

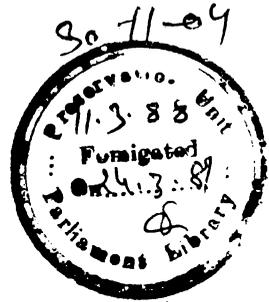
Saturday, 27th February, 1932

**THE  
COUNCIL OF STATE DEBATES**

**VOLUME I, 1932**

*(25th February to 6th April, 1932)*

**THIRD SESSION  
OF THE  
THIRD COUNCIL OF STATE, 1932**



CALCUTTA : GOVERNMENT OF INDIA  
CENTRAL PUBLICATION BRANCH  
1932

# CONTENTS.

	PAGES.
<b>Thursday, 25th February, 1932—</b>	
Members Sworn . . . . .	1
Death of Sir Muhammad Shafi . . . . .	1—3
Questions and Answers . . . . .	3—16
Messages from His Excellency the Governor General . . . . .	16—17
Committee on Petitions . . . . .	17
Bills passed by the Legislative Assembly laid on the table . . . . .	17
Code of Civil Procedure (Amendment) Bill—Introduced . . . . .	18
Motion for the election of four non-official Members to the Standing Committee on Emigration—Adopted . . . . .	18
Motion for the election of three Members to the Standing Committee on Roads—Adopted . . . . .	18
Presentation of the Railway Budget . . . . .	19—26
Congratulations to recipients of Honours . . . . .	26
<b>Saturday, 27th February, 1932—</b>	
Questions and Answers . . . . .	27—33
General Discussion of the Railway Budget . . . . .	33—47
Elections to the Standing Committee on Emigration . . . . .	47
<b>Monday, 29th February, 1932—</b>	
Members Sworn . . . . .	49
Questions and Answers . . . . .	49—51
Indian Partnership Bill—Considered and passed . . . . .	52—60
Indian Companies (Supplementary Amendment) Bill—Considered and passed . . . . .	61
Employers and Workmen (Disputes) Repealing Bill—Considered and passed . . . . .	61—62
Wheat Import Duty (Extending) Bill—Considered and passed . . . . .	62—63
Indian Finance (Supplementary and Extending) Amendment Bill—Considered and passed . . . . .	63—64
Code of Civil Procedure (Amendment) Bill—Considered and passed . . . . .	64
Wire and Wire Nail Industry (Protection) Bill—Considered and passed . . . . .	65—67
<b>Tuesday, 1st March, 1932—</b>	
Questions and Answers . . . . .	69—76
Resolution <i>re</i> Immediate introduction of provincial autonomy—Negatived . . . . .	77—109
Resolution <i>re</i> Training of young scions of the houses of sardars, jahagirdars, inamdars, etc., for military service—Withdrawn . . . . .	110—114
Resolution <i>re</i> Decrees passed by courts for interest—Withdrawn . . . . .	115—119
Resolution <i>re</i> Repeal of the Child Marriage Restraint Act—Negatived . . . . .	119—124
<b>Wednesday, 2nd March, 1932—</b>	
Bamboo Paper Industry (Protection) Bill—Considered and passed . . . . .	125—130
Resolution <i>re</i> Hours of work in coal mines—Adopted . . . . .	131—132

	PAGES.
<b>Thursday, 3rd March, 1932—</b>	
Questions and Answers . . . . .	133—141
Resolution <i>re</i> Payment of gratuities to the families of Government servants who die before retirement—Withdrawn . . . . .	141—145
Resolution <i>re</i> Appointment of a committee to advise on legislation affecting the personal and customary law of the Hindus—Withdrawn . . . . .	145—150
Resolution <i>re</i> Education in the North-West Frontier Province and Baluchistan—Withdrawn . . . . .	151—154
<b>Monday, 7th March, 1932—</b>	
Questions and Answers . . . . .	155—156
Nominations for election to the Standing Committee for Roads . . . . .	156
Motion for the election of six non-official Members to the Central Advisory Council for Railways—Adopted . . . . .	156
Presentation of the General Budget for 1932-33 . . . . .	157—165
<b>Tuesday, 8th March, 1932—</b>	
Resolution <i>re</i> Purchase of all distress gold being exported to foreign countries—Negatived . . . . .	167—179
Resolution <i>re</i> Mural decorations by Indian artists to Government buildings at New Delhi and India House, London—Withdrawn . . . . .	179—192
Resolution <i>re</i> Separation of the Telugu districts of the Madras Presidency into a separate province—Withdrawn . . . . .	192—197
Statement of Business . . . . .	197
<b>Friday, 11th March, 1932—</b>	
General Discussion of the General Budget . . . . .	199—227
Public Suits Validation Bill—Introduced . . . . .	227
Date for the election of six Members to the Central Advisory Council for Railways . . . . .	227—228
<b>Monday, 14th March, 1932—</b>	
Statement <i>re</i> Draft Convention and Recommendations concerning the protection against accidents of workers employed in loading or unloading ships adopted by the International Labour Conference at its Twelfth Session held in 1929 . . . . .	229—230
Motion for the election of two non-official Members to the Standing Committee to advise on subjects, other than "Indians Overseas—Emigration" and "Haj Pilgrimage," dealt with in the Department of Education, Health and Lands—Adopted . . . . .	230
Public Suits Validation Bill—Considered and passed . . . . .	230—231
Election of three Members to the Standing Committee for Roads . . . . .	231
Resolution <i>re</i> Levy of income-tax on all pensions and compassionate allowances paid outside India—Negatived . . . . .	231—236
Resolution <i>re</i> Levy of stamp duty on cheques drawn on banks and bankers in India—Withdrawn . . . . .	237—238
Statement of Business . . . . .	238
<b>Tuesday, 15th March, 1932—</b>	
Resolution <i>re</i> Procedure to be followed in dealing with the civil disobedience movement—Withdrawn . . . . .	239—266

	PAGES.
<b>Thursday, 17th March, 1932—</b>	
Indian Life Assurance Companies (Amendment) Bill—Introduced . . . . .	267
Resolution <i>re</i> Amendment of the Presidency Small Causes Courts Act—Withdrawn . . . . .	267—271
Election of two non-official Members to the Standing Committee for the Department of Education, Health and Lands . . . . .	271
Ballot for the election of six non-official Members to the Central Advisory Council for Railways . . . . .	271
<b>Thursday, 24th March, 1932—</b>	
Members Sworn . . . . .	273
Questions and Answers . . . . .	273—276
Bill passed by the Legislative Assembly laid on the table . . . . .	277
Statement (laid on the table) <i>re</i> Commercial Treaties and Notes affecting India . . . . .	277
Resolution <i>re</i> Amendment of the Resolution on Roads adopted by the Council on the 4th March, 1930—Adopted . . . . .	277—278
Resolution <i>re</i> Increased import duties on galvanized iron and steel pipes and sheets—Adopted . . . . .	278—280
Statement of Business . . . . .	280
<b>Wednesday, 30th March, 1932—</b>	
Member Sworn . . . . .	281
Death of Mr. K. V. Rangaswamy Aiyangar . . . . .	281—283
Salt Additional Import Duty (Extending) Bill—Considered and passed . . . . .	283—288
<b>Friday, 1st April, 1932—</b>	
Bill passed by the Legislative Assembly laid on the table . . . . .	289
<b>Monday, 4th April, 1932—</b>	
Bills passed by the Legislative Assembly laid on the table . . . . .	291
Bengal Criminal Law Amendment (Supplementary) Bill—Not concluded . . . . .	291—316
<b>Tuesday, 5th April, 1932—</b>	
Member Sworn . . . . .	317
Short Notice Questions and Answers . . . . .	317—318
Bills passed by the Legislative Assembly laid on the table . . . . .	318
Message from the Legislative Assembly . . . . .	318
Statement <i>re</i> Working of the Cape Town Agreement of 1927 . . . . .	318—329
Bengal Criminal Law Amendment (Supplementary) Bill—Considered and passed . . . . .	330—336
<b>Wednesday, 6th April, 1932—</b>	
Member Sworn . . . . .	337
Messages from the Legislative Assembly . . . . .	337
Foreign Relations Bill—Considered and passed . . . . .	337—340
Sugar Industry (Protection) Bill—Considered and passed . . . . .	341—351
Indian Air Force Bill—Considered and passed . . . . .	351—355
Indian Tariff (Wireless Broadcasting) Amendment Bill—Considered and passed . . . . .	355—357

# COUNCIL OF STATE.

*Saturday, 27th February, 1932.*

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The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable Sardar Bahadur Shivdev Singh Uberoi, Chairman, in the Chair.

