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OF THE

LEGISLATIVE ASSEMBLY, 1922



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LEGISLATIVE ASSEMBLY.

Monday, 27th March, 1922.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

STATEMENTS LAID ON THE TABLE.

The Honourable Mr. C. A. Innes (Commerce and Industries Member) :
I lay on the table the information promised in reply to three questions by Lieutenant-Colonel H. A. J. Gidney, on the 6th February, 1922, regarding an accident at the Craddock Colliery, a cholera epidemic at the Ekhlara Colliery and the possession of certificates of competency by the Managers of Collieries in the Pench field worked by Messrs. Shaw Wallace and Company.

173. (a) The accident to Hori Lal did occur on the 9th March, 1921, at the Central Pench Coal Company's Craddock Colliery, and as the skin was cut and some small pieces of bone broken off the point of the lower jaw, the accident may technically be described as a compound comminuted fracture of the lower jaw. It is understood that the Civil Surgeon did not consider an operation necessary.

The injured man walked voluntarily to Barkuhi hospital, a distance of about four miles from the scene of the accident, before the Colliery management were made aware of the accident. He was later sent by train to the main hospital at Chindwara at the instance of Dr. Baker (the then Chief Medical Officer of the Collieries managed by Messrs. Shaw Wallace and Company). Dr. Baker had all facilities for treating Hori Lal at the Colliery hospital had he so desired.

(b) The case was not reported to the Manager until the following day, when he personally proceeded to the hospital to see that the injured man was receiving proper attention.

(c) Yes. An official report was received from Dr. Baker by the Manager who, after ascertaining from the Civil Surgeon that the accident was sufficiently serious to be reported, submitted an official notice of the occurrence of the accident to the Chief Inspector of Mines on the 16th June, 1921. Prior to this, however, an explanation of the immediate failure to report the occurrence of the accident was sent by the Mine Superintendent to the Chief Inspector of Mines, who accepted the explanation, but issued instructions that in future in all cases of doubt Managers should send notice to the Chief Inspector of Mines within the prescribed time and leave it to that officer to decide whether an accident was 'serious,' as defined in the rules, or not.

174. (a) No, but an epidemic of cholera took place between the 25th June and 13th July, 1921, at the Pench River Coal Company's Ekhlara Colliery. The number of employes mentioned by the Honourable Member and his statement that the medical staff consisted of one unqualified Sub-Assistant Surgeon and one uncertificated compounder are not accurate. The average number of employes in the 34 collieries at work in the Pench Coal Field in 1921 was reported to be 7,351, and the medical staff on the field normally consisted of one Chief Medical Officer, two qualified Sub-Assistant Surgeons and five certificated compounders which is considered sufficient. The staff was temporarily under strength during the period from April to June by one Chief Medical Officer, one Sub-Assistant Surgeon and two compounders. The firm had already in the foregoing month of March engaged the services of a retired Civil Surgeon who, however, became available on the 23rd June, 1921.

(b) Yes. The collieries took the necessary steps by keeping hutting materials ready for the erection of segregation camps whenever and wherever necessary.

(c) Individual records do not of course exist about the disposal of all the dead bodies, but the suggestion implied in the question is denied by the local authorities.

(d) The former Chief Medical Officer had sanctioned a staff of 18 sweepers in order to keep the Colliery camps in a sanitary condition. Experimental latrines erected at some of

the Collieries proved that colliery labour would not use them. Employés of a better class, superior to ordinary labourers, are provided with private latrines attached to their quarters.

175. Messrs. Shaw Wallace and Company are the Managing Agents of 15 collieries in Pench, which are in the charge of four first class British certificated Managers with competent assistants. This arrangement is in accordance with the rules and has been approved by the Chief Inspector of Mines in India.

Mr. Denys Bray (Foreign Secretary) : I lay on the table the supplementary information referred to in the answer given to Mr. Haji Wajih-ud-din's question on the 6th March, 1922, regarding the Holy Places in Palestine and Syria.

Palestine.

(a) Pilgrims are admitted into Palestine after examination at the port of disembarkation, if they have already passed through the recognised Quarantine Station at Kameran, Tor, or Suez.

(b) The High Commissioner of Palestine considers it desirable that the sum of £1 be collected in advance from each pilgrim to cover the cost of possible special detention or disinfection in quarantine in Palestine, and that pilgrims should be in possession of return steamer tickets.

(c) Accommodation for large numbers in Jerusalem is likely to be difficult, and special provision will have to be made in advance.

(d) The route *via* Medina is impracticable as the railway thence northward is not operating.

Syria.

(a) The British Consul, Beirut, telegraphs that the route between Beirut and Damascus is quite safe.

(b) The 3rd class fare for the railway journey is 17 shillings and 6 pence.

(c) Quarantine is imposed in accordance with the state of health of the pilgrims at the last port.

QUESTIONS AND ANSWERS.

DISCOMFORTS OF PASSENGERS ON KULaura-SYLHET BRANCH LINE, ASSAM-BENGAL RAILWAY.

307. * **Rai G. C. Nag Bahadur** : Are the Government aware that great inconvenience and discomforts are caused to the public travelling by the Kulaura-Sylhet Branch line (Assam-Bengal Railway) arising out of the following :

- (a) Tedious waiting for about 3 hours to which passengers for Sylhet Ghat arriving at Kulaura Junction by the 9 Up (Mixed) and 1 Up (Surma Mail) are subjected at Kulaura on account of the 113 Up not starting for Sylhet Ghat till 6 hours 40 minutes later?
- (b) Tedious detention for about half an hour at Majagaon of both up and down trains?
- (c) Inadequacy of lighting arrangements at Kulaura Junction both on the platform and in the carriages of the Kulaura-Sylhet Branch line train during small hours of the morning when 9 Up and 1 Up arrive there?
- (d) Absence of suitable waiting-rooms for passengers of all classes at Sylhet Ghat?

Colonel W. D. Waghorn: Government have no information but have drawn the attention of the Agent to the points mentioned.

INQUIRY INTO THE CHAKRATA INCIDENT.

308. * **Bhai Man Singh:** I. (a) Will the Government be pleased to state if any inquiry has been made by the authorities into the Chakrata incident; if so, what is the result of such inquiry?

(b) What punishment has been meted out to any soldiers found guilty?

(c) If no inquiry has been made, do the Government propose to order for a thorough inquiry being made in this matter and the guilty persons punished?

II. What steps does the Government propose to stop such unfortunate assaults being made by European soldiers on the members of the public and to mete out justice to the guilty persons whenever such unfortunate things occur?

The Honourable Sir William Vincent: (i) An inquiry was held and certain persons alleged to have been concerned in the affray were prosecuted, but they were discharged by the Magistrate. The question of moving the High Court to direct further proceedings to be taken is now under consideration.

(ii) Instructions have been issued to all Commands, District and Independent Brigades to impress on all Officers Commanding British Units the necessity for instructing their men in the proper manner of treating Indians. Lectures are given on the subject to British troops by experienced British officers of the Indian Army, and a pamphlet on the subject is in the possession of all British officers.

In all cases of misbehaviour, assaults, etc., disciplinary action is invariably taken by the military authorities unless, as often happens, the offenders are tried by a civil court.

RESERVED ACCOMMODATION FOR EUROPEANS ON RAILWAY TRAINS.

309. * **Bhai Man Singh:** (a) Will the Government be pleased to state what effect has been given to the statement made by the President, Railway Board, while replying to Mr. W. M. Hussanally when the latter moved his Resolution regarding the abolition of the system of reserving railway compartments for different communities on the 28th September, 1921.

(b) Is the Government aware that in spite of what was stated in reply to the said Resolution accommodation is still reserved for Europeans even in slow trains?

Colonel W. D. Waghorn: (a) and (b) As stated in the answer given to Sirdar Gulab Singh on the 23rd January last, Railway Administrations have been addressed on this subject and their replies have been received.

Some Railways accept the solution suggested by me, others point out difficulties. As soon as the Session is over, the whole question will be taken up and submitted for the orders of the Government of India.

† Bhai Man Singh being absent, questions 308 to 325 and question 339 were put by Mr. P. P. Ginwala.

RESERVATION OF POSTS OF SPECIAL GRADE GUARDS FOR EUROPEANS ON NORTH-WESTERN RAILWAY.

310. * **Bhai Man Singh** : (a) Will the Government be pleased to state the number of the permanent posts of Guards in 'Class C' and Special Grade, respectively, held by Hindus, Muhammadans, Sikhs, Europeans and Anglo-Indians on the North-Western Railway ?

(b) Is it a fact that the Special Grade of the Guards is practically reserved for Europeans and Anglo-Indians only, and no Indian is appointed on that grade ?

Colonel W. D. Waghorn : (a) and (b) The information asked for is being obtained from the North-Western Railway and will be sent to the Honourable Member on receipt.

RESPECTIVE QUALIFICATIONS OF EUROPEANS AND INDIANS FOR POSTS OF GUARDS ON NORTH-WESTERN RAILWAY.

311. * **Bhai Man Singh** : Will the Government be pleased to state what are the qualifications generally required for appointments of Indians to the posts of Guards in Classes A, B and C and those required of the Europeans and Anglo-Indians to the different classes of Guards on North-Western Railway ?

Colonel W. D. Waghorn : The Government of India are informed that no special educational qualifications are required for Guards appointed to the Special Class except that as far as possible men who have passed the Matriculation Examination are recruited. Promotion to classes B and C go by selection. In the case of Guards promoted to C class it is necessary for the man to be qualified in the duties of the Assistant Station Master and to be willing to work as such. Generally speaking, the qualifications required of a Guard are more those of character and capacity to control men than those of education.

EXCLUSION OF INDIANS FROM CERTAIN POSTS ON THE NORTH-WESTERN RAILWAY.

312. * **Bhai Man Singh** : (a) Will the Government be pleased to state if it is a fact that no Indian is working on the following posts in the North-Western Railway as a permanent hand as well as state the scale of pay of all these posts :

1. Special Station Superintendents.
2. Station Masters, Class F.
3. Assistant Station Masters, Class E.
4. Assistant Train Controllers.
5. Deputy Controllers and Controllers ?

(b) And if any Indians are so working on the said posts, will the Government be pleased to state how many Indians are so working on these posts as compared with Europeans and Anglo-Indians ?

Colonel W. D. Waghorn : (a) and (b) A statement is laid on the table giving the information asked for by the Honourable Member.

Statement showing the scale of pay of Special Station Superintendents, Station Masters and Train Controllers on the North-Western Railway, and the number of posts held by Indians, and Europeans and Anglo-Indians.

Appointments.	Scale of pay.	Europeans and Anglo-Indians.	Indians.
	Rs.		
1. Special Station Superintendents	650, 650, 600	3	...
2. Station Masters, Class F—I	425—25—500	10	...
Do. Class F—II	360—20—400	13	1
3. Station Masters and Assistant Station Masters, Class E—I	320—15—350	24	1
Station Masters and Assistant Station Masters, Class E—II	250—10—300	26	17
4. Controllers	400—25—500	4	...
5. Deputy Controllers	335—15—350	5	...
6. Assistant Train Controllers	285—10—325	28	...

RATIO OF POSTS OF STATION MASTER HELD BY INDIANS AND EUROPEANS
ON THE NORTH-WESTERN RAILWAY.

318. * **Bhai Man Singh**: Will the Government be pleased to state the number of posts held by Hindus, Muhammadans, Sikhs and other Indians as compared with Europeans and Anglo-Indians in the North-Western Railway on the following posts as well as the scale of pay of these posts :

1. Station Masters, Class D.
2. Station Masters, Class C.
3. Station Masters, Special Class.
4. Station Masters.
5. Junior Assistant Station Masters?

Colonel W. D. Waghorn : A statement is laid on the table giving the information asked for by the Honourable Member so far as available.

*Statement showing the number of posts held by persons of various communities as Station
Masters on the North-Western Railway.*

[illegible]

INQUIRY RE AGRA OUTRAGE.

314. * **Bhai Man Singh**: I. Has the attention of the Government been drawn to the articles concerning an outrage at Agra by some European soldiers published in the '*Leader*' of the 21st October, 1921, and the '*Desh*' of the 20th October, 1921?

II. (a) Has any inquiry in the matter been made by the Military Authorities, and, if so, what is the result of such an inquiry?

(b) If no inquiry has been made, do the Government propose to order for an inquiry being made and lay the results of such an inquiry on the table?

III. Do the Government propose to take such immediate steps as may in its opinion prove effective to put a stop to this sort of outrage by the European soldiers?

Sir Godfrey Fell: (i) The Government of India have now seen the articles in the '*Leader*' referred to by the Honourable Member. They have not seen the article in the '*Desh*'. Beyond the statement in the former paper, Government have no information regarding the alleged incident.

(ii) (a) and (b) The Government of India have no information, but are inquiring. If any inquiry was held by the local authorities, the result of such inquiry will be communicated to the Honourable Member.

(iii) In the absence of reliable information regarding the alleged incident, Government do not know what sort of outrages the Honourable Member refers to. Government's policy in the matter of the relations of British troops to the civil population had just been explained to the Honourable Member in reply to his Question No. 308.

THE SOR COAL SCHEME.

315. * **Bhai Man Singh**: Will the Government be pleased to state:

(a) The circumstances under which the Sor Coal Scheme was started by the North-Western Railway?

(b) When and with what object was it started?

(c) Who were the officers responsible for initiating, formulating, supporting and sanctioning this scheme?

(d) How many miles of Railway line was constructed for working the Sor coal-fields, and at what cost?

316. * **Bhai Man Singh**: (a) Why was the Sor Coal Scheme abandoned afterwards, and when was it so abandoned?

(b) How much worth buildings were constructed in connection with the scheme?

(c) How much money altogether including the amounts stated in parts (d) and (e) and the money spent on acquisition of land and coal-fields was spent on this scheme?

317. * **Bhai Man Singh**: Will the Government be pleased to state:

(a) How much total loss of money has been caused by the Sor Coal Scheme and to what head has it been charged?

(b) Who were the officers responsible for all this waste of money and what action has been taken against them?

318. * **Bhai Man Singh** : On what terms were the coal-fields for the Sor Coal Scheme taken from the lessees and on what terms have they been returned to them?

319. * **Bhai Man Singh** : (a) Was a mission sent to South America to study the practicability and usefulness of the Sor Coal Scheme?

