member's speech."

Mr. P. SIVA RAO:—"Whatever that may be, their recommendations were based upon the rise in prices as was reported by Datta in his book on 'Rise in prices.' I saw copious extracts from that book in the Commission's report. As I said, I need not pursue the matter now. It is very unfortunate that the revision of these subordinate officers had to be taken up and the Hon'ble the Finance Member has to come out with a reply if he can spare anything substantial for that purpose.

"I pass on to the condition of the local bodies. I am afraid that local bodies have been hit very hard in this budget. I very much doubt, Sir, whether the Honourable the Minister for Local Self-Government had sufficiently stood by the local bodies and had asserted vigorously the claims of his own department. I may say, Sir, that we for long years past have been agitating and asking for the appointment of a committee to enter into the relations of local and provincial finances and we thought that the Financial Relations Committee which was recently appointed would give some relief to the local bodies and from time to time when we asked for some such relief the Honourable Member—the then Finance Member—gave out that the whole matter of the relations of provincial and local finances would be considered by a committee. We were asked to wait till the relations of the provincial and central finances had been settled. Now they have been settled and we have got the reforms and an independent budget. The system of divided heads has now ceased. We fondly look to the remarks made by the Committee. What do we find here? Has there been any attempt to carry out the recommendations of the Committee of the Financial Relations? I am aware the Hon'ble the Finance Member has told us that in one respect at least he has carried out the recommendations of the Committee, that one respect being that hereafter any grant from the Government should take the form of the payment for

services, and that that recommendation has been carried out. But there are numerous other recommendations contained in the report of the committee. No attempt has, however, been made in the present budget to carry them out. For instance, I may say they proposed that local bodies should be permitted by legislation to levy some sort of surcharge on the Abkari revenue. But that matter can only be settled by way of legislation. But they say pending such legislation the local bodies, such of them as were in need of help, should be given one anna share in the Abkāri revenue arising within that area. Now I do not see that recommendation has been carried into effect, because I see under the head of Excise revenue the amount budgeted for is about 5½ crores and if this recommendation is carried into effect it would mean that about 30 lakhs or so has to be set apart for the purpose of Local Self-Government; and even now I appeal strongly to the Finance Member whether he has or has not made up his mind to assign away a portion of this revenue in favour of the local bodies. If he says he could assign away, let it be done and let about 30 lakhs be assigned from the sum budgeted for under the head 'Excise revenue'. The Committee also proposed that the local bodies should hereafter be relieved of the burden of maintaining secondary schools. With regard to secondary schools, so far as I can remember, their recommendation was that Government should bear three-fourths and the local bodies one-fourth. I would ask again whether that recommendation of theirs has been considered by the Government and whether they intend to give effect to the recommendation and if they want to give effect to it—I do not see so far any provision has been made in the budget to carry it out—they ought to increase the expenditure under the head of secondary education. Now I want to draw the attention of the Honourable Members to other recommendations of theirs, namely, those in respect of veterinary institutions. In the case of veterinary institutions they say that most of the expenditure should be borne by the Government and the local bodies should share the rest of it under the previous state of things. Hereafter they say that local bodies should be relieved of the charge and the Government should take for themselves the burden. In the case of headquarter hospitals, I thank the Honourable the Finance Member who has chosen to accept the unanimous recommendation of this House and I hope they are now relieved of all burden of maintaining district headquarter hospitals. In the case of other dispensaries and medical institutions, it was the recommendation of the Financial Relations Committee—the Committee which was presided over by the Hon'ble Khan Bahadur Muhammad Habib-ul-lah Sahib who is now a member of the Executive Council—it was their unanimous finding that in the case of other services—veterinary I have already stated—they need not make any payment in advance, and the grant should take the form of payment for certain services. I need not take the time of the House any longer by referring to the recommendations in detail, but it is sufficient for me to say that throughout the budget no attempt whatever has been made towards carrying out their recommendations.

"In the case of the trunk roads, they recommended that the roads should be divided into three classes, viz., first, second and third, i.e., trunk main roads, district roads and so forth. In the case of the trunk roads they said the Government ought to bear the whole burden of maintaining them. In the case of the second-class roads, they recommended that the Government should find half the money and the local bodies should meet the remaining one-half, and in this connexion I may point out that the Imperial grant of 17 lakhs which the local bodies used to get in aid of their general resources has been unfortunately diverted for the purpose of roads by the same Committee and that Government seem to have accepted

its recommendation in this matter. Under the present arrangement the local boards were getting this grant on the one-fourth basis according to the land cess they raised in their locality, and most unfortunately I here differ from the conclusions of the Committee on Financial Relations. We used to have it in aid of our resources. Now what is the upshot of their recommendations as accepted by the Government? It means that the 17 lakhs will not be available for the help of the general resources of these local bodies hereafter and those 17 lakhs will be given hereafter only for the road purposes, for the maintenance of second-class roads and even that on condition that local boards should find half of the remaining money. It means that this is a most prejudicial step that has been taken by the Financial Relations Committee and the Government have deemed it fit to accept it.

"Now, coming to the position of the local bodies under the present budget, the Honourable the Finance Member has told us that he has directed the resumption of about 52 lakhs of unspent balances remaining with the local boards whatever the reason may be, whether they had. . ."

The Hon'ble Mr. C. G. TODHUNTER (*interrupting*):—"May I ask, Sir, wherefrom the honourable member gets the figure of 52 lakhs which he has quoted?"

Mr. P. SIVA RAO:—"Probably I am making a mistake as to the figures. But it was once given out that 52 lakhs had been lying idle. I do not mention the figure. They state, they have directed that all provincial balances remaining with the local bodies should be refunded and . . ."

The Hon'ble Mr. C. G. TODHUNTER (*interrupting*):—"Sir, may I rise to correct the honourable member? The balances that are being resumed are balances in respect of which no commitments have yet been made".

Mr. P. SIVA RAO (*continuing*):—"If I am allowed, Sir, I shall read the memorandum. On this matter it is quite correct to say that they directed such balances in respect of which no commitments have yet been made. In other words it means in respect of which amount no progressive works have been started. And now what does it mean? Why should this balance be resumed? And then we are told by way of consolation that they will be credited towards Local Self-Government, and that the Ministry of Local Self-Government shall have priority over these and distribute them in any manner they wished. Now I strongly protest against this resumption of the balance, and I do not know under the stress of circumstances what the Government may do with this balance. When once they legislate, when once it stands to the credit of the Government and when there arises any necessity for utilising the amount, I believe they would not stand in the way. And then it is also proposed that the Government should organise a local loan fund. Some recommendations which were most convenient have been adopted and have been given instantaneous effect while some other recommendations like this they decline to consider."

"I may say that the way in which the Local Self-Government has been started is unsatisfactory. There has been a very low provision under the head of minor sanitary grants. Probably they are following the recommendations of the Financial Relations Committee in that respect. Still we are consoled by the Honourable the Finance Member that it does not mean that the local bodies should not undertake such ventures in organising minor sanitary improvements. It only means that they cannot get the money in advance, and after the completion of the work, if the work is approved by the Government, they will get it. As the

Hon'ble Mr. Ramachandra Rao has said, will any local body undertake any minor sanitary improvement under these circumstances? Where can they get the money? If they lay their hands upon provincial funds they will be called to order and they will be threatened with resumption of these. They cannot borrow in the open market; and how can they meet this extra expenditure in the meantime? It only means, Sir, to my mind, that the local bodies hereafter cannot initiate or organise anything like minor sanitary improvements.