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## QUESTIONS AND ANSWERS.

### RETRENCHMENT ON INDIAN RAILWAYS.

22. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :  
(i) Will Government be pleased to state the number of persons with their nationalities, so far discharged on all the Railways in India, line by line, State and Company-managed, owing to the policy of retrenchment? Have the Railway Retrenchment Committee made any specific recommendations for effecting economy by discharging men from Workshops, Traffic Departments, Running Staff, Office establishment, etc. ?

(ii) Will Government be pleased to state the amount of money so far expended for the Railway Retrenchment Enquiry Committee and how long it will continue ?

(iii) Will Government be pleased to state whether the result of the Railway Retrenchment Enquiry Committee is commensurate with the money so far expended for this purpose ?

THE HONOURABLE MR. T. G. RUSSELL : (i) As regards the first part, I lay a statement on the table giving the information available. The reply to the second part is in the negative.

(ii) The cost was Rs. 5,165 and the Committee concluded its labours in October, 1931.

(iii) Yes.

*Statement showing the number of employees discharged on State and Company-managed Railways as a result of the present economy campaign.*

*Note.*—The period of retrenchment is not the same on all the Railways, but the bulk of the retrenchment was carried out from March to June, 1931, inclusive.

Railway.	Gazetted officers.	Subordinates, inferior servants and workshop labourers.
Eastern Bengal	..	1,463*
East Indian . . . . .	7	11,695†
Great Indian Peninsula . . . . .	5	8,739‡
North Western . . . . .	15	9,253§
Burma . . . . .	3	1,927
Assam Bengal	..	412
Bengal Nagpur . . . . .	5	1,620
Bengal and North-Western . . . . .	..	607
Bombay, Baroda and Central India . . . . .	4	2,190
Madras and Southern Mahratta . . . . .	..	1,120
Rohilkund and Kumaon . . . . .	..	18
South Indian . . . . .	5	1,458
<b>Total</b>	<b>44</b>	<b>40,502</b>

*Information of retrenchment by communities.*

\*E. B. Railway.

Europeans and Anglo-Indians . . . . .	24
Hindus . . . . .	1,147
Muslims . . . . .	292
Other classes . . . . .	..
<b>Total</b>	<b>1,463</b>

† E. I. Railway.

From April to June, 1931, the E. I. Railway retrenched

Europeans . . . . .	38
Anglo-Indians . . . . .	66
Hindus . . . . .	4,638
Muslims . . . . .	1,082
Other classes . . . . .	87
<b>Total</b>	<b>5,911</b>

‡G. I. P. Railway.

From 1st May, 1930 to 30th April, 1931, the G. I. P. Railway re-trenched

Europeans . . . . .	23
Anglo-Indians . . . . .	142
Indians . . . . .	7,792
<b>Total</b>	<b>7,957</b>

§N. W. Railway.

Europeans . . . . .	2
Anglo-Indians . . . . .	22
Hindus . . . . .	2,894
Muslims . . . . .	5,706
Others . . . . .	629
<b>Total</b>	<b>9,253</b>

PLATFORM NO. 4, BENARES CANTONMENT STATION.

23. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(i) Will Government be pleased to state when Platform No. 4 of the Benares Cantonment station was constructed ?

(ii) Is it a fact that Platform No. 4 of the Benares Cantonment station has no shed or covering over it ?

(iii) Is it a fact that since the coming of the present European Station Master to the Benares Cantonment station, the entrance of Platform No. 4, wherefrom leaves the Benares Express train for Howrah, is being kept locked up till before ten minutes of her departure from the said platform ?

THE HONOURABLE MR. T. G. RUSSELL : Government are not aware of the exact arrangements at Benares Cantonment station, which are matters for the local railway authorities and could suitably be discussed in the Local Advisory Council of the East Indian Railway ; but they will send a copy of the Honourable Member's question to the Agent of that railway.

RETRENCHMENT OF INDIANS AND BURMANS HOLDING POSTS OF INSPECTORS OF WORKS ON THE BURMA RAILWAYS, ETC.

24. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(i) Will Government be pleased to state how many Indians and Burmans holding posts of Inspector of Works (I. O. W.) on the Burma Railways were retrenched under the present retrenchment scheme ?

(ii) Will Government be pleased to state whether any fresh appointments have been made in the cadre of Assistant Engineers in the vacancies consequent upon the retrenchment of Indian and Burman Inspectors of Works ? If so, what are the nationalities of the present incumbents ?

(iii) Will Government be pleased to state the number of Indians and Burmans who are holding the posts of Assistant Traffic Superintendents, Assistant Auditors and Assistant Engineers on the Burma Railways ?

THE HONOURABLE MR. T. G. RUSSELL : (i) Government regret that they cannot undertake to collect communal statistics in respect of the retrenchment made in individual offices or classes of establishment.

(ii) No such appointments have been made.

(iii) A statement giving the information is laid on the table.

*Statement showing the number of Indians and Burmans holding permanent posts of (1) Assistant Engineers, (2) Assistant Traffic Superintendents and (3) Assistant Accounts Officers on the Burma Railways on the 1st October, 1931.*

Assistant Engineers.		Assistant Traffic Superintendents.		Assistant Accounts Officers.		Remarks.
Indians.	Burmans.	Indians.	Burmans.	Indians.	Burmans.	
3	Nil	2	6	1	Nil	

## STATION MASTERS, GUARDS, ETC., ON THE BURMA RAILWAYS.

25. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :  
 (i) Will Government be pleased to state whether there is any gradation in the Upper Subordinate Services on the Burma Railways in the cadres of Station Masters, Guards, Traffic Inspectors, Commercial Inspectors and Controllers ? If so, how many Europeans, Anglo-Indians, Indians and Burmans are holding the posts of Station Masters, Guards, Traffic Inspectors, Commercial Inspectors and Controllers in the different grades ?

(ii) What is the scale of pay in the different grades of Station Masters, Guards, Traffic Inspectors, Commercial Inspectors and Controllers on the Burma Railways ?

THE HONOURABLE MR. T. G. RUSSELL : The available information is given in the Burma Railways Classified List of subordinate staff, a copy of which is in the Library.

## LEAVE RULES ON THE BURMA RAILWAYS.

26. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will Government be pleased to state whether there is any difference in the leave rules on the Burma Railways in comparison with other State and Company-managed Railways in India ? If so, what is it ?

THE HONOURABLE MR. T. G. RUSSELL : The new leave rules applicable to State Railway employees make no distinction between the Burma Railways and other State-managed Railways. These rules have also been adopted as the fundamental rules on which Company-managed Railways may frame their own leave rules for future entrants to their service. The leave rules of the late Burma Railway Company, which staff taken over with the railway have the option of retaining, were substantially similar to the leave rules of other Company-managed Railways.