(b) If so, what was the personnel of the mission, and what did this mission cost?

320. * **Bhai Man Singh** : (a) What was the report of the mission sent to South America to study the practicability of the Sor Coal Scheme?

(b) Was this report submitted to the Mining Experts?

(c) If so, did the reports of the mission and the experts favour the scheme or oppose it?

(d) Was the scheme abandoned or suspended before the report of the mission or of the experts, and, if so, why?

Colonel W. D. Waghorn : The information asked for in these six questions, Nos. 315 to 320, is being collected, and will be sent to the Honourable Member.

PROCEEDINGS OF THE ALL-INDIA CANTONMENTS ASSOCIATION.

321. * **Bhai Man Singh** : Has the attention of the Government of India been drawn to the proceedings of the three sessions of the All-India Cantonments Association held in 1919, 1920 and 1922 at Ambala, Poona and Meerut, respectively?

Sir Godfrey Fell : Yes.

GOVERNMENT ACTION TO REMEDY THE GRIEVANCES OF THE ALL-INDIA CANTONMENTS ASSOCIATION.

322. * **Bhai Man Singh** : Is the Government aware that a deputation of the delegates of the All-India Cantonments Association waited on His Excellency Sir Charles Monro, the late Commander-in-Chief, who promised to look into their grievances and to remedy them, and that subsequently the Quartermaster General in India wrote on the 3rd August, 1920 [*vide* his letter 4203-IV-3 (Q. M. G.)] to the Honorary Secretary of the All-India Cantonments Association stating that the above matters would be referred to the Government of India for orders. Will the Government be pleased to state what action has been taken on the aforesaid representation of the All-India Cantonments Association?

Sir Godfrey Fell : Government are aware that a deputation waited on Sir Charles Monro. As the Honourable Member probably knows, a Committee was appointed by the Government of India to examine the whole question of cantonment administration. The report of that Committee was only received towards the end of last year, and the recommendations contained in the report have been engaging the earnest consideration of the Government.

of India for the past few months. I would, in this connection, invite the attention of the Honourable Member to the reply given on the 22nd February last to Mr. Pyari Lal's starred Question No. 197.

SCHEME FOR THE RECONSTITUTION OF CANTONMENT COMMITTEES ON AN ELECTIVE BASIS.

323. ***Bhai Man Singh** : (a) Is the Government aware that the representatives of the All-India Cantonments Association urged the necessity of reconstitution of the Cantonment Committee on the lines of the municipal bodies with a majority of elected members to remedy this state of affairs?

(b) Will the Government be pleased to state what action it proposes to take in this connection and when?

Sir Godfrey Fell : (a) and (b) As pointed out in my reply to Mr. Pyari Lal's starred Question No. 197, the Government of India are consulting Local Governments with regard to the introduction of the elective principle into Cantonment Committees. The Honourable Member will realise that some time must necessarily elapse before the views of the Local Governments on this important matter can be obtained and considered.

APPEALS AGAINST EXPULSION FROM CANTONMENTS.

324. ***Bhai Man Singh** : Will the Government be pleased to state :

(i) In how many cases of orders of expulsion under Section 216 of the Cantonment Code have appeals been accepted excepting the three recent cases?

(ii) Has ever any such an appeal been accepted except those three mentioned above in (i)?

(iii) Is it not a fact that generally the sanction of the appellate authority is taken before passing an order of expulsion under this section; that these orders are generally *ex parte*?

Sir Godfrey Fell : (i) and (ii) The Government of India regret that they are unable to furnish the Honourable Member with a complete reply to this part of his question. I may, however, mention that during the last two years out of 36 appeals which were received from persons expelled from cantonments under section 216 of the Cantonment Code, the orders of expulsion were upset in 13 cases.

(iii) The authority whose previous sanction to an order under sub-section (1) of section 216, Cantonment Code, is required, save where the Commanding Officer of the cantonment considers immediate action necessary, is also the appellate authority prescribed in Schedule V to the Cantonment Code.

CREDIT OF THE AMBALA CANTONMENT COMMITTEE.

325. ***Bhai Man Singh** : What amount, if any, deposited in a bank or invested in Government paper or War Loan is reckoned as a balance to the credit of the Ambala Cantonment Committee?

Sir Godfrey Fell : The closing balance to the credit of the Ambala Cantonment Committee on the 31st March, 1921, was Rs. 90,184-0-7, which was made up as follows :

	Rs.	A.	P.
Balance as per pass book	7,917	0	6
Amount of imprest. (Money received too late to be remitted to treasury)	1,317	11	4
Investment	1,00,000	0	0
	1,09,234	11	10
<i>Deduct</i> —Outstanding cheques	19,050	11	3
Balance as per cash book	90,184	0	7

THEFT IN NUTANGANJ SUB-POST OFFICE, BURDWAN.

326. *Rai T. P. Mukherjee Bahadur : (a) Is it a fact that a theft occurred in Nutanganj Sub-Post Office, Burdwan, in Bengal? If so, what was the amount of loss of Government money?

(b) Is it a fact that by holding threat of suspension, the amount of loss was recovered from the sub-postmaster immediately three days after the occurrence, previous to the completion of inquiry by the Police?

BURGLARY IN KANKINARA POST OFFICE.

327. * Rai T. P. Mukherjee Bahadur : (a) Is it a fact that owing to burglary in Kankinara Post Office in September, 1920, Government sustained a loss of Rs. 861 and odd?

(b) Was the then sub-postmaster Babu P. N. Nath suspected of theft by the Superintendent of Post Offices, Presidency Division, Calcutta?

(c) Is the money being now recovered from Babu P. N. Nath? If so, why was he not tried in a court of law?

(d) Will the Government kindly furnish informations regarding the above occurrence from the report of the Sub-Inspector of Police, Jagaddal Police Station?

(e) Is it a fact that the Department, besides recovering the amount of loss sustained by Government, withheld a further sum of nearly Rs. 800 which Babu P. N. Nath earned in virtue of the postal revision of pay with effect from November, 1919, besides his pay Rs. 120 in November, 1919?

(f) Is it a fact that that officer was not given six months' pay for the period he was out of employ?

(g) Is it a fact that the said officer lost four months' privilege leave due at the time of suspension? If so, is there any further instance of quadruplicate punishment imposed on any other postal official in the year 1920?

(h) Does the Government intend to make an inquiry into the petition of the officer to the Postmaster General, Bengal and Assam, for such redress as has been prayed for?

Colonel Sir Sydney Crookshank : The information is being collected and will be supplied as soon as possible.

CERTIFICATE OF GOOD CONDUCT FOR MR. GUR PRASAD FROM THE EAST INDIAN RAILWAY.

328. ***Munshi Mahadeo Prasad**: 1. With reference to the answer to my Question No. 188 printed at page 295 of the proceedings of the last Simla Session, will the Government be pleased to state if Mr. Gur Prasad, who was dismissed for misconduct, has been awarded a certificate of good conduct by the East Indian Railway authorities?

2. If the answer to the above question be in the affirmative, will the Government be pleased to state the reason why such a certificate has been granted to him?

Colonel W. D. Waghorn: The Government have no information on the subject.

ENCOURAGEMENT OF AMAN SABHAS.

329. ***Munshi Mahadeo Prasad**: Is the Government aware that there are Aman Sabhas or institutions like them in all the provinces of India? If so, will the Government be pleased to state what steps were taken by different Governments to encourage them by pecuniary help and otherwise? Will the Government be pleased to state if any instructions on the said point have been issued by the Central Government to different Local Governments? If so, what?

The Honourable Sir William Vincent: (1) Government are aware that Aman Sabhas or organisations of a similar character have been formed in several provinces.

(2) The Government of India are not in a position to state what help, pecuniary or otherwise, has been given to these bodies by Local Governments.

(3) The attention of Local Governments has on several occasions been drawn to the desirability of propaganda directed against the non-co-operation movement, and in particular the establishment of leagues of this character has been commended to them.

CASE OF BABU TARA PADA MUKHERJEE.

330. ***Rai T. P. Mukherjee Bahadur**: (a) What are the existing rules prohibiting a Government servant from making public speeches? Will the Government kindly lay on the table a copy of such rules?

(b) Why was Babu Tara Pada Mukherjee, Postmaster on Rs. 250—350 grade, dismissed from the Government service? Is it a fact that the dismissal was for insubordination?

(c) What are the rules and regulations regarding dismissal of Government servants? And for how many years was Babu Tara Pada Mukherjee in Government service?

(d) Under whose direction was an apology asked for from that officer? Did the Government of India instruct the Director General of Posts and Telegraphs on the subject? If so, will the Government be pleased to lay before the Council such correspondence as took place between them and the Director General?

Or did the Director General take action on his own initiative?

Colonel Sir Sydney Crookshank : (a) I place a copy of Government Resolution No. 632 of March 7th, 1921, Home Department, on the table.

(b) Yes.

(c) The formula regarding dismissal is generally that no officer shall be dismissed from Government service by an authority lower than that by which the appointment was made. Babu Tara Pada Mukerjee was in Government service for 26 years.

(d) The Director-General called upon Babu Tara Pada Mukerjee to withdraw and apologise for his statements. He took this action after first consulting the Government of India. The correspondence that took place was confidential and cannot therefore be published.

Resolution by the Government of India, Home Department, No. 632, dated Delhi, the 7th March, 1921.

The Government have had recently under consideration the question of the right of Government officers to explain and defend in public the policy of the Government. The existing orders on this subject are contained in rules 20, 22 and 23 of the Government Servants' Conduct Rules. Under rule 20 a Government servant may not publish in the press any statement of fact or opinion which may embarrass the relations between the Government and any section of the people; under rule 22 he may not take part in any political movement, nor attend any political meeting at which his presence is likely to be misconstrued; and under rule 23 he may not interfere or use his influence in any way in an election to a legislative council, except that he may record a vote, if he is qualified to do so. These rules were framed many years ago; in the interval the conditions have greatly altered; and in the Report on the Indian Constitutional Reforms it was recommended that in view of these changes there should be a greater liberty of action to the European public servant in India. 'He ought not,' it was urged and of course the same considerations apply to the Indian public servant, 'to leave the task of political education solely to the politicians. He too must explain and persuade and argue and refute.' This view was endorsed by the Joint Committee in their Report on the Government of India Bill.

2. The Government of India realise the objections to the participation in politics of Government officers. They recognise that it is the clear duty of their officers to refrain from any action that might lay them open to the charge of attempting to influence the course of an election. They recognise too that in the main the defence of the policy of Government is the concern of the Government itself, and in regard to most matters of public interest they do not desire that their officers should embark on vigorous propaganda in their interests. But, in the conditions now obtaining, there are subjects on which Government officers cannot be prohibited from expressing their views merely because by so doing they will run counter to the tenets of a political party. The non-co-operation movement is a clear instance in point. A campaign is being carried on at the present moment by the adherents of this movement which has for its objects the paralysis of the Government, and which seeks to attain this object by seditious and unscrupulous propaganda amongst the masses of the people. In regard to movements of this kind Government officers cannot be required to maintain an attitude of silence and aloofness. They must be permitted, indeed it is their duty, to counter and refute such propaganda; and if their action in this direction is to be fully effective, it may be necessary on occasion for them to address public meetings.

3. The Government of India have therefore decided, with the approval of the Secretary of State, that in future, and subject to certain clear limitations, Government officers will be allowed to explain and defend in public the policy of the Government. The action taken must be for the purpose of removing misapprehensions, correcting misstatements, or refuting disloyal and seditious propaganda; so far as possible there should be no reference to the personality of parties or individuals who may be in opposition to the Government; and when elections are impending Government officers must be careful that they give no ground for the suggestion that statements of facts or views made by them have been made with the

object of influencing the electors in favour of, or against any party or an individual candidate. Further, no statement of fact or opinion on public matters may be published by a Government servant in the press under his own name without the permission of the Local Government. But subject to these conditions Government officers will be at liberty to defend and explain the policy of Government either in interviews with the members of the public, at local Darbars, or on the platform. Rules 22 and 23 of the Government Servants' Conduct Rules have accordingly been redrafted and a copy of the revised rules is appended to this Resolution.

Order.—Ordered that the Resolution be published in the Gazette of India and that copy be forwarded to all local Governments and Administrations and Departments of the Government of India for information.

Amendments in the Government Servants' Conduct Rules.

Rule 22.—(1) A Government servant may, for the purpose of removing misapprehensions, correcting misstatements and refuting disloyal and seditious propaganda defend and explain in public the policy of the Government. Save, however, as provided in rules 17, 18, 19 a Government servant may not make any communication to the press in regard to the policy or acts of the Government without the sanction of the local Government or such superior authority as the Local Government may prescribe.

(2) In any action taken by them under sub-paragraph (1) Government servants should, so far as possible, refrain from making any reference to the personality of parties or individuals who may be in opposition to the Government and when elections are impending, they must give no ground for the suggestion that any statements of facts or views made by them have been made with the object of influencing electors in favour of or against any party or individual candidate.

Rule 23. (1) Save as provided in rule 22, or when acting under the express instructions of the local Government, a Government servant may not take part in, or subscribe in aid of, any political movement in India or relating to Indian affairs. Where there is room for doubt whether any action which a Government servant proposes to take will contravene this provision, he should refer the matter to the Local Government to which or to the Government servant to whom he is immediately subordinate.

(2) A Government servant, who is a whole-time Government servant, may not by canvassing or otherwise, interfere or use his influence in any way, in an election to a legislative council except that he may record a vote, if he is qualified to do so, and in that case he should, as far as possible, avoid giving any indication beforehand of the direction in which he intends to vote.

(3) A Government servant, who is a whole-time Government servant, may not, save to the extent permissible in the case of elections to Legislative Councils or unless he is himself a candidate, who is legally eligible and has obtained from proper authority such permission, if any, as is required to enable him to stand for election, take part in elections to Municipal Committees, District Boards and Local Boards.

BABU TARA PADA MUKHERJEE'S SPEECHES AT LAHORE.

331. * **Rai T. P. Mukherjee Bahadur** : (a) Why did Mr. Hanson, Postmaster General, Bengal, sign the letter addressed to Babu Tara Pada Mukherjee for tendering apology in a prescribed form? Did Mr. Hanson take any objection to Babu Tara Pada Mukherjee's speeches? If so, will the Government be pleased to publish the same?

(b) Did any other Postmaster General, e.g., of the Punjab Circle, take any objection relating to Babu Tara Pada Mukherjee's speeches at Lahore?