"And then there is the Town Planning Act which was only passed the other day and for this money will be necessary and all that we find under the heading of public health is an allotment of about twelve lakhs; and even out of these twelve lakhs an allotment of eleven lakhs should be devoted towards drainage schemes for the city of Madras and for the mufassal. I have a great mind to ask the Finance Member how much of this amount will be available for the local bodies. Of these eleven lakhs, I think the city of Madras will claim a lion's share and the amount that we can possibly have out of this sum will be only a few lakhs for the whole Presidency. Now, Sir, I protest very strongly against the unfair way in which the local bodies have been treated. They do not get any advantage; their resources are not improved. I may say to the Honourable the Finance Member that every budget which the local bodies are now framing ends in a deficit. If the provincial budget ends with a deficit of thirty lakhs, our poor budgets have been landing themselves in deficits of ten to fifteen thousands, notwithstanding the increase of taxation which they sometimes resolve upon. Now, Sir, what is the reason for the extra expenditure? It is not very hard to find. The local bodies have to pay increased salaries to their own establishments and their salary's bill has grown enormously. It has risen by fifteen thousand on the whole and now not merely with the repairs to roads, wages have gone high and it is very difficult for them to make both ends meet nor even to conform to the normal standards of administration. In the present state of things, the Honourable the Finance Member winds up his memorandum with a pious hope. He seriously raises the question whether they have launched themselves in deficit. He comes to provincial finances. He takes these milchcows as they are known, land revenue and excise. He says we have reached the limit of perfect recovery in excise. It is not elastic enough to bear any more increase. And coming to land revenue he seems to be very jealous of the ryots' lot. In one paragraph he says to that effect. It has excited his attention and I fear that the ryot will be the victim of next taxation if the Honourable Member has got the chance of preparing a new budget. But I won't traverse this ground at any length. He seems to think that in the case of provincial finances there is no margin for any taxation. In the case of local bodies he looks to them to inaugurate the schemes which have been ushered into this country, to take the initiative and to bring the reforms to a success. He suggests that in the western countries, especially in the United Kingdom, the local rates have risen very high and thus do not compare favourably and are out of all proportion to those here. He seems to suggest that if any taxation proposals are to be made, they ought to be made by the local body and not by the Provincial Government. In other words he leaves the whole attempt of fresh taxation proposals to the local bodies."

The Hon'ble Mr. C. G. Todhunter (*interrupting*) :—"Sir, may I rise to make a personal explanation? What I said was that they might use the powers of taxation already existing without resorting to fresh ones."

Mr. P. Siva Rao (*continuing*) :—"I will leave my friend Mr. Krishna Rao to take up the challenge. I will only refer the Honourable the Finance Membe

to the memorable discussion started by the late lamented Mr. Gokhale in the Imperial Legislative Council as to the resources of these bodies. I confidently put it to the Council that there is absolutely no margin for local taxation."

The Hon'ble the PRESIDENT:—"Of course, the honourable member is aware that he is nearly five minutes beyond his time. I would beg of him to wind up."

Mr. P. SIVA RAO (*continuing*):—"I think, Sir, I have reached a stage at which I can conveniently wind up. On behalf of these local bodies I plead very hard. There are a number of other grounds which I cannot cover within this short time. But I must say that these local bodies feel strongly that something must be done to ameliorate their condition. At any rate, the Honourable the Finance Member will do well to accept the resolution of ours which we shall bring shortly before this Council."

Dr. GILBERT SLATER:—"We have now to face a situation of expanding need of the Government services combined with a somewhat unexpandable revenue, and that is a situation which naturally gives a good deal of difficulty. I think the Finance Member has been very successful in meeting the situation so far as the new year is concerned. But looking into the future we note the fact that our greatest source of revenue, namely the land revenue, is ceasing to expand. Our next great source of revenue, excise, is threatened by a movement that aims at cutting it off altogether, by stopping the consumption of alcoholic drinks. In these circumstances I think it is only natural for Members to attack those spending departments which are crying for the largest proportional increases in their allotments. But I think this is a mistaken line of policy. It is those spending departments that are most useful and necessary which ask for increased allotments and convince the Finance Department that their demands should be granted. Special attacks have been made on the increased expenditure in the case of the co-operative department and the department of agriculture. My own feeling with regard to the co-operative department is that it would be an excellent investment for the people of this Presidency to spend much more money upon this department. It is true that the proportion of increased expenditure asked for in the coming budget is very large. But we have to recognize also that the expansion of work is very large. It is not merely an expansion of the quantity of work due to a very rapid increase in the number of societies, but also the fact that new problems are being faced, and that co-operative purchase and sale on new lines is being fostered, and various other new developments of co-operative enterprise of very great potential value are now proceeding. I think the same argument applies very much in the case of agriculture. I really think that we should have a non-official committee which would seriously go into the history of the agricultural department and try to give us a financial estimate as to what the department costs and the profit it brings to the whole country. By its work on Cambodia and Karungani cottons, single transplantation of paddy, green manures and fish guano, various plant diseases, and its numerous other achievements, I believe that for every anna of capital outlay on the agricultural department we get something like a rupee in the annual income accruing to the people of the Presidency. To stint the annas so spent is a very great mistake. For example, reference has been made to the proposed appointment of an agrostologist. The very name is enough to frighten people. The business of the man proposed to be appointed, I understand, is to study grasses and the improvement of pastures. Now considering the very low amount of milk which is produced per cow, considering the very high price of ghee and buttermilk, and the very serious difficulty to which people

of this Presidency are exposed in consequence of the scarcity of milk, if we can get a man to improve the pastures of this Presidency his salary will be a very profitable investment. Such work must begin with experiment, and experiment must go on for years and later people must be taught what has been learnt by experiment. If we are satisfied that *on the whole* we are getting good value for the money we spend, in a department like this, the details should be left to the technical experts whom we employ.

"Therefore, putting it generally, I do not think that the remedy for our financial difficulties lies in any way in starving those spending departments of Government which are expanding most rapidly. It would be better instead to scrutinize the older departments with a view to making savings in them. In these it may be possible with better organization to put our clerks in a much better position and yet do the work more economically. There is still considerable room for more labour-saving appliances such as typewriters and ability to write shorthand in Government offices. I doubt whether sufficient facilities are given and sufficient inducements offered to young clerks to improve their qualifications and increase their efficiency. These things have been referred to a special committee and I hope that it will give its close attention to them.