## INDIANISATION ON THE BURMA RAILWAYS.

27. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will Government be pleased to state how far the policy of Indianisation has been carried into effect on the Burma Railways ? Is Indianisation equivalent to Burmanisation ? Do Burmans come under the category of Indians on the Burma Railways ?

THE HONOURABLE MR. T. G. RUSSELL : The recruitment of gazetted officers for State-managed Railways is not made for each individual railway, but for all the State Railways together. Burmans form part of the recruitment of Indians as distinct from the recruitment of Europeans.

## TRANSFERS OF ASSISTANT COMMISSIONERS OF INCOME-TAX IN BENGAL.

28. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will Government be pleased to state the reasons why there are no transfers for the Assistant Commissioners of Income-tax in Bengal ?

THE HONOURABLE MR. A. F. L. BRAYNE : No Assistant Commissioner has been transferred in recent years because no necessity for any such transfer has arisen.

DISTRIBUTION OF WORK AMONG THE TWO ASSISTANT COMMISSIONERS OF INCOME-TAX IN CALCUTTA.

29. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Is it a fact that in Calcutta the two Assistant Commissioners of Income-tax are dividing and distributing the work of the various districts under them to suit their own convenience.

THE HONOURABLE MR. A. F. L. BRAYNE: The work of the Assistant Commissioners is distributed by the Commissioner of Income-tax in the exercise of his statutory powers under section 5 of the Indian Income-tax Act. The Assistant Commissioners have no power to distribute their work between themselves.

INCOME-TAX OFFICERS IN CALCUTTA.

30. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Is it a fact that the Income-tax Officers in Calcutta are generally selected for work in different districts by the Assistant Commissioners of Income-tax? Are the Assistant Commissioners of Income-tax in Calcutta empowered to select the Income-tax Officers?

THE HONOURABLE MR. A. F. L. BRAYNE: The Assistant Commissioners are not empowered to select Income-tax Officers, nor do they do so.

INCOME-TAX OFFICER IN CHARGE OF DISTRICT 1 (1) IN CALCUTTA.

31. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (i) Is it a fact that in some cases heavy districts in Calcutta have been placed in the hands of junior and comparatively inexperienced Income-tax Officers in preference to old and experienced officers who have held charge of districts independently for years?

(ii) Is it a fact that District 1 (1) in Calcutta has been placed under an officer who, before being placed in District 1 (1), was placed in charge of a district outside Calcutta for a short time only?

(iii) Is it a fact that this officer who now holds charge of District 1 (1) in Calcutta is very irregular in attendance and had to go on leave very often and that he is not being replaced by an officer who can carry on work regularly?

THE HONOURABLE MR. A. F. L. BRAYNE: (i) Income-tax Officers are selected for the charge of the Calcutta Districts with due regard to their capacities. At times, owing to casualties, a junior officer has to be put in charge of a Calcutta District temporarily.

(ii) A junior officer has had to be placed in charge of District 1 (1) owing to the ill-health of the permanent Income-tax Officer, since no other officer could be spared.

(iii) The officer referred to is presumably the permanent Income-tax Officer. I am informed that he is not irregular in attendance. His health having been affected by overwork, a junior officer has unavoidably been appointed to act for him, as I have just stated.

EMPLOYMENT OF TOUTS BY THE COMMISSIONER OF INCOME-TAX, CALCUTTA.

32. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Is it a fact that touts are employed by the Commissioner of Income-tax, Bengal, in the detection of cases? Are the touts paid by Government for such work?

**THE HONOURABLE MR. A. F. L. BRAYNE :** Touts are not and never have been employed in such cases.

**EMPLOYMENT OF BABU KEDAR NATH UNDER THE PERSONAL ASSISTANT TO THE COMMISSIONER OF INCOME-TAX IN BENGAL.**

**33. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :**  
(i) Is it a fact that one Babu Kedar Nath was in the service under the present Personal Assistant to the Commissioner of Income-tax in Bengal, when he was doing the special Income-tax Officer's cases and also while he was in charge of District IV ?

(ii) Will Government be pleased to state what were the functions of this Babu Kedar Nath and how his services were utilised by Government ?

**THE HONOURABLE MR. A. F. L. BRAYNE :** (i) I am informed that the Personal Assistant to the Commissioner of Income-tax, Bengal, has never dealt with any of the special Income-tax Officer's cases nor was he ever in charge of District IV. He held purely nominal charge of the office of the Special Income-tax Officer for a short time.

(ii) The person referred to has never been in the employment of Government.

**CAPITATION CHARGES FOR UNITS OF THE BRITISH ARMY EMPLOYED IN INDIA, ETC.**

**34. THE HONOURABLE MR. SYED ABDUL HAFEEZ** (on behalf of the Honourable Mr. Abu Abdullah Syed Hussain Imam) : Will Government state :

- (1) What is the average period of service of a R. A. F. commissioned officer in England and in India ?
- (2) What is the average period of service of units of the British Army in India and in England ?
- (3) What was the average cost of recruitment and preliminary training of the British Army to the War Office ?
- (4) What was the actual number of relieving British Army personnel in the year 1930-31 ?
- (5) What was the capitation charge demanded by the War Office, and paid by the Government of India in the years 1919 to 1930-31 ?
- (6) Is it a fact that in the first Legislative Assembly non-officials had condemned the demands of the War Office ?
- (7) Is it a fact that the Inchcape Committee had also considered the capitation rate to be high : what was the recommendation of the said Committee, and the Government's decision thereon ?
- (8) Is it a fact that the Government of India is now demanding revision of the capitation charge from the year 1924-25 only, and has tactically relinquished the demands for the years 1920 to 1923 ? Will Government explain the reasons for this decision ? Was this done under the orders of the Secretary of State for India ?
- (9) When was the Tribunal to settle the question of apportionment of charges between the War and India Offices appointed ? Has any non-official Indian been included in it ? If not, do Government propose to include one ?

- (10) How far has the work of the Tribunal proceeded, and when is its report expected ?
- (11) Will the Tribunal give the non-official Members of the Legislature a chance of giving their opinion ?
- (12) Will Government lay on the table a detailed statement of the items of expenses on which the Tribunal is to give its decision ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** (1) The average duration of the Indian tour of officers of the Royal Air Force is 3 years and 4 months. I am unable to say what portion of their total service is performed in England.

(2) For a cavalry regiment the period of service in India is 5 years, for an artillery unit 10 years, and for an infantry battalion about 18 years.

The Government of India have no information regarding the period of service in England.

(3) I presume the Honourable Member wishes to know the average cost of the recruitment and training of a British soldier sent to India. This amount cannot be exactly ascertained, but the capitation rate, of which I shall give figures in answer to part (5) of this question, is supposed to cover it.

(4) 13,064.

(5) In 1919 the capitation charge was paid at the rate of £11-8-0 per head which had been in force since 1908. For the next two years it was increased to £28-10-0. For the last few years an arbitrary lump sum payment has been made of £1,400,000. On present establishments this works out at approximately £25 per head.

(6) Perhaps the Honourable Member would kindly refer me to the particular proceedings of the first Assembly which he has in mind.

(7) I would refer the Honourable Member to paragraph 50 of the Inchcape Committee's report. The Committee recommended that a fresh settlement should be made. No such settlement has however yet been reached between His Majesty's Government and the Government of India.

(8) to (12) No Tribunal has so far been appointed. The whole matter is under the active consideration of His Majesty's Government in consultation with the Government of India and I am not at present in a position to make any statement.

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#### GENERAL DISCUSSION OF THE RAILWAY BUDGET.

**MR. CHAIRMAN** (the Honourable Sardar Bahadur Shivdev Singh Uberoi): The Council will now proceed with the discussion of the Budget (Part I)—Railways.