(c) Are there any records showing dismissal of Government servants for making speeches? If so, how many in the last twenty years?

(d) Did not the Director General transfer Babu Tara Pada Mukherjee from Bengal to Burma Circle? Was this not subsequently cancelled?

Colonel Sir Sydney Crookshank : (a) Communications to subordinate officials are usually made through the Postmaster-General. The speech in question was made at Lahore and Mr. Hanson was not consulted regarding it.

(b) Not officially.

(c) No.

(d) Yes, on the complaint of the Postmaster-General, Bengal and Assam. The transfer was not cancelled but when it was brought to the notice of the Director-General that Babu Tara Pada Mukherji's wife was ill, he was posted to an acting appointment in Calcutta instead of being required to join his permanent post in Burma.

RESERVE STAFF FOR THE BURDWAN POSTAL DIVISION.

332. * **Rai T. P. Mukherjee Bahadur :** (a) What is the monthly average number of absentees (clerical staff) in the Burdwan Postal Division in 1921?

(b) What is the number of the reserve staff?

(c) Is it a fact that the absentee number is very much in excess of the reserve staff?

(d) Does the Government intend to sanction permanent additional hands to fill up the monthly average of absentee vacancies not covered by the reserve staff for the Burdwan Postal Division?

Colonel Sir Sydney Crookshank : The information is being collected and will be supplied as soon as possible.

RANSOM PAID FOR CAPTAINS BISHOP AND MCCARNUK.

333. * **Mr. P. L. Misra :** (a) Will Government be pleased to state if Captains Bishop and McCarnuk of the Royal Flying Corps had fallen in the independent territory at Bannu, and were ransomed on the 13th April, 1920?

(b) If so, what was the amount of ransom paid by Government and under what head was it shown?

Mr. Denys Bray : Inquiry is being made of the local Administration and information will be submitted to the Honourable Member in due course.

RANSOM AND COMPENSATION FOR HINDUS AND MUHAMMADANS IN NORTH-WEST FRONTIER PROVINCE.

334. * **Mr. P. L. Misra :** (a) How many Hindus have been kidnapped by raiders on the North-West Frontier up to date?

(b) What was the amount of ransom paid, if any, for their release?

(c) Have Hindus or Muhammadans been ever paid any compensation for their property looted by raiders?

Mr. Denys Bray : Inquiry is being made and information will be submitted to the Honourable Member in due course.

GIRLS KIDNAPPED IN NORTH-WEST FRONTIER PROVINCE.

335. * **Mr. P. L. Misra:** (a) Is it a fact that a four years old girl of Khushal Ram, process-server, was kidnapped from the Tank town on 20th February, 1922?

(b) As also one Niamat Ram and his wife from Hathala (Dera Ismail Khan District) during the same week?

(c) If so, what action has Government taken or propose to take against the raiders?

Mr. Denys Bray: Inquiry is being made of the local Administration and information will be submitted to the Honourable Member in due course.

INTERCEPTING OF PRESS MESSAGE.

336. * **Mr. P. L. Misra:** (a) Has the attention of Government been drawn to a paragraph headed 'Press Message intercepted' published in the '*Tribune*' of the 10th March, 1922, at page 5?

(b) If so, will Government be pleased to state why the message was intercepted?

Mr. Denys Bray: Inquiry is being made and information will be submitted to the Honourable Member in due course.

Mr. P. L. Misra: May I inquire how long it will take to collect this information?

Mr. Denys Bray: I am afraid it will take time to collect some at any rate of this information. For instance, in Question No. 334, it has been asked how many Hindus have been kidnapped by raiders on the North-West Frontier up to date. The information obviously goes back a considerable period, and is not limited to the North-West Frontier Province only but includes also a part of Baluchistan.

APPOINTMENT OF CHAPLAINS ON TRANSPORTS TO AND FROM INDIA.

337. * **Mr. R. A. Spence:** Will Government be pleased to state whether:

(a) It is a fact that clergymen in England —

- (1) are paid to act as Chaplains on transports going to India,
- (2) are paid whilst in India waiting for a transport home, and
- (3) are paid for duty as Chaplain on a transport returning to England, whilst at the same time there is a sufficiency of members of the Indian Ecclesiastical establishment going on leave or returning from leave to undertake the work without receiving any pay as Chaplain of the transport?

(b) If the answer to (a) is in the affirmative, are Government prepared to give up the practice of appointing as Chaplains on transports to and from India clergymen in England, who are not members of the Indian Ecclesiastical establishment, and instead make use of the services of Chaplains of the Indian Ecclesiastical establishment who are proceeding on or returning from leave,

a roster for the purpose being provided by the Secretary to the Government of India in the Ecclesiastical Department?

Sir Godfrey Fell: (a) (1) Yes.

(2) and (3). Yes. Chaplains appointed for the round voyage are paid for the round voyage, which includes a period of detention at Bombay. It may be mentioned that these Chaplains are paid for by the War Office.

(b) Instructions have already been issued to the effect that, as far as possible, the Chaplains appointed for duty on the transports should be members of the Indian Ecclesiastical establishment returning from or proceeding on leave, and representations have been made to the War Office with the object of ensuring the fuller use of the services of Chaplains of the Indian Ecclesiastical establishment returning to India from leave in the United Kingdom.

PROCEDURE FOR PURCHASE OF STORES BY THE INDIAN STORES DEPARTMENT.

338. ***Sir Deva Prasad Sarvadhikary**†: 1. Would the Government please state the procedure for purchase of stores by the Indian Stores Department?

2. If it be a fact that public tenders are not called in time, with full specifications, and are not opened in the presence of tenderers or their agents; on due dates, would the Government be pleased to state what the objections against, and difficulties about, such a procedure are?

3. Does the Government intend to introduce the last mentioned procedure and where?

4. If not, what are the reasons for not doing so and what procedure is intended to be followed in future and why?

The Honourable Mr. C. A. Innes: (1) At present the Indian Stores Department only undertakes the purchase of textiles for the Army. It has not undertaken further work pending the decision of the Legislative Assembly, regarding the provision to be made for the Department in next year's Budget estimates. The procedure to be adopted finally for the purchase of different classes of stores has not yet been decided. The practice with regard to the purchase of textiles for the Army is as described below.

(2) On receipt of an indent, tenders are invited from suitable firms selected from a list of approved manufacturers, which is frequently revised in consultation with Directors of Industries in the provinces. The date for the opening of the tenders is stated in the invitation to tender. This date has to be fixed with reference to the date by which delivery is required by the indentors. Owing to abnormal conditions during the last few years, it has been almost impossible to forecast requirements with certainty, with the result that in several cases it has been difficult to allow as long a period as is desirable for the submission of tenders. Tenders, when received, are placed in a box and kept under lock and key until the date for the opening of tenders. No special invitation has been given to tenderers in the past to be present at the opening of the tenders, but some do, as a matter of fact, attend.

(3) Wherever possible, the date for the submission of tenders is fixed to allow tenderers ample time, and when normal conditions again prevail and

† Sir Deva Prasad Sarvadhikary being absent, Mr. J. N. Mukherjee put this question.

longer notice of requirements can be given, any reason for a complaint on this score will disappear. As regards the attendance of the contractor or his agent at the opening of the tenders, a new tender form has been drafted and will be brought into use immediately. This form states that the tenders will be opened at a certain time on the date specified in the presence of any tenderers who may desire to be present.

(4) Does not arise.

REVISED SCALE OF PAY FOR PUBLIC WORKS DEPARTMENT AND RAILWAY ACCOUNTS.

339. * **Bhai Man Singh**: (a) With reference to my unstarred Questions Nos. 113 and 114 replied to on the 30th of September, 1921, will the Government be pleased to state whether any revised scale of pay for the Public Works Department and Railway accountants has since been sanctioned and, if so, will the Government be pleased to lay the new scale on the table?

(b) If the reply of the above part is in the negative, will the Government be pleased to state the causes of this prolonged delay and also by what time it is expected to be sanctioned?

The Honourable Sir Malcolm Hailey: (a) Owing to the financial stringency, Government have not been able to accept the proposals submitted to them for increases of pay in the higher grades in all account offices including those to which the Honourable Member refers.

(b) The matter is open to re-consideration when the financial position improves.

UNSTARRED QUESTIONS AND ANSWERS.

NON-GRANT OF PERCENTAGE INCREASES TO ESTABLISHMENTS OF CERTAIN ACCOUNTS OFFICES.

331. **Mr. K. C. Neogy**: With reference to the Honourable the Finance Member's reply to my Question No. 261 given on the 11th February, 1922, regarding the non-grant of percentage increases to establishments of certain Accounts offices, will Government be pleased to state:

(1) Whether it is a fact that the percentage increases granted to officers of the General List of the Indian Audit Department over their former rates of pay were permanent increases throughout their service, i.e., that the additional percentage of $\frac{1}{3}$ rd, $\frac{1}{4}$ th or $\frac{1}{5}$ th is to be calculated on the rate of pay including increments they would draw from year to year till the end of their service, and thus the maximum pay of a class II officer has been raised from Rs. 1,250 to Rs. 1,500, and, of a class I officer from Rs. 1,500 to Rs. 1,800; while the percentage increase of Rs. 20 per cent. granted to the establishments of Civil Accounts offices in certain cases was sanctioned as a personal allowance to be absorbed in future increments, say in three and four years, and no increase was given to those already drawing the maximum;

(2) Whether it is a fact that the 20 per cent. increase was sanctioned merely as a relief to those men who did not benefit by the

introduction of the time-scale, and not as one of all-round increase particularly in the case of the establishments of Civil Accounts offices ; and .

- (3) Whether it is a fact that half the number of clerks of the Auditor General's office have suffered by the revision of pay sanctioned from 4th November, 1919, and as a consequence sent up a memorial to Government in February, 1921, but the memorial was rejected by Government ?

The Honourable Sir Malcolm Hailey : The information required by the Honourable Member is being collected.

MEMORIALS FROM ACCOUNTS AND AUDIT OFFICES FOR INCREASE OF PAY.

332. **Mr. K. C. Neogy :** With reference to the Honourable the Finance Member's reply to my Question No. 263 given on the 11th February, 1922, regarding the memorials received from the establishments of the Accounts and Audit offices, praying for increases of their pay, will Government be pleased to state :

- (1) Whether it is a fact that the Government have, in consideration of these memorials, sanctioned partial relief to the junior staff only in offices of some stations, by raising the minimum pay of new entrants and by granting one advance increment to clerks whose pay do not exceed Rs. 80 ?
- (2) If the above are facts, do the Government propose to consider the desirability of granting some relief to senior men of the Accounts and Audit offices, whose pay exceeds Rs. 80 ?

If not, why not ?

The Honourable Sir Malcolm Hailey : (1) As a measure of immediate relief, the minimum of the existing scales of pay for the lowest grades of the clerical establishments in account offices has been raised where Local Governments have adopted a higher minimum for similar classes of establishments under their control, and further, all clerks drawing pay less than Rs. 80 have been granted one additional increment with effect from 1st March.

(2) It has not been possible to go further than this at present in view of the financial stringency, but the question will be further considered when the financial position improves.

POSTPONEMENT OF MAXIMUM PAY UNDER REVISED TIME-SCALE.

333. **Bhai Man Singh :** With reference to my Question No. 683 during the last Delhi Session, will the Government be pleased to state if it is a fact that instead of accelerating the rise to the maximum, the revised time-scale retards it, inasmuch as in the progressive scale of pay of 1864 the period of service required to earn the maximum salary of Rs. 450 would have been 9 years whereas under the new scheme it would be 31 years, assuming there were convenient vacancies in the senior rank ?

The Honourable Sir Malcolm Hailey : Allowing for one year on the maximum of each grade in the two scales, the period would be the same in each case, but it should be remembered that there were four grades under

the old scale which meant as a rule retardation of promotion at the top of each grade. At present there are two grades only with increased increments and this must assure more rapid promotion.

HARDSHIPS OF PUBLIC WORKS DEPARTMENT AND RAILWAY ACCOUNTANTS UNDER RECENT REVISION OF SCALES OF PAY.

334. **Bhai Man Singh :** (a) Is it a fact that before recent revisions the Public Works Department and Railway Accountants were on equal footing with the Upper Subordinate Establishment of the Public Works Department, which supplied the bulk of the Sub-Divisional Officers of the Department?

(b) Is it also a fact that while the initial salary of the Members of Upper Subordinate Engineering Service is now Rs. 250 per month rising in 25 years to Rs. 750 per mensem by annual increments of Rs. 20, the Public Works Department Accountants' minimum and maximum pay have remained stationary since 1864?

The Honourable Sir Malcolm Hailey : (a) and (b). It is difficult to establish a comparison between two services so differently constituted as the Public Works Department and the Audit Department. The scale of pay mentioned by the Honourable Member, *viz.*, 250—20—750, is that of the Provincial Engineering Service. There is no such provincial service in accounts offices.

UNFAVOURABLE POSITION OF P. W. D. AND RAILWAY ACCOUNTANTS AS COMPARED WITH SUBORDINATE ACCOUNTS SERVICE, CIVIL SIDE.

335. **Bhai Man Singh :** Is it a fact that the maximum pay of the members of the Subordinate Accounts Service (civil side) is Rs. 150 rising in 15 years by annual increments to Rs. 450, while compared to Public Works Department and Railway Accountants—

(i) the Civil Accountants are not required to possess higher educational qualifications ;

(ii) their service does not entail liability to transfer from place to place in the same province, much less inter-provincial transfers, which is the lot of a Public Works Department Divisional and Railway Accountant?

The Honourable Sir Malcolm Hailey :

(i) Yes. The minimum qualifications required are the same in all these cases.

(ii) The reply is in the affirmative. Divisional Accountants are not liable to transfer from one province to another until promoted to the grade of senior accountants, and senior accountants of the Public Works Department, though liable to transfer from province to province, are usually employed in the central office.

LATE EFFECT TO REVISION OF PAY FOR PUBLIC WORKS DEPARTMENT ACCOUNTANTS.

336. **Bhai Man Singh :** (a) Is it a fact that the revision of pay of all subordinate Account Establishments of the Indian Finance Department has

been given effect to from 4th November, 1919, while that of Public Works Department Accountants from 1st April, 1920, and, if so, why?

