S. I. P. A. LTD.

ANNUAL MEETING

Madras, Feb. 23.

The Fourteenth Annual General Meeting of the South Indian People's Association will be held at the Theagaraya Memorial Buildings, 14, Mount Road, Madras, on Monday, the 29th February, 1932, at 5-30 p.m.

CALENDAR

		SUN. Rises. H.	M.	SUN. Sets. H.	M.	MOON. Rises. H.	M.	MOON. Sets. H.	M.
FEBRUARY—1932.									
Thursday	25th	6	28	18	7	21	32	8	46
Friday	26th	6	27	18	17	22	32	9	31
Saturday	27th	6	27	18	17	23	33	10	19
Sunday	28th	6	27	18	17	—	—	11	11
Monday	29th	6	26	18	18	0	35	12	6

LOCAL AND PROVINCIAL

Lighting-up Time

The following is the lighting-up time for vehicles in the Madras City for to-morrow.

Morning	—	5-28 a.m.
Evening	—	6-47 p.m.

Temperature

Maximum	—	82·2
Minimum	—	73·2

MAILS FOR F. M. S.—Mails for the Straits Settlements and countries in the Far East will be sent via Dhanushkidi to morrow.

MUSICAL CONCERT.—There will be a musical performance by Sangeet Visharad, Gayanacharya. Pt. Deleep Chandra Vedi of Lahore, a very famous exponent of Hindusthani music to day at 8-15 p.m., at Y.M.C.A. opposite to High Court.

SREE GAUDIYA MATH.—His Holiness Tridandi Swami Srimad Giri Maharaj will hold a religious discourse on, Srimad Babagavatam in the Math premises, North Gopalapuram, to-morrow at 7 p.m. preceded and followed by Nama Samkirtanam.

SRIMATH VALMIKI RAMAYANA UPANYASAMS.—Mr. Seshachela Sastrigal of Tirukoilur will deliver free Upanyasam on Seetha Kalyanam on Friday the 26th, instant at 2-106, Swami Naicken Road, Chintadripet, at 9-15 p. m.

THE MADRAS LABOUR UNION.—Under the auspices of the above Union, there will be a public meeting at Wadia Park, Perambur Barracks. to-morrow at 5-30 p. m. Mr. B. Shiva Rao will address the gathering.

CORPORATION MEETING.—The adjourned general meeting of the Council will be held at the Ripon Buildings at 5-15 p m. on Friday the 25th inst., to consider the subjects undiposed of at the adjourned general meeting of the Council held on Friday the 19th inst.

POSTAL NOTICE.—Inward air mail articles from Europe prepaid with air fee up to Delhi will be issued for delivery at 8-30 a. m. on Wednesday the 24th instant, and those prepaid with air fee up to Karachi will be issued for delivery at 8-30 a. m. on Thursday the 25-2-32 from the Madras G. P. O. and about the same hour from the Delivery Town sub offices.

DEPRESSED CLASS SERVICE ARMY:—Under the auspices of the above Army, a public mass meeting will be held to-morrow at 6 p.m. at Mahomedan's Garden, Abbas Ali Khan Pet. Mr. T. Sundara Rao Naidu will preside, and Messrs S.V. Lingam, P. Selvanathan, I. Loganathan and S.P.I. Balaguru Sivam will address the meeting.

CORPORATION BUDGET MEETING.—A special meeting of the Council will be held at the Ripon Buildings at 5 15 p. m. on Tuesday the 8th March, 1932, for passing the Budget Estimate of income and expenditure of the Corporation of Madras for the year 1932-33. If the passing of the budget is not concluded on the 8th March, the meeting will be continued from day to-day till the budget is passed.

RAID ON GAMBLING DEN

Madras, Feb. 24.

Sub Inspector Razakhan of the Elephant Gate raided a gambling den in Water Basin Street, Elephant Gate, this morning and arrested Kandasamy Chetty and three others. He has also seized cash and gambling materials used there.

The arrested persons will be charged before a magistrate to-morrow.

PAN-ARAB CONGRESS

TO MEET AT MECCA

Fight For Emancipation From Mandatory Control

(Reuter's Cables)

Jerusalem, Feb. 23.

Mecca has been chosen as the venue of the Pan-Arab Congress, which is being convened shortly to form an Arab League of Nations to combat imperialism and emancipate the Arab States from Mandatory control.

BURMA R. T. C. REPORT

Earl Winterton Asks For Debate in Commons

(Reuter's Cables)

London, Feb. 23.

In the Commons, Earl Winterton asked for an opportunity of discussing the Burma Round Table Conference Report and the Government's declaration of policy at the present Session.

Mr. Baldwin agreed with the importance of the question which ought to come before Parliament at the proper time, but it was impossible to make a definite arrangements at present It was preferable in any case to defer the debate until the people of Burma had decided the Separation question.

Earl Winterton pointed out that the Burma Legislature had resolved in favour of the Round Table Conference decision

Mr. Baldwin said that he was aware of it, and would gladly accept Earl Winterton's request, if time could be found.

COMMONS DEBATE ON INDIA

Mr. Lansbury On "The Drastic Coercive Ordinances"

(Reuter's Cables)

London, Feb. 23.

Labourites have chosen the occasion of the India Office vote on February 29 for a debate of the situation in India

Mr. Lansbury informs Reuter that the Labour Party desire debate because the prevailling conditions are largely due to the "Drastic Coercive Ordinances".

MR. MACDONALD'S CONVALESCENCE

Three Weeks' Rest In S. W. England

(Reuter's Cables.)

London, Feb. 23.

Mr. MacDonald is leaving London on the 24th February for three week's rest at an unnamed resort in the South-West of England.

MADRAS RACES

THE FIRDOUSE PLATE

Topsy Turvey	1
Ismain Pasha	2
Mumtaz	3

All ran

Tote paid Rs. 37 for win, Rs. 18, 51 and 56 for places.

THE GULSHAN PLATE

Mameluke	1
Maltan	2
Khalil Khan	3

All ran.

Tote paid Rs. 33 for win, and Rs. 21 and 42 for places.

THE SOUTH INDIAN PLATE

Flip the Frog	1
Sagunthala	2
Spade	3

All Ran

Tote paid Rs. 70 for win, and Rs. 17, 14 and 36 for places.

THE KARBALA PLATE

Nasrat Beg	1
Quinze	2
Jinny	3

Not run:—Khalil Khan, Maltan and Karim Khan.

Tote paid Rs. 67 for win, and Rs. 25, 69 and 83, for places.

LEGAL INTELLIGENCE

MADRAS HIGH COURT

(Before the Hon'ble Chief Justice and the Hon'ble Mr. Justice Cornish.)