**THE HONOURABLE SIR MANECKJI DADABHOY** (Central Provinces: Nominated Non-Official): Sir, I rise to open the debate on the Budget of the railway revenue and expenditure of the Governor General in Council for the year 1932-33. This year's Budget, Sir, is a depressing and melancholy document. From a perusal of the speeches of the Honourable the Railway Member in the other House and of the Chief Commissioner for Railways in this House it is perfectly clear that though the immediate prospect is not very hopeful, conditions are not altogether unfavourable and it is believed that the railway

[Sir Maneckji Dadabhoj.]

revenues before long will be in a position to show better prospects. The results of the Budget of this year are such as were fully expected and I do not believe that any Honourable Member is surprised at the sad tale told in this Budget. The year 1930-31, for which final accounts have been presented to this Council, have shown a net deficit of 5 1/8 crores, a figure practically forecasted by the Railway authorities. In that year we had to withdraw 10·92 crores from the Reserve Fund, leaving a very small margin of about 5½ crores in the Reserve. Unfortunately, Sir, this year the trouble is far more terrible. The Railway earnings have shown a loss both on commercial lines as well as on strategic lines—a heavy loss of Rs. 9·47 crores and heroic methods have been adopted to overcome that loss. Practically the Railway Reserve Fund has been totally wiped out and a large sum of money has been taken as a temporary loan from the Depreciation Fund. Sir, the very fact that in 1930-31 and in the current year the railway revenues showed a substantial loss of a little over 22 lakhs is a very disheartening affair, but the circumstances which have been reiterated in the speech of the Chief Commissioner of Railways are very significant. Some measure of our commiseration is due to the Honourable Mr. Russell. His predecessor had from 1922 to 1929 years of plenty and prosperity. They were years of huge surpluses and his predecessor was in a position to appropriate those surpluses for the construction of more important railway lines and a large sum of money for improving the amenities of life of the low paid employees and for other beneficial purposes, while the Honourable Mr. Russell had to face heavy deficits during the last two years. I endorse every word of the compliment which the Honourable the Railway Member has paid to him for keeping cool and calm and showing an undaunted spirit in the administration of the railway finances during the last year. We trust that the next few years of his office will be of a more hopeful and encouraging character and repay him for the close attention and industry which he has devoted in managing the affairs of this country in the matter of Railways. Sir, to me it is a matter of great sorrow that our Reserve Fund has been completely wiped out. On more than one occasion, in this very House, I have emphasised the policy of building up reserves as strongly and rapidly as possible and the method adopted this year has fully justified the policy of building up substantial reserves. These reserves have come to the help and rescue of the country in a moment of severe financial crisis, and I can only say that we hope before long we shall be again in a position to rebuild our lost reserves, if not very rapidly, perhaps in a slow manner. Sir, I remember that about three years ago when the railway reserves stood at the very decent figure of 18 crores, there was a lot of talk elsewhere as well as in this House as to whether some limit should not be put upon the amassing and maintenance of these reserves. But railway finances are of a fleeting character and the railway administration is liable to the similar cycles of rise and fall as any ordinary business concern, and it shows that it would be not only improper but inappropriate ever to think of interfering with the policy of building up and maintenance of reserves. Sir, our Depreciation Fund also has been very considerably reduced. However, there is some satisfaction in knowing that we still hold nearly 14 crores of rupees in this fund and if carefully managed perhaps we shall not have in future much difficulty at any rate in connection with this fund.

Sir, the present position of our finances brings one naturally to inquire what is going to be the future policy of this country in the matter of railway finance. If the present position continues how are we to recover our lost position, how are our earnings to be improved if trade continues as at present at such a low level. I therefore welcome all the measures that have been adopted

by the Honourable the Chief Commissioner for Railways in the matter of economy. As the Honourable Railway Member pointed out, ruthless pruning is necessary and retrenchment of a severe kind is obligatory at the present juncture, and every one will endorse the action which the Honourable the Chief Commissioner has taken in the matter of retrenchment. It is a matter of great satisfaction to find that a large number of superior posts have been abolished and I congratulate the Railway Member and the Honourable Mr. Russell on the foresight they have shown and the courage they have displayed in abolishing or keeping in abeyance a large number of higher appointments, 169 in all. I also welcome their action in dispensing with nearly 36 posts in the construction department. Economy of this nature is entirely necessary to rehabilitate our finances and place them in proper order. I am also glad to know that the Railway Department have withdrawn all special pay and all supplementary allowances and that they have also made large decreases in contingent and miscellaneous expenditure. However, I am sorry to note that there has been a decrease in the case of the publicity expenditure. I always regard the Publicity Department as having great educational value and in many respects it helps the promotion of various interests in this country. I trust that the pruning knife will not be employed rigidly to this Department at any rate. However, reasonable retrenchment in that Department is also necessary and should be made. Sir, large sums of money have been budgeted for repairs and maintenance and for the purchase of stores. In these two departments my opinion is that there is still large scope for making further economies. Repairs and maintenance, every one will admit, are imperative, not only for keeping the machinery in proper order but in the matter of ensuring public safety. But at the same time there is a lot of avoidable leakage in a department like that and I think absolute and strict control and a great amount of supervision is essential. In the matter of stores, too, Sir, I think a careful watch is necessary. Stores are sometimes expended in a manner not actually in accord with requirements. As one having large concerns, I fully know in what way large quantities of stores have been in the past wasted in different departments. Therefore absolute control is necessary there. I am glad to note, Sir, that this year expenditure on capital works has been restricted to the small figure of 101 lakhs only. It is an extremely small figure in comparison with previous years, and this amount is to be spent only in completing lines already under construction. In the seven years from 1923 to 1930 the capital advance to Railways has amounted to the large figure of 214 crores, amounting to an annual expenditure of practically 30 crores of rupees during those years. Sir, a halt is now necessary and I am glad that the railway authorities have seen the necessity of it. In these times of financial crisis it is a great thing only to keep our open lines in working order rather than to attempt expansion of the railway programme. Till better times come capital expenditure should be steadfastly restricted and the existing open lines should be kept in perfect order. Sir, last year the railway authorities very strongly propounded the policy of rating as well as rationing, and I trust that policy will be strictly adhered to in the thin years which are now before us. This question of rating is very important and though it involves expenditure of time and money this periodical rating at reasonable periods is the only way of finding out in what direction the financial position in the matter of the earnings of the railways can be improved. As regards rationing, too, it is a matter of great satisfaction to find that the Agents of various railways will not be allowed to spend the full budgeted amounts but only a limited amount in the first instance while further amounts will only be granted when they are in a position to afford convincing proofs of their requirements. If this policy is also rigidly and

[Sir Maneckji Dadabhoy.]

religiously followed by Agents of different Railways by issuing similar instructions to their subordinate officers, I have no doubt about the future position of the railways in this country.

Sir, this brings me now to the consideration of the question of the methods necessary for the improvement of railway finances. Sir, you will permit me to allude to one important matter. I am perfectly and gravely alive to the fact that the present position of the railway finances is in a great measure due to world-wide causes; at the same time I cannot ignore the fact that India is partly responsible for the present low ebb to which railway finances have fallen. Sir, the agitation which has been going on in this country for the last two years, the political agitation, and Indian business firms having adopted to a certain measure a policy of obstruction has also contributed in some measure to the present financial crisis in this country. Sir, I am taking the opportunity, with your permission, Sir, of not only informing my Honourable colleagues here, but of addressing a larger and wider public of India, and especially of Bombay, and I appeal particularly to Bombay merchants, business people and city people, to adopt a more reasonable, rational and a policy of complete sanity on this occasion. In Bombay trade has been practically ruined. Business houses are open probably for 15 days in a month; exchanges are closed probably for 20 days in a month; business is brought to a standstill by frequent *hartals*. Is that policy likely to produce and restore railway finances to their proper level? This policy reminds me of a person cutting off his nose to spite his enemy. Government does not suffer. It is hardly realised by business people that this policy which they have adopted in Bombay has destroyed all confidence in business affairs and has ruined trade and business and indirectly affected the earnings of the railways in this country. Unless confidence is fully restored, not only in Government but among the people by allowing them full opportunities for carrying on their normal trade, the present state of affairs, I am afraid, will continue, and I do hope that after all the pledges which we have received regarding our fundamental rights and privileges from the Prime Minister and Parliament this insane policy of obstruction of trade all over the country will be abandoned and people will come back to trade and carry on their ordinary avocations in a reasonable spirit.