(b) Is it a fact that while the passing of the Subordinate Account Service examination (civil side) confers right to increments 100 per cent. higher than the ordinary rate, the passing of the Senior Accountants Examination (Public Works Department and Railway) does not confer any such concession on Public Works Department Accountants?

The Honourable Sir Malcolm Hailey:

(a) The facts are as stated. In the case of the Public Works Department accountants it was necessary to consult Local Governments on the proposed revision of pay. This led to the adoption of a later date for the introduction of the revised scales.

(b) It is so. The conditions of service of clerks in the civil accounts offices differ from those of the divisional accountants or the clerks in State Railway audit offices.

INADEQUATE PERSONAL ALLOWANCE FOR PUBLIC WORKS DEPARTMENT ACCOUNTANTS.

337. **Bhai Man Singh:** Is it a fact that, while the members of the superior accounts branch have under the revised scheme been given permanent personal allowances over their scale pay, the personal allowance given to Public Works Department Accountants is only transient and normal, is hedged with restrictions, and is meant to be merged into future increments?

The Honourable Sir Malcolm Hailey: Officers of the General List of the Indian Audit Department were given percentage additions to pay on the old scale. In the case of accountants, previous service counted towards increments in the new scale. Where the pay so calculated did not ensure a minimum percentage increase over former pay, the difference was given in the form of a personal allowance. It is only this difference which is to be absorbed in future increments.

SUPPLY OF MEAT TO INDIAN SOLDIERS AS A FIXED RATION.

338. **Munshi Mahadeo Prasad:** Will the Government be pleased to state if there is any rule of the Military Department requisitioning the daily supply of meat to non-vegetarian Indian soldiers as a fixed ration, irrespective of the fact if they require it daily at the fixed quantity?

Sir Godfrey Fell: The answer is in the negative. Meat is not an ordinary article of issue in the peace ration scale, but, if it is desired by the soldier, the supply is arranged by the Officer Commanding the unit and paid for out of the messing allowance, or is provided as a substitute for some other article of ration.

Meat forms part of the field service ration scale. Vegetarians are allowed to draw *atta* and *ghee* in lieu of meat.

INDIANS IN SUPERIOR POSTS IN CERTAIN DEPARTMENTS OF THE CENTRAL GOVERNMENT.

339. **Munshi Mahadeo Prasad**: Will the Government be pleased to state the number and percentage of Indians occupying posts of Rs. 500 and over a month in the following departments of the Central Government:

- (1) Education,
- (2) Industries,
- (3) Wireless Telegraphy,
- (4) State Railways,
- (5) Agriculture and
- (6) Public Health?

The Honourable Sir William Vincent: A statement giving the information required is laid on the table.

Statement showing the number and percentage of Indians occupying posts of Rs. 500 and over a month in certain departments of the Central Government.

	No. of Indians.	Percentage of Indians.
(1) Education	5	55.5
(2) Industries	6	46.15
(3) Wireless Telegraphy	Nil	Nil
(4) State Railways	71	11.29
(5) Agriculture	2	14.3 (of occupied posts).
(6) Public Health	Nil	Nil

SUPERVISION BY THE CENTRAL GOVERNMENT OVER THE ADMINISTRATION OF TRANSFERRED SUBJECTS.

340. **Munshi Mahadeo Prasad**: (a) Will the Government be pleased to state if any supervision is exercised by the Central Government over the due administration of transferred subjects in each province? If so, what is the agency?

(b) If the answer to the above question be in the negative, will the Government be pleased to state the reason and utility of maintaining departments of transferred subjects in the Central Government?

The Honourable Sir William Vincent: (a) The attention of the Honourable Member is invited to Rule 49 of the Devolution Rules, which indicates the purposes for which the Governor General in Council may exercise the powers of superintendence, direction and control over Local Governments in respect of the administration of transferred subjects. These powers are exercised through the Departments of the Government of India concerned.

(b) Does not arise.

FAVOURABLE TREATMENT FOR TRANSFERRED CLERKS ON THE DECENTRALISATION OF THE POSTAL AUDIT OFFICE, CALCUTTA.

341. **Mr. B. H. R. Jatkari** : Will the Government of India be pleased to state :

- (a) whether it is a fact that the Government granted the concession of special promotion to the clerks who were transferred to Delhi, Nagpur and Madras, on public service, on the decentralisation of the Postal Audit Office, Calcutta, and the clerks so transferred had thus always been ahead of and in receipt of higher rates of pay than their colleagues of equal service in Calcutta up to November, 1919 ?
- (b) whether on the introduction of the time-scale of pay on 4th November, 1919, the rate of pay of such clerks has been equalised with those of Calcutta ?
- (c) whether there was an undertaking that the clerks so transferred would be taken back in every third vacancy occurring among clerks ?
- (d) if so, what are the reasons for the equalisation of their pay and whether the condition in (c) was always observed ?

The Honourable Sir Malcolm Hailey : (a) Increases of pay were granted to the men transferred to Delhi, Nagpur and Madras on the decentralisation of Postal Audit Work, but the extent to which this advantage relative to their colleagues of corresponding service in Calcutta was subsequently maintained depended on the flow of promotion in each office.

(b) Initial pay in the time-scale of pay was fixed mainly with reference to length of service. The question of granting advance increments to the men transferred from Calcutta is at present under consideration.

(c) The rule in Article 1511, Postal Audit Code, which enjoins that every third or fourth vacancy occurring in the Calcutta office should be filled up by the transfer of one of the clerks transferred to Nagpur, Delhi or Madras in consequence of the decentralisation of Postal Audit Work, has been followed only in so far as it has been possible to do so without impairing the efficiency of the offices concerned.

GRANT OF A SOLATIUM TO ANY POSTAL AUDIT OFFICE.

342. **Mr. B. H. R. Jatkari** : (a) Have any memorials been received from the establishments of any Postal Audit Office by the Accountant General, Posts and Telegraphs, Calcutta, praying for the grant of the concession of a solatium of 25 per cent. sanctioned to the staff of the Accountant General, Central Revenues, under similar circumstances ?

(b) If so, what action has been taken in the matter ?

The Honourable Sir Malcolm Hailey : The memorials have not yet been submitted for the orders of the Government or India.

ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS' DECISION TO WITHHOLD PROMOTIONS TO UPPER DIVISION FROM PRESENT INCUMBENTS IN LOWER DIVISION.

343. **Mr. B. H. R. Jatkari** : Is it a fact that sometime in June, 1921, the Government of India ordered the conversion of 197 Lower Division

posts of clerical grade of Postal Accounts Department into Upper Division ones, as the holders thereof were doing Upper Division work, but that the Accountant General, Posts and Telegraphs, has decided to withhold the benefit of that order to the existing incumbents who are below 40 years of age, unless they can pass a certain examination prescribed by him ?

Is it a fact that in the past many Lower Division clerks have been promoted to Upper Division whenever found able to perform the duties in that Division ?

If so, do the Government of India propose to consider the decision of the Accountant General ?

The Honourable Sir Malcolm Hailey : The actual number of posts to be transferred was subsequently altered to 193 ; with this modification, the reply to the inquiries made by the Honourable Member is in the affirmative. The Government of India do not propose to interfere with the decision of the Accountant General.

REASONS FOR DISCONTINUING 3RD DEGREE INJURY PENSION AND GRATUITY TO INDIAN TEMPORARY NON-COMBATANTS, ETC.

344. **Mr. Muhammad Yamin Khan :** Will the Government be pleased to state reasons, if any, for discontinuing the 3rd degree injury pension and gratuity meant for such Indian temporary non-combatants and tally clerks, etc., who have been disqualified owing to disease contracted on the field overseas for further services by a Medical Board and recommended for the said pension and gratuity under Army Regulations, India, Volume I, paragraph 1062 ?

Sir Godfrey Fell : A 3rd degree injury pension was never admissible to *temporary* Indian non-combatants specially recruited for service during the war, and the question of its discontinuance to this class of employ does not, therefore, arise.

MEMORIAL FROM MR. B. S. PANISUFF.

345. **Mr. B. H. R. Jatkar :** (a) Will the Government be pleased to state whether they have received a memorial dated 30th January, 1922, from Mr. B. S. Panisuff, lately an Auditor in the office of the Deputy Accountant General, Central Revenues, Delhi ?

(b) If the answer to above be in affirmative, will Government be pleased to state what action has been taken in the matter ?

The Honourable Sir Malcolm Hailey : The original has not yet been received by the Government of India.

CLASSES OF STORES FOR INDIA UNDER SUB-HEAD 'CURRENCY' FOR WHICH 32 LAKHS IS BUDGETED IN DEMAND NO. 57.

346. **Mr. J. N. Mukherjee :** Will the Honourable the Finance Member be pleased to state particulars as to the classes of stores for India under sub-head 'Currency' (at page 278) Demand No. 57, upon which the sum of Rs. 32,00,000 is expected to be spent as shown in the Budget Estimate for 1922-23 ?

The Honourable Sir Malcolm Hailey : The correct figure is Rs. 32,60,000 and not Rs. 32 lakhs as stated by the Honourable Member. A very small

portion of this, namely Rs. 6,000, represents the cost of skeleton border form of Government Promissory notes. The rest represents the cost of manufacture and freight of currency notes.

MEMBERS ELECTED TO SERVE ON THE PUBLIC ACCOUNTS COMMITTEE AND THE STANDING FINANCE COMMITTEE.

Mr. President: I have to acquaint the Assembly that the following Members have been elected to serve on the Public Accounts Committee :

Mr. Baidyanath Prasad Singh.
Sardar Gulab Singh.
Mr. K. G. Bagde.
Rai Bahadur Bakshi Sohan Lal.
Mr. Jamnadas Dwarkadas.
Mr. N. M. Samarth.
Mr. N. M. Joshi.
Rai Bahadur Srinivasa Rao.

The following Members have been elected to serve on the Standing Finance Committee :

Sir Montagu dePomeray Webb.
Rai Bahadur S. P. Bajpai.
Mr. Darcy Lindsay.
Mr. Muhammad Yamin Khan.
Mr. J. P. Cotelingam.
Mr. Baidyanath Prasad Singh.
Mr. K. C. Neogy.
Rao Bahadur C. S. Subrahmanayam.
Sardar Bahadur Gajjan Singh.
Mr. Wali Mahomed Hussanally.
Mr. Zahid Ali Subzposh.
Mr. N. M. Samarth.
Mr. A. B. Latthe.
Mr. Jogendra Nath Mukherjee.

THE RANCHI MENTAL HOSPITAL BILL.

The Honourable Sir William Vincent (Home Member) : Sir, I move :

‘ That the Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi, and to make provisions for other matters in relation thereto, as passed by the Council of State, be taken into consideration.’

The position in regard to this Bill is as follows. A central asylum has been established at Ranchi for the reception of European patients suffering from mental diseases from Northern India. It was opened in May 1918 and provides accommodation for 92 male and 88 female patients. As this asylum

[Sir William Vincent.]

was intended to serve the needs of several provinces, the whole initial cost of the buildings and equipment was met from Central Revenues, the provinces paying for the cost of maintenance of lunatics. Subsequently the Reforms Scheme came into operation and this necessitated a reconsideration and revision of the previous arrangements. The Central Government can now only meet the cost of maintenance of patients from places under the Central Government who are maintained in the hospital, but otherwise it can only make advances to the Local Government from central revenues under Devolution Rule 25. On the other hand, the Government of Bihar and Orissa would have found it very difficult at any rate to finance the establishment or make necessary improvements. I believe there is a great need for work of that character, but capacity of the Local Government to raise a loan for any such purpose is very limited.

In the circumstances, we considered that the best way out of this difficulty would be to vest the asylum in a Board of Trustees on which all the provinces interested in the maintenance of the hospital should be represented and which should be responsible for its proper upkeep under the control of the Bihar and Orissa Government. The ordinary annual charges under this arrangement will be met by the Board and will be recovered subsequently from the patients and from the Local Governments concerned. In order, however, that the Board should be placed in funds until such recoveries become due, clause 5 of the Bill provides for an advance from the central revenues to the Board of an amount about equal to the annual cost of the upkeep of the asylum. The capital cost of original works will also be met, if it is necessary, by similar advances. Such advances will be repaid to the Central Government by equated instalments of principal and interest. On the Board of Trustees the Government of Bengal has been given greater representation than other Local Governments because 58 per cent. of the inmates of the hospital come from that province. There are provisions for the control and, if necessary, the supersession of the Board in the event of its failure to perform its duties, though that, I hope, will never be necessary. There are also provisions for the dissolution of the Board at any time and the revesting of funds and other property of the Board in the Government of Bihar and Orissa, should this become necessary.

I may say that the Bill has been supported by all the Local Governments to whom a reference has been made, and it is really in the interests of these unfortunate patients a matter of great desideratum that the Bill should be passed at the earliest opportunity. I hope that the Assembly will realise that this is only an administrative measure for facilitating the management and equipment of an existing mental hospital.

I, therefore, move :

‘That the Bill be taken into consideration.’

: 9 **Rao Bahadur T. Rangachariar** (Madras City : Non-Muhammadian Urban) : I am sorry, Sir, that the Government have not placed us in possession of the papers connected with this Bill. What we have before us is only this Bill without even the Statement of Objects and Reasons. We should like to know, before giving our assent to this Bill, what is the necessity for a separate hospital to be run for Europeans. When was it founded, by whom was it founded and what is the average attendance of patients in this hospital? For whose benefit this legislation is going to be made? What is the extent

of the financial responsibility which the Central Government undertakes? On all these matters we should like to have information before giving our assent to the Bill. When we are about to remove all racial distinctions, why should we have this separate hospital? It requires very strong grounds, indeed, to maintain a separate hospital for a particular class of these unfortunate people. I am glad to see that Madras and Bombay do not come in for a share in this perpetuation. I know the lunatic asylum in Madras. It harbours all classes of unfortunate people affected with this mental disease. We find no difficulty whatever in getting this done. There are European lunatics, there are Anglo-Indian lunatics, there are Indian lunatics there. It is very healthily situated and very well managed. In the case of this hospital, if the community for which it is intended are not able to keep it up, why should the Central Government undertake this task? On all these questions we should like to have information, but, unfortunately, we are not in possession of all the papers.

