

Proceedings of the Assam Legislative Council assembled under the provisions of the Government of India Act, 1919.

The Council met in the Council Chamber at Government House, on Wednesday, the 15th March 1922, at 11 A.M.

P R E S E N T :

The Hon'ble Mr. J. C. Arbuthnott, C.I.E., *President*, the Hon'ble two Members of the Executive Council and the Hon'ble Minister of Local Self-Government and 29 nominated and elected Members.

QUESTIONS AND ANSWERS.

(UNSTARRED QUESTIONS.)

RAI SAHIB BEPIN CHANDRA DEB LASKAR asked :—

1. (a) Are the Government aware that on the 22nd January 1922 six political convicts of position and education were escorted on foot from Gaubati Jail to the ghat on transfer to Tezpur Jail hand-cuffed in pairs and led by ropes? Political convicts.

(b) Are the Government aware that out of the 6 political convicts named below 5 were Gaubati Pleaders and the other an *ex-Sub-Deputy Collector* and that they were under terms of simple imprisonment in connection with the non-co-operation movement?

1. Srijut R. K. Chaudhuri, B.A., B.L.
2. Srijut D. N. Ujir, B.A., B.L.
3. Srijut G. K. Talukdar, B.A., B.L.
4. Srijut D. R. Talukdar, B.Sc., B.L.
5. Maulavi Muhammad Taiyyabulla, B.Sc., B.L.
6. Srijut Hari Prasad Das, B.A. (*ex-Sub-Deputy Collector, Kamrup*).

(c) Is it a fact that the Government of Assam were pleased to assure differential treatment to such political prisoners? If so, will the Government be pleased to state how the above state of things came about?

(d) Will the Government be pleased to state if any enquiry has been made into the matter and whether the Government have taken action against the person or persons responsible for the above treatment?

THE HON'BLE MR. A. MAJID replied :—

1. (a) and (b)—The Government are aware that the facts as regards six convicts sentenced for offences connected with the non-co-operation movement are substantially as stated.

(c) - The undertaking which the Hon'ble Member presumably has in mind referred to the discriminative treatment of such convicts inside the jails. Such treatment cannot for obvious reasons be extended to convicts in transit. In order to prevent escape or rescue all prisoners must be safely secured and it is not possible to provide escorts of police of sufficient strength to enable the use of hand-cuffs and ropes to be dispensed with.

(d)—Enquiries have been made. They show that ordinary rules for the escort of prisoners were followed. The Government are satisfied that the action taken did not exceed the necessities of the case and are not prepared to take any action in the matter.

RAI BAHADUR PROMODE CHANDRA DATTA asked :—

Leases for
mines and
minerals.

1. (a) Will the Government be pleased to lay on the table copies of leases for mines and minerals granted in Assam during the last ten years?

(b) Have the lessees or any of them commenced operations? If so, when? If not, why not? Do the Government derive any revenue from the leases at present? If so, to what amount and from whom?

THE HON'BLE MR. W. J. REID replied :—

1. (a) and (b)—A statement showing particulars of the leases and giving the information asked for by the Hon'ble Member is laid on the table. In the interests of economy it is not proposed to place copies of the leases on the table but the Hon'ble Member can if he wishes inspect the copies at the Secretariat. Dead rent is payable so long as the royalty due is less than the amount fixed as dead rent. In the case therefore of leases in which operations have not commenced, the dead rent represents the revenue paid to Government.

Statement showing the mining leases granted.

Serial No.	Name of district.	Name of applicant.	Minerals for which lease has been granted.	Area.	Date of commencement of the lease.
1	2	3	4	5	6
1	Naga Hills	(a) The Assam Company.	Coal ...	4½ sq. m.	1st January 1913.
2	Khasi and Jaintia Hills.	(b) The Khasi Hills Prospecting and Mining Syndicate.	Corundum, tin, lead, gold, silver, etc.	3 " "	1st March 1917.
3	Dibrugarh...	The Assam Railways and Trading Company, Limited.	Coal, iron, slate and shale.	3.48 " "	1st April 1917.
4	Ditto ...	The Assam Oil Company, Limited.	Mineral oil...	4 " "	1st January 1917.
5	Ditto ...	Ditto ditto ...	Ditto ...	4 " "	Ditto ...
6	Sibsagar ...	The Barpatra Tea Company, Limited.	Coal, iron, slate and shale.	110.38 acr.	1st January 1920.
7	Ditto ...	Ditto ditto ...	Ditto ...	192.40 "	Ditto ...
8	Ditto ...	The Bogabagh Tea Company, Limited.	Coal ...	2.92 sq. m.	Ditto ...

(a) This lease is now held by the Nazira

(b) This lease is now held by the Khasia

during the years 1912 to 1921.

Duration of the lease.	Date of commencement of operations.	Rates of revenue due from the lease-holder.			Remarks.
		Dead rent per annum.	Surface rent per annum.	Royalty per annum.	
7	8	9	10	11	12
Years.		Rs.			
30	1st January 1914 ...	720	4 annas per acre.	Three annas per ton.	
30	March 1917 ...	2,160	5 annas per acre.	2½ per cent. of the sale value at pit's mouth on all minerals except gold and silver. 2½ per cent. of gross value of gold and silver.	
30	Operations have not been commenced as it is doubtful whether coal exists. The construction of railway to the Colliery has not also been completed.	560	4 annas per acre.	5 per cent. of the sale value at pit's mouth or 2 annas per ton whichever is greater.	
25	} These are renewals of leases granted in 1892. {	2,560	Ditto	} Eight annas per 40 gallons or 5 per cent. <i>ad valorem</i> on gross value. {	
25		2,560	Ditto		
30	} Operations have not been commenced partly owing to financial difficulties and partly because of obstacles from geological point of view. {	200	One rupee per acre.	} Five per cent. of the sale value at the pit's mouth or two annas per ton whichever is greater. {	
30		350	Ditto		
30	September 1920 ...	3,416	Ditto	Ditto ditto.	

Coal Company by transfer.
Mines, Limited, by transfer.

SRIJUT DALIM CHANDRA BORAH asked :—

Tax paid
by native
and foreign
graziers.

1. (a) Will the Government be pleased to state separately district by district in Assam the number of, and the amount of tax paid by, *bonâ fide* native and foreign graziers during the financial year 1920-21?

(b) Will the Government be pleased to state the number of petitions, if any, filed before the Collector of district by the graziers in each district in Assam objecting to their assessment to the grazing tax during 1920-21, and the result of such application?

(c) Will the Government be pleased to state the number of appeals, if any, preferred by the graziers in each district in Assam to the superior authority against the decisions of Collectors of districts regarding objection to improper or illegal imposition or realisation of grazing tax?

(d) Will the Government be pleased to state the number of civil suits, if any, instituted against the Government for refund of grazing tax illegally realised from the graziers during the year 1920-21, and the results of such suits?

THE HON'BLE MR. W. J. REID replied :—

1. (a)—A statement giving such information as is available is laid on the table.

(b) (c) and (d)—The information required is given in the statement which is laid on the table.

Statement showing the number of buffaloes and cows assessed to grazing tax, the number of graziers and the amount of tax realised in the Assam Valley Division during the year 1920-21.

District.	Number of cattle assessed to tax.		Classification of owners.		Amount of tax realised.	Remarks.
	Buffaloes.	Cows.	Assamese settlement holders.	Nepalis or other foreigners.		
1	2	3	4	5	6	7
Goalpara	4,434	1,466	15	228	Rs. 13,835	
Kamrup	33,803	6,883	471	1,496	1,09,155	
Darrang	21,257	10,926	The owners of cattle are almost all foreigners, mainly Nepalis. The number of Assamese graziers is insignificant.		1,00,312	
Nowgong	6,962	2,529	All Nepalis with the exception of about a score of up-country men.		22,903	
Sibsagar	11,950	6,380	38	357	39,257	
Lakhimpur	8,744	9,739	All Nepalis and up-country men.		35,476	
Garo Hills	3,566	819	8	189	20,633	

Statement showing the number of petitions filed before Deputy Commissioner and appeals to the superior authority against the decisions of the Deputy Commissioner by the graziers in each district of the Assam Valley Division objecting to their assessment to the grazing tax and the number of civil suits instituted against Government during 1920-21.

District.	Deputy Commissioners.			Commissioners.			Number of civil suits instituted against Government.	Result of the suits.	Remarks.	
	Result of the application.			Result of the appeals.						
	Rejected.	Exempted.	Modified.	Rejected.	Exempted.	Modified.				
1	3	4	5	6	7	8	9	10	11	12
Godpara ...	53	30	...	...	...	...	...	...	...	...
Kamrup ...	328	168	20	13	11	1	...	...	...	...
Darrang ...	176 (e)	93	...	2	...	3	...	...	...	...
Mowgong ...	4	2	...	...	...	...	...	...	...	...
Sibsagar ...	45	3	5	3	3	...	...	...	...	...
Lakhimpur ...	65	27	...	2	1	...	1	...	...	...
Garohills ...	...	...	...	...	...	...	...	...	...	...
Total	661	271	55	19	15	1	1	...	...	...