Sir, the next question is can the railway earnings be increased by a reduction in the scale of wages and salaries? The Honourable the Chief Commissioner has already informed us that only two years ago a small addition to the salaries of low-paid workmen was made and I am not prepared to recommend any scheme to take away from these low-paid employees of railways the small increment in their earnings which they have earned and which they richly deserve. I also understand that a large cut has been made in the salaries of people drawing higher salaries and wages; but the full effect of the benefit has not been perceived this year; I believe next year we shall have something like 2½ crores of rupees saved by the enforcement of this policy of retrenchment.

As regards rates and fares, I do not wish to add anything to what has been so luminously stated both by the Railway Member and the Honourable Mr. Russell in their respective speeches. I do not think that by increasing rates and fares just now in the present critical period when all our agricultural crops are at a low level of prices and also when the crops are poor any substantial benefit will be obtained. However, the Honourable the Railway Member has promised that when a full investigation is made if the fares and rates can be safely raised, the Railway Administration will reconsider the question.

Sir, this brings me also to the consideration of an important question, whether the present contribution made by the railways to the general revenues should be kept or whether there should be some change made in that policy. Honourable Members are aware that under the separation convention the railways have to contribute to general revenues 1 per cent. on the capital charge with certain minor variations and that contribution amounts in ordinary years to between 5¼ to 5½ crores. Sir, it is a matter for consideration whether in the present state of the financial position of the railways such a contribution made obligatory under the separation convention should be necessarily kept up. It raises an important and a vital question I am prepared to admit, but the question will have to be considered at some stage. It is true that large sums of money are spent on our railways and there should be a certain amount of return, apart from the railway expenditure, to the general revenues and I quite admit that the contribution is necessary as a measure of relief to general taxation. But, Sir, I am also of opinion at the same time and I feel that I cannot draw any distinction between the Posts and Telegraphs Departments and the Railways except in the matter of capital expenditure. When the Posts and Telegraphs Department show a deficit the general revenues of the country go to the rescue of that Department. I do not see any reason why when we are on the threshold of such bad times that our contribution to general revenues should not for the time being be suspended, if not wholly abolished. Sir, it will be necessary to consider also whether even in prosperous years the amount of these contributions should not be appropriated to providing greater amenities to low-paid employees, in the reduction of rates and fares and in improving the position of our Railways. These are matters for serious consideration which I recommend to the Honourable Mr. Russell for his consideration.

Sir, I do not propose to take up the time of the Council any longer. I shall therefore terminate my remarks, but before I do so, I wish to allude to one matter with your permission. This is the last time when the Railway Member, Sir George Rainy, will be with us. He will shortly retire from office and those who have listened to his speeches for the last five years in this Council will join with me in paying our tribute of respect and appreciation for the excellent work he has done as Railway Member, and for the very instructive and edifying speeches which he has from time to time made. (Applause.) He will shortly leave this country. Whether he will be called upon to fill other and exalted offices is another question, but I can assure him that this Council will always remember with gratitude the many instructive speeches which he has delivered in this Council. I also would like to refer to his right-hand man in this matter, Sir Allan Parsons. He will also leave the Assembly shortly. The one great consolation is that he is going to take his seat in this Council in a higher sphere of office. What will be the loss of the Assembly I believe will be the gain of this Council. Sir, I have nothing further to add.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) :** Sir, I congratulate the Honourable the Railway Member and the Honourable the Chief Commissioner of Railways for the way in which they have met the extra deficit which has befallen the working of the Railways. I also congratulate them for the retrenchment that they have so far effected. In the Explanatory Memorandum which has been placed before us we find that in the superior posts there has been a reduction of 169 officers on the State-managed Railways and of 24 officers on the Company-managed Railways. In case we had been supplied with the total number of officers on the State Railways as well as on the Company Railways we would have been able to judge better whether this retrenchment has been adequate or inadequate. I hold,

[Rai Bahadur Lala Ram Saran Das.]

Sir, that there is still more room for the reduction of officers. Sir, no mention has been made in the Report regarding terms and lower scale of salaries for the new recruitment to superior posts. Does the Government contemplate any revision of salaries? The salaries as they are at present stand very high as compared with the various big Dominions and Colonies and I hope that Government will take early steps to revise the scale of salaries of superior appointments for new entrants.

Now, Sir, I come to the causes which have led to this abnormal fall of revenues in the Railways. The chief reasons which my friend, Sir Maneckji, has already pointed out, are the trade depression and the economic distress in the country. As far as the trade is concerned, I and certain other Members of my way of thinking have been pressing that the present exchange and currency policy which has greatly stood in the way of the development of trade and commerce should be changed. (*The Honourable Sir Maneckji Dadabhoy*: "Question?") I repeat the same thing again. My Honourable friend questions my argument but I can tell him that this is a point for which there is not enough time to debate to-day. Another point, Sir, which has depressed trade is unemployment. When the people are hungry, when the people cannot make both ends meet, when they cannot support and feed their starving children, it is very difficult to expect more purchases from them and more travelling on their part. In these days of depression I do not at all approve of the increase in railway coaching fares and in goods freights. The Honourable the Commerce Member himself anticipated no increase of revenue from this and as he himself said in his speech which he delivered in another place :

"In my budget speech last year I explained my view that no solution of our difficulties was to be found in any general increase in the level of freights and fares, and all that has occurred since then has strengthened the conviction which I then formed. Conditions being what they are, and the root cause of all our difficulties being the lack of purchasing power of the community as a whole, any general increase in freights and fares would defeat its own object. The subject which has engaged my own attention during the last year has been rather the converse question whether we might not secure increased revenue from a reduction in freights on certain commodities owing to the expansion in the volume of traffic which might follow."

And so on. From the papers before me, I find that the decrease in the number of passengers carried by Railway is 14·7 per cent. In case we take the normal yearly expansion of the growth of the coaching traffic, this figure will swell up, but all the same, Sir, I must say from the experience of the coaching traffic that we have in the Punjab anyhow, that this 14·7 per cent. traffic is diverted to the lorries. Now, we find in the Punjab, Sir, that even marriage parties, when travelling within a radius of about a hundred miles, resort to lorries and avoid the railway journey because the railway fares have been increased and it does not pay them to travel by rail. I request the Honourable the Chief Commissioner or the Honourable the Railway Member to pay serious and close attention to this fact. Another cause which has dropped the railway earnings is the industrial depression. But I must say, Sir, that, although Sir George Rainy himself admits "that it is in the interest of Railways to keep coal freights at the lowest level commercially possible because cheap coal is essential to industrial development and industrial development means increased traffic for Railways", I am sorry to say that coal freights have been raised which instead of encouraging the industries will act adversely and will hamper progress. Sir, the freights on coal are levied on a telescopic scale. Now, the surcharge ought to have been proportionately levied according to the principle that the greater the freight the smaller the percentage of the surcharge. This

surcharge has placed the Punjab in a very awkward position as far as industries are concerned. I might say for the information of this House that at present the rate of freight for the first 200 miles is .15 pies per maund per mile ; from 200 to 400 miles it is .16 pies per maund per mile ; and for over 400 miles it is .05 pies per maund per mile. If we compare places which are at distances of say 500 miles from the colliery and 1,000 miles from the colliery, we find that those places which are unfortunately situated a thousand miles away from the colliery pay double the surcharge for the same tonnage which places at distances of 500 miles pay. This is very serious. The Punjab has been greatly affected. As far as Bombay, Madras, Karachi, Rangoon and other industrial centres near the ports are concerned, they can get their coal carried by steamers. Even now big trade centres like Bombay, Madras and other places which are near to the ports get an undue advantage over those industrial centres where the railway freights are very heavy. The provinces other than the Punjab are either very near to the ports or they have coal mines within their own jurisdictions, but the Punjab is the only province where there is a lead on coal of over 1,000 miles and the present surcharge on that mileage is inequitable and unjust and ought to be reconsidered and put right immediately.