I, therefore, move formally that the consideration of this Bill be adjourned until the September Session, and, in the meanwhile, the Government should circulate to Members the papers connected with this Bill. The Honourable the Home Member said that this is an urgent measure which should be passed to-day, but I do not know if we give our assent to a measure like this, whether we commit ourselves to responsibility on the part of the Central Government without knowing what is the financial liability both as regards initial expenditure and as regards recurring expenditure.

Then, there is the question of principle. If this hospital cannot pay its way, why not absorb it into an existing hospital by having separate wards for Europeans? It is very common for hospitals to have separate wards for the various communities. If a community wants the luxury of a separate hospital, why should that community not pay? This is a question which will have to be very carefully considered.

The Honourable Sir William Vincent: Sir, I may be able to give the Honourable Member at least some of the information that he wants.

I have already explained that this asylum was built and opened before the reforms came into operation at all. It was built from All-India funds. The actual position is this: just outside Ranchi there is on one side of the road a large Indian Asylum; on the other side of the road there is a large European Asylum. This latter building is not intended and was not built for one province; it is intended for lunatics from all the provinces in Northern India; it was believed to be more economical and a better arrangement to have one mental hospital of this character rather than to have a number of wards in different asylums in various provinces. The Bombay Government was given the option of coming into this scheme and they said that they did not want to. I understand the Madras Government have mental hospitals of their own. The cost which must ultimately be incurred by the Government of India under this measure is merely the cost that they would have to meet in any case. This Bill does not put any additional charge on them, because in the end they will simply pay the cost of maintaining pauper lunatics coming from areas under their direct control. The other charges will be met by Local Governments. No change in the final cost in regard to the upkeep of this hospital is proposed, but the Bill proposes a better scheme for the administration of the hospital. There is no other question of imposing financial liability on the Government of India save that which I have explained already, namely,

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that the Government of India will advance certain sums to the Trustees for maintenance and improvements until these charges are recovered from Local Governments.

Rao Bahadur T. Rangachariar : What is the number of patients ?

The Honourable Sir William Vincent : I told the Honourable Member that I do not know the exact number at this moment. It must be about 150 to 200.

Rao Bahadur T. Rangachariar : How many of them come from the different provinces ?

The Honourable Sir William Vincent : I have not got the figures. The number varies from day to day, but a number are transferred from other places. The charges for patients from the provinces will ultimately not be met by the Central Government, but by the Local Governments of the provinces from which these patients are received.

As regards racial distinctions, it seems to me to be a very small matter whether you have separate wards in different asylums or a separate hospital of this kind for European patients for the whole of Northern India. I should have thought also that people afflicted by God in this way with insanity would have received charitable consideration and sympathy from this Assembly, and that no one would have thought it necessary to bring in the racial question.

Rao Bahadur T. Rangachariar : We are not bringing it in ; you are bringing it in by the establishment of a separate hospital.

The Honourable Sir William Vincent : One word more, Sir, I forgot to mention that my only reason for wanting to get on with this Bill is that it will provide a satisfactory and efficient method of financing arrangements which are already in existence ; and it will enable the Local Government to carry out its essential duties in regard to this hospital without an undue strain on its resources.

I am very sorry that I was not able to send the papers out to the Honourable Member, Mr. Rangachariar, before, but I am sure I shall be able to satisfy him as to the necessity for this Bill, if he will do me the kindness to come to my office. There is nothing wrong in the Bill at all or anything to which he can take exception. I hope the Assembly will not reject a measure intended for the amelioration and proper treatment of these unfortunate people who deserve the greatest consideration. We have been repeatedly pressed to improve the system of management. I admit the Bill has not been circulated by an order of this Assembly, and, consequently, there are no papers connected with the Bill, but the facts have been explained.

There is nothing in the papers that I need to conceal from anybody, and I hope that the Assembly will accept my assurance on this point.

Mr. President : Does the Honourable Member wish to move for its adjournment ?

Rao Bahadur T. Rangachariar : Much as I regret it, Sir, I think I should move for its adjournment, because there are papers I have not seen yet. What is the good of my seeing them after giving my assent ? As

there are papers, it is better for us to see them first. I do not think much harm will be done by this delay. I have as much sympathy with the object of the Bill as the Honourable the Home Member, but, before I can give an intelligent assent to it, I should like to have further papers.

Mr. President: The question is :

‘That the further consideration of the Bill be postponed’.

The motion was negatived.

Mr. President: The question is :

‘That the Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi and to make provisions for other matters in relation thereto, as passed by the Council of State, be taken into consideration.’

The motion was adopted.

The Honourable Sir William Vincent: Sir, I move :

‘That the Bill be passed’.

Mr. President: The question is :

‘That the Bill be passed’.

The motion was adopted.

THE CRIMINAL TRIBES (AMENDMENT) BILL.

The Honourable Sir William Vincent (Home Member) : Sir, I move :

‘That the Bill further to amend the Criminal Tribes Act, 1911, be circulated for the purpose of eliciting opinions thereon.’

I explained the object of this Bill only a couple of days ago, and I then said that if there was not time for making a formal motion to circulate the Bill for opinion, which I hoped we might be able to do, I would issue executive orders for circulation in order to elicit opinions on the measure. I am glad I have had an opportunity, however, of making this motion. The opinions when received will now form the papers to the Bill and I shall not be subjected to the reproach to which I have been subjected to-day by my friend, Mr. Rangachariar, quite justly, I must say.

Mr. President: The question is :

‘That the Bill further to amend the Criminal Tribes Act, 1911, be circulated for the purpose of eliciting opinions thereon.’

The motion was adopted.

THE CANTONMENTS (HOUSE ACCOMMODATION) AMENDMENT BILL.

Sir Godfrey Fell (Army Secretary) : Sir, I move for leave :

‘To introduce a Bill further to amend the Cantonments (House Accommodation) Act, 1902.’

The objects which the Bill seeks to secure are fully explained in the Statement of Objects and Reasons, and I do not think I need detain the Assembly at this stage by commenting in any detail on the various clauses. Briefly stated, the object of the Bill is to remedy certain defects, which

[Sir Godfrey Fell.]

its working has brought to light, in the existing Cantonments (House Accommodation) Act, and to substitute a revised procedure for that which is now in force in respect of the appropriation of houses. At present, in the case of houses which are governed by the Cantonments (House Accommodation) Act, any individual military officer requiring a house in cantonments applies to the Cantonment authority who appropriates it for his use if it is liable to appropriation. It is proposed in future to substitute for this arrangement a procedure under which Government will take up such houses as it is likely to require for the accommodation of military officers in cantonments from the owners, on a repairing lease for periods of not less than five years. In this way it is hoped to avoid the disputes which at present arise between individual military officers and individual house-owners, since the officers will have no direct relations with the house-owners, but will merely be the tenants of Government.

In the second place, it is proposed to eliminate from the existing Act all those sections which provide for the Cantonment authority interfering in disputes between individual officers and individual house-owners. Government's view is that, when this revised procedure is introduced, if individual officers choose to make private arrangements in Cantonments with house-owners to take their houses, and if unfortunately any dispute arises between them as regards repairs, rent, etc., it should be left to be settled, just as in any place outside a cantonment, either by agreement or by recourse to the civil courts.

Thirdly, the Bill provides for an enlargement of, and a new constitution for, Committees of Arbitration. And, finally, it includes a very important new provision namely, that in cases where either party is dissatisfied with the decision of a Committee of Arbitration, either party may have recourse to a civil court, whose decision will be final.

I may say that this Bill has been drafted very much in accordance with the recommendations of the Committee which sat last cold weather to inquire into the question of administration in Cantonments. The Government of India had hoped to be able to introduce this Bill earlier in the Session and to get it passed this Session, but this unfortunately has proved to be impracticable. Consequently, if the Assembly now give leave to introduce this Bill, its further consideration will have to take place during the next Session at Simla. I move for leave to introduce the Bill.

The motion was adopted.

Sir Godfrey Fell : Sir, I introduce the Bill.

RESOLUTION *RE* ADOPTION OF RAILWAY FINANCE COMMITTEE'S PROPOSALS.

The Honourable Mr. C. A. Innes (Commerce and Industries Member) :
Sir, I beg to move the following Resolution :

'That this Assembly recommends to the Governor General in Council that the proposals made by the Railway Finance Committee (appointed in pursuance of Resolution of this Assembly of 30th September, 1921), which are embodied in their report published in the Supplement to the Gazette of India, dated the 17th December, 1921, be adopted.'

The House will remember that on the 30th September last, it adopted a Resolution that a Committee consisting of Members of the Indian Legislature

should be appointed to consider the following matters arising out of the Railway Committee's report, namely :

- (1) the separation of railway from general finance, and
- (2) the requirements of the Railways in regard to capital expenditure during the next 10 years.

This Committee sat for five days in Calcutta last December ; it submitted a unanimous report ; and that report for some time past has been in the hands of the Members of the Assembly. The object of my Resolution is to secure the confirmation by the Assembly of the Committee's recommendations on the two main questions referred to it.

The reason why it was thought necessary to remit these two questions to a preliminary Committee of the Legislature was that the Acworth Committee placed financial reform in the very forefront of their programme. In Chapter II of their Report they give a picture of the ' present situation of Indian Railways ' and I do not think that any one can say that the picture is overdrawn. Whatever may be the cause, and it is quite possible that the Acworth Committee did not attach sufficient weight to the difficulties caused by the war, it is an incontrovertible fact that the Railways have fallen behind the day-to-day requirements of traffic actually in sight, much less have they provided for the future. The position therefore is very serious. The Acworth Committee finds that the position is primarily due to the failure of the Government of India to provide the Railways with adequate funds for capital expenditure on development and extension and even for the essential operations of renewal and repairs. They regard this failure as the inevitable result of what they call a paralysing system which has not been adopted to meet the requirements of what is essentially a commercial enterprise of the first magnitude. Hence they conclude that the present financial methods need drastic revision and that the basis of reform is the complete separation of the Railway budget both of capital and revenue from the general budget of the country.

Now if we examine the Committee's criticisms of the present system, we find that these criticisms are directed mainly against the system in so far as it is concerned with capital expenditure and programme revenue expenditure. It will be seen from paragraph 53 of the report that the Committee has little or no complaint to make of the treatment by the Government of India of the estimates of ordinary working expenses. These estimates are estimates of the expenditure which will be necessary on account of salaries, wages, fuel, consumable stores and day-to-day repairs in order to earn the revenue which is expected.

And the Committee admits that such estimates are usually accepted without much discussion. Their criticisms are concentrated mainly on the treatment of the provision for capital expenditure and on special or programme revenue, that is, expenditure on especial renewals and repairs. They complain that under the present system, whereby railway finance is bound up with general finance, the provision which the Finance Member is able to make for capital expenditure and for programme revenue expenditure depends on the financial exigencies of the moment. The primary duty of the Finance Member, they say, is to balance his budget. In times of bad harvest or bad trade, receipts fall off, and economy becomes imperative. The Army or Civil Service cannot be reduced wholesale at short notice, wages cannot be cut down. The railways

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cannot be refused money to enable them to carry on but, it is possible to curtail appropriations to railways for renewal and betterment works, and even more drastically to curtail expenditure on new works and extensions. The result, the Committee says, is a policy of inadequate allotments varying irregularly up and down from year to year. Further disadvantages arise from the facts that Agents are informed only late in the year of their grants for the following year, and these grants are liable to be cut down or enhanced during the course of the year in which they are spent, and finally objection is taken to the system whereby grants 'lapse' at the close of the year to which they relate.

This is the system which the Committee consider to be in need of reform, and they suggest that reform lies in the direction of the separation of railway finance. They do not suggest that the railway organisation should be independent of the Government of India. Their suggestion is that the Railways should have their own budget and assume responsibility for earning and expending their own income. The first charge on that income after payment of working expenses should be payment of interest on debt and other similar charges. The Committee concluded : ' Subject to the general control of Government, the Railway Department, once it has met its liability to its creditors, should itself regulate the disposal of the balance, and should be free to devote it to new capital purposes (whether directly or as security for new debt incurred) or to reserves or to dissipate it in the form either of reduction of rates or improvement of services '.

I now turn to the Railway Finance Committee's report. It deals first with the question of separation, and, as Honourable Members know, it arrived at the conclusion that at present at any rate separation of railway finance in the sense understood by the Acworth Committee was not a practicable proposition. The reasons why this conclusion was arrived at are fully explained in paragraphs 4—7 of the report, and I do not propose to go into them in any great detail. Briefly, our difficulty was this. Separation, as proposed by Sir William Acworth and his colleagues, would involve the surrender by the Central Government of railways as a source of revenue, and without going into the merits of the question whether the general revenues are legitimately entitled or not to benefit from the net proceeds made by railways or not, the Railway Finance Committee considered that such surrender at present was not possible. It would mean heavy additional taxation in order to replace the revenue thus surrendered. The alternative was to come to a composition with the railways. Lord Meston's Committee proceeded on the assumption that the Central Government would derive a net revenue of Rs. 10½ crores from railways. For the reasons which I have already explained the whole of this revenue could not possibly be surrendered, but it was considered whether a portion of the loss to general revenues involved by the separation could not be avoided on the basis of a composition with the railways; that is to say, whether a sum could not be arrived at which the railways might fairly be expected to contribute to the general exchequer, whether in the form of a surtax or otherwise. This suggestion was examined, but we were at once met by the difficulty that it was not possible to calculate a figure on which any reliance could be placed as a basis of a contribution or a surtax. Between 1905 and 1919-20 the net gain from railways, after deducting interest and other indirect charges, has varied from a minimum of Rs. 124

lakhs in 1909-10 to a maximum of Rs. 1,555 lakhs in 1918-19. In the year which is just closing, as Honourable Members are aware, the railways have not been able even to pay their interest charges. The fluctuations in the net revenue from railways, therefore, have been so violent and moreover the uncertainty regarding the net receipts in the near future is so great, that all attempts failed to fix a composition which would be fair to the general taxpayer and which at the same time would not unduly burden the railways or would not necessitate an undue increase of freights and fares. The Committee have therefore suggested that the further consideration of the entirely proposal to separate railway from general finance should be postponed for the present. If the other recommendation regarding a programme of capital expenditure is accepted, it will be necessary to appoint a Committee some three years hence to reconsider the programme for the ensuing period of five years, and the Committee suggested that conditions may then be more normal and that that Committee may perhaps usefully take up again the question of separation as proposed by the Acworth Committee. This does not mean, of course, that all the questions referred to in paragraph 7 of the Railway Finance Committee's Report will necessarily be held up for three years. On the contrary, some of them will be examined at once.