"But on the whole, I think we have to look more upon the revenue side than upon the expenditure side of the budget for improving the position. On the revenue side there is of course facing us that unjust and enormous contribution to the Government of India. We must never lose sight of the fact that we have to pay 348 lakhs to the Government of India when Bombay only pays 56 lakhs and Bengal, which is more populous and far wealthier than Madras, has to pay only 63 lakhs. We have to pay close upon almost three times as much as Bombay and Bengal put together. The Meston Committee had recognized this injustice and arranged for it to be remedied by degrees, but its report has been modified to the great prejudice of Madras. But now the situation has become a little more cheerful within the last few days; because the Government of India has shown a disposition to meet its financial difficulties by increased taxation. While that gives us no immediate resources yet I think it is probable that this increased taxation will continue to yield increased income after the exceptional expenditure on exchange and military service of the Government of India to meet which it has been imposed has diminished, so that the Government of India can meet its expenditure out of its own revenues, and provincial contributions will cease. The question arises then whether it would not be possible to take common action with other provinces which have also been similarly unjustly treated, like the United Provinces and the Punjab, and make joint representations in order that we may keep before the Government of India the aim of dispensing with provincial contributions. That would help us to the extent of 348 lakhs. But beyond that I think, we ought to face the possibility of increased taxation. I would make the suggestion that the question should be carefully gone into whether it would be practicable to levy an excise duty on tobacco. I would also suggest provincial income-tax. This is not possible without legislation, but if there were a general desire on the part of the provinces to have an alteration of the law in this respect, it can be done. We might levy so many annas in the rupee of the Imperial income tax, but the tax should be levied on all incomes above a certain figure, say ten thousand rupees, whether the income be drawn from land or other sources The present rule of exemption of income from land is justifiable only up to a certain amount. In this connexion I should like to point out that the highest income tax on the largest incomes levied in India comes to only four annas in the

rupee whereas the income tax of people of large incomes in England is somewhere about nine or ten annas in the rupee, considerably more than 50 per cent. If a man has a very large income he ought to bear the highest amount of taxes. For he only gets the income as a result of the organised state of society maintained by Government. If we have no taxation, no Government can be maintained, and no large incomes can exist. We ought to get rid of the old cry that India is over-taxed. We ought to consider whether we cannot add to the taxation in such a way as to add very much more to the income of the people."

Mr. M. C. RAJA :—"Mr. President, Sir, I have a few suggestions to make. I find that a sum of twelve lakhs is set apart for advances to agriculturists. I suppose this will benefit those who have lands to cultivate but have no means to put in enough capital upon the land. May I now press the claims of the members of the depressed classes to whom darkhast lands have been given by the benign Government and who too do not possess the means for cultivating those lands. I suggest that a sum of about two lakhs be ear-marked in that direction. What happens is that when my people get these lands assigned to them they are not able to make the necessary investment for the cultivation and improvement of the land and they are driven to the necessity of mortgaging, if not altogether parting with, the lands given by the sympathetic Government. It is to prevent this, Sir, that I make this request. Then I observe that there is a provision of five lakhs for the city and suburban improvements trusts. I would urge that a portion of this amount be expended on acquiring lands for settling the depressed classes in healthy surroundings. We all know that in Madras there is a regular movement on the part of the landlords belonging to the higher castes to evict the poor tenants in the different cheris of Madras. Relief is badly needed for the depressed classes by way of being provided with lands acquired by the Government on their behalf. This, Sir, I think will go a long way to improve the city and suburbs and should be regarded as an essential part of the scheme of the city improvement trust.

"Coming now to education, the sympathy of the Madras Government towards my community is exhibited in the budget by a provision of one lakh for opening schools for the depressed classes. Sir, whereas I see—Honourable Members of this Council will not misunderstand me if I say that—the establishment charges for the year including salaries, allowances, contingencies, etc., for the Queen Mary's College, Madras, is about Rs. 66,400. And there are only about 132 women studying in the Queen Mary's College. Whereas the population of the depressed classes amounts to nearly eight millions. Last year the Government of Madras set apart two lakhs under this head for opening elementary schools for depressed classes. I do not know how much out of the two lakhs was spent actually for opening schools. This year the sympathy of the Government seems to have gone down a bit and now they have only set apart one lakh."

The Hon'ble Mr. K. SRINIVASA AYYANGAR (*interrupting*) :—"The one lakh of rupees is for additional schools to be opened this year."

Mr. M. C. RAJA (*continuing*) :—"Even last year the sum of two lakhs was allotted for the additional schools to be opened. Now, this provision of one lakh is most inadequate. It ought to be increased. The allotment of six lakhs for the expansion of elementary education and for improving the cause of district educational councils is I think unnecessary. Out of this, three lakhs should be set apart for opening schools for the depressed classes under the Madras Elementary Education Act. Again, Sir, I would press the Government to institute more scholarships for pupils of the depressed classes.

9th March 1921] [Mr. M. C. Raja]

"Sir, in the report on Public Instruction in the Madras Presidency for the year 1919-20, under Education of Muhammadans (page 11), I find the number of public institutions chiefly intended for Muhammadans rose from 1,815 to 1,983 and under Education of Panchamas I find the number of public institutions rose from 5,958 to 6,438. Sir, now we all know that there is a special Inspecting Agency to look after the Muhammadan schools and I say it is very necessary. Seeing that the number of schools for the Panchamas is 6,438, I also wish that a special Inspecting Agency be established to look after this enormous number of schools. Sir, we are going to open a number of schools this year also. I say that under Special Education is included the Reformatory School at Chingleput. This institution earned a well-deserved reputation for its fulfilling its function admirably when it was in charge of Mr. J. W. Coombes who was an educational officer. He was like an elder brother to the boys committed to his care and he brought them up on the latest principles of therapeutic psychology. Now that he is retired, an Assistant Surgeon is put in charge and the result is that the spirit of the jail predominated over that of the school and the home. Government should see to it that the school is placed as speedily as possible under the management of an educational officer who knows how to use moral rather than physical force to wean boys from evil ways and evil habits. The budget provides a lakh of rupees for opening 12 new training schools. This is as it should be, for we cannot have in the present state of expansion in education too many trained teachers. But then those teachers should be of the right sort. It will not do to pick up boys and girls who have just come out of the primary stage and train them as teachers for primary schools. Seeing that the educational career of a boy or girl depends very largely upon the training given to him or her in the earliest years of his or her school course, it is essential that the teachers should be of very much higher standard than the pupils whom they teach. So I would suggest that the lower elementary training should be abolished, and that we should hereafter give up the training of what are called lower elementary trained teachers and insist upon every teacher being at least higher elementary trained. In this connexion I would request Government not to open lower elementary department in the 12 new schools they propose to start. I may perhaps be allowed at this point to draw attention to a petition submitted to the Director of Public Instruction by the teachers undergoing training in the Government Higher Elementary Teachers' Training School at Calicut in which they complain that they are put to very considerable inconvenience in the matter of finding suitable boarding and lodging since they belong to the untouchable community. Besides the disadvantage of untouchability, the stipend they get is too low to get even third-rate rooms for them. The Government maintain a hostel in connexion with this school in a palatial extensive building but the petitioners are denied admission thereto owing to their caste which is subversive of the Government order recently issued to local bodies that public buildings on no account be opened to the exclusive use of certain community alone but thrown open to all sects and castes. If the so-called high-caste pupils cannot accommodate themselves in the same building with the Thiyya students, it is their duty to look out elsewhere. It is no business of Government to keep out any people on account of the so-called untouchability.

"Under Widows Scholarship there is a provision for Rs. 14,580. Unless the Brahman Widows' Home is thrown open also for the non-Brahman girls or unless a similar building is put up side by side with the Kernan's Castle for accommodating non-Brahman girls, I will strongly object to this amount. Unless the Minister in charge gives me an assurance that equal facilities in the shape of

boarding and lodging will be provided to Non-Brahman girls as is the case with the Brahman widows, I will strongly vote for the deletion of this amount.

"As regards the controlling staff, I find the Government is contemplating the appointment of one Inspector for each district and one Sub-Assistant Inspector for each taluk. It is no doubt necessary to have one Sub-Assistant Inspector for each taluk, but I do not think it necessary to have one Inspector for each district. It will be quite enough to have one Inspector to examine schools in more than one district.