Madras, Feb. 23.

Non-Contesting Defendant And Plaintiff's Costs

Their Lordships delivered judgment in C. C. C. A. 43 of 28 on Friday, the question for decision being whether all defendants are equally liable to pay the costs of the successful plaintiff, holding in the negative.

In this case plaintiff sued for a declaration that a sale-deed dated 12-1-21 executed in favour of the first defendant was invalid and that the mortgage decree in a mortgage executed by the first defendant in favour of the second defendant was also not binding on him. The second defendant, mortgagee appeared through counsel, but never contested plaintiff's claim nor filed any written statement. He did not however remain ex-parte.

The circumstances under which these things happened were these. The plaintiff was a minor at the date of the sale. His brother purporting to act as his guardian sold both their shares i. e. the entire property to the first defendant. Plaintiff sued on attaining majority. The trial court gave him a decree, but decreed his costs to be paid by both the defendants.

Their Lordships held that the decree of the lower court was perhaps due to error and that an unconstesting defendant is not liable to-pay the costs, where there are other defendants who contest. The appeal was therefore allowed with costs.

Mr. G. Ramakrishna Ayyar appeared for Appellant Repondent in person modified the decree in terms of the award. The appeal was allowed.

The Advocate General appeared for the appellant and Mr Krishnaswamy Ayyangar for the respondent.

(Before the Hon'ble Mr. Justice Jackson)

Madras, Feb. 23.

Straight Streets And Municipality

His Lordship delivered judgment to day in C.M.A. 373 of 30 from East Godavari holding that the convenience of the Municipality should not affect the civil rights of parties.

The facts are : In 1916 plaintiff purchased a house and renamed in possession till 1921, when a a street was ordered to be opened right through her house splitting it into two. She filed a suit in 1923 for a declaration that the house was not liable to be divided and that there had never been any lane running through her house. She unpleaded her vendor as second defendant.

The Lower Appellate Court reversing the decree of the trial Court remanded the suit for finding out what were the boundaries of the plot in question. The plaintiff appealed. His Lordship held that there was ample evidence of the plaintiff and her vendor being in joint possession of the plot as a whole even long prior to the transaction in 1917, and that there was nothing on the first defendant's side to show whether there had been a pathway except an arbitrary order of the municipal officer to open a straight long artistic road. The appeal was allowed and the plaintiff's suit decreed with cost throughout.

Mr. C. K. Raghava Rao appeared for appellant and Mr. K. Subba Rao for the Municipality.

PICKETING IN THE CITY

Foreign Cloth Boycott Volunteers Dispersed

Madras, Feb. 24.

After a lapse of nearly two weeks, Picketing of foreign cloth shops in the city was revised yesterday by volunteers.

Eight volunteers were seen picketing some foreign cloth shops in Devaraja Mudali Street, George Town yesterday evening at about 4 p.m.

While the volunteers were busy with their picketing work, the police arrived on the scene and dispersed them by the use of canes.

JUSTICE DAY CELEBRATION

26TH FEB. '32.

The "Justice" Day will be celebrated on Friday, the 26th Feb. at 5-45 p. m. at the Theagaraya Memorial Buildings, 14, Mount Road, Madras.

The Hon. Dewan Bahadur B. Muniswami Naidu will preside.

Branches of the S. I. L. F. and the Non-Brahmin Youth Leagues in the City and mofussil are requested to celebrate the Day in a fitting manner.

A BALANCED BUDGET FOR MADRAS

(Continued from page 8)

improve them by increased taxation; or we must reduce expenditure. The 'pay cut' is an expedient of a temporary character sanctioned for (practically) a single year only, with the object of enabling us to set our house in order to meet the new conditions which events have produced or are likely to produce in the near future. It does not get us out of the wood; it only enables us to feel our way out of the wood. We are bound therefore to refrain from expansion as far as possible and to devise within the period of grace secured, means for restoring the pay cut in accordance with the undertakings given, and for balancing our revenue and expenditure without its aid.

It is partly for this reason that I have so strongly emphasised earlier in my speech the necessity of devising further economies in the year now about to commence. I trust what I have said will assure all concerned that we fully realize the implications of the pronouncements which we have made.

But it would scarcely be reasonable to go further and say that no money whatever must be spent on any Part II schemes so long as the 'cut' subsists. The business of Government is not so simple that one can draw a line and say ' Here is our limit : further expenditure beyond this is unnecessary.'' The further expenditure may be for administrative reasons unavoidable. The High Court, for instance, has asked for provision during1932-1933 for two temporary courts for a few months in areas where arrears have been unavoidably accumulating. Are we to say to suitors. ''No, you cannot get your cases heard because the judges are still having their pay cut ?'' Or again the expenditure may be such that we shall lose money if we do not incur it. That applies to several of the schemes now in question or again the scheme may be one for which though we do not recognize a standing liability we are to some extent eommited by past action, certain schools for instance, have in the past usually been able to count on grant in-aid for equipment and the abrupt cessation of such aid may be the cause of serious embarrassment.

I need not weary the House further instances. I quite realize that the line of argument I have been advancing can be pressed too far : however large the surplus, claims on Government can be swelled to correspond, and the ingenuity of those who press such claims will usually find no difficulty in urging in support of their claims one or other of the considerations to which I have alluded. But, within due limits, the Government consider that, in the present circumstances Part II schemes may be admitted provided they are of pressing necessity. that they do not commit us, or materially commit us, beyond the year 1932-1933, and that the amount is modest and in no case such as may affect our ability to redeem the undertakings given. I believe that the schemes now submitted to the House comply with these conditions.

Taking the proposed Part II expenditure and that for Part I together, our estimated expenditure chargeble to Revenue work out to Rs. 1,593·61 lakhs and balances the estimated revenue. To Rs. 94.73 lakhs, the opening balance of the year, we hope to add Rs. 13,10 lakhs being recoveries of loans and advances, and Rs. 22·54 lakhs by recoupment from loans of the advance made from the balances of the current year to the Cauvery Mettur Project expenditure; the result is that we hope to close 1932 33 with a balance of Rs. 130·37 lakhs. That is indeed a modest figure, but it is a matter for congratulation that it is on the right and not on the wrong side of the account.