(e) 30 petitions remained pending at the end of the year.

SRIJUT BEPIN CHANDRA GHOSE asked :—

1. Has the attention of the Government been drawn to the fact that two murders recently committed (one in the town of Goalpara and the other within 7 miles of it) during the last 4 months have caused considerable panic in the minds of the people of the localities? Murders committed at Goalpara.

If so, will the Government be pleased to take active measures to pacify the minds of the public at an early date?

THE HON'BLE MR. A. MAJID replied :—

1. Government are aware of the two cases referred to. It is understood that in one case certain arrests have been made and criminal proceedings are in progress. The second case is still under police investigation.

THE HON'BLE THE PRESIDENT :—I wish to inform Hon'ble Members that on account of the postponement of the Court Fees and Stamp Bills, to-morrow will be available for resolutions, and Hon'ble Members who have got early places in the ballot should be ready to move their resolutions. I also wish to give notice that Saturday is the last day for notice of motions for reduction of grants.

The general discussion of the budget will now continue.

GENERAL DISCUSSION OF THE BUDGET.

SRIJIT NILMONI PHUKAN :—Sir, when the new Government came into being, high hopes were entertained as to the power of the purse with which to discharge successfully the new responsibilities the Reforms Scheme promised to the people. What is that power in reality, how these expectations are being realized or what chances are there of their ever being so realized—these are some of the questions that have exercised the best minds of the country to-day. Deficit budget has become the order of the day. Lamentations of ministers in some provinces have already been harkened; many laudable projects in the nation building department have been shelved for want of funds. We in our province began our career with an opening balance of Rs. 58,28,000 and to-day in course of one year it has dwindled into Rs. 12,56,000 and in course of another year “practically the whole of the provincial balances will be absorbed”. It will then be a painful sight for the House to see the Finance Member with his begging bowl turning to any quarter for relief. I admit, as I said in my last budget speech, our Provincial Government is not wholly responsible for bringing into being this state of things. To my mind the Diarchy which was the birth of undue labour, by unnecessarily duplicating the machinery raised the cost of administration not a little, and when all round retrenchment was expected in every department of Government due to financial crisis, Civil Service led the way and others followed the suit to entrench themselves behind the new machinery. In the case of low-paid servants of the Government there was justification for this clamour, but absolutely none for those who were already rolling in salaried wealth. It is certain unless some Indian Geddes come to the rescue of the Government the last straw will have to be added only to break the camel’s back. If I have made this amount of criticism both on retrenchment and entrenchment it is only in the hope that our past mistakes will at least have one object lesson for future actions.

One of the causes of the present financial crisis all over the provinces, it appears, is due to the falling off in excise receipts. That the crisis is not more acute in our province should be a matter of good luck for her. It is exactly on this source that she depended so long for more than one-third of her revenues. I am happy to be able to think along with the Hon’ble the Finance Member that this circumstance will not influence in the least the future excise policy of the Government which will be one of steadfast move in the direction of genuine temperance.

In introducing the budget the Hon’ble the Finance Member referred to the Finance Committee of members of the Council. This association of non-official members in the Finance Committee is a new departure, though I must say it will take some time before we find out a “Treasury Spy” from amongst them. As one of those non-official members of the Committee I take this opportunity of acknowledging their best thanks to the Finance Member who tried his best to fledge them into the giddy height of finance.

Sir, it has been admitted by the Finance Member with his usual sense of responsibility that last year he failed to make an accurate forecast of his budget. I am afraid it will be so for some time to come, till the new machinery is properly fixed. Future budgets will require not only accurate

forecasts, but more foresights as well. Time for patch work is over. Let there be real retrenchment. Let us go to the root cause of the new distemper and find out new remedies. I do not propose any faith cure. Let us avail ourselves of all possible scientific treatment. If the healing effect comes a little slowly, we need not despair.

In this connection I may be permitted to refer to the report of the Retrenchment Committee, and, also the new Bills to amend the Court Fees Act and the Stamp Act. I need not dwell at length on those subjects here I should like to make one observation only. Let there be no desire for *false economy* on one hand and the anxiety for efficient management *at any cost* on the other, in accepting or rejecting the recommendations of the Retrenchment Committee. Again, when I am prepared to look at the disappearance of Excise revenue before my eyes with perfect equanimity,—provided it helps genuine temperance—I must not be oblivious of the hard fact that its substitutes must come from some other sources to stabilize the finance which is the first and last word about any settled Government. For this stability if the Government have to take recourse to fresh taxation, it will have to be tolerated as necessary evil. But the whole field must be well surveyed and the burden of taxation should fall lightly on the poorer classes of the people. We shall have to see whether the proposed amendments of the Acts will satisfy this condition. Here I am reminded of the expectations of the Finance Member who said about this time last year that with the industrial development of Assam there would be 'larger profits' to be taxed. I do not exactly know what larger profits he had actually in mind. The only larger profits that we know of in Assam are profits derived from tea coal and oil. Of course tea had a very bad time during the war and it is for this reason, I think, that the question whether tea should be treated any more as an agricultural produce, pure and simple, or as an industrialised commodity, was shelved for the time being. At any rate his remarks suggested a new departure and I believe a new power is actually needed to lift up the present heavy machinery of the Government. Sir, to my mind at this moment of financial stringency Government should also allot more money on the side of its remunerative expenditure. This will, it is hoped, help recuperation to a great extent. But efforts in this direction should not be spasmodic but well directed and sustained.

I now crave the indulgence of the House to enter into some details of the Budget Estimates. I find extra expenditure budgetted for in the Forest Department for "greater departmental activities." I realise to the full the utility of this expenditure. But in spite of this we find that this accelerated remunerative expenditure has not brought in its train a proportionate forest income. I have grave doubts if the Forest Department has developed a business instinct along with its departmental activities in the extraction of sleepers and other timbers. I doubt if they ever go to the best market. I should urge abandonment for the present of the extension project of Jorhat Jail in view of the fact that the question of erecting central jails have been held in abeyance for some time by the Government of India. I also confess I do not see any great necessity for making provision for a recurring grant of Rs. 1,20,000 and non-recurring grant of about a lac to be distributed over a period of two years for increasing the Armed Police reserve, when we have five battalions of Assam Rifles to quell any internal insurrection for which the Civil Police may be found unequal. This extra provision may be "eminently

desirable" but certainly not "essential," nor, dictated by any imminent exigencies. To spend nearly one fifth of the whole provincial revenue in policing the province is certainly a peace bought at a heavy price. I hold that the policing of the frontier tracts is primarily a duty of the Imperial Government. To make that charge provincial, even partly, is to my mind anomalous. Sir, last year the Council unanimously passed a resolution to enhance the grants-in-aid of the aided High Schools and the Hon'ble the Minister for Education accepted the resolution and promised, though outside the Council, some provision, however inadequate. But I searched the budget in vain to find out such provision. This is the response to an unanimous wish of the people's representatives on a subject which is considered to be the first charge on the coffer of any Civilised Government! Again, length of service was considered in every other Department of Government at the time of giving effect to time-scale pay, but in Education Department the lump provision made in the current year's budget for teachers in secondary schools was found "excessive"; and "it was not possible" to utilize a similar amount for Primary school teachers. The House is by now well aware the prunning knife of the Government deprived the Education Department of about six lacs during the last two years, not to speak of many more lacs in the years preceding. This requires no further comment. Even under present arrangements a teacher in the Subordinate Educational Service will have to think of his efficiency almost immediately after his entry into the Service. He must prove his efficiency further if he desires to go beyond 15-rupee increment. Again, at a time when Government is thinking of thrusting even provincial roads on local boards, it has thought it wise to reduce the grant for the improvement of communications when this grant was expected to be a "regular recurring grant". It is a notorious fact that local rates have never been used strictly for intended purposes. Village roads and rural water supply for which they were originally intended hardly received full considerations in the past. In spite of this injustice it was found necessary to "omit for the present any grant to the Local Boards for the improvement of the rural water supply." But exactly on these matters, people expected much from the Reformed Government. Water hyacinth is a big scientific problem. Few doles thrown at it is only a charity misplaced. There is absolutely no new educational projects for Assam Valley, though there are long deferred schemes of a full-fledged Girls' High School at Dibrugarh and the cry for a full staff. This is remarkable.

I must stop. But before I resume my seat, I may be permitted, Sir, to refer to the appeal of the Finance Member for closer co-operation. To be frank I should say, co-operation presupposes reciprocity. I take this opportunity of publicly expressing a feeling of satisfaction that we in this Council have realised this to a great extent. What we want most at this moment is larger sympathy and recognition of people's aspiration for higher and freer life. I do not consider British connection a necessary evil, nor the sole outcome of "merchant adventurers." This connection has come to stay for the good of both Englishmen and Indians. Both should recognise this. The vast problem for British and Indians to-day is neither using lion's paws nor twisting its tail. It is their graceful meeting in the den.

MAULAVI RASHID ALI LASKAR:—Sir, this year's budget shows one satisfactory feature in the disappearance of suspicious looking lump provision which stood up here and there and almost every where in last year's budget.

