

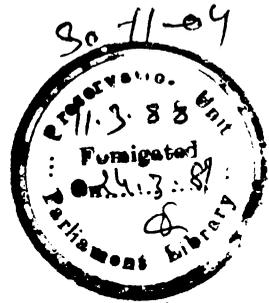
Thursday, 25th February, 1932

**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

# Council of State

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THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI.

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THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTI, C.I.E.

THE HONOURABLE MR. ALI BAKSH MUHAMMAD HUSSAIN.

THE HONOURABLE MR. SYED ABDUL HAFEEZ.

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THE  
COUNCIL OF STATE DEBATES

(OFFICIAL REPORT OF THE THIRD SESSION OF THE THIRD  
COUNCIL OF STATE.)

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VOLUME I—1932.

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COUNCIL OF STATE.

*Thursday, 25th February, 1932.*

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The Council met in the Council Chamber of the Council House in New Delhi at Eleven of the Clock, being the first day of the Third Session of the Third Council of State, pursuant to section 63D (2) of the Government of India Act. The Honourable the President (the Honourable Sir Henry Moncrieff Smith, Kt., C.I.E.) was in the Chair.

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MEMBERS SWORN :

- The Honourable Captain Nawab Sir Muhammad Ahmad Said Khan of Chhitari, K.C.I.E., M.B.E. (Education, Health and Lands Member).  
The Honourable Mr. Patrick William Murphy (Bihar and Orissa : Nominated Official).  
The Honourable Mr. Albert Frederic Lucas Brayne, C.I.E. (Finance Secretary).  
The Honourable Mr. Thomas Guthrie Russell (Chief Commissioner of Railways).
- 

DEATH OF SIR MUHAMMAD SHAFI.

THE HONOURABLE SIR BROJENDRA MITTER (Leader of the House) :  
Sir, I am sure I am voicing the sentiment of this House when I express our deep sense of loss at the sudden death of Sir Muhammad Shafi. He had been a valued Member of this House and the country has in his death lost one of the outstanding leaders of public opinion in India. At a time, Sir, when the future constitution of India is engaging the attention of all serious minded people, his counsel would have been of the greatest value to India and the Empire. Apart from his public services, Sir Muhammad Shafi was a great gentleman and a warm-hearted friend. Many of us, Sir, in this House feel a

[ Sir Brojendra Mitter.]

sense of personal loss at his death. Our deepest sympathy goes out to Lady Shafi and the other members of his family and I hope, Sir, you will convey our condolences to them.

**THE HONOURABLE SIR MANECKJI DADABHOY** (Central Provinces : Nominated Non-Official) : Sir, as one who for many years sat in this Council and in the late Imperial Legislative Council with the deceased gentleman I would like to associate myself in the tribute of respect which the Leader of the House has so gracefully paid to Sir Muhammad Shafi this morning. After a brilliant career at the Bar in his own province he rose to eminence and joined the Supreme Legislative Council, the Minto-Morley reformed Council, in 1910 for the first time. After that Sir Muhammad Shafi was a conspicuous and respected Member both of the late Imperial Legislative Council and of the Council of State from 1915 to 1925, first as an Additional Member of the Imperial Legislative Council and then in the capacity of a Member of the Executive Council of the Government of India. During the time that he was an Additional Member of the Council he was known for his thorough good common sense and his conscientious advocacy of many important questions and problems which came up from time to time before this Council. He also made himself most conspicuous by the great popularity which he achieved during his term of office in this Council. In him, I am not using the language of exaggeration, when I say that the country has lost one of its most capable and trusted sons and the Government a trustworthy, reliable and sound adviser. During the time he held office as a Member of the Executive Council he discharged his duties in a manner which not only gave satisfaction to the Government but also to the non-official Members of this Council. His term of office was conspicuous in the establishment, when he was Education Member, of five Universities in this country and his name will always remain identified as the founder of those Universities and an ardent and enthusiastic supporter of education. He was a dutiful son, an affectionate parent, a friendly neighbour, and a true friend, and we all respected and admired him. I therefore associate myself wholeheartedly in the tribute of respect which has fallen from the Leader of this House, and we trust that you, Sir, will convey the sorrowful message of sympathy and condolence of this Council to his good wife and his talented daughter.