"Again, Sir, as the honourable member Mr. Macphail has rightly pointed out, the grants given to aided education are not sufficient. The grants to non-Government Arts Colleges are Rs. 2,81,000, and there are 33 Colleges with 6,183 students. The grants to Government Arts Colleges are Rs. 7,46,000, and there are only ten institutions with 1,981 scholars. I do not see any reason why we should not encourage these non-Government Arts Colleges. Once when I brought a resolution here, I was told that it was a thing for private enterprise and that it was the policy of Government that private enterprise should be encouraged. When private enterprise could do the work of the Government, it is our duty to help it. While the Government are spending for 33 non-Government Arts Colleges with 6,180 students a sum of only Rs. 2½ lakhs, why should not the benign Government see its way to help private enterprise liberally and push it up?

"Again, Sir, as regards grants to non-Government secondary schools, I see there is to be no increase in the special teaching grants for secondary schools. I wish the Government will also consider this and increase the provision for special teaching grant.

"Under Medical, there is a proposal to concentrate all X-ray installation in this city in one place and a provision of Rs. 30,000 is made for it in the budget and this institute is to be located next to the proposed tuberculosis institute at Temple Gardens, Royapetta. At present there are X-ray installations at Royapetta, Maternity and General Hospitals and arrangements have already been made to have one in the Rayapuram Hospital. It is only right and proper that each hospital should have in it one X-ray installation and thus be completely equipped in itself, for the X-rays are an auxiliary to the surgical cases and their help is sometimes emergently and urgently required in the operation cases. That in these circumstances the patient should be conveyed to a central X-ray institute in close juxta-position to the Tuberculosis Hospital is a most inconvenient and unnatural arrangement. I hope this idea of X-rays, like that of locating the Tuberculosis Institute in Temple Gardens, ought to be given up. I observe that a sum of Rs. 50,000 has been allocated for taking over the Victoria Caste and Gosha Hospital. I do not object to such a sum being spent over medical help for Indian women, but I do not understand why admission to this hospital should be confined to caste and gosha women only. Unless the Minister in charge assures me that in this hospital women are admitted irrespective of caste and creed, I will have to vote against this allocation. Under Medical Schools there is a provision of Rs. 90,000 for stipends and books of civil pupils and Rs. 4,648 for stipends, etc., of Madras-Burma pupils and Rs. 42,500 for instruments and chemicals. I consider these amounts to be unnecessary. I do not see any reason why stipends, books and instruments and free instruction should be given to pupils in medical schools. These items should be deleted and a certain amount of scholarships to deserving pupils belonging to depressed classes should be instituted.

"Under Industries, I have just one suggestion to offer and that is that attempts should be made to teach cottage industries of various kinds to Indian

women, so that they may ply the various little trades in their own homes. I do not see why something should not be done by way of training Indian women to earn a decent living for themselves by the use of their hands.

"Under Labour the Government complain that a struggle has to be maintained to find time to carry on the work for the amelioration of the depressed classes in the face of the insistent demand for the settling of labour disputes, etc. It should be remembered that the department was originally created for the protection of the depressed classes, but gradually the protector was burdened with various kinds of work. My community protested even at the very beginning against the diversion of this department's attention to other work than for which it was called into being, and I am not surprised that the protector of the depressed classes has been swallowed up by the Labour Commissioner. Government have either to abolish labour or to find a separate officer for labour. I may assure this Council that we the depressed classes have enough needs to find work not for one but for more than one officer, only he should be of a sympathetic nature ready to take infinite pains on our behalf for solving our many problems. I am glad that provision is made for three assistants. I would here strike a note of warning against appointing officers, Brahman or Non-Brahman, whose ideas of personal greatness, of official dignity and caste superiority make it impossible for them to enter into the skins of the Adi Dravidas and feel with them, like them and for them. In conclusion, I would only urge the great necessity in view of high prices and the loud cries of subordinate officers for bread, more bread and bread in time that we should practise retrenchment, at least with a view to help those whose needs are most urgent. Whenever a claim is made on behalf of the poor, the oppressed and the hard-worked, the answer given is where are we to find funds, but when a proposal is made for incurring expenditure on behalf of high-paid officials, we accept the proposal quietly and silently in the name of efficiency. For instance there is a provision of nearly 4$\frac{3}{4}$ lakhs for improving and extending Queen Mary's College. I am not opposed to the higher education for women, but why should such a large sum be robbed away in one year? Could not the expenditure be distributed over three or four years? A college like the Presidency College took nearly half a century, and why should the women's counterpart of the Presidency College be reached through at such short space? I find also an allotment of Rs. 32,000 for the improvement to the Madras University Students' Club. Those who are acquainted with this institution know the class and number of students who avail themselves of this institution. I am convinced that I cannot agree that such a large sum as Rs. 32,000 should be spent by those who are trustees of the people's money on an object which seems to be rather doubtful in its utility to the people of the whole Presidency. My plea, Sir, is for economy, a fair distribution of expenditure with greater sympathy for those who are suffering."

Sriman Sasibhushana Rath :—"Sir, in spite of the Reforms, in spite of the promise of a new era, we are where we were. The Hon'ble the Finance Member at the beginning of the Memorandum says that there has been no radical change and the continuity of the policy that has hitherto been pursued, has not been disturbed. I do not wonder that that policy has not been disturbed, for I know that the Ministers who are appointed had themselves no policy of their own, nor the party that is said to back it had any policy of political principle. Therefore with the newness of the appointment, they had to accept a ready-made policy that was given to them by the old Government. It is high time now that the Ministers and the party that is said to be backing it should evolve a policy of their own, so that in

the matter of framing the budget or in the matter of doing anything, they will be able to impress on the old Government, the necessity for a change, so that the promise of a new era will be fulfilled.

"It has been said and truly said that we have got two main sources of revenue, land revenue and excise. The Hon'ble the Finance Member has stated that the principles of the levy of land revenue follow upon the increase in prices of agricultural products. Well, these principles, we are sure, will shortly be embodied in legislation. But the point that they follow upon the increase in prices is not quite correct. That may be the Government's standpoint, but there are other considerations for fixing the principles of levy. While the prices of food-grains have risen considerably high, you have also to see that the cost of production has considerably increased. The agricultural expenses have also increased. Where you had to pay only two annas per day for a labourer, you cannot now get a labourer for eight annas. There is also the strain on the land inasmuch as those that did not formerly belong to the agricultural classes have taken to agriculture. The village carpenter, the village smith, and others who were depending upon cottage industries have now taken to agriculture with the result that land has become a source of help to a greater number of people and the fertility of the soil has also deteriorated. These considerations and also the consideration of the economic condition of the people have to be taken into account in fixing the principles of the levy of land revenue. And if we take all these things into consideration, we will find that we have reached the limit of levy and we cannot go further. That is a source of revenue which we cannot increase. Then, in the matter of excise, while in 1891, the duty per proof gallon was only Rs. 5-2-0, we realized 121 lakhs of rupees. While now the duty per proof gallon is Rs. 11-2-0, we have been realizing 556 lakhs. This shows that there is an increase in consumption. There I say the policy of the Government with regard to excise is not right. Of course, it is said that there has been a maximum of revenue with a minimum of consumption but I hold that there has been every year an increase in the consumption of liquor. We have got the temperance movement, we have got other things at work, and it will not be safe for us to accept the enhancement in the revenue under excise. With these resources it will not be possible for us to have a favourable budget, and other items of revenue which ought to be tapped have been left out of account, so to say. In the matter of irrigation, in an agricultural province like Madras, we have only spent nine crores of rupees up to now, and this is a very insignificant figure. This has been giving us a good return and yet we have spent only nine crores of rupees. But in famine-relief measures, we have been spending much more. I will only give the instance of Ganjām. In 1918, we had a famine, and the Government spent nearly 38 lakhs of rupees for famine-relief. And this year I expect the Hon'ble Member for Revenue will spend the six lakhs budgetted or more. If in the course of two or three years, in a district, you have spent nearly 44 lakhs without removing the specific causes of famine, without improving your irrigation, then we say that it is not a very sound policy. You only treat for the symptoms and not for the disease.