Now, I daresay that this conclusion will come as a disappointment to some Members of the House, for I am quite sure that all Honourable Members are as anxious as we are that the finances of our railways should be placed on a sound and satisfactory footing. But if the House will accept the Committee's second recommendation with which I will deal later, then I think that we shall have gone a long way towards the end which the Acworth Committee had in view. This recommendation is that funds to the extent of Rs. 150 crores should be devoted to railway capital purposes during the next five years in order that the railways may work upon a guaranteed programme. If this recommendation is accepted, it necessarily follows that there shall be no lapse of money voted for any one year but not spent within that year. Such sums should be carried on to the credit of the Railway Administration up to the limit of the total amount fixed for the quinquennium. Now the Railway budget may be divided into three main parts. First, we have the ordinary revenue budget, that is, the budget for such working expenses as are necessary to earn the revenue we budget for, secondly, the programme revenue budget or the budget for expenditure on special renewals and repairs; and finally we have the capital expenditure budget. As I have shown in an earlier part of the speech, the Acworth Committee has no complaint to make in regard to the treatment of the ordinary revenue budget. If the recommendations of the Railway Finance Committee are accepted, we shall have practically separated off the railway capital budget, and moreover we shall have dealt with in a satisfactory way with the system of lapses which the Acworth Committee criticised so severely. Only the programme revenue budget remains. The Railway Finance Committee has recommended that steps should be taken to calculate the rates of depreciation in order that depreciation for renewals and repairs may be provided for automatically. This suggestion is being examined, but in the meantime the programme revenue budget theoretically remains open to the objections taken by the Acworth Committee. That is to say, theoretically it is still within the power of the Government of India to curtail the programme revenue expenditure in order to meet the financial exigencies of any particular year. But there is one new factor which has to be taken into consideration. Every year the railway budget will have to be presented to this

[Mr. C. A. Innes.]

Assembly. I hope that in another year a detailed explanatory memorandum of the railway budget will be circulated to Honourable Members on the day the Finance Member makes his Budget speech.

And now that the Acworth Committee's report has brought this question of programme revenue expenditure so much into the public eye, I am quite sure that this House itself will see that proper attention is paid to this important subject, and that is the new factor I refer to. This year for instance our finances could not well have been worse. Yet, the full provision which the Railway Board thought it necessary to make for programme railway expenditure was made and was passed by this Assembly. I hope therefore that there is no longer any danger of a reversion, in respect of programme revenue expenditure, to the state of things which was so severely condemned by the Acworth Committee. The upshot is, in my opinion, that though we have not been able for the moment to recommend that effect should be given to the Acworth Committee's recommendation for the entire separation of railway from general finance, yet, if the House accepts the recommendations of the Railway Finance Committee, we shall have gone a long way towards putting our methods of railway finance upon a sound and satisfactory basis.

Personally, I attach far greater importance to the Railway Finance Committee's recommendations in regard to Railway capital expenditure. These recommendations may be summarised as below :

(1) The programme should be prepared on a five-year basis, the provision for each quinquennial period being considered about two years before the termination of the existing period ;

(2) There should be no lapse of money voted for any one year but not spent within that year ; such sums should be carried on to the credit of the Railway Administration up to the limit of the total amount fixed for the quinquennium ;

(3) The finance programme should be strictly adhered to, subject of course to the understanding that a war or other unforeseen contingency radically disturbing the money market might render it necessary to curtail the programme in any one year ;

(4) The programme for capital expenditure during the next five years should be fixed at Rs. 150 crores ; and

(5) This sum of money should be devoted to rehabilitating existing lines (paramount stress being laid on the improvement of the conditions of travel of third class passengers) and to the completion of lines already under construction.

The whole tenour of the Acworth Committee's report was directed towards condemning any system of hand to mouth finance. The whole object of the Railway Finance Committee is first to get the principle of a guaranteed programme accepted and secondly to get the proposition agreed to that the first five-year programme should be Rs. 150 crores. If the House accepts this principle and this proposition, I consider that it will have introduced the most salutary and the most important reform. It will render impossible, I hope, any reversion in respect of capital expenditure to what the Acworth Committee has styled 'a policy of inadequate allotments varying irregularly up and down from year to year'. For years the Government of India and

the Railway Board have realised the importance of working to a programme of works. But Chapters II and III of the Aoworth Committee's report demonstrate the utter futility of a mere programme of works unless it is accompanied by guaranteed scheme of finance. The Railway Finance Committee was satisfied, and I am sure that the House will agree, that we shall never be able to restore the Indian Railway system to a state of reasonable efficiency unless on the one hand we guarantee the Railway Administrations a definite sum of money for capital expenditure over a definite period of years, and on the other hand require them to expend that sum of money to the best advantage on the basis of a carefully drawn up programme of improvement. I am quite sure that the House will recognise that in no other way can we manage the great national asset of our railways with due regard on the one hand to economy and on the other to efficiency.

As regards the first five-year programme the Committee was satisfied that no smaller sum than Rs. 150 crores will achieve the end which the Committee had in view, namely, the restoration of our railway system to a condition in which it will be able adequately to meet the traffic requirements of the country. Whether we can commit ourselves to a capital expenditure of this magnitude on Railways during the next five years is more a matter for my Honourable colleague, Sir Malcolm Hailey, than for myself. But in fixing the programme at this figure the Railway Finance Committee took into account the other capital commitments of Government in the next five years, and the other relevant considerations mentioned in paragraph 12 of their report. If the House agrees, Government will do everything in their power to ensure that the programme shall be fully worked up to. But in order to secure this result, it will be necessary, as the Committee points out, to supplement Indian loans by outside borrowings—such borrowings of course being effected in the cheapest market. It will be important indeed to seize favourable opportunities for raising funds. It may even be necessary, in order to take full advantage of such favourable opportunities, to increase expenditure in some years above 30 crores; that is we may find it advantageous to be in advance of rather than behind our programme. But in any case the Rs. 150 crores programme will not be exceeded without the previous sanction of this Assembly.

Sir, I have done. I ask the House to accept the principle that Railway capital expenditure should be financed on the basis of programmes drawn up for quinquennial periods, and I ask that for the first five years the programme should be fixed at Rs. 150 crores. If these two proposals are accepted, I believe that a most important step in advance will have been taken and that the House can safely accept the other recommendation that the further question of complete separation can safely be postponed for the present.

Mr. P. P. Ginwala (Burma : Non-European) : Sir, as has been pointed out by the Honourable Mr. Innes, the proposals of the Railway Finance Committee cover two very different points. The first is as regards the Railway programme for the next five years involving a sum of Rs. 150 crores. The second is the question of the separation of railway from general finance. The proposal of the Committee as to the latter is that this may be postponed for three years. With regard to the first recommendation, namely, the programme of railways for the next five years, there can be no question that this House must agree to it. But with regard to the other point, there is room for difference of opinion, for since that Committee sat

[Mr. P. P. Ginwala.]

in Calcutta last December another Committee, a Railway Central Advisory Council, has been appointed, and circumstances have arisen during the discussions of several important questions at the meetings of that Council which necessitate a reconsideration of the recommendations made by this Railway Finance Committee that sat in Calcutta. At Calcutta the question of railway finance was considered more or less on general lines, but this railway council that has been appointed is considering the whole question, practically, of railway administration for the next few years and it is found that in considering some of those points that question of finance is intimately connected with them and that unless the separation of finance is reconsidered in the light of these new questions that they are considering, I think it will be difficult for the House to come to a right conclusion. To a layman the position seems to be absurd that one Department should earn money and another Department should take it away, because, if we look at the administration of this country, the Honourable the Finance Member is the governing director and general financier of three very different Limited Liability Companies.

The first, of course, is the Commander-in-Chief and Company Limited.

12 Noon. (*A Voice*: 'Unlimited'.) Unlimited, if you like. Of this concern we have said a good deal this Session and I do not think it is necessary to dilate upon it any further. The next concern is Messrs. Innes and Company, Limited, which conducts the commercial enterprises of Government and for which this House, on the whole, has rather a soft corner in its heart because it is concerned more or less with the commercial and industrial development of the whole country and we feel that Messrs. Innes and Company in prosperous times are deprived of their gains and when the times are otherwise they are neglected. That is the main objection which some of us have to Railway finance being part of the general finance. The third concern of the Honourable the Finance Member is the Executive Council and Company, Limited, which conducts the general administration of the country, but with which in dealing with this question, we are not so intimately concerned as with Messrs. Innes and Company, Limited. Therefore, my suggestion to the House is that this point be re-considered by the Railway Advisory Committee that has recently been appointed, in order that, in the light of this re-examination, it may be possible for it to consider whether we could not effect separation of the finances within the period of three years recommended and fixed by the Railway Finance Committee. I understood just now from what Mr. Innes said that he will not have any great objection to deferring the consideration of this matter till the September Session. With your permission, Sir, I, therefore, move :

'That in place of the Resolution moved by the Honourable Mr. Innes the following be substituted :

'This Assembly recommends to the Governor General in Council that the proposals of the Railway Finance Committee in regard to capital expenditure be accepted, but that the consideration of the question of separating Railway from General Finance be postponed till the September Session.'

The Honourable Mr. C. A. Innes: Sir, I have only to say that the Government willingly accept Mr. Ginwala's amendment.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, it seems to me rather strange that the Government should come forward with proposals for capital

expenditure for five years before the general report of the Railway Committee has been considered. I think it is putting the cart before the horse. Members like me will not be willing to give such large sums for capital expenditure on railways into the hands of private companies, but they will be quite willing and will with confidence entrust those sums to Government for the development of the railways. But, Sir, I do not wish to speak on that point any more at this stage. What I want to bring to the notice of the House is that this Assembly is sanctioning capital expenditure of 150 crores for five years on railways, and out of this 150 crores we find that 48 crores have been set aside for wagons and only 18 crores for coaching vehicles. From the report of the Railway Committee I find that the railways derive one-third of their revenue from third class passengers, and, since that is the case, I think that not less than one-third of the capital expenditure proposed to be incurred should be spent for the benefit of the third class passengers. That is to say, if the total capital expenditure to be incurred is 150 crores, Government should spend 50 crores on the third class passengers. Whereas, we find from the Report of the Railway Finance Committee that only 18 crores are to be spent on coaching vehicles which includes also first and second class carriages. So what Government propose to spend on the third class passengers is much less than 18 crores. This is a very small proportion of the whole amount. I am not prepared to sanction these proposals unless the third class passengers receive their due share of the capital expenditure.

As regards the other points, I am sorry that we cannot consider the whole report on this occasion. I hope, however, that the Government, with the same readiness as they have placed their financial proposals before the House, will also place their proposals in regard to the management of the Railways before this House as early as possible.

Before I sit down, I would like again to urge upon the House that, out of the 150 crores, at least 50 crores should be set apart for third class passengers.

Mr. N. M. Samarth (Bombay: Nominated Non-Official): Sir, I am rather surprised that the Honourable Mr. Innes has accepted the amendment proposed by Mr. Ginwala. It is, however, a matter for the Government and I shall not personally quarrel with their choice, but this was a matter which we deliberated upon in the Railway Finance Committee for a long time. Nearly a whole day was spent on the consideration of this question. Probably, Mr. Ginwala was not a member of that Committee. (*Mr. P. P. Ginwala*: 'He was, but he had resigned.') If he had been present he would have seen that the proposal to separate Railway from General Finance, in the sense in which that expression is used by the Acworth Committee, means a serious interference with our rights as Members of the Legislative Assembly and an infringement of the rights which are guaranteed to us under the Government of India Act. At present, railway earnings are thrown into the general revenues; taxation is determined by the amount of the deficit that the Government has to meet; that deficit is reduced on account of railway earnings being available to the Finance Member for purposes of the general revenue. If the Railway Budget is to be separated from the general Budget, in the sense in which the Acworth Committee have proposed it, namely, that all the earnings of the railways must be spent on the railways and must not be available for any of the purposes of general revenues, then it means that we are stultifying ourselves by compelling the Finance Member to come before us with higher deficits than would otherwise have been the case. Consequently, if we accept that proposal, there will be nothing for us but

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to go in for additional taxation in order to make good the deficit which will arise on account of the railways being allowed to retain all their earnings for their own purposes. If Mr. Ginwala was alive to the constitutional issue, he would never have so light-heartedly brought forward this amendment. But as he has brought it, I can quite understand the Honourable Mr. Innes alertly availing himself of it for the purposes of his Department. I have no objection to the whole matter being reviewed again before September; in which case, as I happen to be a member of the other body to which Mr. Ginwala now belongs and before which this question will be brought, I shall urge with all the vigour and emphasis at my command the objection which I have here indicated. There are also other objections to the proposal from the financial point of view, but I will not go into them now. I personally see nothing in this amendment which should have made it acceptable to the Honourable Mr. Innes. All that the Resolution says is that it recommends to the Governor General in Council that the proposals made by the Railway Finance Committee which are embodied in the Report be adopted. Now, if these are adopted, one of the recommendations of that Committee is that this proposal be kept apart for three years, at the end of which we shall reconsider this matter in view of the financial situation and other considerations which may arise then. That being so, I personally think that the amendment should not have been brought forward. I do not formally oppose it, because I know that I shall have opportunities of opposing it inside the Committee. I only enter this protest. I thought it necessary to do so in order that the House may be in possession of the other side of the shield from that which Mr. Ginwala has put before the House.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, as my Honourable friend, Mr. Samarth, was unable to be present the other day in consequence of his Resolution at this Committee meeting which we had, he is not fully aware of the difficulty raised by that Committee with reference to what is contained in paragraph 228 of the Acworth Committee's report.

Mr. N. M. Samarth: I beg to make a personal explanation. I am aware of it. I did not refer to it because I think the interpretation placed on it by the other side was not right.

Rao Bahadur T. Rangachariar: Therefore, I am entirely in agreement with my Honourable friend, Mr. Samarth, in the view he has taken that Railway Finance should not be separated from the country's finances. Having worked the Railways up to now at the cost of the tax-payer, when it is going to be a paying concern to go and separate it from the general finances of the country is a suicidal policy, all will agree. I do not think there will be any difficulty in this matter in this Assembly or in the Committee itself when they have to consider this point. However, it is better that the whole question should be considered again and there need not be any opposition to the motion of Mr. Ginwala. As regards the suggestion of Mr. Joshi to spend 50 crores on third class carriages, it would require (I do not know if he contemplated) probably more addition to the engines, and then the line would have to be strengthened. Spending 50 crores on third class . . . (Mr. N. M. Samarth: 'Provide for that.') They can only bear a certain proportion; Railway lines cannot be run only for third class passengers.