**THE HONOURABLE SARDAR CHARANJIT SINGH** (Punjab : Nominated Non-Official) : Sir, I beg to associate myself with the tribute which has been paid to the memory of the late Sir Muhammad Shafi. Sir Muhammad's was an outstanding personality in the public life of India and his sad and sudden death has created a gap which it will be difficult to fill. He was a very intimate friend of mine ; in fact, he was like a brother to me, and I feel his death as a personal loss.

**THE HONOURABLE MR. G. S. KHAPARDE** (Berar Representative) : I found the late Sir Muhammad Shafi in the Imperial Legislative Council when I first came there in 1916 and since then our relations were very friendly. He being a younger man I thought he would have to speak about me and I would go first, but as it has happened, fate has determined otherwise, and I have got to speak about him now. I am very sorry that he has gone away. He was a very useful Member and I agree with everything that has fallen from my Honourable friend Sir Maneckji Dadabhoy. I wish to be associated with this Resolution.

**THE HONOURABLE THE PRESIDENT :** I desire too to associate myself with what has been said by Honourable Members, because, like those Members who have spoken, I too was in close contact with Sir Muhammad Shafi for many years. Sir Maneckji Dadabhoi referred to the date 1915 and Mr. Khaparde to 1916. In those days I was associated with the old Legislative Council. Later, Sir Muhammad Shafi first took his seat in this Council at the beginning of 1921 and in the same year he became Leader of this House and during the remainder of his term of office as a Member of the Governor General's Executive Council he was the Leader of this House. I shall accede to the request put to me and make it my business to convey to Lady Shafi and the bereaved members of his family an expression of our sympathy and sorrow.

### QUESTIONS AND ANSWERS.

#### CONTROL OF THE MADRAS FISHERIES DEPARTMENT.

**1. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :** Will Government be pleased to state if the Zoological Survey, Government of India, exercised any control over the Madras Fisheries Department ?

**THE HONOURABLE CAPTAIN NAWAB SIR MUHAMMAD AHMAD SAID KHAN :** No.

#### RAILWAY CLEARING HOUSE AT DELHI.

**2. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :** (1) Will Government be pleased to make a statement regarding the Railway Clearing House at Delhi ?

(2) Will Government be pleased to lay a statement on the table regarding the cost of the Railway Clearing House giving the list of officers with their salaries ?

(3) Is it a fact that the establishment of this office at Delhi has led to an increase in the work of the different Railway Administrations in India ?

(4) Will Government state when this Clearing House was established ?

(5) Will Government state the advantages that have resulted from the establishment of this Department ?

**THE HONOURABLE MR. T. G. RUSSELL :** (1), (2) and (5). The Honourable Member is referred to the Memorandum on the Railway Clearing Accounts Office prepared in 1931 by Mr. Sundaram, then Director, a copy of which is available in the Library of the House. The officers at present employed in the Railway Clearing Accounts Office are :—

- (i) One Director, pay Rs. 2,350.
- (ii) One Deputy Director, pay Rs. 1,500.
- (iii) Two Accounts Officers, pay Rs. 1,350 each.
- (iv) Two Assistant Accounts Officers, pay Rs. 710 and 640.
- (v) One Cash and Pay Officer, pay Rs. 425.
- (vi) One Ty. Assistant Accounts Officer, pay Rs. 605.

(3) No.

(4) On 18th December, 1926, as a temporary measure and permanently from 1st April, 1929.

**RECRUITMENT TO THE SUPERIOR SERVICES ON STATE AND COMPANY-MANAGED RAILWAYS OF YOUNG INDIANS WHO HAVE RECEIVED TRAINING IN RAILWAY TRAFFIC IN ENGLAND.**

3. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Will Government be pleased to state how many Indian young men with Railway Traffic training in England have been provided for by the State and the Company-managed Railways in the superior services since 1923 ?

(b) Will Government be pleased to state how many Indian young men have been taken in through the competitive examination system in different Railways in India since the introduction of competition ?

