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*ON BUDGET : 2

Dr. B. R. Ambedkar: Sir, the budget is no doubt an unsatisfactory budget in so far as it is really a deficit budget. But if it was only unsatisfactory on account of the fact that it discloses a deficit, I do not think it would have been necessary for me to take any serious notice of it. The budget however is not merely unsatisfactory but it is, I think Sir, a deplorable budget and the state of affairs is indeed a very serious state of affairs.

You know, Sir, that we are practically coming to a close of the first decade of the Montagu-Chelmsford Reforms. That being so, it is certainly worth our while to take stock of the situation as from the year 1921 up to now. Now, Sir, these Reforms were introduced in order that the transferred subjects may receive greater consideration at the hands of the Government than the subjects which are called “Reserve”. But, Sir, if you analyse the expenditure of this presidency from the year 1921 up to now, what do we find ? We find that the hopes that were entertained, that under the new regime objects of expenditure which help progress will receive preference over subjects which merely help the maintenance of law and order, have failed to come true.

I shall now show how it is so. I have collected some figures of expenditure incurred in various provinces on the “transferred” and “reserved” departments and with your permission, Sir, I beg to present those figures to this House, so that the House may know how deplorable the situation is. The figures I am giving show the percentage increase or decrease of expenditure in 1925-26 as compared with the year 1921-22 over the transferred and reserved departments in the various provinces. These figures are as under : —

		Reserved Department		Transferred Department	
		Increase, per cent.	Decrease, per cent.	Increase, per cent.	Decrease, per cent.
Madras	...	1.21	...	14.26	...
Bombay	...	6.33	...	5.82	...
Bengal†	...	...	...	6.11	...

†Decrease of expenditure on Reserved Department.

*B.L.C. Debates, Vol. XXII, pp. 167-70, dated 21st February 1928.

		Reserved Department		Transferred Department	
		Increase, per cent.	Decrease, per cent.	Increase, per cent.	Decrease, per cent.
United Provinces*	...	...	...	12.57	...
Punjab	...	10.40	...	29.41	...
Burmah	...	34.36	...	6.44	...
Bihar and Orissa	...	5.89	...	44.66	...
Central Provinces	...	6.24	...	18.15	...
Assam	...	8.24	...	12.75	...

*Decrease of expenditure on Reserved Department

Sir, if we look at these figures what do we find? I am sorry to find, and I am sure every one in this House will be sorry to find, that such an important province as Bombay should occupy the very lowest place in the order of its relative expenditure on the reserved and transferred departments. Even the province of Burmah, which appears to have been so badly managed, stands higher than Bombay in this respect. I, therefore, submit, Sir, that that is a grave scandal. Surely this is not the way in which the finances of an important presidency like the Bombay Presidency should be managed. I wish the Honourable the Finance Member had paid more attention to the "transferred" departments than he seems to have actually paid to them. From the figures it is evident that the reserved departments are systematically over-fed and the transferred departments are systematically starved. Sir, what good is an Indian Finance member if he is not to respond to the wishes of his countrymen. There is a general clamour for progress on all hands. The Honourable, the Finance Member knows how very insistent the clamour is. But unfortunately he has so far done nothing to lead us to hope for anything at his hands in the future.

Then, Sir, not only are the finances badly managed, but I submit, that the financial position of this presidency is indeed very serious. Sir, if you examine the financial position year by year from 1921-22 to the present day, you will find that every year there is a reduction of the surplus; so much so that instead of having surplus budgets we have exhausted our surpluses and we have now reached a period where the budget discloses a series of deficits. In 1922-23 there was a surplus of Rs. 64 lakhs. In 1923-24 the surplus came down to Rs. 29,38 lakhs. In the year 1925-26 the year was closed with a deficit of Rs. 91 lakhs; and we know what has been the state of affairs since then. You see, Sir, from these figures that the financial position of this presidency is deteriorating year by year, and I submit, Sir, that having regard to the commitments made by Government, the position in time to come is indeed going to be very serious. Sir, you know the loan arrangements will have soon to be paid off. Some arrangement shall have to be made for the repayment of that loan, that is bound to cast a heavy burden on the already exhausted finances of the presidency. Sir, this Council and the Government have been committed to universal compulsory

primary education. This Council and Government are also committed to the carrying out of the policy of prohibition. These three items, I do not think any honourable member of Government is going to deny, are going to make a very heavy call upon the finances of this presidency. And when our finances are deteriorating year by year even without these three items, I cannot quite imagine what will be the state of affairs when we begin to give these items a practical shape. Finding myself in this situation what surprises me most is that all this does not seem to trouble the Honourable the Finance Member at all. He does not disclose that he is aware of all these commitments. In the financial statement he has submitted he does not show that he is conscious of these obligations. He is merely, if I may say so, carrying through a hand-to-mouth policy, a policy for the day without any thought for the morrow. There is no outline of a general policy which will improve the future exigencies of the situation. After me the deluge seems to be his watchword. He is merely trying to meet the deficit of the budget. He is calculating upon what he might be able to gain out of the reduction in the famine insurance grant, and in the Meston contribution. But I ask him in all seriousness whether these small, paltry gains, as I call them, are going to really take us a long way in the financial stabilization of the presidency? I think, Sir, it would be a mistake to suppose that they can. Either the Honourable the Finance Member must assure us that there are sufficient possibilities of economy in the administration of this presidency which will carry us through, or he should tell us definitely that we shall not get what we want unless we have recourse to taxation. I respectfully refer to the speech made yesterday by His Excellency the Governor. In that speech His Excellency pointed out that the Legislative Council was entirely responsible for taxation, that it was within its powers to impose such taxation as was necessary. I admit that the Legislative Council has the power of taxation. But I also submit that the initiation in the matter must come from Government. It is the Government that must suggest what taxation it wants. Has the Government done so? The Government on the contrary is absolutely sitting silent. It does not propose to tell us what it is going to do. It cannot be said that Government has not got the data to work out a plan. We all know that the Taxation Enquiry Committee has submitted a most exhaustive report, with endless recommendations which ought to suffice for the initiation of a new and adequate financial policy. These, I am sure, are lying on the table of the Honourable the Finance Member, but nothing seems to have been done in the matter at all. I say, Sir, that the situation is indeed very serious and it is high time the Honourable the Finance Member make up his mind to deal with it in a statesmanlike manner.

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