"In the matter of forests, Sir, the income is estimated at 58 lakhs. The expenditure on conservancy works is 25 lakhs while on establishment it is 20 lakhs. So 55 lakhs go away in expenditure and I do not know how far the conservancy works are a source of productive expenditure. So out of 58 lakhs, you spend away 55 lakhs and there remains only three lakhs for all this paraphernalia, establishment and all that.

9th March 1921] [Sriman Sasibhushana Rath]

"In the matter of development of the forests, you have appointed a lot of high-grade officers, keeping the number of rangers and others where it was last year. It is the rangers, the deputy rangers, foresters and the inspectors that do the most useful part of the work, and yet for checking and supervising you have got very high officers while the number of rangers, etc., remains the same. My point is that a lot of money is being spent on establishment and that should be curtailed. You have newly started the Industries Department. But you are at the same time under Forests, allowing a saw-mill to be erected at Russellkonda at a cost of Rs. 2,16,000. That properly ought to have gone to the Industries Department. Under Medical, Sir, you have a lot of expenses. But the cost of establishment far exceeds the cost of medicine. On page 141 of the estimate, under Surgeon-General —Salaries and Establishment, you will find that there were only 8 clerks in 1920–21 and there are to be 28 clerks hereafter. I want to know what has occasioned this large increase in the establishment. And under Administration of Justice (page 88) you have got the Agency tracts. Nearly a lakh and a half more is to be spent this year. The history of these Agency tracts requires to be told. These Agency tracts are in the three districts of Ganjam, Vizagapatam and Gōdāvari, about 20,000 square miles in extent, nearly 12,000 square miles of which belong to the Raja of Jeypore. There remains about 8,000 square miles in the Ganjām and Gōdāvari districts. First of all, it was stated that, for better administration, the Agency tracts of these three districts would be constituted into a separate Agency under a Commissioner. Then the Commissioner suggested that there should be development, improvement of education and all that. Malaria had to be combated and so many provisions had to be made. So, this year you find a provision made under administrative expenditure. I do not know how it is to be put under the Administration of Justice instead of under General Administration. Probably, before this year it was under Administration of Justice; therefore it is sought to be put under this heading this year also; but it ought to have been separately shown, because this one lakh and a half is not the only expenditure that is going to be incurred. Perhaps in the next year you will have to spend 10 lakhs of rupees, because I understand a scheme is suggested and that you will incur a large amount of expenditure on investment. I ask whether it is desirable in the condition of our present finances to invest a large sum of money upon projects such as combating malaria in the whole tracts, constructing roads where you have no road and all that.

"In the Memorandum it is said that 'the charges for the general administration of the Agency tracts are also shown under this head. These are excluded areas which have been administered hitherto as part of the districts lying to the east of them. The system was unsatisfactory as the Collectors could spare little time for the Agency tracts, and the inclusion of plains and Agency areas in the same divisions, as well as of areas in which different languages were spoken, rendered it difficult for the Divisional Officers to get into touch with the hillmen and resulted in a system of *laisser faire*. . . . . It is hoped that this change will result in the establishment of more direct contact between the hillmen and the officers of Government, and that it will be possible to introduce well thought-out schemes for improving the health and education of the people and for developing the resources of a fertile tract of country'.

"Well, Sir, you have only sanctioned the establishment. Now, next year, you will have to sanction funds for the development of the resources of that fertile tract of country. But where have you got the money? Then the question of division into linguistic areas comes in. The question of division of provinces on

the basis of language has to be decided and will perhaps come in in this Council. You do not know which part of the country should go to the Andhras and which part to the Oriyas. When such is the case, what is the use of separating the Agency tracts, which the Oriyas rightly claim as their own country, and keeping it under Madras, when the whole question of the amalgamation of the Oriya tracts under one administration is there to be solved, and about which opinion has been called for by the India Government from the Madras Government? Why that hurry for the creation of a separate Agency district under a Commissioner?

"The scheme of development of the Agency tracts may be kept aside for the present. If, as I understand, a sum of Rs. 1½ lakhs more has to be spent, then we will have very little objection to it. But if it means the introducing the thin end of the wedge and that you have to spend lots of money extending to lakhs and lakhs of rupees in the course of the next few years, then I certainly object to the item being put in here. We have got the Agricultural Department, the Industrial Department, the Medical and other departments, and practically nothing has been provided for in the budget for these departments. When sufficient money is not available for these departments, I do not see any reason why under the reserved head the development of the Agency tracts should be taken up. That is my point. With these few remarks, I resume my seat."

Mr. K. Sarabha Reddi:—"Mr. President, one distinguishing feature of the budget that is now on the anvil of discussion in this House is that it is replete with figures which would break the heart of the poor tax-payer. The cost of the administration as disclosed by the figures shown therein is, some of it, unnecessary and as one turns over the pages containing these figures, it is difficult to understand the purpose for which they are put in the budget. Thanks to the sympathy of the Hon'ble the Finance Member for the new Council—all congratulations to him and all glory to him—and this work has sucked the lifeblood out of him—by his wonderful intellectual ingenuity as it were, he prepared a favourable budget or at least has taken away the fear of the tax-payer that he might be burdened with fresh taxation or additional taxation. But it is only a temporary relief and we cannot expect this state of affairs to continue long. Several items in the budget show that necessarily we will have to face or prepare ourselves to bear the burden of taxation, though not this year, at least in years to come, year after year. So if we are to safeguard our interests and of those voters who trusted us we must somehow or other see our way not only to ward off the danger of additional taxation in the future but also to curtail or lessen the existing taxation. Several honourable members have advanced opinions and have suggested several ways of curtailment of the expenditure. Some have suggested the abolition of some departments while others have suggested reduction in the salaries of the existing officers. Instead of curtailing the salaries of the officers, which means much heartburning, I would suggest an idea whereby though not at one jump but gradually the expenditure can be reduced and that is the perfection of an efficient village administration. We must see that we go back to the former days when the village administration was conducted by the village headman assisted by a number of wisemen in the village. They were managing the affairs of the village very satisfactorily. If the leaders of our House join their heads together and come to a decision as to how best the perfection, of an efficient village administration can be effected, then I am sure that perfection, if attained, will certainly lead on, though not, at once, but eventually, to the abolition of various departments. I wish to deal with several advantages that could be derived from the perfection of the village administration

and also the necessity of doing it as soon as we can to relieve the burden of the poor tax-payer. I shall take some of the departments which could eventually be affected by the village administration. Take for instance the Vaccination Department. In that department hitherto there were men appointed from inferior service. Now it is laid down that only school-final candidates are eligible to hold such posts. The salary for the post is now Rs. 60. It is not known what all this is for. If the talaiyari of the villages are trained to vaccinate, they will do the business quite as well and the whole Vaccination Department can in due course of time be abolished.