But this year's budget shows putting the "eggs" of one hen under another breaking one item and putting under another which though may not affect the budget as a whole is to my mind not free from tinge of hide and seek policy.

2. Then, either the gloomy atmosphere affected the mind of the Council yesterday or the gloomy mind of the Council affected the very weather itself. I can't say for certain but to-day fine weather dispells the gloom and me-thinks there is not much cause for alarm even in this year's budget. In last year's budget discussion I remarked that the Hon'ble Finance Member strained the items on the Receipts side as far as they could have straining and the result was that some of the items actually proved false, and thus set aback the Hon'ble Finance Member seems to have come to generalisation from particular facts and hence this year very cautiously rather a bit diffidently, he is putting figures on the Receipts side, and would rather show a deficit than see the actuals fall short of his estimate, as for instance I may mention here that we see under the revised item of Land Revenue something like 88 lakhs last year but in this year's budget we see 87 lakhs odd. This would have been a wise policy no doubt unless these were deficits requiring additional taxation which is unfortunately real while its cause the deficit is but probable. Actual taxation of a poor people already doubly taxed in their primary necessities of life, for a probable and not unsurmountable necessity is never desirable.

3. The country though small and poor its finance is not unsatisfactory. It is not saddled with any debt while there is scarcely any country or province which is not indebted. What is unsatisfactory is the manner and system of expenditure. With careful management this little province can very well go on without incurring any debt or levying any tax. In this connection I remember an allegation once made by a friend of mine in connection with non-co-operation subscriptions. He remarked that these non-co-operators were realising money from the public and were appropriating it for themselves without rendering any good to the subscribers. This appears to apply in the case of the budget of this province also inasmuch as almost all the revenue realised is appropriated in some form or other in salaries and establishments without doing much practical good for the improvement of the public, *e.g.*, commerce, industry, cultivation and practical education and this is admitted by the Hon'ble Finance Member himself that very desirable schemes are not going to be undertaken.

4. *Then as for the expenditure side.*—If India Government do not come forward to help us temporarily at least let us request the India Government to relieve us of the burden of the Assam Rifles and some of the Indian Civil Service posts permanently. Is it not strange to find increase of expenditure (salaries) where revenue is falling? Excise revenue is falling but Excise Inspectors are getting increased salaries. It is not wise to live beyond one's means. If we spend on constructive and remunerative schemes there is no harm to borrow or to tax, but to spend more for maintaining an establishment with lesser income is not business man like and wise.

5. The proposed make-shift for the deficit is not advisable from various points. The deficit is temporary while the taxation, lasting and perhaps permanent. For the fault of non-co-operators you are practically going to tax your co-operators. Then again this taxation in court-fees seems a sort of selling justice so to say for entertaining perhaps punitive police.

Justice at least should not be sold for anything else than for maintenance of Judges and law courts. This is my idea. Then, Sir, as for the additional expenditure on police, I see that if this punitive police are to be the unwelcome guests of and fed and quartered by non-co-operators I do not see why the co-operators also are made to pay something towards their maintenance.

6. Then again, Sir, one thing—the remedy for making up the deficit, there may be only two remedies—one to levy new taxation and the other retrenchment of expenditure. I have already tried to show that new taxation is not desirable, at least in the present state of the country, so I recommend the latter course, *i.e.*, retrenchment, which if was desirable when there was no deficit and rather more than half a crore of rupees was the opening balance then I do not see why retrenchment should not be resorted to when the year's budget shows a large deficit. Retrenchment is the only course left for us I think. There may be one objection, Sir, that retrenchment may bring ultimate and not immediate economy, but I say that by stopping recruitment for the Indian Civil Service, the Provincial and the Subordinate Services and filling up their vacancies by the incumbents of the posts abolished by retrenchment the economy will be immediate and not ultimate.

7. Last of all, Sir, during the current year whenever and wherever I came across any Government official there and then I smelt something of the rigid economy that our Finance Member is applying. Now if this sort of economy be observed and that with a little more courage, coupled with retrenchment, I think the country may go on even without new taxation.

RAI BAHADUR AMARNATH RAY :—Sir, I should have spoken yesterday but I was indisposed and in low spirits. I left the Council Chamber at recess time and thought my chance of taking part in the discussion had gone. But as discussion has been allowed to continue till to-day, I beg leave to address a few remarks. I may assure the Hon'ble the Finance Member that I shall ask for no information which he cannot give or attempt to make any point which he cannot meet off-hand.

Sir, I must join my colleagues who have preceded me in thanking the Hon'ble the Finance Member for the very early presentation of the budget and for making it more detailed and intelligible than the budget for the current year.

I have gone through the budget Sir, with mixed feelings. It is anything but pleasant to find within one year of the inauguration of the Reforms that the province is going to be saddled with fresh taxation. On the other hand I am glad that the days of make-shifts and patch work are gone and that nothing but a thorough overhauling of the Administrative machinery and a courageous departure from past traditions and existing practices can save the situation.

Provincial deficits, Sir, were unknown in the pre-Reform days. There was then no division of revenues into Central and Provincial, the practice being for the Government of India to give doles to the Provincial Governments for carrying on their affairs and a deficit, whenever there was one, used to be met by that Government in the way it thought best. I have not yet heard any complaint that this province was put in a bad way by the new financial arrangements and it is known to all that the Central Government started with a heavy deficit and has to face a much heavier one next year. Almost all the provinces will have to resort to fresh taxation. In other words, the deficit is, so to say, universal.

In this province the abrupt fall in the Excise and Stamp receipts is immediately responsible for the proposals for fresh taxation. But it must be clear to all that even if there had been no sudden fall and Government had only adhered to its avowed policy of decreasing consumption, this province would all the same have been faced with a heavy deficit in a year or two, only to meet the increased expenditure due to the revision of salaries and that in spite of the fact that Assam is not like Bengal self-contained province. It has been said that the potentialities of our forest and mineral resources are great. But we have hardly money enough for exploiting those resources, on the other hand an autonomous province is expected to be self-contained and this means the calling forth into existence of institutions the capital and recurring cost of which will more than absorb any additional revenue such exploitation may fetch. I need not go into details.

To my mind, Sir, the root cause of the present financial crisis has to be sought for in past history. I want to remind the Council that the East India Company came out to this country to trade and when territory was acquired the first business of the Government set up was naturally enough the preservation of internal peace for facilitating the exploitation of the country by British Capital. The good of the people could not but have been given a secondary place. With the passing over of the Empire to the Crown there was a change for the better but Englishmen are proverbially conservative and past traditions were difficult to cut away from. The great Mutiny had just preceded, the maintenance of law and order was even more imperative than before and left little or no money for the development of education and of Local Self-Government and for enabling the people to be self-supporting in every respect. The development departments of the Government were slow in coming into existence and had to be starved for lack of funds. The British Capitalist and manufacturer had control over the Government whereas the people had none. Then again, Sir, in all highly centralized Governments fat salaries of officials are the rule and there was no exception in the case of India where matters were made even worse by the necessity of obtaining administrators from a distance of thousands of miles. An American writer dealing with the respective merits of centralization and Local Self-Government, makes the following apt observation,—“under Local Self-Government the officials exist for the benefit of the people, under Centralization the people exist for the benefit of the officials.” I do not mean to say, Sir, that the interests of the people were deliberately neglected. What I mean is that, as things stood, their interests could not but have been subordinated to the other interests I have named, namely, the interests of the parties in power. If a more serious and determined effort had been made in the past to advance education and to combat disease and the chronic poverty of the people, the country would have been able to pay more taxes and progress would not have been at a standstill. It is strange that one of the poorest countries in the world has to maintain some highly paid services which are at once the envy and the wonder of the world.

But it is no use lamenting the past. We should set about thinking seriously how to steer clear of the difficulty. The remedy lies in retrenchment, as has justly been said by so many of my colleagues, supplemented by the formulation and execution of well-considered schemes of industrial and agricultural development. Retrenchment is, however, an elastic term and I do not mean by it the abolition of a few posts only but a general reduction of salaries in all the highly paid services both Imperial and Provincial. As

regards the abolition of certain posts the Government should as far as practicable meet the wishes of the people by accepting the recommendations of the Committee which has just reported. But I believe the Administration is not so overmanned that we may seek appreciable relief from the abolition of appointments. Coming to the cutting down of salaries we are confronted with many difficulties. Our powers in this respect are extremely limited and it is beyond our powers to touch the salaries of the All-India services. But we can certainly bring pressure to bear upon the Government to considerably reduce the scales of pay for future recruitment to these services. Some of my friends outside the Council have ridiculed the idea but I am convinced that our salvation lies that way. It may be said that efficiency will suffer. But as I shall show later on that in our present circumstances we cannot afford to make a fetish of efficiency. The pace of the Indianization of the services should be quickened but Indianization will mean little good unless Indians agree to serve on smaller pay than Europeans. In my humble opinion the demand for equality of pay should once for all be abandoned. Patriotism should be a stronger motive for sacrifice than altruism. So long as the country finds it necessary to retain a British element in the services the country shall have to pay them something more than it will have to pay to Indian officers. In fact the salaries may be the same—the British Officers getting extra overseas allowances. In this connection I may mention a resolution carried during the autumn session of the Madras Legislative Council proposing that the salaries of all services carrying a maximum pay of over Rs. 500 should be reduced by one-third, the European members continuing to get the remaining one-third as overseas allowance.