Sir, my Honourable friend Sir Maneckji Dadabhoy has advocated the cause of publicity in the Railway Departments. As far as Indian publicity is concerned, it has, I understand, improved the railway traffic. But as far as foreign publicity is concerned, from the figures which have been placed before us we find that no appreciable increase in railway traffic has resulted. So I think that expenditure on publicity in foreign countries is useless.

I find that no reduction whatsoever has been made in the concessions given to the Army Department in coaching fares and in goods freights. This preferential treatment cannot be justified. In such times as these when the concessions to the general public and trades have been withdrawn there is no reason whatsoever why the concessions to the Army Department must continue. This deserves serious consideration from the Railway Member and I hope that he will move in the matter and stop this preferential treatment.

I may also mention, Sir, that the loss on strategic lines ought to be debited to the Army Department. I know it is a purely paper transfer and it does not affect the Budget to any appreciable extent, but a charge which is a legitimate charge on the Army expenditure ought not to be borne by the Railways. When we sanction the Army budget every year we must know what the total expenditure is and all the items which are borne either by the Railways or by the Civil Departments on behalf of the Army Department ought to be debited to the Army. I have been pointing this out many a time, but so far it has not received any attention from the Government. In these times of serious depression this matter must be put right.

The Honourable the Chief Commissioner of Railways in his speech has said that the trial of concession rates in the railway freight on wheat has not proved a success. Many of us anticipated that it would not prove a success. At the time when the Wheat Bill was being considered in this Honourable House I pointed out that the reservation clause in the Bill would not give any relief to India and would, on the other hand, deprive the Railways of a lot of revenue. If the entry of the wheat which came from Australia to Bombay, Madras, Calcutta and other ports had been stopped or the import duty had been levied on them forthwith without any reservation, the Railways would have got a big traffic from the Punjab and the United Provinces to Bombay, Calcutta and other wheat consuming centres and this would have

[Rai Bahadur Lala Ram Saran Das.]

brought an appreciable revenue to the Railways in these times of depression. I think that the Government of India are to blame for this loss.

I come to the point which my Honourable friend Sir Maneckji Dadabhoy raised as regards the expenditure on stores. As far as stores are concerned, there are, I understand, two heads of expenditure. One is the investment of a certain reserve stock and the other is the routine issue of stores. I have not got any figures before me for all the Railways, but from the information that I have about the North Western Railway, I can say that during the time when Mr. Misra was in charge of the North Western Railway stores as Chief Controller he made a very appreciable and unprecedented economy in the routine issue of stores and in the decrease in capital outlay on the stocks held. So I cannot blame the Railway that the stores side of the matter has not been receiving their due attention.

Now, the policy which is being adopted by the Railways is that the train mileage ought to be reduced, which means that many of the through trains are being cancelled. People have therefore to tranship at junctions and the result is that more traffic is diverted to the lorries where the lorries go through. I have been pressing this point in the Local Advisory Committee of the North Western Railway but so far without success and I cannot understand the mentality of the railway administrations in cancelling through trains and replacing them by shuttle trains. When you are running so many shuttle trains between certain stations, why not replace one shuttle by a through train. It is a very reasonable proposal, but for reasons which I cannot understand these things are being done which will result in a further decrease of traffic and corresponding loss of revenue.

Then, Sir, I come to the question of repairs and maintenance of railroads and carriages. As far as the maintenance of track is concerned, more attention is being paid to it because if that is not well attended to it endangers the safety of the travelling public. But as regards repairs to the coaching stock less attention is being paid and even in upper class carriages on the North Western Railway you now find that the windows, venetians and shutters are all loose, and thus admit dust.

**THE HONOURABLE MR. G. A. NATESAN :** 'In some cases they are very stiff. You cannot take them down at all.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** They may be stiff in the case of new rolling stock, or in the period of the monsoons, but as far as the ordinary stock is concerned I can assure my Honourable friend Mr. Natesan that in many of the carriages on the North Western the compartments get full of dust and dusting out is required to be done every 50 miles. That sort of economy will also tend to decrease the traffic.

Another point which I want to raise is that there has been an abnormal increase in the first and second class fares, and that notwithstanding that the withdrawal of week-end tickets still continues. What we find now is that mostly those who travel on free passes or travel free are travelling first class, while most of the first class traffic has been diverted to the second class and of the second class to the intermediate class, and so on. So, Sir, this abnormal increase in fares will not result in the increased revenue which the Railway Department anticipates. It is time enough even now to reconsider that point and to introduce such rates as will improve the earnings and not decrease them.

As regards retrenchment, Sir, in the lower grades, I think, Sir, it is much better to keep people half starved than to keep many fully starved. I think that in making economies this fact should be borne in mind regarding the low paid staff. I will propose when the time comes that for the unemployed there ought to be introduced a system of doles such as is now prevalent in Great Britain.

THE HONOURABLE MR. H. M. MEHTA (Bombay : Non-Muhammadan) : Sir, I have heard what the Honourable Sir Maneckji Dadabhoj and the Honourable Lala Ram Saran Das have had to say on this Railway Budget. Whether one should offer congratulations on the Budget which is produced before us or whether one should admit that the Budget is a heart-breaking one, I leave this Honourable House to judge for itself. One must admit that the times are bad. The economic situation in the country is very grave and for that reason the efforts of our Honourable friends in charge of Railways have not met with the reward which they would have in ordinary times. But that does not mean for a solitary moment that they should not have seen the approaching times and made economies much earlier than they have done. If they had foreseen the times ahead, instead of looking only at their noses, surely they would have saved many many crores of rupees during the last few years. As it is, what we find is that 22 crores of rupees in the Reserve Fund have been simply wiped out and they are now resorting to the Depreciation Fund, which if not taken care of, will also be wiped out in a very short time. They have proposed to get more revenue for the railways by increasing the surcharge on coal and on passenger fares. Those who travel widely in the country know very well that the railway earnings are curtailed mainly on account of the high passenger fares and the increased charges on goods. The motor lorries are now running in the country, not in hundreds or in thousands, but in tens of thousands, and they are taking away the earnings of the Railways both in passengers and in goods. This is what any one who travels much in the country and keeps his eyes open will find. And if my Honourable friend Sir George Rainy thinks that the surcharge on coal is going to bring him more revenue, he will find himself mistaken. When you put anything more on a commodity than the consumers can bear the natural result is that they drop that commodity and go in for something else which they find is cheaper. In the case of coal, if mills find that the cost of coal is such that it is no longer economical to use, they will go in for fuel oil. About one ton of fuel oil will produce the same result as two tons of coal and perhaps more if the coal is of inferior quality. That means that the transport of the fuel oil in place of coal will bring in less freight to the Railways and the consequence will be that the collieries will suffer. The big centres of the cotton mill industry which are at present consuming large quantities of coal will take to fuel oil, so that it will do good to neither the Railways nor to the coal companies. As my friend the Honourable Lala Ram Saran Das has pointed out, the passenger bookings are also falling to a large extent on account of the increased first and second class charges. I find those of my friends who used to travel first class now travel in the second class and those travelling second class previously are now travelling in the intermediate class. This brings down the revenue of the railway companies and no advantage is got out of it. My Honourable friend Sir Maneckji Dadabhoj pointed out that as far as the city of Bombay is concerned the civil disobedience and political movements have made havoc on the earnings of the Railways. I do not admit for one solitary moment that railway earnings are affected either by the civil disobedience or by the political movement. Yes, if all the cotton

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[Mr. H. M. Mehta.]

mills in Bombay and other big manufacturing concerns were closed on account of the political movement and the civil disobedience movement, I would certainly admit that it had affected the railway earnings.