(c) Will Government be pleased to state whether the Railway Board keep or maintain a panel of the candidates for superior services who have received training in Railway Traffic in England ? If so, what is the present number of the candidates in that panel ? Since when has the panel been maintained ?

(d) Is it a practice of the Railway Board to forward names of suitable candidates with British training from this panel to different Railways especially to Company-managed ones recommending for appointments ? How many of such candidates have been provided for up till now ?

(e) Is it a fact that one Mr. R. C. Gupta, M.A. (Econ.) (Cal.), Grad-Inst Transport (London), who availed himself of traffic training in England in 1923-24 through the recommendation of the then High Commissioner for India in London, has not yet been provided for in Railways in India although he approached the authorities several times ?

(f) Is it a fact that he was granted an interview with the Railway Board Committee in Simla in 1925-26 in connexion with an appointment in the superior services ?

(g) Will Government be pleased to state what was the result of the interview ?

(h) Is it a fact that non-Asiatics having no previous training in Railway Traffic in England or elsewhere are recruited directly in England by the India Office and sent to India ?

(i) What are the regulations for recruitment in India for the superior services in Railways ?

(j) Will Government be pleased to state how many Indians and non-Asiatics have been recruited under rule 5 of the "Regulations for Recruitment for the Transportation (Traffic) and Commercial Department of the Superior Revenue Establishment of State Railways" up till now, since the introduction of the competitive examination ?

(k) Will Government be pleased to state since when the post of "Sports Officer" under the Railway Board was created and what is the annual expenditure incurred under the head "Sports" including the pay of the officer and his staff ?

(l) Do the Company-managed Railways contribute any sum towards the upkeep of this officer and his staff ? If so, how much ?

(m) Will Government be pleased to state what authority the Railway Board exercises over the Company-managed lines in matters of their recruitment of officers, since the policy of Indianisation has been adopted by Government ?

(n) Will Government be pleased to state which of the Railways in India, both under State and Company-management, have adopted the "Control System" prevailing in British Railways? What is the present scale of pay of a Divisional, District and Assistant Controller? How many Indians, Anglo-Indians and Europeans are serving as Divisional Controller, District Controller and Assistant Controller both in State and Company-managed Railways?

THE HONOURABLE MR. T. G. RUSSELL: (a) None on the State-managed Railways. Government have no information in respect of Company-managed Railways as recruitment is made by them without reference to Government.

(b) Thirty-two persons have been recruited for the Superior Transportation (Traffic) and Commercial Departments of the State-managed Railways through the Public Service Commission on the results of the competitive examinations.

(c) The reply is in the negative. The system of maintaining a register of candidates who received training in England was discontinued in 1926 when recruitment through the Public Service Commission commenced.

(d) The names of candidates who qualify at the competitive examinations held by the Public Service Commission but are not selected for appointment on the State-managed Railways for want of vacancies are circulated to Company-managed Railways.

(e), (f) and (g). Mr. R. C. Gupta was interviewed by the Board along with other candidates in 1925 but was not selected to appear at the competitive examination. His name as well as the names of other candidates with English training were circulated to the Company-managed Railways.

(h) The qualifications required of candidates recruited in the United Kingdom for the Superior Transportation (Traffic) and Commercial Departments of State Railways are:

(a) an Engineering or Science degree of any teaching University in the United Kingdom granted after not less than three years' study in that University or a technical diploma or certificate recognised by the Secretary of State. The degree, diploma or certificate held should include among the subjects taken one or more of the following:

1. Applied Mathematics.
2. Physics with Statics and Dynamics.
3. Mechanics (including strength of materials and theory of structures).
4. Prime Movers or

(b) not less than two years' practical training, as pupil or apprentice, in the Traffic Department of a British or Colonial Railway, following a sound general education, which must have included an element of scientific or engineering study.

(i) Copies of the Regulations for recruitment in India for the superior services on the State-managed Railways are in the Library.

(j) Only two have been recruited—one Hindu with special establishment experience and the other a Muslim with similar experience in labour questions. They were both in Government service at the time of their appointment to the Superior Transportation (Traffic) and Commercial Departments.