Again, Sir, so far as this province is concerned my Hon'ble friend Rai Bahadur Promode Chandra Dutta's suggestion that recruitment to the All-India Services for this province might be stopped for a period of five years deserves serious consideration. In this province there is no bar to Indian Civil Service posts being manned by members of other services. The experiment is well worth trying.

I shall now turn to the taxation proposals. Standing by themselves, they are not very serious but coming on the top of the proposals for very heavy Central taxation, taxation which if assented to by the Central Legislature will raise the incidence of taxation per head of the population by about a rupee and a quarter, one cannot make sure that these provincial proposals will not prove to be the last straw on the back of the camel. Even if the Council is convinced that it is necessary to vote additional taxation to insure against risk or to attempt to build up a balance I shall suggest that they should accede to its imposition as a temporary palliative only, say for a period of two or three years allowing Government sufficient time to effect retrenchments.

I should here like to ask the Hon'ble the Finance Member one question. He has estimated that next year's expenditure will absorb practically the whole of the opening balance amounting to Rs. 12,56,000. One may take it that the normal expenditure for 1923-24 will be in excess of the expenditure for the coming year whereas there will be no balance available to fall back upon. How would the difficulty be met? I hope the Hon'ble the Finance Member will not think of any temporary make-shift.

India is one of the most heavily-taxed countries in the world. From certain figures I have in my possession it appears that in the United Kingdom before the War the proportion of the total national expenditure to the gross

annual income of the people was a little less than 1: 11, whereas, in India the proportion was a little over 1: 7. In India, I believe, the incidence of taxation per head of the population will come to something between 9 and 10 rupees next year whereas just before the war it was something between five and six rupees. I am afraid, Sir, the country had been bled white and that the taxable limit was exceeded long ago. One fact appears to me to be a conclusive proof of this. For the current year the Central Government proposed to raise 19 crores by additional taxation with a view to bring the total receipts up to 128 crores. The revised estimate is 108 crores only. The additional taxation has been infructuous. Further screwing up taxes is not likely to yield the desired result, it will be in the nature of extortion and will, if resorted to, mean the moral and physical deterioration of the people. I think there is no course left to the Government but to apply the pruning knife mercilessly, to cut down expenditure even at the cost of efficiency and at the risk of leaving a smaller margin for safety.

Finally, I would ask my Hon'ble colleagues to consider whether Assam is not too small for a Governor's province and whether it will not be in the best interests of the province as a whole to be incorporated with Bengal.

Sir, Dewan Bahadur Ranga Chariar, one of the leaders of the Democratic party in the Legislative Assembly, observed the other day in the course of his speech on the Military Budget, "No doubt the Indians have been put on the road to Swaraj but they are asked to run an obstacle race." Here in the provinces with their scheme of reserved and transferred departments and their gradually dwindling finances we are asked to do something worse we are practically asked to run a three-legged obstacle race.

KHAN BAHADUR MUHAMMAD BAKHT MAJUMDAR:—Sir, my predecessors have already dealt exhaustively with the debate. The debate has been full, complete and comprehensive. I do not feel called upon to add anything more than emphasise the great need for rigid economy and rigorous retrenchment.

The suggestions of the majority report of the Retrenchment Committee have my whole-hearted support. Nothing will give me greater relief than to see that all these recommendations have been given immediate effect to.

I agree with all the Hon'ble Members who have thought that retrenchment in all other departments is quite practicable. I strongly recommend that a strong committee be at once appointed to undertake a thorough investigation into the various departments and suggest what retrenchments are possible therein.

With these few words I beg to resume my seat.

KHAN BAHADUR MUHIBUDDIN AHMAD:—It seems to me, Sir, that two outstanding facts with regard to the accounts and budget presented to us are that there has been a large deficit in the current year's budget and that the deficit is likely to continue in the next year. We began the current year with an opening balance of 48 lacs and in the course of the year we have not only spent all our income but lived beyond it by 36 lacs, thus reducing our closing balance to 12 lacs and odd only. For the next year it is estimated that there will be a deficit of 17 lacs or so. To meet this deficit the Hon'ble Finance Member proposes to spend the whole of this year's closing balance, which is the same thing as the next year's opening balance

and to raise 4½ lacs by taxation, *viz.*, 3 lacs by raising the duty on court-fees and stamps and 1½ lacs by the re-imposition of the royalty on lac. Now the first question that I have to ask on these facts is how long can the province go on at this rate. We have lived to a great extent on our opening balance in the current year and we propose to spend every pice of it in the next. How are we to make both ends meet in the year after the next?

The causes of the deficit are the falling off in the receipts from Excise and Stamps. In so far as these decreases are due to an improvement in temperance and to amicable settlement of civil disputes, both the Government and the Council welcome these decreases and do not wish for a return to *status quo*. We must then be prepared to meet the decreases under these two heads of revenue for some years and either hit upon new sources of revenue or cut down our expenditure so as to make both ends meet. But what has the Government proposed? The proposals of the Government carry us only a little way. The new Court Fee and Stamp bills may make up the loss of stamp revenue but they cannot counter the loss under Excise. The proposed re-imposition of royalty on lac will bring in a lac and a half but this reimposition of the royalty is open to the objection that we will be making lac pay a double duty. The Government of India, I think, has imposed an export duty on lac and on the top of it we are imposing a royalty although the export duty may not be much. However that may be the royalty on lac will go a very little way to meet the loss caused by the fall in Excise Revenue. So the only way that is left to us to make both ends meet is by cutting down expenditure. A retrenchment committee was, no doubt, appointed but the committee had to work under limitations. It was instructed not to examine the whole machinery of Government but to consider economies in connection with certain appointments only. The recommendations of the committee only refer to those appointments. There may be many other avenues of economy in the complex machinery of Government which never came under the consideration of the committee. I think the first duty of the Government is now to critically examine all the departments of Government and to see what other economies are possible. I am, however, sorry to say that the present budget does not give any indications that Government is seriously considering these. Instead of retrenchments we find that there are various proposals for further revisions of pay which means a further increase in recurring expenditure. I admit that some of the revisions are well deserved, but the question is, is this the time to effect them now? When the cutting down of salaries of several services being seriously proposed by more than one Hon'ble Member of the House, is it the time to raise the salaries of others? I also find some new items of expenditure proposed for the coming year. I need not deal with them in detail now but I would ask the House carefully to scrutinise all the new expenditures and avoid them as far as possible.

Before I sit down I would refer to two small matters. The first is in connection with the omission of Rs. 4,000 under the head "Direct grant to Madrassas" at page 136 of the budget. I think there is no justification for the omission of this grant while the Education Department is prepared to incur new expenditures of Rs. 12,000 for the affiliation of the Murarichand college in all the Arts subjects. The next matter I have to refer to is the payment of the subsidy to the Chapparmukh-Silghat Railway. I think that in the last meeting of the Communication Advisory Board there was a proposal to stop this

payment until the Company carried out the conditions of the grant. I do not know how the matter stands now. I find however that the Company is not providing waiting-rooms even in the principal stations of the line and I trust that before the subsidy is paid, Government will insist on the Company's looking more to the comfort of the passengers in this respect than it is doing at present.

Haji Muhammad Abdul Ahad Chaudhuri :—Sir, at a time when the province is confronted with a disastrous financial crisis the duty of Legislation ought to be to cut down expenditure wherever possible and to omit taking up new schemes. It appears perplexing to us all to see that our position is so bad. We cannot think of giving increment to anybody except perhaps the lowly paid servants at the bottom, when it may be possible. The policy of retrenchment should be carried to its utmost limits. While according my strongest support to the recommendations of the Retrenchment Committee I beg to add that the scope of the Committee has been only limited. A committee with the largest possible scope should without any further delay be appointed for wholesale retrenchment.

The previous speakers have dealt with the various subjects at length, a repetition of which does not seem called for. With these few words I beg to conclude.

Munshi Safiur Rahman :—The following is a short Summary of the Hon'ble Member's speech which was delivered in Bengali :—

There are three Madrasas in the Assam Valley, Goalpara, Gauhati and Dibrugarh.

Rupees 4,000 are not sufficient to cope with the expense of this Valley as there is a large number of emigrants came from Bengal, they also wanted Madrasa teaching. The poor people also wants some teaching of technical and weaving with it, so that they may themselves become working men to maintain their life in some other sources besides cultivation. I hope Government will be good enough to consider the matter and oblige.

Maulavi Munawwar Ali :—It is no good, Sir, lamenting our bad plight. The fact is that our Budget is a deficit Budget and the deficit is almost enormous. I should refuse to put the deficit at 12 lakhs merely. The three lakhs estimated from taxation may be left out of consideration at this stage as there is little or no knowing as to whether the Council would embark on a piece of legislation like this just now, which will surely tell heavily upon the already embarrassed ryots who have been driven to the verge of their resources. The proposed taxation will be a hard knock, indeed, against the poorer classes, whom, it ought to be our primary concern to protect in every way. It is for the Council to decide which way they should now go. As the matter would come up very soon before the Council I should think it superfluous to enter into a detailed examination of the question just now.