CONCLUSION

In the concluding passages of my Budget speech last March, I indicated that we were entering on a period in which, though there was every need for caution and for patience and care in utilizing our resources. there was yet no need of despair. To that general position I adhere. The course of events of the past twelve months, justifies and reinforces that forecast. During the year 1932-1933, and possibly for several years to come, the expansion of the activities of Government, which the affluence of the preceding period rendered possible, must be curtailed; we must, so to speak, be content to live at a less rapid rate and be content with a less ambitious programme. Apart from the difficulties of our fallen revenues and of satisfying even in a small degree the urgent needs of the province in so many directions, we are faced with the uncertainty as to how we shall be affected financially by the great constitutional changes which the near future will bring. It has yet to be seen whether a system of federal finance can be devised that will not entail income from or other, direct demands on the provincial resources in the shape of a provincial contribution. while it is not improbable that, with an enlarged electorate and legislative council, the cost of the provincial administrative machinery will under provincial autonomy be higher than heretofore. It is impossible for us, consistently with the maintenance of provincial solvency, to contemplate on the existing basis of provincial taxation a forward policy such as that adopted in the past five or six years We must be content to take in sail, or even to heave our ship to altogether, while we refit her after the storm. A general advance along many lines will no longer be possible ; if any advance is contemplated at all, it will be necessary to concentrate upon one or two and confine ourselves to those whether it be primary education or medical relief, or whatever it may be. Expenditure must be regulated in greater degree with reference to a fixed and settled policy, rather than to pressure from this or that section or body of opinion. There will certainly not be enough money to satisfy all. And it will still be necessary to scrutinize closely our existing administrative system as well as future schemes with a view to the elimination or avoidance of waste. If we can proceed on these lines, we need not despair of being able, with returning prosperity, to set our course once more with increased canvas towards the desired haven. It may well be that the years of adversity, if we can learn to profit by our experiences, will in the long run prove beneficial.

British India Ste[am] Navigation Co., L[t]

(Incorporated in England.)

All sailings are liable to cance[lla]tion or alteration without not[ice]

SAILINGS.

BOMBAY TO EAST AND SOUTH AFRICA.

9th Mar.	...*Karagola*	... 7,
23rd Mar.	—*Karanja*	— 10,
6th Apl.	—*Khandalla*	— 7,

MADRAS TO LONDON.

via Colombo, Aden, Suez, Port Said [and] Marseilles.

(Taking cargo for Hamburg an[d] Antwerp without transhipment)

1st Mar...	*Morrada*	Winstanley	8,2
15th Mar.	—*Modasa*	...Gilchrist ...	9,0
30th Mar.	—*Mashobra*	...Galgey...	8,3
13th Apl.	—*Mandala*		— 8,2
24th Apl. ...	*Mulbera*	...Caffyn	— 9,1
11th May...	*Manora**	...Hudson	— 7,9
25th May...	*Manela*	...Maples	— 8,3
8th June...	*Margha*	...Kitson	— 8,2
22nd June	*Morvada*	...Winstanley	— 8,2
6th July ...	*Modasa*	—Gilcharist...	9,0

* Carries first class passengers only.

MADRAS TO CALCUTTA

5th Mar.	—*Mashobra*	— 8,32
20th Mar.	...*Mandalu*	... 8,248

MADRAS TO RANGOON

(Sailing at 10 a.m.)

26th Feb	...*Ethiopia*	— 5,574
4th Mar.	—*Erinpura*	— 5,128
11th Mar.	—*Ethiopia*	— 5,574

MADRAS TO STRAITS *via* NEGAPATAM.

(Sailing at 5 p. m.)

(Taking cargo for Australia and the Far East via Singapore.)

Leave Madras	Leave Negapatam		
2nd Mar.	6th Mar. ...	*Rajula*	... 8,47
16th Mar.	20th Mar. —	*Rohna*	— 8,602

NOTICE

Friends of passengers wishing to go on board the Company's vessels must first obtain passes from the undersigned.

For terms, rates of freight and passage apply to:—

Messrs. BINNY & Co., (Madras) Ltd.

(17) Agent, Madras

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SOCIAL AND PERSONAL

Madras, Feb, 24.

His Highness the Maharajah of Travancore and party arrived in Madras this morning from Quilon by the Trivandrum Express. The party will leave for Delhi on the 28th morning by the Grand Trunk Express.

Mr. A.V. Banoji Rao, Khan Bahadur Mahomed Schamnad, Mr. Nachiappa Gowder, Mr. A. B. Shetty, and Mr. C. Krishnan, M L.Cs. arrived in Madras this morning from their respective stations.

Sir M.D. Devadoss left this morning for Delhi by the Grand Trunk Express.

Mr. C.V. Venkataramana Iyengar left last night for Coimbatore

A Balanced Budget For Madras

Small Revenue Surplus Of 8·73 Lakhs

PART II SCHEMES TO WAIT

227 Lakhs Retrenchment Effected

NO FRESH TAXATION PROPOSED

The financial situation of the Presidency is lucidly explained in the speech of the Hon Mr. H. G. Stokes introducing the budget in the Legislative Council to-day. The trade depression continues, the political situation is still unsettled, but the Finance Member sees no reason for despair.

The year 1930-31 opened with a balance of Rs. 451'71 lakhs. The revenue amounted to 1,736'4 2 lakhs and the expenditure charged to revenue to 1,842'17 lakhs. The excess of expenditure over revenue, special repayment of loan and capital expenditure were all met from the balance, which decreased at the end of the year to 223'28 lakhs.

The Budget estimate of revenue for 1931-32 was 1,829'70 lakhs, but the revised estimate shows a marked fall to 1,642'09 lakhs. The fall is registered, under all major heads of revenue, notably under Excise, Land Revenue, Registration and Forest. This fall in revenue is sought to be met on the expenditure side by drastic Retrenchment to the extent of 112'61 lakhs this year ; but a deficit of 50 74 lakhs still remains, which along with Capital expenditure and temporary advance for Cauvery Mettur Project will again be met from the Balance. The Balance at the end of the current year is expected to be 94 73 lakhs.

For 1932-33, a revenue of 1593'61 lakhs has been estimated, and the transactions of the year are expected to balance each other. Just more than 8 lakhs may be available from the Revenue account for expenditure under Part II Schemes. Compared with the expenditure during 1930-31, retrenchment to the extent of 226'92 lakhs will be effected in 1932-33. Of this, approximately Rs. 40 lakhs will be secured by the emergency cut in salaries.

The Government consider it unwise to augment their revenue by fresh sources of taxation in this period of acute economic depression and political turmoil.

THE FIGURES AT A GLANCE

Revenue Account

(IN LAKHS OF RUPEES)

	Accounts. (1930-31)	Revised Estimate. (1931-32)	Budget Estimate. (1932-33)
Opening Balance ...	451·71	223·28	94·73
Revenue ...	1,736·42	1642·09	1,593·61
Expenditure ...	1,842·17	1692·83	1,593·61
Surplus (+) Deficit (—) ...	— 105·75	— 50·74	...
Closing Balance ...	223·28	94·73	130·37

COUNCIL PROCEEDINGS

Madras, Feb. 24.