"Another department to which I refer is the Excise Department. In this department glittering uniforms, lathies, swords and perhaps even carbines are supplied to the staff at a great cost. It is not known what battles the members of the staff are expected to fight. Such costly department can be done away with if the village headman and the talaiyaris of the village are properly taught as to how they should perform the duties that are now being done by the present staff of the department. The whole department can be, though not altogether, at least partially, done away with.

"If village administration is perfected I am sure litigation in the village will be minimised and when litigation stops civil as well as criminal courts will cease and thus the expenditure of the people on that account will stop. As a result of the perfection of village administration the lawyers and courts will be made to starve. When that condition is reached I am surce there is so much saving under this head.

"Then let us take the Police department. The Police department is intended to guard the person and property of the villager. One thousand and one police officers put together with all their carbines cannot be expected to prevent offences or bring the offenders to book in a village, as well as the village, talaiyaris and its headman. Make the village headman and a select body of the elders of the village responsible for all offences that occur in their village, make them feel that they are there to safeguard the interests of the villagers then the need for the maintenance of such huge and costly police force as now exists becomes much limited. I do not want to enumerate all the departments and the various officers belonging to these departments. But I am sure that eventually we can bring ourselves to that state when we will be in a fit state to reduce several establishments and do away with several departments or at least reduce the strength of each department. So before any attempts are made to curtail expenditure and to minimise the danger of additional taxation the foremost thing that needs the attention of the honourable members of this House is the perfection—gradual, though not by one jump—of the efficiency of village administration. No doubt the other day the honourable member from Cuddapah referred to village officers. Somehow or other I had to think that, when he talked of the village talaiyaris and the uselessness of the huge numerical strength of the village establishment in the whole Presidency, he had no knowledge of village life at all. But if we give them more work and encouragement, and if we give their village headmen due respect and proper training and more power and make them work and realise their responsibility and position, it will conduce to the improvement of the village and also it will reduce the cost of the administration. That will put an end to all crimes and convictions and to all litigation and unnecessary wastage of money both of the Government and the people. Here is a copy of the quarterly civil list, I find it so very large and I think by perfecting village administration we can bring about a reduction in the size of this quarterly civil list, that is, in the number of officers. The dimensions

of this volume can be reduced to one-tenth of what it is now and the tax-payers will be considerably relieved of the present burden and the budget will not receive as many hammer blows as it has now been receiving."

Mr. A. RAMASWAMI MUDALIYAR :—" Mr. President, I only seek to address a very few words on the general discussion which we had for the last two days over this budget. Sir, as I was listening to the speeches of honourable members opposite and hearing the arguments of member after member from the opposite benches, I was reminded of a familiar quotation of Edward Fitzgerald :—

" Myself when young did eagerly frequent
Doctor and saint and heard much argument
About it and about—but evermore came out
By the same door as in I went."

" Sir, after hearing all the budget criticism of honourable members opposite, I feel in much the same position as Omar Khayam. Sir, I heard the leader of the opposition, if I may so call him in a House where I am assured there are no parties, and the members of the opposition, if I may so describe them without offence, who dissociate themselves from all party politics, I heard from them a great deal of criticism of what the Hon'ble the Finance Member has been pleased to say in his memorandum about continuity of policy, and I want to make the position quite clear at the very outset. The honourable member from Ganjam said that this assembly and especially the Ministers who represent the party in power in this assembly have no principles of their own to evolve in future administration. I want to enter a caveat against that position at once and for ever if possible. Sir, I take this opportunity of assuring the opposition, if such assurance were necessary, that this new, fresh, magnificent, democratic assembly that has been ushered into existence in spite of the cavils and cabals that have been going on outside, this assembly which represents a large and newly developed democratic party, this assembly among whom can be found members who have been ushered into this House by large votes of the people—I may instance at once my honourable friend from Chingleput, who I believe, has secured about 18,000 votes, a record number of votes for the whole of India—I say, Sir, that this assembly, whatever may be said of it outside, certainly represents the people's wishes. And this assembly, ushered as it has been into existence under such circumstances, has principles of its own and has not come here merely to cross the T's and dot the I's of the previous bureaucratic Government. What I understand the Hon'ble the Finance Member to say is, that at the very commencement of its regime, the Ministers who represent the party in power will not suddenly break away from the old moorings, will not suddenly cast adrift all old policy and take to new lines of development which perhaps may not rightly fit in with the previous lines of development, new lines of development, mark you, Sir, which have been evolved in their minds when they had not the grasp of administration themselves. This new party and the Ministers that represent that party will certainly not come into this House with preconceived notions and at once try to have these notions carried into effect without any consideration of what has been done beforehand. I understand the Finance Member to mean nothing more than this, that we are not writing on a clean slate, that we had things done before which must be continued to a certain extent and that the development and change must be gradual. Apart from this, I do not think the Hon'ble the Finance Member intended to say that the party in power or the Ministers who represent

that party in this House would continue now and for all time to come the old policy of the bureaucratic Government (Hear, hear from Mr. S. Srinivasa Ayyangar). Sir, I am glad to have the assurance of the leader, the joint leader of the opposition, if I may so term him, that the policy I have enunciated has his hearty appreciation. I am glad that he realizes that the party which sits behind these benches are equal to those behind himself and his compatriots in having the interests of the country at heart and in their zeal to see democratic principles carried into effect. Sir, if we realize the limitations which are obviously attendant on the Ministry, if we take into consideration the fact that they have been ushered in at a time which is most inconvenient when the old year was dying away and the new year had not yet been born, if we remember that it is hardly two or three months since they had come into office, when budget proposals are put before them for the first time, if Honourable Members even of the opposition would only have some imagination, they would realize that the budget proposals that have been placed before them are obviously not of that cast-iron type which must somehow or other be defended by them. I am expressing, Sir, not indeed the view of any Government party or of the officials, but merely my own personal private view when I say that in putting forward the budget at this stage as the Hon'ble the Finance Member has himself stated, the Ministers and members have not had time to make themselves fully acquainted with the departments under their control, I am expressing my own personal and private view, Sir, that in putting forward these budget proposals, the Ministers will certainly not try to make the budget cast-iron, so far as their departments are concerned but will only be too sympathetically inclined to hear all suggestions made, not in a cavilling spirit nor in any iconoclastic spirit if I may say so, but in a sympathetic spirit, with a view really to evolve principles that can be accepted by the Government and with a view really to evolve suggestions which take into consideration the difficulties of administration. Sir, I do not want to labour this point over again.