The hard facts before us, *viz.*, that we are confronted with a deficit Budget, are to be faced. We have to justify the existence of the Government, and it ought to be an honourable existence—by our capabilities to bring these within our control. There seem to be only three possible ways—and some may be tempted to suggest a fourth—for the solution of our difficulties:—Retrenchment, improvement of our Resources, Taxation and Borrowing. The question now would be, which of them would be the best? The country, I should tell you, Sir is eager to take the first as the best possible means for averting the crisis and would dismiss the last two. Then the supplementary question which would force itself would be, would retrenchment alone save the situation? An examination into the circumstances would reveal to you, Sir, that a proper solution is not beyond the range of possibilities although it might not be wholly sufficient at present. The report of the Retrenchment Committee is before us just now and it has revealed to us beyond the shadow of a doubt what large economies can be effected in all branches if the question is seriously taken up. Our best thanks are due to the Members of the Committee for this admirable piece of useful work they have done. I should recommend that another thorough enquiry into all the other departments should at once be taken up with a view to bringing economy to its farthest limits. That Committee, I mean the Retrenchment Committee, was certainly handicapped by the fact that their scope was only limited. They were simply asked to “look into certain isolated posts.”

The investigation, therefore, could not be scientifically carried on, which is so essential a factor for keeping harmony between different posts in the same branches, and broadly, between different departments. It is, Sir, not yet too late in the day. It seems to be our bounden duty to get this done without any further delay. Let the policy be retrenchment, rigorous retrenchment, nay even ruthless retrenchment, to save the province from bankruptcy and the people from further impoverishment. Let there be no hesitation in carrying the policy to its utmost logical limits.

If the province on account of her hard lot is not in a position to give increments to her servants there can be no heart-burning and even no dissatisfaction for all this would be to save the province herself for whose well-being they all exist. Having committed to the policy of rigorous retrenchment we must be unwilling to provide for new contingencies, except perhaps, where indispensable. A well-wisher, if one really is so, would not grudge his salary being reduced to a figure which would just suffice for his necessities now at the country's juncture, rather than demand an increment. But alas, real patriotism is wanting. Let us set all clamours for increased pay at rest once for all by rigid retrenchment and plainly and frankly telling them that we are unable on account of financial stringency to accede to any such demand till better times as the Government cannot beg, borrow or steal for them. The Government is in a miserable plight indeed, and ought to regret the lavish way in which they lavished generosity, by embellishing the services at the top with fat salaries out of all reported to what is justified or justifiable by the resources of the province. But mere regret on the part of Government would

be of no avail. Officers with fat salaries in the present financial crisis of the province for whose welfare, I cannot but reiterate, they all exist, should show loyalty to her well-being by a spirit of sacrifice in intimating that they are prepared to content themselves with a reasonable reduction of their salaries. This would show really good intention.

I have confined myself to a general discussion of the budget rather than to taking up particular items as they will all come up for discussion when the motions for omission or reduction of grants are moved and there will then be ample opportunity of examining each of them in detail. If provincial autonomy is to be our final goal we must organise and re-organise our province in our own light and requirements according as her resources will permit. We should rather be happy that our revenues from excise have dwindled so much. We should wish for its annihilation too. With regard to this I will quote the following extract from the great Gokhale—Says he "I, for one, shall be glad when our opium revenue disappears not only because I feel it to be a stain on us, but also because its presence in an uncertain state is very inconvenient from the standpoint of economy. The uncertainty that invests it is a great disturbing factor in our budget, and the large surpluses which it brings to the Government, however convenient they may be from certain purposes, cannot but be demoralising in their effect on economy, because the strongest Finance Minister, with the utmost insistence that he can lay on rigid economy, cannot resist a certain amount of wasteful expenditure in the presence of such large surpluses. When the Opium Revenue disappears—and I understand it will not take long now before it disappears—we shall be in a position to know where exactly we stand. And then it is that certain questions will require to be taken into serious and careful consideration, so that a definite Financial Policy may be laid down for the country which should be adhered to in all essentials, independently of the particular views or inclinations of individual Finance Members." Thus if we should be able to budget without taking into account this surplus then we shall be in a position to know where exactly we stand. If we had a bumper year in other respects we should have set the revenues from excise at zero and then budgetted to see where we really stood. With no reference to Excise we should cut our coat. Sir, I feel tempted also to make a side reference to one or two of the particular items although I need not go into details, and it is this—The salaries under the Reorganisation Scheme of the Public Works Department, specially of the Overseers, etc., do appear to me to be two excessive and it should be our duty to see to their curtailment as far as practicable. As regards police I have to make one observation, and it is this that money has been provided for it for fresh supply. A very large amount is needed for strengthening the Armed Police Reserve. I think this is an alternative for the Assam Rifles. It would appear that the Assam Rifles during the whole year do not do very much work for internal peace and I think that either the expenditure should be curtailed or that we should not be saddled with a share of cost for the maintenance of the Assam Rifles which is primarily an Imperial concern. If the Central Government do not accede to our request I think it will not be out of place to expect much more service from them for internal peace dispensing thereby with the necessity, if at all, for a fresh Reserve.

Sir, contributions to Local Bodies this year would appear to be disappointing. I think it should have been possible for the Government to set apart larger amounts towards Local Bodies.

One point which engages my serious attention is the gloomy outlook of the political atmosphere. To me it appears gloomy created by the resignation of the Father of the Reforms, I mean that of Mr. Montagu * * *

THE HON'BLE MR. W. J. REID:—On a point of order Sir. We shall doubtless have another opportunity of listening to the Hon'ble Member on the subject, can the resignation of the Secretary of State by any stretch of imagination be held to be connected with the discussion of the budget?

MAULAVI MUNAWWAR ALI:—I think, Sir, it can be, in so far as it might be followed by a reversal of policy which might have an effect on our finances. It is perfectly within relevancy in that light * * *

THE HON'BLE MR. W. J. REID:—I fancy this would be, Sir, what my legal friends would call remote damages.

MR. A. J. G. CRESSWELL:—Sir, I rise to a point of order. Surely it is rather irregular to start considering the actions of Mr. Montagu while discussing the budget.

THE HON'BLE THE PRESIDENT:—Will the Hon'ble Member continue his speech without referring to the recent political changes in England.

MAULAVI MUNAWWAR ALI:—I was, Sir, just referring to a reversal of policy which might take place followed by an adverse effect on our finances. This is only a forecast, nothing more than that and I think that at least for the services rendered to this country * * * *

THE HON'BLE MR. W. J. REID:—I understood, Sir, that you had already given your ruling.

MAULAVI MUNAWWAR ALI:—Sir, I want a fresh ruling.

THE HON'BLE THE PRESIDENT:—I do not think it has got anything really to do with our budget.

MAULAVI MUNAWWAR ALI:—All right, Sir, I submit to your ruling I beg to conclude, Sir, with the remarks that the Government as well as the Council should not leave a single stone unturned to effect the strictest possible economies and largest possible retrenchments. And this is the burden of our thoughts this year.

THE HON'BLE THE PRESIDENT:—I understand no other member wishes to address the Council.

THE HON'BLE MR. W. J. REID:—Before I speak, Sir, with your permission the head of the Education Department on behalf of the Hon'ble Minister for Education wishes to say a few words.

MR. J. R. CUNNINGHAM :—Sir, I am sure I am speaking for the Council as a whole when I express regret for the absence of the Hon'ble Minister for Education and sincere sympathy with him in his illness. I cannot in the circumstances be misunderstood when I express the hope that my reappearance in this House will be brief and that next session, if not earlier, the Council will have the Hon'ble Khan Bahadur with them again, restored to health and strength and ready to take up his duties.

I shall not detain the Council for long. The criticisms of the Education budget were few and require no very serious consideration. The only remark of any serious importance was that made by several of the Members of Council with regard to the anticipated savings in the Education budget. One Hon'ble Member went so far as to suggest that the money had been put into the budget with a view to showing that Government was interested in Education while Government had in fact no intention of spending the money. I suggest that there can be no possible advantage in making fictitious reproaches of this kind. The Hon'ble Member must be perfectly well aware that no sums were entered in the budget except with the object of spending them in due course. As regards the actual savings which it has been suggested might be applied to such purposes as the improvement of the pay of the Subordinate Executive Service, I submit that Hon'ble Members may believe that I have not willingly allowed three lakhs of rupees duly entered in my budget for sanctioned expenditure to go unspent. In this matter I suggest that it is unwise to count our chickens before they are hatched. Let us await the accounts of actual expenditure. If it is then found that any reproach lies against Government or against the department for failing to spend money which has been duly provided, such reproach can be levelled as is appropriate to the facts. Again, I do not understand the complaint of Srijut Bepin Chandra Ghose that while last year a sum of Rs. 7,11,910 was provided for Primary education, this year the provision has been reduced by somewhat over half a lakh. If you will refer to page 134 of the budget, you will find that the provision for last year was Rs. 7,12,000 and that the provision for the current year Rs. 7,13,000. The question of the reorganization of the Subordinate Educational Service which has been raised by the Revd. Mr. Nicholls-Roy need not engage attention at his moment, as opportunity will be afforded for discussion later when the resolution on the subject is moved. There are a number of other urgent needs for which Hon'ble Members have expressed their disappointment that provision has not been made, as for instance the buildings of the Shillong Government High School and the increase of grants-in-aid. In these cases of course it is most desirable that provision should be made, but the Council will realise that it is owing to the financial situation that funds have not been forthcoming.