The Budget Session of the Madras Legislative Council commenced to-day. The Hon. Mr. B. Ramachandra Reddi, President of the Council, presided.

Mr. A. W. Hutton and Mr. S. H. Slater, new Members, were sworn in.

FULL TEXT OF FINANCE MEMBER'S SPEECH

Continued Depression

After question time, the Hon. Mr. H. G. Stokes, Finance Member, presented the budget for the year 1932-33. The following is the full text of his speech :—

I rise, Sir, to present to the Council the Revised Estimates of Provincial revenues and expenditure for the current year 1931-1932 and the Budget Estimates for 1932-1933.

I do not propose to detain the House long by a detailed survey of the agricultural or economic history of the past twelve months. The year has been one of continued depression in trade and commerce generally ; there was a further fall in the sea-borne trade of the Presidency as compared with 1930 which was itself a bad year. There are now some signs of improvement, but it would be too much to anticipate in the year for which we have now to estimate, anything more than a slow and gradual upward movement. As regards agriculture, prices have continued to be depressed, on the whole though there have been, towards the end of 1931, some slight indications of some improvement in ground-nut. The countinued low level of prices, especially of food-grains, has been accompanied by a tendency towards a general restriction of credit and shortage of money. By way of some alleviation, as the House will remember, the Government obtained their permission last March to advance for six months a sum of Rs. 10 lakhs for the assistance of various co-operative central banks as temporary accommodation. These advances were distributed, as required, through the Registrar of Co-operative Societies and were all repaid by the end of October.

Broadly speaking, nature has not during the year treated us well in the matter of the rains, and we have some complaint against her as regards their distribution and timing. The south-west monsoon was not as strong as usual ; although in August it caused heavy floods with some attendant damage in the Ponnani taluk of Malabar district, it was much below the average in several districts, especially, Anantapur, Cuddapah, South Arcot, Coimbatore, Tanjore, Madura, Ramnad and Tinnevelly. The north-east monsoon, though more copious aud timely, was ill-distributed. It gave very heavy rain about October in Ganjam and Vizagapatam, with serious flood damage to irrigation works and roads, and some loss of life. In the West Godavari district during November excessive rains caused a certain amount of damage, but in the more southern districts the monsoon failed to develop properly until about December, when several short but violent storms relieved the crop situation though they occasioned considerable flood damage and a loss of some lives in Tinnevelly district. In the Bellary district which has been the worst off in the matter of rain, it is now reported that in a limited area the people are suffering from severe scarcity and absence of labour, which it is feared, may deepen into famine. The Government are, of course, prepared to take all necessary measures and have, as a preliminary step, placed money at the disposal of the local boards concerned to enable them to expand their road-making and other works activities in the villages affected. The situation is being carefully watched.

Political Turmoil

So far as politics are concerned, the period under review has been almost entirely covered by the duration of the Irwin Gandhi 'Pact' This interval, which was from the outset declared by certain Congress leaders to be merely a truce or armistice, has been employed by them mainly in attempting to reorganize and strengthen their organization while keeping the civil disobedience movement before the public eye by a campaign of picketing of foreign cloth shops and liquor shops. These activities, although ostensibly non-violent, have contributed to sustain the atmosphere of turmoil, and the attitude of contempt for authority, the existence of which forced the Government in 1930 to strengthen their Police forces, and has rendered it impossible to effect in the Police expenditure many economies which in quieter times might have been feasible. They have also contributed to some extent to the decline in the Excise revenue though it is probable that for this collapse we have to thank mainly general economic depression. Now the 'Pact' has come to an end, and although we may hope for great improvement as the labours of the various committees engaged in evolving the future Constitution of India and the provinces proceed, it would certainly be unwise to base our financial expectations on too sanguine a footing. The situation whether we regard it from the agricultural and economic or from the political standpoint, is not such as to justify any but a most conservative estimate of revenue and a most restricted and cautious policy of expenditure. This attitude, I believe the Council will find reflected in the estimates which I am about to submit for their consideration.

Retrenchment Efforts

As the House is aware, the year has been one of retrenchment, and before I come to the detailed figures, there are some general observations to be made.

I may remind the House that, at last year's Budget debate, I indicated as the main object of the policy of Government the adjustment from year to year of revenue receipts and revenue expenditure, 'balances or no balances'. I foreshadowed the necessity of general retrenchment, though I hoped to be able to avoid it, and in the debates which followed, the House gave ample evidence that they endorsed the policy of equilibrium, and that, should general retrenchment be necessary, they accepted, nay they even enjoined, it.

The Retrenchment Committee was accordingly appointed to go into the matter and at one of its earlier meetings, after a general survey of the course of Provincial revenue and expenditure, it decided that we should not for some years to come be able to count on a revenue of more than about Rs. 16½ crores, and that the general level of expenditure would have to be regulated accordingly. It accordingly desired the Government to call upon heads of departments to make suggestions as to how a reduction of expenditure of about 8 per cent, of which not less than half should be recurring expenditure, could be effected without serious detriment. It was intended that the replies to this circular should go direct to the Committee and be considered by them in consultation with the Departmental head, and that thereafter the Committee should submit to Government its recommendations in respect of each department, as soon as dealt with for final orders.

Actually, however, a different course of procedure was forced upon us by the urgent pressure of events. It became evident by May or June 1931, when the first the actuals of 1930-1931 began to be available, that the anticipation of the budget for that year would not be realised and that the expenditure for 1931-1932, largely based on the figures of the previous year, would also be seriously affected. It was evident that immediate action was necessary, and Government accordingly decided to proceed to adopt, on their own initiative, a series of urgent retrenchment measures designed to meet, as far as possible, the current year's emergency. A series of orders resulted, with all the details of which I need not trouble the House. The carrying out of Part II schemes for which the Budget Estimate for 1931-1932 had allotted some Rs 39 lakhs was, as far as possible, held in abeyance ; an emergency reduction of the normal provision for supplies and services and contingent expenditure was ordered in all departments; the rates of travelling allowance (both ordinary and fixed) were subjected to an emergency reduction; building and irrigation works were either stopped or their completion slowed down wherever this could be done without loss or serious detriment; expenditure on touring, transfers of staff and travelling generally, was ordered to be restricted, as far as possible, to what was essential. These instances out of many may suffice to indicate the nature of the measures taken. Every such order was communicated without delay to the Retrenchment Committee, and as far as possible, Government refrained from issuing orders on matters involving large questions of principle without giving the Retrenchment Committee an opportunity of putting forward their views, and, in respect of future years, of formulating independently their recommendations. In the majority of cases, the Retrenchment Committee endorsed the action taken by Government; in some they have made them the basis of their own further recommendations, and in most departments they have been able to make substantial original or contributory suggestions. Their final report will shortly be submitted to Government and laid on the table of the House. I should like, before going further, to express the obligation under which the Retrenchment Committee have placed us all by the public spirit and courage which they have brought to the discharge of the very difficult and unpopular, though necessary, task that the House laid upon them. However much people may advocate retrenchment in the abstract, it is not, I suppose, in human nature to accept its practical application without a murmur. The Committee, notwithstanding, has not been deterred by fear of clamour from adopting in many instances recommendations, which could not but excite opposition, when it was convinced that they were practicable and necessary.