"I immediately proceed to answer another argument advanced by members of the opposition. Sir, the reorganization of the public services has come in for a great deal of criticism and the vials of wrath of almost the whole House has been poured on the devoted head of the Hon'ble the Finance Member for having suddenly increased the salaries of the gazetted services and the defence of the Finance Member that he was merely carrying out the recommendations of the Public Services Commission has not had the effect of assuaging that wrath. Sir, I want to remind this House of a bit of history connected with the recommendations of the Public Services Commission and when I put forward that bit of history, honourable members opposite will realize that the Finance Member does not deserve the attack that was levelled against him. May I remind the House, Sir, that the Public Services Commission itself was constituted on a motion by one of the illustrious representatives of this Presidency in the Imperial Legislative Council, I refer to the Hon'ble Mr. N. Subba Rao. May I remind this House, Sir, that it was on his speech in the Imperial Legislative Council fortified as it was by agitation both in this Presidency and in other provinces and fortified certainly by the agitation that was carried on by members in this assembly that the Public Services Commission was appointed. May I remind this House again, Sir, that the recommendations of the Public Services Commission itself were due at least as much to the representations made by some Honourable Members opposite or men of their persuasion and their way of thinking as to agitation that was sustainedly carried on for a number of years by some Honourable Members opposite. May I remind them again, Sir, that when the Public

Services Commission sent in its recommendations some years back an agitation was at once started that owing to the war the recommendations of that Commission had been shelved and that time after time it was said that the Government was not acceding to the request of the people that the recommendations should be given effect to. May I remind Honourable Members opposite again, Sir, that time after time in this House in the old Legislative Council Honourable Members moved resolutions and put interpellations and worried the Finance Member for the time being to give effect to the recommendations of the Public Services Commission. And now, with all the sins of the old members on our head, to come forward and say that the recommendations ought not to be given effect to now and to say that it is a woeful waste of public money to give effect to those recommendations, I say, Sir, is not in keeping with the dignity and purity of the public life of those members who had pressed on the Government to accept those recommendations quickly and carry them out at once. Those members at least are, if I may use a legal phrase, estopped from questioning the Hon'ble the Finance Member. Sir, I am not at one with those who think that the recommendations in themselves are good. As a member of the new Salaries Committee, I agreed with my colleagues in thinking that those recommendations have to be examined with a view to retrenchment. I am not going back upon that position, but I certainly seek to justify the Finance Member, if he should care for my justification, and say that honourable members who had pressed him to carry out those recommendations, who have time and again badgered him with questions on these recommendations and who have moved resolutions in this Council and in the Imperial Legislative Council to give effect to them, those honourable members aer certainly estopped from questioning the Finance Member when he carries out their own resolutions.

"Sir, a great deal has been said about the award of Lord Meston. Sir, it is unfortunate that Lord Meston was unhappy in his awards. It was said of Goldsmith that there was nothing that he touched which he did not adorn. If I may speak without disrespect to Lord Meston, there is nothing which he touched that he did not make more complicated and more unsatisfactory and probably of his awards, that asking the provincial Government to pay 348 lakhs is no glorious exception. But honourable members will realize, and I am not speaking here as the spokesman of the Government and I do not know if I have such authority, that this Government, at any rate from what appears in the published correspondence and the published memorandum which has been put before Honourable Members, throughout fought and fought as zealously as possible to preserve the rights of the people of Madras, and to see that the contribution which has been demanded of us be reduced to as little as possible. I dare say if it is the intention of the House, our Government will only be too glad to ask the Imperial Government to re-open this question again and to see to an adjustment of this question with greater equity to our Presidency.

"Sir, I have only a few words more to say about the transferred subjects. While a chorus of sympathy has been showered on the Ministers from all parts of the House as regards the difficulty that they must necessarily feel in administering the transferred departments with the slender resources that have been placed at their disposal detailed criticisms have been made against some of the Ministers. I do not want now to touch the departments which are not under the charge of the Minister of Education but wish to speak only on the subjects which are under his charge. A great deal of criticism has been levelled against Excise policy and as I am afraid this criticism will be repeated again on some resolutions which I see on

the agenda to-day, I seek this opportunity of making the position as clear as possible. Now, Sir, I want to put seriously to the consideration of this House one grave problem that has recently arisen in connexion with the Excise question. Honourable members want that local bodies should be given the power to levy a surcharge on Excise. Honourable members want again that a portion of the Excise revenue should be given over to the local boards. Whatever may be the merits of this discussion may I appeal to honourable members to think for a moment about the extraordinary situation which has overspread the consideration of this Excise question. Honourable members are aware from a perusal of the papers that in several places in the Presidency for some reason or other and the reason is well known to me and I am sure it will be guessed at by the honourable members, there have been meetings of non-co-operators. Honourable members are aware that the non-co-operators are particular over this question. Having failed in all their efforts to bring the Government to a standstill, having failed to secede boys from schools, having signally failed to secede the lawyers from the law courts, having failed also to secede the Government officials from their duties but having succeeded only in making them so alive to the advantage of the service that their only wish now is for increase in the salaries, the non-co-operators' energies have been diverted to the Excise question in this Presidency. The non-co-operator, Sir, I give him all credit for intelligence, has been shrewd enough to see that in this Presidency Excise forms the vital portion of the revenue for the time being. Whatever policy may in future be applied, the non-co-operator sees that Excise bears almost half the portion of the revenue of this Presidency. The non-co-operator in his anxiety to bring the Government to a standstill thinks that the only way by which that object can be achieved is by attacking this fundamental source of revenue. It is possible that here and there there may be an advocate for temperance, but if I am to judge by the number of people who have come forward now to advocate that nobody should bid at shops, I am tempted to think that it is not their enthusiasm for temperance that lies behind this advocacy, but it is something far more dangerous. If honourable members will realize that we cannot have the whole system of Government dislocated all on a sudden by the complete loss of Excise revenue and if they realize what the effect will be on the Presidency if 5¾ crores of Excise revenue is suddenly wiped out of the receipt columns of the revenue budget, honourable members will then at once realize that this is not the time, at any rate, to have those experiments of surcharge and other things carried out when the enemy is within our camp and trying to create trouble. Sir, I want to say this with a full sense of responsibility. It does not mean that the Minister in charge of this department is in any way out of sympathy with the most ideal object of having the country go dry. Himself an Indian who does not believe in temperance but believes certainly in total prohibition he will not be the person to stand in the way of cutting short the Excise revenue and making the people more happy by giving up this habit which is doing much havoc. But, Sir, practical considerations have also to be taken into account. Considerations not of policy but of the practical side of the question at present have to be given due weight and I say this is not the psychological moment, this is certainly not the most opportune moment to come in with proposals of surcharge, to come in with a claim for a share of the excise revenue, or to come in with Bills attacking the policy of the Excise Ministry. Sir, I take it that Honourable Members opposite and Honourable Members behind me are not merely legislating but practically administering the departments which are supposed to be transferred. This is not the old Council when the non-officials were merely advisory beings. I suppose that a vaster duty is now cast upon them;

a greater responsibility has been cast on them and so, as I say, every member opposite must realize that he is a unit in the administrative machinery of the Government. So far as they are concerned I would appeal to them to consider this question with a greater sense of responsibility and to think where their suggestions would lead the particular administration of which they form small units, if accepted. Sir, the Honourable the Leader of the Opposition in his speech referred to secondary education. He deplored the fact that more provision is not made for the expansion of secondary education. While certainly deploring that fact myself, considering the slender financial resources at our hands, I do not agree with him in thinking that the expansion of elementary education at present cannot go on unless secondary education is expanded. I think there is enough material which has been turned out by our secondary schools for some time to come. And I certainly think that when the country has shown a determination that elementary education should be advanced, when the country has shown unmistakably that elementary education should advance, I do not think at this particular moment we can have further development of secondary education without taking this question of elementary education. No doubt, the normal development will go on but beyond that no abnormal development, no sudden activity towards the increase of secondary or university education will be to the satisfaction of the electorate which we here represent.