THE HONOURABLE SIR MANECKJI DADABHOY : Is there nothing like confidence in trade, Sir ?

THE HONOURABLE MR. H. M. MEHTA : Confidence in trade has not been affected to the smallest extent. I can assure you as a gentleman, I can assure you as a Bombay citizen, that what is not done in the regular cotton markets is all done at the side door.

THE HONOURABLE SIR MANECKJI DADABHOY : You are defending Bombay citizens ; that is all right, but some of the Bombay merchants are the biggest culprits to-day.

THE HONOURABLE MR. H. M. MEHTA : I am not defending the Bombay citizens, but you are defending the policy of the Railways.

THE HONOURABLE SIR MANECKJI DADABHOY : My observations are not for the defence of the Railways, but to promote the earnings of Railways.

THE HONOURABLE MR. H. M. MEHTA : That is exactly what I am driving at that the earnings of the Railways have not been affected by either the civil disobedience movement or by the political movement.

THE HONOURABLE SIR MANECKJI DADABHOY : My experience is otherwise.

THE HONOURABLE MR. H. M. MEHTA : My experience is also otherwise, Sir. This is beside the point. Cotton is coming into Bombay both for shipment and for local consumption and the Railways are earning their freight, and though the cloth markets are similarly closed for months and months together, all big business is done by the back door ; all the cotton manufactures, cloth and yarn bales, are being disposed of. Supposing for one solitary moment, that, that was not the case, then in less than two months every mill in Bombay and Ahmedabad would close their doors, because they would not have money enough to buy cotton if they could not get rid of the finished products, cloth and yarn bales. Therefore railway earnings are not affected by any of these movements. Of course I quite agree with my Honourable friend Sir Maneckji Dadabhoy that the civil disobedience and the political movements are doing a great deal of harm, but as far as the Railways are concerned, I cannot say that they have done so. With these few remarks, I close my speech on this subject.

\* THE HONOURABLE MR. G. A. NATESAN (Madras : Nominated Non-Official) : Sir, I propose to make a few observations on the one subject that has lately come under my purview, that is, the question of railway stores purchase. It was distinctly understood—and I speak with some knowledge of the records and the evidence given before the Stores Retrenchment Committee with which I have been officially connected—that when this Department

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\* Speech not corrected by the Honourable Member.

was formed that the Government of India would urge on all the bigger departments like the Railways and the Military to make their purchases through that Department. I find, Sir, that very little has been done in that direction. I am quite aware, due perhaps to some little pressure, that my Honourable friend Mr. Russell has of late been trying to add to the list of articles that might be purchased through the Indian Stores Department, but I really cannot see why at least so far as the State Railways are concerned an order should not be issued that, save perhaps in the case of articles which could be purchased only by the railway authorities themselves, all other articles which are used by them should not be purchased through the Indian Stores Department. I speak about this with a certain amount of feeling, because from all that I have been able to read and from the evidence that was given to us there is the feeling, the irresistible feeling, that it looks as if some vested interests prevent the transfer of these purchases from the Railways themselves to the Indian Stores Department; and I would like to take this opportunity to put a very straight question to the Honourable Sir George Rainy whether it was not understood at the time of the formation of the Indian Stores Department, or indeed I shall put it in another way, whether he is not aware of the promise actually made by the Honourable Sir Charles Innes at that time on the floor of the other House that the Military and the Railway Departments would be compelled to make all their purchases through the Indian Stores Department. I fear, Sir, that it has been very gravely neglected and the consequence is that there is a good deal of reduplication of staff which is absolutely unnecessary for the Railways if all their purchases are made through the Indian Stores Department. Whatever has happened in the past I propose not to mention, but I now take the opportunity to ask the Chief Commissioner for Railways and also the Honourable Member who is present here, who I expect will make some criticism on the points raised, whether it is not high time to give up the policy adopted in the past and give definite instruction to at least the State Railways that all their purchases should be made through the Indian Stores Department. I quite realise that there will be difficulty in giving effect to an order like this so that the effect of it may be realised very shortly, but surely a very serious, earnest and honest endeavour should be made, say, within a period of three or five years; the objective should be the abolition of the purchasing department at least for the Railways and the keeping of as much staff as is absolutely necessary for ordering the goods and receiving and storing them. Really, Sir, a great deal of economy could be achieved in this direction, and if retrenchment, earnest, serious and honest, is to be effected, this is the direction. I trust these observations will receive some attention.

**THE HONOURABLE SIR GEORGE RAINY** (Member for Commerce and Railways): Sir, I had hardly expected to be called upon quite so soon to reply to the discussion in this House, but I recognise that the Budget which my Honourable friend Mr. Russell and I have been compelled to submit to the Legislature this year is a document of a somewhat discouraging character and I can only presume that its discouraging effects have to some extent paralysed the powers of speech of this House. It is an additional cause of regret to me that I should have had to produce a document with such unfortunate consequences.

I have listened with the greatest interest, Mr. President, to the observations which have fallen from all the Members who have spoken. Perhaps I might begin with my friend Rai Bahadur Lala Ram Saran Das. My Honourable friend imputes to me, I fear, greater personal courage and greater strategic

[Sir George Rainy.]

capacity than I can claim, when he wishes me to start an animated controversy with my Honourable friend, His Excellency the Army Member, who, I am sorry to see, is no longer here, on the subject of the concessions to the Army. Whether my successor in my present office will be more martially inclined than I am, I am not prepared to say; but though the army which my Honourable friend Mr. Russell commands is, I believe, three times as numerous as that commanded by His Excellency the Commander-in-Chief, for Mr. Russell's forces approaches 800,000 in number, I am not sure that it is wise to open controversial questions of that kind unless you are quite sure what sort of artillery your opponent carries, and what sort of barrage he will be able to put across once the attack is started. What we do recognise in the Railway Department is this. Looking at the Railways purely as a commercial concern—this is not the only instance, and Army Department is not the only Department concerned—there are particular matters in which the existing conditions and terms give the Railways something less than a full commercial return. On the other hand from time to time the counter question is raised; for instance, I think it was two years ago, or a year ago, that the Finance Department raised a question as to the manner in which the interest on the railway debt was calculated, and we had to admit that we had been in the past paying something less than the amount that might have been debited, inasmuch as only the fairly nominal rate of interest was debited, and when a loan was raised at a discount no account was taken of the fact that this obviously increased the actual rate of interest paid. Therefore, before questions of that kind are raised for discussion, it is necessary to remember that nearly always there are counter questions which can be raised on the other side.

Another point taken by my Honourable friend was that he wished to know whether anything had been done, in view of the financial position of the Railways, about fixing somewhat lower scales of salaries for new entrants. No new scales I think have yet been fixed, but the matter is a very important one which is being taken up not only in the Railway Department but in all Departments, and I believe I am correct in saying that all new entrants who have come in during the last year have been warned that their appointment is subject to this condition that, if and when lower scales of pay are fixed for new entrants, they will only be entitled to those new scales. We have therefore safeguarded the interests of the future.