On the Retrenchment Secretary, Mr. Tottenham, and his staff all the laborious spade work which a general retrenchment enquiry involves has fallen and the House will, I feel sure eudorse my words if I here express to him and to his assistants my cordial appreciation of their work

The year has also been one of exceptional strain for the Finance Secretary, Mr. Hood, and the officers and staff of the Finance Department proper. One of our oldest and most valued financial officers, Rao Bahadur V. Gopalakrishna Ayyar, Senior Assistant Secretary. has, I greatly regret to say, been obliged under medical advice to desist from work entirely. The duties of the department are at no time easy; how much more laborious they become under circumstances such as have prevailed in the pastyear, I fear not many will realize who are not in touch with their work from day to day. On behalf of the Government, and on my own behalf, I have to thank them for their loyal and unsparing efforts to enforce the difficult and distasteful, not to say thankless policy of retrenchment which circumstances have forced upon us.

With these preliminary observations I turn to the Estimates that are now to be laid before the House. I proceed in the first place to examine the position with reference to the actual Receipts and Expenditure of 1930-1931 and the Revised Budget of 1931-1932—the year now closing.

REVENUE ACCOUNT

Accounts For The Year 1930-31

The year 1930-1931 opened with a balance of Rs. 451 71 lakhs. The expenditure of that year, however, exceeded the revenue by Rs. 105'75 lakhs, and, after meeting this deficit from balances as also Rs. 67'64 lakhs in repaying debt and a sum of Rs. 55 04 lakhs for financing capital expenditure, loans and advances by the Provincial Government, the year 1931-1932 opened with a balance of Rs. 223'28 lakhs.

Revised Estimate For The Year 1931-32

During the course of the year as I have said it became evident that the expectations on which we had based our revenue estimates were too sanguine, and that it would be impossible to realize the hope of achieving at its close even an approximately balanced budget. The revised estimates of revenue now submitted display under every head a more or less marked fall, the total decrease amounting to no less than Rs. 187 lakhs. The following table exhibits the results under the main revenue heads:—

Dept.	Budget estimate, 1931—1932. Lakhs.	Revised estimate, 1931—1932. Lakhs.	Worsening (—). Lakhs.
II. Taxes on Income	5 10	3 10	—2 00
V. Land Revenue	766 09	753 87	—12 22
VI. Excise	496 33	405 55	—90 78
VII. Stamps	238 84	226 34	—12 50
VIII. Forest	55 84	44 59	—11 25
IX. Registration	31 95	29 33	—2 62
XVI. Interest	37 98	31 02	—6 96
XXVI. Miscellaneous	82 97	43 36	—39 61
Other heads	114 70	105 03	—9 67
Total	1,829 70	1,642 09	—187 61

Fall In Receipts

I propose to give a few brief remarks explanatory of the variations under these heads. Under II. Taxes on Income the fall of Rs. 2 lakhs is probably due to continued economic depression; under V. Land Revenue we find a fall of Rs. 12'22 lakhs, which is arrived at on the basis that, while we anticipate to collect during 1931-1932 a part of the outstandings of the previous year, and to realize in addition about Rs. 3 lakhs from the enhanced settlement rates in the Godavari and Kistna districts—the total increased collection being Rs. 28 lakhs—we have felt bound on the other hand to allow for a short collection during the year of a about Rs. 34 lakhs due to the continuance of the depression in trade and food-grain prices, the occurrence of floods in various parts of the Presidency and adverse seasonal conditions in others which may involve considerable postponements or remissions of revenue. Further, a consideration of the latest actual figures of collections relating to sale-proceeds of waste lands and other miscellaneous items of revenue, coupled with an increased demand of Rs. 1 lakh on account of revenue refunds, has compelled us further to reduce the total anticipated income under the Land Revenue head by Rs. 6 22 lakhs. No credit has been taken in the Revised Estimate for 1931 932 or in the Budget Estimate for 1932 1933 for enhanced revenue due to the introduction of re-settlement in certain taluks of Malabar for which figures have not yet been reported.

Leaving Land Revenue, we find under Excise the most marked decline of all. The total is Rs. 90'78 lakhs, and the fall is apparent under every head of the abkari revenue, but particularly under those relating to arrack and toddy It has been frequently observed that the abkari revenue reflects very faithfully the prevailing adversity or prosperity of the agricultural and labouring classes who, in this Presidency, are the main contributors to it and to few other Provincial taxes or none. There is little doubt that the causes of the present decline are mainly to be found in the general economic stagnation which has been prevalent. Forest Revenue shows a fall of Rs. 11'25 lakhs due, again, to the same general causes which have resulted in a slump in the timber market and contraction in that for sandalwood; under interest the decrease is Rs. 6'95 lakhs mainly due to the reduction in the amount of interest earned on the sums deposited with the Government of India.