You have got goods to carry. You have got various other things to do, and, of course, it is a very difficult thing to lay down as to what proportion should be spent on third class passengers. We have laid great emphasis on the improvements to be effected. They must be the primary concern of every Railway Company or management. In every pie spent, they should have the third class passenger in view. That we have also emphasised. Colonel Waghorn and Mr. Innes have agreed to do so. But I do think it will not be possible to spend 50 crores on third class passengers without increasing your Budget grant to probably 300 crores. If you are spending 150 crores only, you cannot spend more than 18 crores in improving the wagons. (Mr. N. M. Joshi: 'Reduce the fares.') If you spend 50 crores on third class wagons you will have to increase your allotment which is not possible, having regard to our financial position. I do join with him in insisting that third class passengers should have preference in every pie spent.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): To my mind this large demand for capital expenditure involves, to a certain extent, a condemnation of the policy so far followed by Government in regard to Railway finance. As we are all aware, normal repairs and renewals were postponed during the war years, and instead of building up a reserve, Government frittered away the money that ought to have been spent on the usual programme of renewal and repairs, as profits to the companies and absorbed the Government share in their general finance. This is how the necessity for such a large expenditure for our renewals has arisen. Now, Sir, when the necessity for these renewals and repairs arose in past years, the prices were much lower than to-day, and it is because they did not carry out the normal programme of renewals and repairs at that time that we are called upon to shoulder a very heavy burden of capital expenditure to-day. Sir, the Companies do not lose in any case. They derived a larger profit because the legitimate programme of renewals and repairs was postponed, that is to say, our stocks deteriorated and the companies gained by it; and now, again, the companies do not lose anything. They are not called upon to meet the expenditure necessary for carrying out the deferred programme of renewals and repairs. It is the general tax-payer who must find the money now by adding to the national debt. Sir, I trust that this point will be borne in mind when the Central Advisory Council comes to consider the much vexed question of State *versus* company management of railways. —

Sir, I want to make a few conditions before I can be party to this Resolution; first, that the loan which will be necessary to be raised for the purpose of financing the railways according to this Resolution, should be raised as much as possible in India; second, that the money should be spent as far as possible in India thus helping in the building up of industries and in enlarging and equipping our railway workshops to which Indians should be admitted as apprentices; third, that the stores that have to be brought from abroad should be purchased in the cheapest market; fourth, that the expenditure on military sections of the railways should be excluded from the ordinary railway expenditure.

So far as the question of purchase of stores is concerned, we discussed it at some length in connection with Sir Vithaldas' Resolution in Simla; and when on the last occasion this question came up again in another shape, my Honourable friend, Mr. Subrahmanayam, referred to the popular impression that the present railway programme has been partly influenced by a desire to

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help in the solution of the unemployment problem in England. It brought forth a strong repudiation from the Government Benches. I, therefore, desire to refer to the latest issue of an industrial journal published in London as my authority for repeating that statement. Sir, I find it stated here that :

'The great urgency for the immediate supply of additional railway track, plant and equipment for the railways of India, outlined so clearly in the Acworth Report, coupled with the present depression of trade in Great Britain, has led to suggestions that financial assistance should be given to the Indian Railways for this purpose and that all or most of the requirements should be filled from this country. This plan was put forward by a leading British technical journal, and was promptly taken up by the Cabinet Committee on Unemployment, and subsequently discussed in Parliament by the Premier.'

Unfortunately, I have not yet been able to lay my hand on the speech of the Premier, or I would have quoted chapter and verse from it. The journal goes on :

'The need for additional work to tide over the transition period is great, and as Indian public men and traders generally are bitterly complaining of the inadequacy of the railway facilities, and mourning huge losses due to this cause, there would seem to be every prospect of something tangible resulting from the proposals now under consideration. Lack of funds has been the constant obstacle to railway development, but as there is plenty of money obtainable in London for such purposes as those under review, and the improved traffic volume resulting from the supply of facilities would amply justify the expenditure, we hope in an early issue to outline the details of some definite scheme.'

Sir, I hope Government will repudiate this suggestion, not by any shouting speech as we had from the Honourable the Finance Member the other day,—but by a practical demonstration of its falsity in the course of next year.

As for expenditure on military sections of the Railways, I consider it extremely unfair to the travelling public to be called upon to finance these sections. Attention was first drawn to the importance of railways for military purposes after the Afghan War of 1878. Up to 1880, there was no definite policy pursued in dealing with military railways, but during the Viceroyalty of Lord Ripon, this question was taken up seriously and a definite programme estimated to cost over five million pounds sterling was submitted to the Secretary of State in 1884. The Government of India proposed that this outlay should be from borrowed funds, on separate and distinct loans, quite apart from the general railway programme. The Secretary of State sanctioned the scheme, but laid down that the cost should be met, as far as possible, from revenue. This is really the reason of the amalgamation of the military sections and the general railway sections, so far as finances were concerned. Then, Sir, in Lord Dufferin's time this question of the separation of the military from the general sections came up again; and the Governor General himself, the then Finance Member, and the Public Works Department Member, were in favour of debiting the whole cost of the military sections to military expenditure; but the other Members of the Executive Council were opposed, and, therefore, by a majority that proposal was thrown out. Now, it also appears that the India Office has not viewed this system with much favour, for we find that the Public Works Secretary recently stated that he had always protested against it from the Railway point of view. Then, Sir, we find that Sir William Acworth put some questions on this subject to the Honourable Mr. Cook. He asked whether Mr. Cook could see any difficulty in an arrangement being made for the debit of a reasonable sum to military funds, on the general basis that the capital of the

military line should be charged to the army, as well as a reasonable sum on account of the annual loss incurred by the North-Western Railway in working unprofitable sections opened and maintained for military purposes. In reply, Mr. Cook said that he could see no financial or accounts difficulty in this, but that the result would, of course, be a very large increase in the amount of the Military Budget. This point was further cleared up by Sir William Meyer, an *ex-Finance* Member. He put the case very candidly in the following brief sentence :

'Army expenditure is very unpopular, especially at the present time, and from the point of view of expediency it is undesirable to add to that expenditure.'

That is his excuse for charging this military expenditure to Railways.

Sir, I hope that this question will be taken up in right earnest, and that before we meet next in Simla a definite decision will be arrived at by the Railway Department and other Departments concerned, to separate the military sections of Railways from the general sections.

The Honourable Sir Malcolm Hailey (Finance Member) : I hope, Sir, that I shall avoid shouting this morning at the Honourable Member, and if, indeed, an interjection which I was obliged to make the other day, perhaps in a somewhat raised voice, did get home to the Honourable Member, I do not regret it. I was doubtful at the time who had made that interjection. I am glad to find the author, and am glad he felt what I said to him in reply.

Now the Honourable Member deeply studious, as he certainly is, of these questions, brings to them what I venture to regard as a great disadvantage ; Sir, he exhibits that kind of mind which, when faced with a concrete and practical problem, seeks to find a solution in blaming somebody for what was done a considerable number of years ago. If he was a business man, and if he went to consult with his fellow Directors, on a difficult question of finance or a crisis in the money market, and if the only course he could pursue were to suggest that a good many years ago they had all made a mistake, I don't think they would find him very helpful, and I have not found him very helpful to-day.

The question, and the only question before the House, my Honourable friend, Mr. Innes, having accepted the second amendment, is whether the House should agree to the programme of providing 150 crores capital expenditure for Indian railways in the next five years. And how does the Honourable Member treat the question ? He said :

'You know if years ago you had put railways in their proper condition, and if you had not frittered away receipts from the railways in—he did not specify what in, but I suppose in war expenditure, because that was the period of time he was discussing—and if, worst of all, you had not allowed the railway companies to make any dividends, then this amount of replacement would not be necessary now.'

Well, what are the facts ? During the war it is perfectly true that we had to reduce capital expenditure on railways. Why ? Because we could not obtain the capital funds. I hope that the Honourable Member will not pretend to forget that we were waging a war at the time. It was unfortunate fact, but nevertheless the fact that we could not raise the capital funds at the time ; therefore we could not put the railways into a proper position as regards their capital expenditure.

Then, there was another difficulty. Even if we had had the funds at the time, we could not have obtained the material. It is of course open to the Honourable Member to say that we should not have spent the money at all ;

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we should have kept it in reserve. Well, we had unfortunately other calls upon us—calls that we could not postpone, and we therefore rightly or wrongly thought it would be more economical to meet those calls at the time than to keep the money in reserve, and that it is the simple explanation of it.

Now, Sir, what are the conditions he would make in regard to the spending of this 150 crores of rupees?

In the first place, he wishes to lay it down as an absolute condition that we should raise as much as possible of this money in India. Are we such children that he should actually prescribe where we shall find the cheapest market for money? If rates of interest are lower in England, would this House really desire that we should pay 1 per cent. more in India? And, if not, then what becomes of his stipulation? Obviously we must raise the money, whether it is in India or whether it is in England or whether it is elsewhere, exactly where we can get it cheapest and it would be wrong on the part of this House to yield to any pressure from any quarter to raise it either in England or in India on any other consideration whatever.

As regards spending the money as much as possible in India, I know that my Honourable friend, Mr. Innes, has this at heart; the case has been discussed more than once here and a Committee is sitting on the question. As to his suggestion that our proposal to raise 150 crores for Indian railways was in any way influenced by the unfortunate trade conditions at home, and a desire to help English manufacturers, that is of course not the case. After all it is not entirely an iniquitous Government, which is of course open to all the suspicions that the Honourable Member retains in his mind on the subject, which has put this proposal forward. It has been put forward actually by a Committee of Members of the Legislature on which, I think, there were only two Government representatives. I will leave the matter at that. Whether my Honourable friends now in this House who were Members of that Committee had in their minds any notion that by so doing they might favour or might assist English trade in its adversity, I do not know. They will no doubt be able to give the Honourable Member assurances on the subject which he would, I am sure, accept from them, though he will not do so from me.

As regards the question of strategic railways, it has become something of King Charles' head to certain Members of this House. An assurance has already been given that this matter will be placed fully before the Railway Advisory Committee, and it seems to me that, since this question involves a good deal of discussion of account technicalities, it will be better discussed there than on the floor of this House. I will only remind the House that the expenditure on the so-called strategic railways bears a infinitesimal proportion to the total of 500 crores of capital expenditure on Indian railways. I am quite content to leave the matter at that. If the Advisory Committee thinks that they should be totally separated and that such portion of the interest of the expenditure on these so-called strategic railways, as can no longer be described as remunerative, should be borne against the military budget, I shall have no objection to urge. But I would advise the House to leave it for the consideration of that Committee.

Now, Sir, as to the main question. On this I imagine the House really has very little doubt: probably the House regrets that the consideration of this very important question should have been hampered by side-issues such as have been imported into it. We have felt the paramount necessity of restoring

Indian railways to a condition in which they can meet the claims of passenger traffic and of trade. I admit that it will be difficult to provide 150 crores. We have many capital commitments. We have a very large amount of temporary debt which we have to discharge. We have, as I have more than once repeated to this House, a very large amount of floating debt which it is even more essential that we should discharge at an early date. Nevertheless, the claims of railways are so strong that, though we may be running some risk in entering into an engagement of this kind, I think that we ought to do so. After all, the Indian money market is expanding. We know now that we can look forward to obtaining from it, at its own price, sums which at one time would have seemed to be impossible. Fortunately also, as we know, the credit of India in Europe is good and we ought to be able to rely on the sterling market to assist us in obtaining the necessary funds for this programme. It is in those circumstances that the Finance Department has decided to lend what weight it still has at its command, after the criticisms of the Honourable Member and his friends, in support of the programme of 150 crores that has been put before the House.

Mr. B. S. Kamat (Bombay Central Division : Non-Muhammadan Rural) : Sir, with reference to the separation of Railway Finance from general Finance, I wish to make one or two observations regarding the statements of Mr. Samarth and Mr. Rangachariar. They seem to have some constitutional objection to this proposed separation of the Railway Budget from the general Budget. So far as I can see from the recommendations of the Railway Committee, I do not think it would interfere with our rights or with our control over the Railway Budget at all. After all, the proposal is a matter of pure convenience. What the Railway Committee propose is that, if these finances are separated, by all means we shall have a separate Railway Budget coming before us, so that our control over the Railway Budget will come in, if not in one form, at least in some form or other. So there is no proposed interference with our rights and with our control over Railway Finance.

Mr. N. M. Samarth : I do not think my Honourable friend has interpreted our views correctly. What I said and emphasised is this that, if the earnings of the Railways are to be spent only on the Railways and not be available to the general revenues, then the deficits of the general revenues are bound *pro tanto* to be increased. Consequently, taxation proposals are bound to be brought forward to meet that increased deficit. In other words, this Assembly will be stultifying itself by accepting the proposal of the separation of the Railway Budget from the general Budget.

Mr. B. S. Kamat : Even supposing the apprehension which Mr. Samarth has in his mind is correct, an answer is provided by the Railway Committee itself in the fact that, if there is any deficit in the general revenues, we can call upon the railway finances to give us what they call an emergency contribution whenever the need arises for it.

Mr. N. M. Samarth : That means during the war.

Mr. B. S. Kamat : Whenever, therefore, there is a need for drawing upon the gains and earnings of the Railways, we can come before this House; and whenever the Railway Budget is placed before us for discussion, we can say that, if the Railways are making profits, we have a right to draw

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upon those profits, and ask the Railway Department to make a contribution to the general revenues. That is given in the Railway Committee's Report. Secondly, even the Railway Finance Committee, on which both these gentlemen served, have not prominently raised the constitutional issue in their Report. What the Railway Finance Committee has pointed out is this. It is at the present moment, owing to our financial stringency, inexpedient to separate the Railway Budget from the general Budget. They do not fall back upon their fundamental objection, their constitutional objection, to separate these two Budgets on constitutional grounds. What they say is that we are going through a period of financial stringency and that this is not the moment to separate the Railway Budget from the general Budget. I will read out their words :

'In the existing state of Indian finances it would be very difficult to replace the sources of revenue if surrendered for railway purposes.'