Then my Honourable friend raised the question of the increase made in freights and fares and the surcharge on coal and the same point was very naturally taken by other speakers also. Honourable Members will see from what I said in another place that we do not look forward to being able to do a great deal in the way of increasing our earnings by raising freights and fares. Where we see a chance of getting a little more money from an increase we cannot neglect such opportunities, few though they may be, but on the whole I have no doubt there is not a great deal to be done in that way, and—as I said in the Assembly—what has occupied my own attention much more than that is the examination of the question whether our existing rates were not in particular cases restricting traffic and possibly bringing in a smaller revenue than we could earn with a lower rate. In particular—to take a point alluded to by one of the later speakers—I complained last year, I think, in my Budget speech of the most regrettable tendency of first class passengers to travel second, of second class passengers to travel intermediate and of intermediate class passengers to travel third. And where during the last few months increases have been made in the higher class fares I will certainly ask the

Railway Board to see that the matter is examined as soon as the new rates have been in force for a sufficient period to see whether that tendency is at work and to see what the actual effect of the increase has been.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Will you kindly define the sufficient period ?

**THE HONOURABLE SIR GEORGE RAINY :** I cannot answer offhand because the increases were made by different Railways at different periods and I must also take advice from the Railway financial authorities as to how soon we can actually get the figures. The accounts offices will have to give them to us and it will be a matter for consideration how soon the Accounts Department can let us have the figures for a sufficient period.

Then my Honourable friend referred to the reductions which have been made in the train mileage, and he also complained of what he called the substitution of special trains for through trains. I am not quite sure that I exactly followed him on that particular point and what I am going to suggest is, because it is perhaps hardly a matter which can be adequately discussed in a general debate, if he would let me have in writing a short statement of what exactly he has in his mind we will certainly look into the matter and see what can be done.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** I said shuttle trains and not special trains.

**THE HONOURABLE SIR GEORGE RAINY :** Now I begin to understand. I heard the word as "special" and I could not make out what the point was. He also complained of the condition of the coaching stock. Of course, at the time of retrenchment I do not know that the coaching stock is exempt from retrenchment any more than anybody else. But when he complained of the dust in the carriages of the North-Western Railway I began to wonder whether the motor buses in the Punjab are entirely free from dust.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** They carry third class passengers and not first class passengers.

**THE HONOURABLE SIR GEORGE RAINY :** Well, but my Honourable friend no doubt travels in the Punjab in his own motor car from time to time. I do not know about his motor car but my motor car is not free from dust— not when I am out on the mufassal roads. One of my Honourable friends who spoke towards the end complained that we ought to have started our economies much earlier and ought to have foreseen what was coming. One peculiarity of the present world economic crisis, I think, is that right up to October, 1929 I do not think anybody foresaw it, not even the American statisticians who I suppose have the most complete equipment of statistics of any set of scientists in the world. I do not think any of them foresaw a crisis of the magnitude that has actually come upon us, and so far as the Railways are concerned I can say this that, by the beginning of 1931, we had fairly embarked upon a very vigorous and strenuous economy campaign which we have been pursuing ever since, and I believe we were the first Department of the Government of India to take the matter fully in hand. It may be perfectly true that sometimes these things are put off a little too long but it is extremely difficult until the crisis is fairly upon you to know exactly what you have to face. And since economy on anything like the scale we have been attempting necessarily involves reductions in establishment and reductions in pay which

[Sir George Rainy.]

the staff naturally do not like, it is always a question one has to consider whether the emergency has reached a point at which all the possible consequences of such action have to be faced.

My Honourable friend Mr. Natesan spoke of the Indian Stores Department, and he complained that we had not made nearly so much progress as we ought to have done towards handing over the purchase of our stores to that Department. I have not very clearly in my mind at the moment all that has been said on that subject by Members of Government at various periods although it is a matter into which I have gone personally three or four times since I have been Railway Member. But I should like to draw attention to the separation Convention which Honourable Members will find at pages 101 and 102 of Volume I of the Report of the Railway Board on Indian Railways for 1930-31. At the very end of the Convention there is a small annexure, a part of which I will read :

“ Apart from the above Convention this Assembly further recommends ”—

then there are two recommendations—the first is about Indianisation and the second is :

“ The purchase of stores for the State Railways shall be undertaken through the organisation of the Stores Purchase Department of the Government of India.”

Now, the very reason why that recommendation appears as a sort of annexure to the Convention and not as an integral part of the Convention itself is precisely this, that my predecessor, Sir Charles Innes, was not prepared to give a pledge on behalf of the Government that in fact he would be able to hand over to the Indian Stores Department the entire stores purchase of the Railways. It is a matter which almost annually engages our attention, usually about the time when the Public Accounts Committee is sitting or is about to sit. We always consider the matter then in conference with the Chief Controller of Stores. We always consider whether we can increase the list of articles which we buy through that Department, and I think every year, for the last four years, there have been additions to the list. But it is by no means so simple a question as it may appear at first sight, and the criterion by which we have to be guided is simply this, economy and efficiency, and the moment we are satisfied that by handing it over to the Indian Stores Department we shall secure these objects, then all our difficulties disappear.

I will not dwell on the controversy which arose between my Honourable friend Sir Maneckji Dadabhoy and the Honourable Member sitting opposite as to whether the civil disobedience movement had or had not decreased our railway earnings or whether the present attitude of Bombay had done so. Personally I should find it very difficult to give either the one or the other a complete acquittal in this matter. The Scottish verdict of “ not proven ” is the best I could do for them. For when tendencies are at work obviously inimical to trade and destroying the confidence which is essential to trade, it seems to me very unlikely that so sensitive a barometer as the railway traffic returns would not, if sufficiently closely examined, show traces of the depression which had been at work.

Finally, Sir, I will refer very briefly to what fell from my Honourable friend Sir Maneckji Dadabhoy who spoke first. I was so much in agreement with what he said on nearly all the topics that there is not a great deal for me to say. But perhaps I might say something about the contribution to the

general revenues. What is quite certain is this, that the question of the contribution has got to be considered again from the beginning on an entirely new basis. The position of the Railways to-day is totally different from what it was in the economic conditions prevailing six or seven years ago, and it is not now a question so much of what the Railways ought to pay, as a question of what the Railways can pay, for at the present moment the position clearly is that whether the Legislature or the general tax-payer thought they ought to get assistance from the Railways, it cannot be got because it is not there. I think all Honourable Members will agree that before this question can be usefully considered in any detail, a further period must elapse, because I do hope that before another two years may have elapsed, we shall begin to see our way through the present crisis, and that it may be possible to look forward with some degree of confidence to what the future has in store for us. At present we are all working in the dark, and I doubt if anybody would be prepared to put forward in confidence any forecast of what the position was likely to be in two years' time.

Before I sit down, Mr. President, I should like to express my regret that this is probably the last time on which I shall have the honour of addressing this Council, to thank all Honourable Members for the great courtesy which I have always received when I have appeared in this House, and to thank particularly my old friend Sir Maneckji Dadabhoy for the kind and friendly things which he said, which in intention I have always striven to deserve, though I am not so sure that in performance I have actually done so. (Applause.)

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#### ELECTIONS TO THE STANDING COMMITTEE ON EMIGRATION.

**MR. CHAIRMAN** (the Honourable Sardar Bahadur Shivdev Singh Uberoi): Honourable Members are aware that four non-official Members are to be elected to the Emigration Standing Committee. The following four Members have been nominated so far :

The Honourable Sir Pheroze Sethna.

The Honourable Rai Bahadur Lala Ram Saran Das.

The Honourable Mr. Natesan.

The Honourable Mr. Suhrawardy.

I declare these four Honourable Members duly elected to the Standing Committee on Emigration.

The Council then adjourned till Eleven of the Clock on Monday, the 29th February, 1932.

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