Miscellaneous Departments

As regards the two heads XXVI. Miscellaneous Department and Other Heads no special remarks appear necessary, except to note that, under the former the heavy fall of Rs. 39'61 lakhs is almost wholly due to the failure to realize the anticipated revenue from the Motor Vehicles Taxation Act passed by the Council in March 1931. As against an anticipated revenue of Rs. 70 lakhs, the collection on the basis of nine months' actuals are not expected to exceed Rs. 31'50 lakhs, a drop of Rs. 38'50 laks. Although the Gov rn-

(Continued on p ge 8)

A BALANCED BUDGET FOR MADRAS

(Continued from page 7)

ment is not untouched, the main sufferers by this result are the District Boards whose finances cannot but be very adversely affected. As the House will shortly have an opportunity of discussing the matter in connexion with the Government's proposals for the amendment of the Act I need not go into the question at length in the present context

The revised estimates of expenditure for the current year disclose the estimated effects of our efforts at retrenchment to which I have already referred. Against the Budget Estimate of Rs. 1,822'13 lakhs, the Revised Estimate is now put at Rs. 1,692 83 lakhs, a decrease of Rs. 129'30 lakhs. The estimates provide for an increase of Rs 3'46 lakhs due to greater provision partly for repairs to damage caused by recent floods in Tanjore, Trichinopoly and Tinnevelly and to the more rapid completion of certain works in the Godavari Delta Irrigation system, and partly to provide for increased expenditure under Superannuation allowances and pension. On the other hand we contemplate reduction of expenditure amounting to Rs. 132'76 lakhs of which Rs. 20 15 laks is due to the reduced amount payable to local bodies under the Motor Vehicles Taxation Act, to which I have just referred. The remainder, Rs. 112'61 lakhs, is due to measures of retrenchment adopted in the current year including the emergency cut in the salaries of Government servants. I have caused to be prepared, for the information of the House, the Statement which laid upon the table to day. This shows in a convenient form the estimated savings in the Revised Estimate for 1931-1932 and the Budget Estimate for 1932 33, as compared with the Budget Estimate for 1931 32. These figures include both retrenchments ordered by the Government on their own initiative and also those on the recommendation of the Retrenchment Committee. There are still various other possibilities of economizing which have yet to be explored, or in respect of which though proposals are before Government, a decision has yet to be reached; in a few cases, again though orders have issued, exact figures have not yet become available. These have not been included in the statement, which both as regards the Revised Estimate for 1931—1932 and the Budget Estimate for 1932—1933 takes into account only those retrenchments for which reasonably exact estimates of saving have been available up to-date.

In making the above brief explanatory remarks on the statement just referred to, I have been led into a slight digression. I will now, with the permission of the House complete the brief survey of the Revised Estimate figures for 1931-1932 under Capital and Debt Heads.

CAPITAL AND DEBT HEADS

Revised Estimate For The Year 1931-32

For the Cauvery-Mettur Project, we budgeted for an expenditure of Rs. 84'82 lakhs, but, owing mainly to more rapid progress due to the working of the concrete-placing towers, a larger quantity of cement has been required raising the Revised Estimate of expenditure to Rs. 104-39 lakhs. To meet this, loans from the Government of India provided Rs. 81'85 lakhs, and for the balance of Rs. 22'54 laks. we shall draw temporarily on our general balances which will be recouped in 1932-1933 by a correspondingly increased loan from the Government of India.

Under the heads Capital Expenditure other than on the Cauvery-Mettur Project, and Loans and Advances by the Provincial Government, the total disbursements are now estimated at Rs. 110-36 lakhs against the Budget Estimate of Rs. 118'18 lakhs. I do not think I need weary the House by a detailed discussion of the figures. It is enough to observe that, realizing the special difficulties in which the District Boards are likely to be placed by the failure to receive so large a proportion of the revenue anticipated from motor vehicles taxation, we have provided a sum of Rs. 10 lakhs to be used in the form of short-term loans to be recovered in instalments with interest, so that time may be given to them to adjust themselves to the new conditions. The expenditure of Rs. 110 36 lakhs will be financed, as to Rs. 55.09 lakhs by recoveries of loans and advances, and as to Rs. 55'27 lakhs from the revenue balances.

Closing Balance In The Year 1931-32

It is now possible to indicate what the closing revenue balance for 1931-1932 will be. Starting with Rs. 223 28 lakhs as our opening balance in April 1931, we have to deduct Rs. 50'74 lakhs on account of the revenue account deficit, Rs. 55'27 lakhs utilized for capital expenditure on objects other than the Cauvery Mettur Project, and Rs. 22'54 lakhs being temporary advance to the Cauvery-Mettur Project, the necessity for which I have just explained. The tota is Rs. 128'55 lakhs and the result is that by the end of 1931-1932, our revenue balance proper will be reduced to Rs. 94 73 lakhs, excluding the balances under Suspense and Deposit heads. That, in my opinion, represents the lowest to allow our working balance to decline With a revenue of about Rs. 16 crores, and an expenditure from revenue of a similar amount I do not thing that broadly speaking, a working balance of Rs. 1 crore or near it, is an excessive minimum figure to aim at.

REVENUE ACCOUNT

Budget Estimate For The Year 1 32-'33

I now turn to the Estimates for 1932-1933. We estimate the total revenue at Rs. 1,593-61 lakhs which falls short of the Revised Estimate for 1931 1932 by Rs. 48'48 lakhs and of the Budget Estimate of revende for the same year by no less than Rs. 236 lakhs.

The figures disclose slight increases under Land Revenue, Forest, Registration and Miscellaneous Departments. These call for no special remarks, it may ,however, be observed that, as in the case of the estimates for the current year, while we have taken credit for additional revenue in the Godavari and Kistna districts on account of the resettlement, we have not made any corresponding addition on account of increased revenue for resettlement of certain taluks of Malabar for which no figures are, as yet, available. Under Forest and Registration small increases, respectively, of Rs. 2 68 lakhs and Rs. 90 lakh are due in the former case partly to changes in methods of accounting, and partly to the fact that about one-half of the sale-proceeds of sandalwood sold in the current year will be realized in 1932 1933, and in the latter case to the credit for a full year of the fees levied from October 1931 on transactions connected with Co operative Societies. Under excuse we have allowed for a further fall, as compared with the revised estimate for 1931-1932, of Rs. 40'49 lakhs. This represents, as compared with the budget estimate figure for Excise presented in February 1931, a fall of no less than Rs. 131'27 lakhs; and if we compare the budget estimate for next year with the Excise revenue on which my predecessor thought he might count in the Budget for 1930-1931 viz., Rs. 565 lakhs, the fall is no less than Rs. 2 crores. I do not now pause to enquire as to the causes of this phenomenon, or to conjecture whether it is due to a real 'change of heart' or an 'urge to temperance on the part of the drinking classes, or due rather to the depth of the economic depression coupled with disturbed political conditions such as have obtained in the past one and a half years. If, however, it is to be ascribed mainly or, in any marked degree, to the former, one can only observe that the change must have been miraculous; for, for a number of years prior to 1930-1931 the abkari revenue steadily rose and reached its peak figure (just short of Rs. 6 crorers) in 1929-1930. I prefer myself to accept the more prosaic explanation that the fall is mainly to be ascribed to the economic depression. There is no doubt that the liquor trade, like everything else, has been badly hit during the past two years, and it would be unwise to count upon an immediate recovery. In fact, so far as next year is concerned, even if some improvement in general economic conditions and prices begins, it is probable that any corresponding improvement in the abkari revenue will follow on the establishment of better conditions rather than accompany that process. We anticipate for the year just opening that the repercussions of the shock which the liquor trade and the Excise revenue have received will continue to be felt, and we have not felt, justified in taking a more hopeful view than the figures now put forward represent.