"Sir, there is only one other point that I wish to mention, a point which does not concern the Ministry with which I am connected but which concerns the general administration of the province. Some of the honourable members opposite attacked very vehemently the necessity for the Publicity Bureau and wanted that the item provided for the same should be deleted. Sir, it is my personal conviction that the Publicity Bureau is doing a great deal of useful work. In this Presidency just at present when individuals are expounding their own views, when a sort of fear has been created among certain individuals that if they were to explain their own views to the public their popularity would be short-lived, when the organs of public opinion which are supposed to reflect public opinion, some of them or most of them at any rate, have been turning along particular channels and are not reflecting the public opinion of the country, when a paper here or a paper there, however it may be referred to by high-placed Government officers, has been left to the sole work of guiding public opinion and placing the real facts connected with the Government administration before the country, I think Sir, that this is the time when the Publicity Bureau is most required. The time has come when, owing to the misrepresentations which have been actually going on about the attitude of the Government, about the attitude of the members here in this House, about the administration of the country, the Government itself must take under its control the distribution of correct ideas to the people regarding itself. It is one of those essential things which the Government have to do. It cannot sit idle like the Egyptian sphinx and let people go on misrepresenting them time after time, in season and out of season and afterwards find that misrepresentations have been carried on to such an extent that nobody would believe the Government even if it goes forward with the truth, then turn round. It is not what a wise man would do even in his individual case and a wise Government would under ordinary circumstances take the opportunity of placing its point of view, its side of the question equally before the public. I say, Sir, when the newspapers in this country with rare exceptions have left off that noble task of guiding public opinion correctly and have descended to means which are certainly not above reproach, when newspapers are only recording their own views and what they think ought to be

public opinion and placing their own distorted version of facts and events before the public, I think, Sir, that it is high time that the Government should come forward with an issue of its own and frankly say 'this is the Government view, this is the Government attitude'. Sir, this is a thing which is done in all democratic countries. When I was in England, in 1919, Mr. Lloyd George, the Prime Minister, issued a paper, I believe called the 'Future' in which the activities of the Ministry which was in power, of the Government in power were placed before the people. That is one of the things which are vitally connected with the administration of a province because you cannot allow the public over whom you administer to go on imbibing false notions and false ideas of what is taking place in this House. Therefore, Sir, I certainly think that the necessity for a Publicity Bureau has been well made out. And I hope that the only direction in which this will be advanced will be by making people better realize the activities of the Government. Sir, I do not wish to labour any further over this point. I only wish to make a last appeal to the members of the opposition to consider their criticism well beforehand and to level only such criticisms on the budget as will bear administrative scrutiny."

Mr. J. F. SIMPSON :—"Mr. President, I dare say the Hon'ble the Finance Member has derived some consolation during the past two days from the text of Scripture which says 'Woe unto you when all men shall speak well of you.' He has at all events escaped that woe. Unlike most of the speakers that we have listened to during the past few days, I do not look upon the budget as a disappointing or gloomy budget. I want to speak well of it. I think it is to be deplored that the only other member excepting the previous speaker who spoke well of it, is Dr. Slater. Unfortunately or should I say fortunately, Mr. President, I prefer to leave it at unfortunately,—I have not heard all the speeches delivered during the course of the debate but every speaker I have heard with the exception of Dr. Slater has not spoken well of the budget. I think, that it is a reflection upon this New Reformed Council that it should be left to the tiny band of British-born Members of the House to speak well of this budget. It would have been more graceful and altogether more fitting if some of our Indian Members had had the courage to say something good about the budget which on the whole is not a bad budget. In a year when the Government of India has a deficit and is imposing fresh taxation and other provincial Governments are showing deficits our Finance Member comes before us with a balanced budget.

"Many of the Members have found fault with the very expression 'carrying on'. They seem to think that there is something paltry, something mean in the expression 'carrying on'. It is an expression that has very recently come into the English language and it has been hallowed by the blood and tears of the whole Empire; not only does it mean carrying on with the day's work but I believe it also connotes the meaning to overcome and to conquer all difficulties. The Finance Member in his budget, in the closing words of his memorandum, has given us the proper spirit of overcoming and conquering all difficulties. Mr. President, this House, this Presidency cannot have both the ways; we cannot have our cake and eat it. Honourable Members oppose any scheme for increased taxation and at the same time want more money for industries and other objects.

"Mr. President, like most of the Members of this House I have scrutinized the budget, especially pages 17—21 of the memorandum with an effort to see if I could honestly delete any of those items and effect a saving. I have come to the conclusion that I cannot. It will be for the Finance Member to say whether he can. The various departments have doubtless done their very best to get as much as

possible out of the Finance Member. And the Finance Member has tried to hold the balance true between the various demands and clamant needs for money. The House does not seem willing or ready to face the fact of additional taxation, but I believe it must come. The previous speaker has dealt and dealt very fairly with many aspects of the budget and I would just like to point out two things which occurred to my mind during the course of the debate; my excuse for it being that I am in possession of the one fact more which would have made the matter more explicit. Mr. Devadas raised a point which at first sight seemed to be a good point, and that was the expenditure of Rs. 21,500 for constructing a fly-proof kitchen in the new Central Jail at Vellore. In this connexion I can say from my capacity as a non-official visitor to the Penitentiary in Madras, that this sum of money allotted must be considered money well spent. In a large jail—I think that this is a new jail which, it goes without saying, must be fitted with the most modern improvements—there are hundreds of convicts, the kitchen is very large and the food is cooked in advance and has to lie on trays. In order to preserve the food from flies, etc., and these large number of persons from the possible danger of disease, it is necessary to have some such fly-proof kitchen and the money spent on it is money well spent.

"The other point I wish to touch upon is one that was raised by Dr. U. Rama Rao. He has said that the sum spent upon Publicity Bureau is not money wisely invested and gives no return. I have been myself a member of the Publicity Board since its inception and I fully endorse the views of the previous speaker. The Publicity Board, Dr. U. Rama Rao says, has brought in nothing. There are many things which in our private life we have to spend without getting anything in return. In the same way the Publicity Board ought to have been established by this Government and other Governments in India many years ago. It has now supplied a long-felt want and it is fulfilling its function most admirably and I say that with the interior knowledge that I possess. The Publicity Board is there to correct foul slanders and to nail malicious lies to the counter. Mr. President, in the country where I come from I have seen bad florins or shillings nailed to the counter; but I have never seen a rupee done so in India. Also I believe there are such things as bad rupees in India. The Publicity Board, I may say, exists to nail bad rupees to the counter. There is no manner of doubt whatever as the previous speaker has said that it is fulfilling a useful function and supplying a long-felt want. I consider that the money allotted in this direction is money well invested for the benefit of the people.

"I would like most heartily to congratulate the Finance Member upon his budget which on the whole is not a bad budget. In saying this I believe I am voicing the feeling of the constituency which I have the honour to represent which, let me inform the House, is no mean constituency. I hope the Hon'ble the Finance Member in his reply to-morrow will deal faithfully with many of the speeches delivered, so faithfully, that he may make some members wish they had never been born."

The Council then adjourned to 11 a.m. the next day.

L. D. SWAMIKANNU,
Secretary to the Legislative Council.