Maulavi Rukunuddin Ahmad can scarcely have been serious when he urged that the establishment of a Senior Madrasa is really an immediate need in the Assam Valley. We have only at present 3 Madrasas in the division and only one of them gets as far as the highest class, *i.e.*, class VI of the Junior course. And that class at present enrolls only 6 pupils.

BABU KRISHNA SUNDAR DAM :—Sir, with your permission, may I know what arrangements have been made, during the absence through illness of the Hon'ble Minister Khan Bahadur Abdul Majid, for the discharge of his duties so far as the departments which are under his care are concerned? Who is for the time being responsible for the departments committed to the care of the Hon'ble Education Minister?

MR. A. R. EDWARDS:—May I say, Sir, that the Hon'ble Minister has been carrying on his duties in spite of his illness. Files are sent out to him.

THE HON'BLE RAI BAHADUR GHANASYAM BARUA:—Sir, a good deal has been said about the development of the Ministers' Departments. Well, Sir, the Ministers are equally or rather more anxious to shew development. But the Ministers can work their departments properly only if the Council provides funds. It is for the Council to find the funds and not for the Ministers. The Finance Member has drawn up the budget for the province and it is for the Council to suggest what funds should be given to the Ministers to develop their departments and how they can be found. Retrenchment has been talked about. Of course, retrenchment, drastic retrenchment in all ways must be made by Government and I appeal to the Government to do so. But will retrenchment go all the way? Many of the members seem to think that we are overtaxed and no taxation proposal should come before the Council. That may be so. But we should also realize that if we cannot afford to pay taxes we should not expect advancement. We should then consent to make a halt and not seek for advancement until we are able to pay better. We should therefore think not only of retrenchment but should also think of additional sources of income. In our Excise revenue a decrease of 17 lakhs is shown and it is suggested that it may fall even by the whole 80 lakhs. That would take out of us one rupee per head of the taxation that we pay. The whole taxation of the province is about Rs. 3 per head of the population. If that one rupee goes, we have to replace that one rupee by other taxation even for normal growth. When discussing resolutions against the opium traffic, it was freely suggested that the country must agree to suffer for the purpose of rescuing the deplorable victims of opium. That was a laudable idea. We all wish that there should be temperance and that the Excise revenue should, if possible, disappear. But the hard facts of the material world are to be faced. If you lose money from one source you have to find money from other sources. The country should consent, in order to save their victimised brothers who supply the revenue to the Excise Department, to contribute what is required for their salvation. In conclusion, I would say that there are only two ways of solving the situation. The first is to think and talk and work like Mr. Roffey who has told us that we should look to both retrenchment and taxation. The other is to go with Rai Sahib Bepin Chandra Deb Laskar and do away with our services as useless. He has asked for the Agricultural and Veterinary Departments to be entirely abolished. After that he may think of the Education Department; for what is the good of education which only brings trouble to the brain? Has it not been said that the simple peasant, who tills his soil, takes his two meals a day and sleeps a peaceful night ignorant of what is going on around him, is the happiest man in the world? And so we may go on till we come to the last and finish by putting an end to all expensive forms of Government, the Reforms and all Parliamentary institutions. In short, Sir, if we wish to develop on modern lines of civilisation, modern methods of taxation for finding funds must be pursued, or we must decide to go back upon our progress and seek the Millennium which will bring us all peace with no burden of taxation. In conclusion I would only say that we have to work with the Constitution as it stands whether we like it or not and so long as the Constitution is not lawfully altered, we must face it be it for good or for evil. All of us should therefore fully realize the situation and try to meet it to the best we can by all suitable means.

THE HON'BLE MR. A. MAJID:—Sir, in course of the discussion on the budget to which we have listened, criticisms have been generally made to the effect that the expenditure on police has been too much increased. It must be admitted with sorrow that the expenditure has been increased, but the conclusion which we have arrived at is that the expenditure is inevitable in the interests of the preservation of public peace, the maintenance of the security of life and property.

I would beg of the Council to consider the question coolly, calmly and dispassionately from all points of view before coming to a decision. I would appeal to the Council to remember that we are confronted with a situation fraught with dangerous possibilities. There have been since November last disturbances of peace accompanied with or followed by violence, in consequence of the revolutionary propaganda which is being carried on. Not once or twice but on several occasions, not in one place or two places but in several places all over India, there have been outbreaks of lawlessness and violence. In view of these, it is not to be wondered at if law-abiding people with stake in the country feel nervous as to what might happen in the ordinary course or, worse than that, suddenly and unexpectedly, and it behoves us to take no risks but take by way of precaution from motives of prudence all reasonable measures necessary for the prevention of disorder. I have no doubt that the Council will agree that an adequate police force should be maintained in order to protect the people of all classes from improper and unlawful interference or molestation and outbreaks of violence and lawlessness such as have been occurring and might occur, and to ensure everyone being in enjoyment of his own rights to live his own life, to pursue his own legitimate vocation, and to do what he is legally entitled to do without illegal interference, intimidation or violence. It is in view of the actual needs arising out of the present situation that Government have been obliged to increase the expenditure on police and it is with the utmost reluctance that Government have in discharge of their duty proposed to increase this expenditure.

In regard to certain special items, *e.g.*, the increase of Armed Police, revision of the pay of Inspectors, to which exception has been taken, I have received notice that resolutions will be moved either to omit or reduce them. I shall therefore at this stage content myself with expressing generally the views of Government that we think that these charges must be incurred.

As to the proposal for the abolition of the post of Deputy Superintendent of Police, I am unable to say anything at present as the Report of the Retrenchment Committee has been recently received and Government have not yet had time to consider the proposal.

As regards the proposal for a Central Jail to which exception has been taken by one Hon'ble Member, I desire to point out that such a jail is wanted both on grounds of economy and efficiency. As to how economy will be effected I cannot do better than quote in support the weighty observations made in the Report of the Jail Committee, a valuable report made after a most patient and laborious investigation:—

“It has long been recognised that it is desirable to collect long-term prisoners in the better equipped institutions where their labour can be more usefully employed in organised industries and where the chances of reformative influence are larger. It is decidedly more economical to employ a single establishment to guard a strength of one thousand prisoners in one jail than it is to

employ four separate establishments to guard each 250 prisoners in four jails. The task of providing rations, clothing, medical attendance and all other necessaries can be managed better and more cheaply for a large body of prisoners than for a small one. By collecting prisoners together in larger numbers it will be possible not only to provide better means of employment and to effect greater economy and uniformity in administration, but also to secure more expert management of prisons."

Remarks have been made in course of the discussions as to the importance of nation building. To those who are interested in nation building and also to others, it must be a matter of great sorrow that a portion of our fellow human beings has to be incarcerated in jail. The vast number of these may be regarded as morally diseased, and it will be doubtless a great gain if they can be reformed and taught profitable occupations which they can pursue after their release from jail. The Jail Committee have pointed out that in Central Jails it will be possible to classify the prisoners and keep separate the casual from the hardened habitual offender and the juveniles from the adults and that the prisoners can be brought under reforming influences.

So long I have spoken on matters relating to the expenditure side. May I now refer to a matter on the receipt side? To me as one having an almost lifelong experience of matters connected with litigation in respect of which court-fees are levied, I may be permitted to offer my personal opinion as regards the proposed enhancement of court-fees. I desire to mention that the proposal has my full support.

THE HON'BLE MR. W. J. REID :—I should like, Sir, to begin by acknowledging the kind way in which the Members of this Council have recognised the unusual difficulties that confronted the Finance Department this year in preparing the budget. Criticisms were only to be expected and criticisms with hardly an exception have been neither unfair nor ungenerous. In my budget speech I admitted in advance the justice of many of the criticisms that I knew would be levelled against the budget. With one exception I have found helpful suggestions or at least suggestions which were meant to be helpful in every speech. In that particular speech much has been said which I cannot pass altogether unnoticed. It contained nothing helpful nor had it even the merit of originality. The criticisms on the budget that it contained were taken almost verbatim from an amusing paper which appears once a week in Sylhet and which I read weekly with profit and entertainment. This paper had a series of articles which criticised the budget in a somewhat amateurish fashion and from these the Hon'ble Member has taken his criticisms. From these he got what on further consideration I think may have been a humorous attempt to wrest my admission of responsibility for bad budgeting into a weapon for attacking the Hon'ble Ministers against which I protested yesterday. Possibly I should have done better to ignore it. From these he took the somewhat ponderous jest of ponderous animals walking into Mr. Milroy's stockades to save the Finance Member from ruin. But for one item he must take credit himself. He offered me his sympathy and he said that I was welcome to make any political or financial profit that I liked out of it. I do not think I need ask the Council to judge. I am sure that the Hon'ble Member himself in calmer moments will agree that this expression

was hardly in keeping with the standards of courtesy and good taste that have marked our debates in this Council, standards to which the Hon'ble Member himself has so far scrupulously adhered.