I do not think I need detain the House further on this part of the estimates beyond observing that the decrease of Rs. 3'17 lakhs under the head Interest is due to the fact that in all probability the depletion of our balance will not enable us to deposit any portion with the Government of India so as to earn interest.

Figures Of Expenditure

Turning to the figures of Expenditure, that under Part I is estimated at Rs. 1,585'25 lakhs, a decrease of Rs. 107 58 lakhs as compared with the Revised Estimate for the current year, and of Rs. 236'88 lakhs as compared with the Budget Estimate presented last February. We have been obliged to provide for increased expenditure amounting to Rs. 18'55 lakhs mainly on account of unavoidable charges such as increments on time scales of pay, debt charges and pensions; there is also a small increase for elementary education. Against these increases, we have to place reductions in expenditure amounting to Rs. 255.43 lakhs, and the House will wish to have a few general remarks as to these. Details are given in the appropriate column of the statement placed on the table to-day, which I have already mentioned. There are, first, two items of Rs. 2o 13 lakhs and Rs. 4.38 lakhs which are due, in the former case, to the reduction in the amount which we had anticipated would be payable to local bodies under the Motor Vehicles Taxation Act, and, in the latter case, to reduction in the amount of repayments due under the old Provincial Loan Account. These two items cannot be said to be items due to retrenchment. The emergency cut in pay of Government servants gives us Rs. 39 59 lakhs; by the reduction in the rates of travelling allowance and restriction of tours and transfers and in the rates of compensatory allowance and by the curtailment of expenditure in contingencies and supplies and services, we hope to save Rs. 22 79 lakhs. We have been able to achieve a reduction of Rs. 13'44 lakhs in recurring grants-in,aid under 'Education,' 'Medical' 'Co-operative Credit' and 'Industries.' Under non-recurring grants in-aid the total economy is Rs. 37'84 lakhs of which the major portion (Rs. 29'70 lakhs) relates to grants for 'civil Works' while 'Public Health' and 'Education' contribute respectively Rs. 5 80 lakhs and Rs. 1'58 lakhs Owing to completion of irregation schemes and of works such as raising and strengthening banks and the lifie we anticipate a saving of Rs. 16'83 lakhs. By restricting the general Civil Works programme, slowing down expenditure and reducing the provision for minor works, we hope to save Rs. 35 04 lakhs. There are, further, anticipated savings amounting to Rs. 65'39 lakhs due to other miscellaneous specific retrenchments ordered by Government which have been detailed in the statement referred to

The actual net savings which we hope to achieve in 1932-1933 are now estimated at Rs. 226'92 lakhs, taking into account only those retrenchments on which orders have been issued by Government and for which definite figures are available.

A Very Small Revenue Surplus

The result of these economies is that we hope to reduce our expenditure chargeable to Revenue below the revenue and to have a very small surplus of Rs. 8'76 lakhs, which would normally be available for Part II schemes.

Part II Schemes Within Limits Of Revenue

I shall presently have something to say as to the question whether, circumstanced as we are, we shall be justified in so devoting the small surplus. For the moment, I have to invite the attention of the House to the significance of the figure. It is infinitesimal as compared with the sums which my predecessors were able to allot in former years. In 1925-1926 the figure was Rs.62'45 lakhs; in 1927-1928 it was nearly doubled, rising to Rs. 120 42 lakhs Since then it has declined, but even so late as 1930-1931—the last year for which my predecessor framed a budget—it was as high as Rs. 97'59.

To a great extent, it was only possible for Government to allocate such large sums for expansion by reason of the existence of ample balances which accrued on the somewhat abrupt remission (completed within two years of the provincial contribution. In 1930-1931, my predecessor actually budgeted for a revenue deficit of over Rs. 16 lakhs while allotting nearly a crore for expansion. It was impossible that such a policy could be indefinitely pursued. In 1931-32 the Government decided that revenue and expenditure chargeable thereto must balance, and that we must get away from the hypnotic contemplation of what I referred to in my budget statement last year as 'these fascinating but demoralising balances.' We hoped during 1931—1932 to do this, meeting from balance only a small sum of Rs.9½ lakhs arising from flood emergencies and to be able at the same time to allot about Rs 39 lakhs for Part II schemes. In this we have been disappointed owing to the rapid development and deepening of the economic depression which, as soon became apparent, threatened with collapse almost every head of revenue, and notwithstanding the various efforts to effect economies in the current year, as already explained to you, we are confronted with a deficit of over half a crore. The balance remaining is only enough to provide a reasonably safe working balance below which we must endeavour not to fall in future years This means that the policy of confining expenditure from reuenue within the limits of revenue must be continued and enforced: we should seek only to draw on our balances for real urgent and unavoidable nonrecurring expenditure. The era of 'fascinating but demoralising balances has departed so far as can be foreseen at least for a number of years to come. And expansion in the shape of Part II schemes can only be contemplated within the limits of revenue.

If this is to be achieved, if follows that, in normal years, it will be necessary to provide a reasonable sum—say Rs. 20 lakhs or Rs. 30 lakhs annually—for expenditure beyond normal commitments. The budget now presented does not provide for this. To the small surplus we have been able to show, the emergency cut in salaries of Rs. 39½ lakhs has largely contributed; and we are under pledge, if we possibly can, to give relief from that reduction at least by 31st march, 1933 This means that the saving thus temporarily secured will have to be replaced by economies in other directions if tht Budget for 1933-1934 is to be balanced. To produce a satisfactory budget for that year providing for the removal of the salary cut, and a moderate provision for Part II schemes, a further betterment in our position by about Rs. 60 lakhs is essential. Unless by devising new sources of revenue, or by an improvement in our existing ones upon which at present we should be unwise to count, we can only achieve the desired result by a further reduction in expenditure, and this must be our object during the year now opening. I commend these observation to the consideration of those members of this House (if there are any) who are disposed to demand increasing expenditure and to the spending departments of the Government.