Later on they say :

'We have been, therefore, led to the conclusion that separation of Railway Finance in the sense understood by the Railway Committee is not *at present* a practicable proposition.'

What it comes to is this, that they do not, according to their Report, find it convenient, at the present moment, to separate Railway Finance from general Finance. That, I believe, is the situation. The larger constitutional issue raised is, I believe, quite out of place and Members in this House need not be prejudiced by the constitutional bogie that has been raised before us, namely, that there is a very serious constitutional difficulty in our way for all time to come. Sir, it is all purely a matter of finance. It would be a great advantage, personally, from my own point of view, if the Railways can bring before us a separate Railway Budget. If they are making profits and if they are spending those profits for the improvement of Railways, they also thereby benefit the general tax-payer. After all, the general tax-payer will get the benefit from the profits of the Railways, inasmuch as the Railway services will be improved. But, if in any year we find that those profits ought to be diverted to the general revenues, owing to various causes, I think we should reserve to ourselves still the right to call upon those profits for the general expenditure. We do not forego, we do not surrender our rights. We simply delegate to the Railway Department the power in normal times to utilise the profits for the improvement of the Railways and thereby for the improvement of the general tax-payer, and I do not think the House should be prejudiced by the constitutional issue which has been raised.

Mr. W. M. Hussanally (Sind : Muhammadan Rural) : With your permission, Sir, I rise to propose a further amendment, namely :

'That the consideration of this question in its entirety be postponed till the next Session.'

My reasons for proposing this amendment are these : In the first place, I consider that this Resolution has been sprung upon this House as a mine at the fag-end of the Session when half the House is empty. No doubt the Report of the Acworth Committee and the Report of the Railway Finance Committee were circulated to us some months ago, but, so far as the Resolution brought forward by the Honourable Mr. Innes is concerned, we had only one day's notice of it, and that I consider not to have been sufficient notice for the consideration of such an important question as this. I think, Sir, that a

greater amount of time is needed to consider the question in all its bearings, and, therefore, I would propose that the consideration of this question be postponed till the next Session.

My further reason, Sir, for proposing this amendment is that, before we vote any further sum of money, and such a large amount of money as 150 crores, to be spent upon Railways, we ought to have assurances as to a definite policy in regard to several matters in the conduct of Railway affairs. The first is the Indianisation of the Services in the Railway (Hear, hear), with a view to reduce the working expenses. Unless we have got an assurance of a definite policy to be laid down by the Railway Board and the Government in regard to this matter, I think this House will be better advised to withhold its sanction to the expenditure of this large amount of money.

In the second place, the questions which my Honourable friend, Mr. Neogy, has raised are also very important questions which deserve consideration at the hands of this House, and also require the announcement of a definite policy on the part of the Government of India in the Railway Department. For instance, the first point that ought to be considered and for which a definite solution ought to be found, is the formation of a Depreciation Fund. Whatever mistakes may have been made in the past, we ought to do something better in the future and, unless a sort of Depreciation Fund is organised in the Railway Department for the future, so that moneys from that fund should be spent upon renewals and repairs in the future, I think this House ought not to vote away such a large amount of money as 150 crores all at once.

The third point raised by my Honourable friend, Mr. Neogy, also requires a definite policy to be laid down, and that is whether the Government is prepared to debit all expenditure on strategic Railways to the Military Department or not. We know, Sir, that a very large amount of money is spent upon these lines, which are maintained by the general tax-payer, and the expenditure is not shown on the military side of the Budget purposely, so that the military expenditure should be kept down as low as possible. While the discussion of the Finance Bill and the Budget was going on, I pointed out that a large amount of work for the Military Department was being done in the Government of India press, for which not a farthing had been debited to the Military Department. The answer I got from the Honourable Mr. Chatterjee was that this work could not be assessed. Now, Sir, I fail to see how any work that is printed at any press cannot be assessed. We know that a large number of forms is being printed in the press which can be easily assessed. The cost of the paper used in printing these forms is known to us or can be known to us, and any printing work that is done for the Military Department can be assessed easily as it could be at any other private press. If any work was done at a private press would the manager of that press say: 'I cannot assess the value of that work?'

Mr. President: I am afraid the Honourable Member is now getting out of order.

Mr. W. M. Hussanally: I submit, Sir, that this is pertinent so far as this matter is concerned, but, if I am ruled out of order, I shall not say anything more upon that point. I say, Sir, every expenditure that is incurred on behalf of the Military Department in another Department should be

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debited to the former Department, and, unless a definite policy of that kind is laid down by the Government, I think this House ought to withhold its sanction to this large amount of money that is now demanded.

Then, Sir, the other questions raised were, with regard to the purchase of stores, the improvement of workshops and the taking in of apprentices. All these questions must be thoroughly considered by this House as well as by the Government of India before this large amount of money is voted. Therefore, I say nothing will be lost by postponing the consideration of this question till the next Session. In the meantime, the Government of India will have time to consider all these questions and lay down a definite policy and give us some definite information upon them before we consider this question. At the fag-end of the Session, when nearly half the House is empty, I think the House will be well advised to shelve this matter till the next Session. Meantime, we shall be in a better position, because we shall have received the Report of the new Advisory Committee also upon this question, which will throw considerable light upon the whole question, more especially as, I see, there is a difference of opinion between my friends, Mr. Samarth and Mr. Kamat.

The Honourable Mr. C. A. Innes : Sir, I think it is rather unkind of Mr. Hussanally to suggest that I have sprung this Resolution upon the Assembly at the fag-end of the Session. What are the facts? The Railway Finance Committee sat on the 15th of December and its Report was published in the public press in January last. I think it was in January last that a copy of that Report was furnished to every Honourable Member of this Assembly in order that every Member of this Assembly might make himself acquainted with the recommendations contained in this very important Report.

I think, Sir, that the House will see that there is no foundation for the charge that we have in any way tried to spring this Resolution upon the Assembly, and, Sir, I hope that the Assembly will not agree to the proposal that the further consideration of this Resolution be postponed till next Session. (Cries of 'No, No'.) It would be a most unfortunate thing. Mr. Hussanally has stated that, before the Assembly agrees to this programme, agrees to the principle of a guaranteed programme and agrees to the 5 year programme, it should be satisfied in regard to certain points. He wishes to make terms. Well, Sir, what would happen? Many of these points which have been raised are points difficult of solution, which will take time to solve. In the meantime, what about the Indian Railways? I pointed out in my previous speech, and it is well-known to this House, that the Indian Railways are in a very serious position. They might almost be described as 'a wasting asset'. I say, Sir, that if we are to bring those Railways back to a state of proper efficiency, we should place the method of financing those Railways on a satisfactory basis, and there is only one satisfactory basis, and that is the proposal to allow them to work on a guaranteed programme of finance in order that they might work on a proper well-thought-out programme of works. I submit, Sir, that it would be the gravest mistake to hold up this reform in order that we may go into certain subsidiary matters. I oppose most strongly this amendment suggested by Mr. Hussanally, and perhaps I might take the opportunity of referring to some of the other points which have been made in the debate.

I will first refer to what Mr. Samarth has said, but I should like to assure Mr. Samarth that, as far as I am concerned, I have not gone back in any way on what was stated in the Railway Finance Committee's Report regarding the separation of Railway from General Finance. But it is not an urgent question. It is not like the question of the programme, and, when various Honourable Members come up and say, we should like further time to consider it, and when I see it is not an urgent question, surely it is reasonable for Government to say: 'It is not an urgent question; you would like more time; have it!' That is the sole reason why I agreed to defer consideration of this question of the separation of Railway from General Finance till the September Session. I regard it as a different proposal to the capital programme proposal, because the one is not urgent and the other is very urgent. I hope Mr. Samarth will accept that explanation.

Then, Sir, let me refer to what Mr. Joshi said, Mr. Joshi first referred to State *versus* Company management. Well, all I propose to say on that very difficult question is that we have it already under consideration in the Railway Advisory Council. Then, Mr. Joshi said that he personally did not think that the House should vote this 150 crore programme unless 50 crores of this 150 crores were set aside for coaching stock. Well, in the first place, the figures in paragraph 11 of the Railway Finance Committee's Report.

Mr. President: I think we had better dispose of the motion to postpone further consideration first. Then the Honourable the Commerce Member can give his general reply on the Resolution, if, when I put the motion to postpone, the House decides not to postpone consideration.

Does the Honourable Member (Mr. Joshi) wish to speak on the motion for postponement?

Mr. N. M. Joshi: Yes, Sir.

I rise to support the motion for postponement. The proposals for spending 150 crores have been given in paragraph 11 of the Railway Finance Committee's Report, but there are no reasons given there, no explanations given, as to why 48 crores should be given for wagons and 18 crores for coaching stock. I ask any Honourable Member to show me any explanation of the programme of 150 crores which the Government want for the Railways; and, if the explanation is not before the House, I think it is not fair to ask this House to pass the Report as it is.

Mr. Darcy Lindsay (Bengal: European): Sir, I strongly oppose the amendment of my Honourable friend, Mr. Hussanally. It is the usual policy of procrastination. It is a well-known fact that the Railways are crying out for money. It is also a well-known fact that money makes money and the sooner we vote this sum of 150 crores for the expenditure of railway extension in India, the sooner we will reap our harvest therefrom. It has to be borne in mind by this House that last September they moved for the appointment of the Railway Committee. The Committee sat, and, as the Honourable Mr. Innes has told you, their report was published in the press in December and received by every Member of this House in the month of January. It was surely known to the Members that this matter would come up to be dealt with at this Session, and I, therefore, cannot understand any amendment being brought forward to further defer the question until next September. I quite sympathise with my

[Mr. Darcy Lindsay.]

Honourable friend, Mr. Ginwala, in having moved that one portion of the Report should be left over for further discussion. That has been accepted by the Government, and, therefore, the only matter before us is the general policy of accepting the proposal of the Committee to spend, during the next 5 years, 150 crores of rupees. I am surprised that the Honourable the Finance Member has not made any reference to the point as to the raising of the money. So far as I know, Sir, the present is a fairly favourable opportunity, that may not occur in September, and on that ground also I strongly oppose the amendment and ask the House to adopt the amendment of Mr. Ginwala that has been accepted by Government.

Mr. President : The question is :

‘That the further consideration of the Resolution be postponed.’

The motion was negatived.

Mr. President : The original question was :

‘That this Assembly recommends to the Governor General in Council that the proposals made by the Railway Finance Committee (appointed in pursuance of Resolution of this Assembly of 30th September, 1921) which are embodied in their report published in the Supplement to the Gazette of India, dated the 17th December, 1921, be adopted.’

Since which an amendment has been moved to substitute the following Resolution for the Resolution upon the paper :

‘That this Assembly recommends to the Governor General in Council that the proposals of the Railway Finance Committee in regard to capital expenditure should be accepted but that the consideration of the question of separating Railway from General Finance should be postponed till the September Session.’

The question I have to put is that that amendment be made.

The motion was adopted.

Mr. President : The question is :

‘That this Assembly recommends to the Governor General in Council that the proposals of the Railway Finance Committee in regard to capital expenditure should be accepted but that the consideration of the question of separating Railway from General Finance should be postponed till the September Session.’

The Honourable Mr. C. A. Innes : Sir, there are just one or two points which I should like to explain before the Resolution is put. In the first place, Sir, my Honourable friend, Mr. Joshi, has complained that the House has not been given reasons why the 150 crore programme is necessary. He said that no details had been given in support of the figures given in paragraph 11 of the Railway Finance Committee's report, and he has also complained that inadequate provision has been made for third-class passengers. He has pointed out that 48½ crores have been suggested as the provision for wagon and only 18 crores for coaching stock. Now the first point I have to make is that these figures in paragraph 11 are merely an appreciation by the Railway Board of the position as they saw it. We have called upon all Agents of all Railways to submit their provisional 5-year programme. That programme has been received and has been placed before the Railway Advisory Council, and the only point that the Railway Advisory Council took was that they asked that I should go further into the question of the third-class passenger accommodation, and that is being done. The Railway Finance

Committee has made it a condition of its recommendations that paramount attention should be paid to the conditions of third-class passengers, and I can give an assurance to the House that that will be done.

Now, let us take the point relating to adequate provision for coaching stock. Mr. Rangachariar has pointed out one difficulty, 1 P.M. namely, that, if we spend 50 crores on coaching stock, we should want not a 150 crore programme but a 300 crore programme. We shall want more engines, more doubling of lines and more sidings. Then, there is another point. Mr. Joshi has failed to notice the difference between a railway wagon and coaching stock. Now what is called the duty of a third-class carriage is very much greater than the duty of a wagon. A little thought will show that to Members. A wagon goes for example to Karachi and it probably takes a month to get there and back and it spends several days on sidings. The third-class carriages on the other hand travel to and from stations. Consequently, you get far more use out of coaching stock than you do out of wagons. It may surprise Members to realise that wagons on Indian Railways move on an average only for 47 days in the year, partly empty, partly full. Those figures seem very small, but, as a matter of fact, the duty on wagons in India, I believe, is higher than in any other country in the world. That shows the difference between wagons and coaching stock. You want a far greater supply of wagons than you do of coaching stock. Then, Sir, just let me refer to what Mr. Neogy has stated about the purchase of stores. If Mr. Neogy had deferred his remarks for a day or two longer, he would have been able to read in the Official Report of this Assembly the correspondence between the Government of India and the High Commissioner in regard to the purchase of stores. That correspondence will, I think, show Mr. Neogy that we have laid down the principle that Railway material bought in India must be bought on the only satisfactory system, that is, on the System of accepting the lowest satisfactory tender, wherever that tender may come from. Then, again, Mr. Neogy has expressed the hope that as much as possible of these 150 crores should be spent in India. In regard to that point, I need only remind the House that it has itself appointed a Committee to go into the question on a motion by Sir Vithaldas Thackersey. That Committee has already held two meetings and we are already considering the subject. I have only one thing more to say and that is to repeat what I said just now. The Indian Railways are in a very bad way. It is a matter of urgent importance in the interests of the country as a whole, in the interests of trade and of the industries of the country that we should restore those Railways to efficiency in the earliest possible time. This House appointed a representative Committee to go into this particular question and it went into it most carefully and I have already pointed out to the House the only way in which efficiency can be restored. I hope that the House will accept the Resolution in the form in which it has been proposed by Mr. Ginwala.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 28th March, 1922.