(k) The post of Sports Officer which was created in May, 1928 has been held in abeyance from 16th May, 1931, as a measure of economy. Information as to the amount of expenditure incurred in 1930-31 will be obtained and supplied to the Honourable Member.

(l) No contributions were made by Company-managed Railways.

(m) Government exercise no control over the recruitment of individuals but take steps to see that the policy of advancing Indian recruitment up to 75 per cent. of the total vacancies is followed by Company-managed Railways. Paragraph 76 of Volume I of the Report by the Railway Board on Indian Railways for 1930-31 shows the steps taken in the direction of Indianising the superior services on these Railways.

(n) A modified form of the train control system as operating on railways in England has been adopted on certain sections of practically all principal railways in India: the exceptions being the Assam Bengal and Rohilkund and Kumaon Railways. I have called for certain information in regard to the second part of the Honourable Member's question and will communicate with him when it is received, but as regards the third Government regret that they are not prepared to supply figures of communal representation regarding individual offices or classes of establishments.

THE HONOURABLE MR. ABU ABDULLAH SYED HUSSAIN IMAM : May I request the Honourable Member to lay the answer on the table of the House, so that the House may have an opportunity to ask supplementary questions. In the answer he has just delivered he has said that he would communicate the answer to the Member. I would like to have a ruling on the point.

THE HONOURABLE THE PRESIDENT : My attention has already been drawn to this point in regard to certain remarks made in another place a few days ago. I am giving the matter my consideration and I will let the Honourable Member have an answer to the question he has raised shortly.

#### PROVISION OF FIRST AID BOXES IN TRAINS CARRYING PASSENGERS.

4. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(i) Will Government be pleased to state if all Mail trains, Express and through Passenger trains in the State and the Company-managed Railways are provided with first aid ambulance baskets fitted up and supplied by the Chief Medical Officers of the respective Railways ?

(ii) If the answer is in the affirmative in the cases of the State Railways and negative in the cases of the Company-managed Railways, will Government be pleased to state why the Company-managed Railways have not provided such trains with the first aid ambulance baskets ?

THE HONOURABLE MR. T. G. RUSSELL : I am sending the Honourable Member a statement giving the information Government received in 1930 from the State-managed and principal Company-managed Railways showing what they had done, or, were doing, to provide first aid boxes in trains carrying passengers. He will see from it that Company-managed railways have not been remiss in this matter.

**ENCOURAGEMENT GIVEN BY STATE AND COMPANY-MANAGED RAILWAYS TO THE RUNNING STAFF, ETC., TO PASS EXAMINATIONS IN FIRST AID.**

5. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :** Will Government be pleased to state how many of the State and the Company-managed Railways give encouragement to the running staff as well as station masters and the clerical staff to pass examinations in First Aid as held by the St. John Ambulance Association ?

**THE HONOURABLE MR. T. G. RUSSELL :** Normally all Class I Railways, both State and Company-managed, give encouragement to the running staff (among other categories of staff) by bonuses or allowances to pass examinations in First Aid as held by the St. John Ambulance Association, but owing to the present financial stringency, the grant of some of these bonuses or allowances has been temporarily held in abeyance.

**INSTALLATION OF RADIO APPLIANCES AT IMPORTANT STATIONS BY THREE RAILWAY ADMINISTRATIONS.**

6. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :** Will Government be pleased to state in how many Railways in India radio appliances have been installed and with what object in view ?

**THE HONOURABLE MR. T. G. RUSSELL :** Three Railway Administrations are installing radio appliances at important stations to provide telegraphic communication in the event of serious interruption of the ordinary telegraph lines.

**ACCIDENTS AT LEVEL CROSSINGS.**

7. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :** (1) Will Government be pleased to state the number of level crossing disasters and accidents with casualties that took place on Indian Railways, both in State and Company-managed lines during the last five years, i.e., from 1927-31 ?

(2) Will Government be pleased to state if all the level crossings are interlocked with the signals ? If not, why not ?

(3) Will Government be pleased to state whether the system of interlocking is now universal on Indian Railways ?