CAPITAL AND DEBT HEADS

Budget Estimate For The Year 1932-1933

My remarks on the Capital and Debt heads of the budget will not, I hope, detain the House for long. The expenditure in respect of the Cauvery-Mettur Project is estimated at Rs. 77'84 lakhs, a decrease as compared with the revised estimate, of Rs.26 55 lakhs. This relates mainly to the Head Works, owing to smaller expenditure on special tools and plant, on shutters and gates for sluices and on the main dam itself whose progress will be slower as the level of the dam rises. The sum of Rs. 77'84 lakhs together with Rs. 22'54 lakhs advanced from the revenue balance in the current year totalling Rs. 100'38 lakhs will be borrowed from the Government of India. For 'Capital Expenditure other than on the Cauvery Mettur Project' and for 'Loans and Advances by the Provincial Government', the budget (Part I) provision is Rs. 76'49 lakhs against Rs. 110'36 lakhs in the revised estimate for the current year. The decreased provision arises mainly in connexion with the Pykara Hydro-Electric Scheme; it is reported that the bulk of the machinery and plant will be paid for in the current year. The expenditure on the Pykara main scheme during 1932-1933 is put at Rs. 26'71 lakhs; for the supply of power to Salem and Erode Rs. '13 lakhs is provided, while, for the distribution of power in the Coimbatore district, Rs. 4'88 lakhs is proposed. The main Pykara scheme will, we hope, be completed in the year; the cost of doing so and of the other connected works mentioned amounts to Rs. 31'72 lakhs. For the Kattalai scheme, Rs.6½ lakhs is provided and Rs. 10 lakhs for the instalment contribution to be made by this Government in 1932 1933 for the Fourth Stage works of the Cochin Harbour. It is proposed, in all, to borrow from the Government of India Rs. '50 23 lakhs.

The House will note, with reference to his part of the Budget, that for the completion of the Pykara Hydro Electric Scheme and the Katalai irrigation scheme, we must rely on borrowed money. The depletion of our balances renders it impossible to continue to use that source for financing large schemes of expenditure of the kind. The effect of the change will be to add to our annual charges for interest and debt repayment, but on the other hand, to distribute the financial burden of these enterprises over a series of years, which is also the theoretically correct and equitable procedure in such cases.

Part II Schemes For The Year 1932-1933

The amount available for Part II schemes is, on the present estimate, Rs. 8 76. lakhs. In certain quarters the question has every naturally been asked "Why, if you have any surplus at all, do you contemplate any expansion of expenditure, when you have been obliged to impose on your servants an emergency reduction of salary? Is not the relief of your servants from the emergency cut to be placed as a first charge on your resources, and are you not pledged so to treat it? The point was raised in somewhat different language by the Finance Committee, to whom, in accordance with our usual procedure, the proposals of departments in respect of Part II schemes were submitted. After examining the various proposals and classifying them in order of necessity or urgency, the Finance committee added to their report the following rider :—

"The committee considered the Part II schemes for 1932 1933 placed before it and made its recommendations as to which are necessary and urgent.

"In this connexion, however, its attention has been called to the fact that the Government of India and Provincial Government have undertaken to restore the cuts in pay of Government servants immediately the exceptional emergency has passed and the financial conditions of the country have improved. The Committee fully accepts the implications of this undertaking and suggests that the Government should bear in mind this obligation in coming to a conclusion on the Committee's recommendations".

I may first recall to the House the exact pronouncements that have been made by this Government and by the Government of India on this subject. In their communique published on 14th December 1931 this Government said:—

"In conformity with the announcement made by the Finance Member of the Government of India regarding the duration of the cut, these measures will be of a temporary nature not extending beyond the needs of the present exceptional emergency and will be removed as a first measure of relief as financial conditions improve. There is no present intention that the cut should remain in operation after 31st March 1933."

The Government's intention was to follow in all respects the line taken up in his pronouncement on this question by the Finance Member of the Government of India. In the course of his speech to the Assembly on 29th September 1931 the Hon'ble Sir George Schuster said :—

"It must be clearly explained that there is no intention that thay should remain operative beyond March 31, 1933 Tney will not be continued beyond that date without further examination of economic conditions ; and economic conditions so required or permitted, we should reconsider them before that date."

Later in his speech Sir George Schuster, in describing how the anticipated surplus as on March 31, 1933, would be utilized, stated :—

"It is perhaps forecasting events too much to say in what order these reductions should be made. But there are certain principles which we consider must be observed. Relief must come first in restoring the emergency cuts in pay and secondly in taking off the surcharge on the income-tax now to be imposed. I think we may predict with as much certainty as is possible for any such forecast that these special impositions will not in any case be extended beyond March 31, 1933."

Question Of Restoration Of Cuts In Pay

The view which, as I said, has been urged in some quarters amounts to saying that Government would not be justified in contemplating the spending of a single anna on any Part II scheme so long as the 'pay cut' remains in force. In the view of Goverment that is an extreme position, and not consistent with the meaning or the intention of the pronouncements that have been made. The meaning and intention of those pronouncements is, in their view, that, when the Government's general financial position is so far improved as to enable relief to be given, it is their duty, as it is their intention, that the relief of their officers from the emergency cut in pay shall receive the first place in their consideration. In any case unless Parliament sanctions for the All-India Services an extension of the 'cut' beyond the end of March 1933, it must then come to an end, both for those services, and also for the Provincial and Subordinate Services affected. For it would not be equitable or right, in our view, that the 'cut' should be retained for the latter and not for the former. It cannot be said that for us the time already has come to give relief. The anticipated surplus is anticipated only; it remains yet to be seen if it is to be realized And, in any case, that our financial condition is restored because we hope in 1932-1933 to have a trifling surplus of Rs. 8¾ lakhs in a budget which runs into Rs. 16 crores or so, is an unduly sanguine proposition.

Three Alternatives

We shall have to realize, or at least have well in sight, a very much more substantial margin of revenue over expenditure than this before we can claim to be 'out of the wood'. There are only three methods of securing this, to any or all of which we can resort. Either the revenues must improve: or we must

(Continued on page 5)

Madura Municipality.

SEALED tenders are invited SEPARATELY for each of the following items for the use of this Municipality during the year 1932-33. Tenders should reach this office on or before the 8th March, 1932.

ITEMS.		APPROXIMATE QUANTITY.
1	Coal	2050 tons
2	Firewood	70 tons.
3	Cotton waste	40 cwts.
4	Petrol	4000 gallons.
5	Valvoline D. L. R. Oil	16 barrels.
	do. S. M. R. Oil	5 barrels.
6	Mobil Oil A. (or equivalent)	6 barrels.
	do. B. do.	21 barrels.
	do. C. do.	6 barrels.
7	Grease	10 cwts.
8	Liquid Chlorine	30 cylinders.

For TENDER CONDITIONS and further particulars please apply to the undersigned.

V. PONNUSWAMY PILLAY,
Special Officer.

19-2-'32. (181)