I should like to remind the Council that this is a general budget discussion and I am only attempting a general reply. I trust therefore that if any Hon'ble Member finds that I did not deal with points which he particularly put forward he will not put this down to either inattention or discourtesy. Speaking for the Finance Department we are glad that Members appreciate the additional time allowed them this year to study the budget. We are glad that we have been able to meet their wishes in this respect. It has been suggested that we should so arrange the budget as to divide it into two parts and put into one purely obligatory charges and in the other any new charges. Well, Sir, this is exactly what I tried to do and the form of the Explanatory Memorandum represents my best endeavours. The subject will be further considered and if any other means can be found of making the Budget more intelligible we shall gladly adopt these next year.

Several not unfriendly critics have admitted that there was a difficulty in forecasting in view of the circumstances of the year. Others who I do not think were unfriendly either thought that we should have known. I have been called an optimist. I have been called a false prophet. I must admit that there is some justification for the latter term at all events. We have done our best. All budget figures are essentially estimates and no figures are certain until we are given by the Comptroller the actual figures of receipts and expenditure in any particular year, and this naturally is not until some months after the year is over. I should like only to suggest that, as I told the Council once before, we do estimate with all the care that we can. We have at our disposal all the information available. We bring to the task the combined wisdom and experience of the province. It may be that Hon'ble Members without this preparation can estimate better than we can. I only wish I felt half as assured of the accuracy of any of my forecasts as they appeared to-day to be about theirs.

In the discussion yesterday there was a general atmosphere of gloom and this is anything but surprising. The financial position, as I admitted when presenting the budget, is most unsatisfactory. I did however ask the Council, and was gratified to find Mr. Roffey repeating the exhortation yesterday, to help us to pull all together, and instead of dwelling too long on the gloomy surroundings to see whether any way can possibly be found yet of putting matters right. The first step on which we are all agreed is that there must be retrenchments. I shall deal with that in more detail a little later. We have had other suggestions. One Hon'ble Member talked of the mineral and forest wealth of the province, of schemes of development which could be undertaken and would certainly give speedy returns. I waited hopefully for some concrete suggestions as to how these schemes could materialise, but I waited in vain. More than one Member suggested that Assam was too small a province to stand alone. Some thought the solution would be absorption in Bengal. Another Hon'ble Member suggested that we should annex one or two of the adjoining Bengal districts. The Council I know will not expect me to pronounce an opinion on either suggestion. One suggestion was that we should conduct the administration with cheaper

services, that the province should not pay all-India rates of pay but should offer the rates that it could afford and be content with the services of the men that it could get for these wages. Well, Sir, I wonder if the Hon'ble Member, on further reflection, really means what he said. Are our problems in this little province less difficult than the problems elsewhere in India? Would he, if the owner of a small estate involved in litigation on which depended the existence of the estate, consulted him, advise the owner to get a cheap practitioner to conduct his case because he could not afford a lawyer of ability and repute? Mr. Nilmani Phukan mentioned the possibility of our getting something more from Income-tax receipts. We have a resolution in his name on this subject and I propose to deal with his suggestion then and not now.

Many of the speeches dealt with taxation and its evils. No one likes the idea—not even the Finance Member. Unfortunately we consider our taxation proposals an essential feature of our ways and means for next year. We have been told that litigation in Assam is a necessity, not a luxury. Even if this is so, I would answer that some necessities are more necessary than others. Nor can I admit that in proposing what we do we are attempting to suck the life-blood of the people as one Hon'ble Member picturesquely put it. I think I have a right to ask for alternative suggestions if ours are rejected. We as a Government think that retrenchment alone will not carry us through and I find that the Hon'ble Minister is also of that opinion. And here I have a complaint to make to the Council. When last month I moved for leave to introduce the Assam Court Fees Bill at a very sparsely attended meeting I explained the reasons which had led us to put forward that measure and the Stamp Bill. I said, and said again, that by allowing the Bill to be introduced no Member committed himself in any way even to the principle of the Bill, but that all retained the widest liberty to criticise, to discuss, to oppose the Bill when it came up again. I begged the few Members present not to anticipate the decision of the whole Council. In spite of this ten Members voted against the motion and my harmless proposal was carried by the narrow majority of one vote. These ten Hon'ble gentlemen may have mastered all the intricacies of the budget in the twenty-four hours for which it was in their hands. They cannot at all events have failed to see that the balancing of our receipts and expenditure depended on the additional revenue that we hoped to get by these measures. And yet they were prepared to take the irrevocable step of throwing the Bills out. I say irrevocable advisedly. If these Members thought that even were leave to introduce the Bills withheld His Excellency the Governor would exercise his prerogative under section 72(e) of the Act they were mistaken. The Bills it is true do technically relate to reserved subjects but I repeat we have put them forward for revenue considerations. The Council will be asked to consider them in a few days. The Council will, I know, consider them with a full sense of responsibility, with a full knowledge of the consequences, of their action. Their decision will prevail. If they decide against us I see no alternative but to curtail recurring expenditure to the extent of three lakhs. If that has to be done the effect will be clear to all in the reduced demands for grants which will be presented. I am not holding out either promises or threats. I am merely stating cold facts. But I do protest to the Council against the action of the handful of die-hards who all but deprived the Council of the opportunity of even considering the financial proposals of the Government.

In several speeches we heard laments about the absence of bold projects of improvements. We also lament this. But the reason is plain for all to see. In particular we regret the necessity of omitting the grant for the improvement of the water-supply and the necessity of reducing the grant for communications. It is an easy matter to mention others. In the lists of schemes—I have two lists here, one of schemes for which provision was made originally but which afterwards had to be omitted or curtailed, and the other of schemes that were never even put into the budget—I may mention that we have cut down the Public Works Department grant for the maintenance of existing roads and buildings by a lakh of rupees. We have had to reduce the budget provision for the Murarichand College in the coming year from three lakhs to one and a half lakhs. We have had to omit altogether any provision for additional grants-in-aid to aided schools, for the provincialisation of the Sunamganj High School, for an addition which is much needed to the Lunatic Asylum, for an anti-malarial scheme, and, what is a matter of the deepest regret to all of us, for the establishment of a technical school at Jorhat towards which the Government have received a munificent donation. I think, Sir, that the list I have given will show that the Finance Department are as alive to the necessities of the transferred departments as to those of the reserved. I told the Council before that the Finance Department exists for both Reserved and Transferred subjects and gives its services with equal readiness to both. I take this opportunity, Sir, of trying to dispel one misunderstanding which was apparent in several speeches. We were told that we were trying to economise by cutting down the provision under Public Health for combatting *kala-azar*. I am a little surprised after the pledge openly given last year that such an accusation should have been made. Those Hon'ble Members who have misgivings have clearly failed to realise the difference between budget provision and actual expenditure. If they will look at the figures at pages 160 and 161 of the estimates, they will see that our first budget figure was unquestionably too high. If a budget figure is too high and if the Head of the Department fails to spend up to that figure it would clearly be foolish and worse than foolish of the Finance Department not to reduce the figure in the following year. I repeat the pledge which was given before that whatever sums are required to combat this scourge will be forthcoming, no matter what sacrifices are required to find these sums.

The falling-off in Excise and Stamp revenues has been discussed very completely and I have nothing to add to the remarks I made in my budget speech. I am glad to think that these have found general acceptance, though not surprised that some impatient reformers are not satisfied with what has happened. But I should like to say again that effective temperance measures and an improved preventive staff must go together, and that if consumption is to be brought down by fresh restrictions there must necessarily be increased expenditure. There is no help for it. I am not prepared to admit that the cost of the Excise staff has been increasing in geometrical progression as one Hon'ble Member put it. The same Hon'ble Member said that according to his information land revenue receipts had been coming in throughout the year much as usual. I can only tell the Hon'ble Member that the information on which we acted was altogether different. I shall very gladly show him, if he wishes, some figures which will indicate what the position was before we took special measures and what effect these measures have produced. The same Hon'ble Member talked of "the ordinary fate of resolutions carried in this

Council," and if I heard him aright, called the voting of the Council on demands for grants a mockery as the Council "lay at the mercy of the executive." I do not pretend that all the resolutions adopted by the Council have been accepted in their entirety by the Government. I do not think he would maintain that all the resolutions laid before the Council have been accepted by the Council. But I challenge the Hon'ble Member to name a single instance in which the Governor exercised his emergency powers to restore a grant which the Council had voted down.

SRIJIT DALIM CHANDRA BORA:—I can point out resolutions adopted by the Council.....

THE HON'BLE MR. W. J. REID:—I say nothing about resolutions. I challenge the Hon'ble Member to mention any instance in which the Council omitted a provision from a grant and His Excellency restored it.

After waiting for a short interval the Hon'ble Member continued:—

My challenge is apparently not taken.