(4) Will Government be pleased to state whether the Halsha disaster that took place in 1925 between Goalundo and Sealdah was mainly due to the lack of interlocking of the siding signals and discs or "cross-over" roads with the main line signals ? If so, have the authorities taken steps to interlock those safety apparatus since the disaster ? If not, why not ?

**THE HONOURABLE MR. T. G. RUSSELL :** (1) I lay on the table a statement giving the information for the last four years. Previously statistics of accidents at level crossings were not compiled separately.

(2) No. In the majority of instances level crossings are at such a distance from signals that interlocking, if practicable at all, could only be made at a prohibitive cost.

(3) No. A number of less important lines are not interlocked.

(4) The accident was due to the engine of a train standing in the yard at Halsha fouling the line on which the mail train involved in the accident was to be received, after all signals had been lowered for the mail train to run

through the station. Interlocking of the nature referred to by the Honourable Member could not have prevented the engine of the train standing in Halsa Yard from fouling the line on which the mail train was to run through, but mechanical devices have been provided to isolate the line on which trains run through the station from the danger of any rolling stock getting on to it from another line, after signals have been lowered.

*Statement showing number of level crossing disasters and accidents.*

	1927-28.	1928-29.	1929-30.	1930-31.
Number of accidents . . . . .	136	120	125	104
Casualties, number of persons killed . . . . .	19	27	34	24
Casualties, number of persons injured . . . . .	55	53	49	39

**RAILWAY CLEARING HOUSE AT DELHI.**

**8. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :**

(1) Will Government be pleased to state what the utility of the Railway Clearing House at Delhi is ? With what object was it established and when ? How was the work of the Clearing House carried on before the establishment of this Clearing House ?

(2) Will Government be pleased to state whether the Railway Clearing House at Delhi is run on the lines of the British Railway Clearing House in London ?

(3) Is it a fact that the establishment of the Railway Clearing House has led to the overlapping of work of different Railways in India ?

(4) Will Government be pleased to state if the Railway Retrenchment Committee have enquired anything about the working expenses of the Clearing House at Delhi and if they have made any recommendation for effecting any appreciable economy ?

(5) Will Government be pleased to state if they have recruited any officer for this Clearing House who has had previous experience and training in the work of the Clearing House ?

**THE HONOURABLE MR. T. G. RUSSELL :** (1), (2) and (4). The Honourable Member is referred to paragraphs 1—10 and 14 of the Memorandum on the Railway Clearing Accounts Office prepared in 1931 by Mr. Sundaram, the then Director, and paragraphs 82—89 of the Report of the Railway Retrenchment Sub-Committee which give the required information. Copies of these are available in the Library of the House.

(3) No.

(5) If I am correct in understanding the Honourable Member to refer to recruitment of officers with experience of the British Railways or other foreign clearing houses, the answer is in the negative.

**SEPARATION OF AUDIT AND ACCOUNTS ON RAILWAYS.**

**9. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :**

(1) Will Government be pleased to state whether the Railway Retrenchment Committee have made any recommendations on the separation of Audit and Accounts in Railways in India ?

(2) Will Government be pleased to state which parts of the recommendations of the Railway Retrenchment Committee on the separation of Audit and Accounts in Railways have up till now been given effect to ?

(3) Is it a fact that unqualified (non-passed) Accountants are still working in the Accounts side of the East Indian Railway ? If so, will Government be pleased to state whether it is the desire of Government to replace them by qualified (passed) Accountants as soon as practicable ?

(4) (a) Will Government be pleased to make a statement as to the nature of the present arrangement of separate Audit and Accounts system that now prevails in all the Railways in India ? (b) Will the present arrangement of separate Audit and Accounts system continue in the East Indian Railway ? (c) If so, how long ?

(5) Is it a fact that some unqualified (non-passed) Accountants have been made permanent in the Accounts Department of the East Indian Railway while there are a large number of qualified (passed) men in the Waiting List on the Audit side of that Railway ? If so, will Government be pleased to state whether the cases of those qualified (passed) men of the Audit side were ever considered while confirming the unqualified men in the Accounts side ?

(6) Is it a fact that owing to the retrenchment policy, a considerable number of qualified (passed) Accountants of the Audit side of the East Indian Railway as well as of other State Railways have been discharged from service ? If so, will Government be pleased to state the exact number of such men ?

(7) (a) Will Government be pleased to state how the Accountants in the Audit and the Accounts Departments of the State Railways are recruited ? (b) Do Government keep a general list of the passed Accountants from which they can draw the necessary supply of men for each department ? (c) Do Government hold any departmental examination for recruiting men in the Audit and the Accounts side of the State Railways ? If so, do Government hold any special examination in Accounts for this purpose ? (d) Are the Accountants in the Audit and the Accounts Departments of the State Railways generally taken in from among the successful candidates who sit for the Departmental Examination ?

THE HONOURABLE MR. T. G. RUSSELL : (1) Yes.

(2) I would refer the Honourable Member to the memorandum showing the action taken by the Railway Board on the recommendations of the Railway Retrenchment Sub-Committee which is being circulated with the Budget papers.

(3) Accountants working on the Accounts side of the East Indian Railway are eligible, under rules for the posts of Accountants, even though they may not have passed examinations. The question of replacing them does not, therefore, arise.

(4) (a) I would refer the Honourable Member to the Resolution of the Assembly in September, 1925, approving the separation of Accounts from Audit on the East Indian Railway.

(b) and (c). The present arrangements are permanent.

(5) A certain number of vacancies in the Accounts Department are reserved for Accountants of the Audit Department. Apart from these vacancies, members of the Audit Department have no claim for confirmation in the Accounts Department, but some have been taken on permanently to the Accounts side.

(6) I understand from the Director of Railway Audit that no discharges of qualified auditors have been made on the Audit side so far.

(7) (a) Both in the Audit and Accounts Departments recruitment is partly direct and partly by promotion from subordinate ranks.

(b) Each department maintains a separate list of its own.

(c) and (d). The reply is in the affirmative.

**SELECTION OF DEHRA DUN AS THE LOCATION FOR THE INDIAN SANDHURST.**

**10. THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT :** Will Government be pleased to state :

(a) What are the grounds for settling Dehra Dun as the location for the Indian Sandhurst ?

(b) What amount is required to be spent by Government on the erection of new buildings and the acquisition of land in Dehra Dun ?

(c) What is the value of all the military buildings and lands which are at present available in Dehra Dun for the purposes of the proposed College ?

(d) What is the value of military buildings and lands available in Satara for the said purpose ?

(e) What would it cost Government to alter the present building available in Satara in order to make them suitable for the purpose of a Military College ?

(f) Is it a fact that the Military Department are compelled to purchase a large area of land in Dehra Dun for proposed Sandhurst College, and if so, what is the amount ?

(g) Is it possible to get from the Government of Bombay as much land as the Military Department require free of all charges in Satara ?

(h) If the Military Department do not propose to utilise the buildings and properties in Satara for the purpose of a Military College, what do they propose to do with these military buildings ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** (a) As I informed the Council, when speaking in September last on the Honourable Member's Resolution on this subject, a large number of places were considered as possible sites by the Indian Military College Committee and by my Military Council. The merits of each of these places were carefully examined, but throughout the discussions there was a strong feeling in favour of Dehra Dun. The closing of the Railway Staff College at that place has now presented the military authorities with a fine site, and a number of extremely suitable buildings already in the possession of Government and this has finally decided Government to establish the College at Dehra Dun.

(b) 13 acres of additional land will have to be acquired, and some new buildings will be necessary. Estimates for these latter have not yet been prepared.

(c) The value of the buildings and land taken over from the railway authorities is estimated at about 20 lakhs.

(d) The book value of the military buildings at Satara is about 3 lakhs ; the market value is probably much less. The value of the land has not been estimated, but is probably not high.

(e) As the Honourable Member is aware, I personally visited Satara, and inspected the buildings in existence there. After a very careful examination of the question, we came to the conclusion that practically none of the buildings at Satara could be utilized for a permanent Indian Sandhurst; and if the College were to be located there, we should have to have new buildings throughout.