We have heard a good deal about the cost of the Assam Rifles. We should doubtless hear more when the demands for grants are voted. But I should like to remind the Council that the question of their cost and its incidence, and incidentally the question of good conduct allowances were discussed at length last year. I listened with some astonishment to one Hon'ble Member who said that ordinarily the Assam Rifles do not do much work during the year. I can only suppose that the Hon'ble Member has never been to a station which was the headquarters of a battalion, or he would not have exposed his ignorance so markedly as he has done. I want, Sir, to take this opportunity, and I am sure that most thoughtful members of this Council will agree, of acknowledging publicly the admirable services rendered by the officers and men of the Assam Rifles in circumstances of peculiar difficulty in the discharge of duties for which they were neither specially recruited nor specially trained.

Mr. Grayburn put a series of questions most of which I shall be glad to answer outside the Council Chamber. But to one I propose to return a brief answer here. He asked what had been done in the matter of Local Boards taking over trunk roads. Well, Sir, this is a subject which directly concerns my friend the Hon'ble Minister, but perhaps he will not mind my saying a word or two about it. We wrote round to the Local Boards—the Hon'ble Minister did so but this was after consultation with the Finance Department—to ask whether any of them were willing to take over the roads and buildings hitherto maintained by the Public Works Department. We offered to make over to a Board the sum annually spent on the average by the department on these roads and buildings. We offered also to make over a sum representing the cost of the engineering establishment by which the strength of the department would be reduced. We did not get very encouraging answers, but one Local Board, a Local Board in which the Hon'ble Member is much interested, at first entertained our proposal. We then put the matter into shape and made them a firm offer. The offer was in our judgment an eminently fair one, but to my disappointment—and I speak not only as Finance Member but also as a onetime Chairman of the Board—and equally I know to the disappointment of the Hon'ble Minister, this Board finally rejected our offer. We are both disappointed that so favourable an opportunity of trying the experiment has been lost. And I should like only to say that when criticisms in future are levelled at the Public Works Department for expensive working and inefficiency it will not become this particular Board to join in these criticisms.

The suggestion was made that in reducing expenditure this year we have made reductions only in the transferred subjects and that the reserved subjects have been spared. I admit that a casual glance at the statement of receipts and expenditure might lend itself to this view. I purposely made no attempt to work out percentage figures of reductions because these are almost bound to be misleading. I would remind the Council of what I said last year in the course of the budget discussions about the difficulty of dividing reserved and transferred expenditure. But as the accusation has been brought I will take one set of figures. If members will look at the statement on page 2 of the Budget Estimate they will find under item 52—“Miscellaneous adjustment between the Central and Provincial Governments” an increase in expenditure of Rs. 2,46,000. This represents the amount by which the sum we had to pay to the Central Government to clear off the provincial advance and loan account exceeded our expectations. It is hardly fair even if technically true to say that this Rs. 2,46,000 represents increased expenditure on reserved subjects. Again in the same connection if members will look at the *minus* entry on the page before against the item “Provincial Loan Account” they will see set forth in summary form what I told the Council before—that we had to spend in giving agricultural loans considerably more than we anticipated, and that we recovered owing to the occurrence of floods considerably less than we estimated. We have heard much about the nation-building departments. Is it argued that the giving of loans to cultivators to tide over their difficulties may not with equal justice be described as a nation-building operation? I have been asked what will happen if floods occur this year. Well, Sir, if calamities of this nature occur we shall endeavour to meet them as we have done in the past. I know that the Council will grudge no expenditure required for the purpose.

In spite of severe temptations I propose to leave politics untouched. There will be other and more suitable opportunities of discussing the subject. To-day I am concerned with politics only as Finance Member, and I would repeat to the Council what I said in my budget speech—that conditions in the province leave their mark on its finances, and that unrest and disorder must lead among other things to increased charges for the arrangements for the maintenance of the public security.

My friend opposite asked me a question, and I may say that I should have been disappointed and I am sure the whole Council would have been disappointed if the debate had concluded yesterday and we had been deprived of his contribution to it. He said if I heard him aright that this year we were using up the whole of our reserves and that next year we shall have increased expenditure, and he asked how we were going to get along. The question was, I think, repeated by our Deputy President. Well, Sir, I was a little afraid when the Hon'ble Member suggested that I should be able to answer off-hand any question he asked whether he was not rating my knowledge too high. Luckily in this case the answer to his question is to be found in my budget speech. What I said there was:—“That our Excise revenue should ever again approach its former figure is not to be desired even if this were possible. What we would wish is to be able to fix our normal expectations at the present time, to allow for a gradual but steady reduction, and to adjust our expenditure and regulate our rate of progress by the normal growth of our other receipts.” I also said that it was our fixed determination to commit ourselves as far as possible to no fresh expenditure which could not be met from an indicated growth in receipts. Whether I am again called an optimist or not I most firmly believe that some at least of our heads of revenue are expanding.

I desire, Sir, to acknowledge the services of the Committee on Public Accounts. Its labours were perhaps not arduous, but this is simply because it was not concerned with finances or financial dealings before the 1st of April 1921. In a sense the fact that the Members had but little to do reflects credit on the Finance Department, because if any serious irregularities during the current year had been detected by the Comptroller these would have been reported to the Committee. I found the advice of the Committee on the occasions when it met of great assistance, and invariably when it had been necessary to make transfers between grants in anticipation of the sanction of the Council I laid these transactions in the first instance before the Committee.

I have also, Sir, to acknowledge the services of the Finance Committee. In my budget speech I explained the exact position which that body filled. There have been suggestions that this was not a representative committee. Well, Sir, I shall tell the Council how the Finance Committee was composed. I invited the four members of the Committee on Public Accounts to serve on the new committee. It was not their business, but as they had been elected by the votes of this Council no one it seemed to me could say that I had merely selected members likely to vote as I wanted. In addition I asked two Hon'ble Members of this Council, one from each Valley, to serve on the Finance Committee. One was able to do so, the other from indisposition could not. I have always looked on these two Hon'ble Members as amongst the most candid critics of the Government. I do not think any one here would suggest that they were likely to be subservient to the Finance Member. There was another reason. The Finance Department is always on the look out for economy, and it occurred to me that as the four members of the Committee on Public Accounts were coming to Shillong for other duties it would save travelling allowance if they undertook service on the Finance Committee as well. I maintain that we did all that we were asked to do. We were asked to appoint a small committee to advise the Finance Member on the preparation of the budget. The circumstances this year were entirely abnormal. I laid before the Committee the facts that we had to deal with and the proposals that we had to make, and one member has publicly acknowledged that I did so. It was impossible for the Finance Committee, it would have been impossible for the collective wisdom of the Council, to do very much with the unhappy budget that I had to lay before the Committee.

I promised to say something more about retrenchments. I understood one or two members to suggest that we have had a Retrenchment Committee which worked at great cost and did not do very much beyond recommending the abolition of certain posts. Well, Sir, there could be nothing further from the facts. The Committee was composed of two busy men who gave their services, of one who left his well-earned leisure, all without remuneration and toiled very hard indeed. The thanks not only of the Government but of the Council are due to them for their labours. The Council will not expect Government to come to an immediate decision on their recommendations. I am sure the Committee themselves would not expect this. But it has occurred to me that the remarks I made in my budget speech have possibly been misunderstood. I certainly never intended these remarks to be taken as even an expression of opinion on the recommendations of the Committee, still less as suggesting that they could not be accepted. To show that Government does not accept retrenchment "in theory only" as one Hon'ble Member said I

want to tell the Council what we have done and are doing in the matter of retrenchment. First of all since September last we have done without a Deputy Inspector General for the Assam Rifles. Then we have abolished the appointment of Sanitary Engineer. In doing so I need hardly say that we are not trying to spend less on sanitation. We came to the conclusion that in the present financial state of the province and in view of the impossibility of undertaking in the near future any large sanitary project on which the advice of a Sanitary Engineer would be required we were not justified in keeping this appointment on. We are considering the abolition of the post of Excise Commissioner and the distribution of his duties among other officers. We are considering very carefully, and this is one of the recommendations of the Committee, the possibility of doing with one Conservator of Forests instead of two. And we are anxiously considering whether we can carry on with a smaller Imperial staff than we have at present. Lastly while we have not so far examined the suggested abolition of the Superintending Engineer we are considering a proposal by which he would become a purely inspecting officer while Executive Engineers would have greater powers of sanction than they exercise at present. This would result in the abolition or absorption of the office establishment now maintained for the Superintending Engineer.

It remains only to acknowledge publicly the services of all in the Finance Department. The Council do not need to be told that the budget is not prepared by the Finance Member himself though he has to defend it. In particular I should like to mention with gratitude the names of my Under-Secretary, Mr. Desai, and of the Head Assistant in the Financial Department, Babu Surendra Chandra Dutta.

To end on a severely practical note I would again remind the Council that as you told them we require two days' notice of motions to reduce grants or omit items from grants. We should be very grateful for longer notice, and I gladly acknowledge the courtesy of those members who have already given us notice of the reductions that they intend to propose.

The Council was then adjourned to Thursday, the 16th March, at 11 A.M.

SHILLONG :

The 25th March 1922.

A. MELLOR,

Secretary to the Assam Legislative Council.