(f) Only 13 acres are required, in addition to the existing area, which is 156 acres.

(g) No, Sir. The Government of India would, under the Land Transfer Rules which govern transfers of land between the Central and Local Governments, have to pay the Local Government the full value of any land taken over from them.

(h) We propose to sell the buildings in the open market, if they are not required by the Bombay Government. There is no use to which the military authorities could profitably put them.

NUMBER OF POLITICAL OFFENDERS SENT TO GAOL IN EACH PROVINCE FOR THE LAST THREE YEARS, ETC.

11. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: 1. Will Government be pleased to state how many political offenders have been sent to gaol in each province for the last three years? How many of them were Muslims and how many of the female sex?

2. Will Government state how many political outrages with fatal results have taken place in India during the last year and how many of these were in Bengal and in the North-West Frontier respectively?

THE HONOURABLE MR. H. W. EMERSON: 1. There is no classification of prisoners as political offenders and I am not therefore able to supply the required information. I lay on the table a statement giving figures of convictions during the civil disobedience movement of 1930-31.

2. During the 12 months ending 31st January, 1932, there were 13 terrorist outrages with fatal results of which 6 were in Bengal, and none in the North-West Frontier Province.

STATEMENT.

*Number of persons convicted in connection with the civil disobedience movement of 1930-31 up to the 28th February, 1931.*

Province.	No. of convictions.
Madras . . . . .	4,314
Bombay . . . . .	11,222
Bengal . . . . .	12,285
United Provinces . . . . .	9,378
Punjab . . . . .	3,777
Burma . . . . .	Nil
Bihar and Orissa . . . . .	12,162
Central Provinces . . . . .	4,093
Assam . . . . .	1,158
North-West Frontier Province . . . . .	927
Coorg . . . . .	9
Delhi . . . . .	1,173
Total . . . . .	60,498

**TOTAL EXPORT OF GOLD FROM INDIA SINCE THE ABANDONMENT OF THE GOLD STANDARD.**

12. **THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI:** Will Government state what has been the total export of gold from India since the abandonment of the gold standard and what is the normal annual export of gold? How much of the gold exported has gone to England and how much to other foreign countries?

**THE HONOURABLE MR. A. F. L. BRAYNE:** The Honourable Member is referred to Part V of the Accounts relating to the Sea-borne Trade of British India and to the Indian Trade Journal. I may say that the total value of gold exported since the abandonment of the gold standard is over 49 crores. Figures for the last 30 years will be found in the Controller of the Currency's report. From 1st October to 31st December last for which period only figures are available, the distribution was as follows:

United Kingdom . . . . .	24·6 crores.
Other countries . . . . .	10·8 crores.

Practically all the gold originally consigned from India to England has been re-exported to other countries.

**TOTAL COST TO THE INDIAN TREASURY OF THE LEE CONCESSIONS.**

13. **THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI:** How much money have the Lee concessions cost the Indian Treasury in respect of pay, pensions and travelling expenses, including visits to Europe, of European officials? How much have they cost each of the provinces? How far have the recommendations of the Lee Commission as regards Indianisation of services been given effect to up to the present date in each province and in the Government of India?

**THE HONOURABLE MR. A. F. L. BRAYNE:** The total amount of money paid in 1930-31 as a result of the Lee Commission's recommendations amounts to about Rupees one crore for the civil services throughout India, Rs. 25 lakhs for officers on State Railways and Rs. 24 lakhs for the passages of officers of the Indian Army. Of the crore of civil expenditure, about Rs. 25 lakhs are debitable to Central and Rs. 75 lakhs to Provincial estimates. The main items are:—

- (1) Pay and remittance concessions, estimated as not exceeding Rs. 60 lakhs for the civil services and Rs. 18 lakhs on the State Railways. Of the 60 lakhs of civil expenditure, under 20 are debitable to Central estimates and the balance to Provincial. It is impossible to compile figures giving the exact extra cost of the pay and remittance concessions because of the fact that most officers eligible for sterling overseas pay granted in 1924 would otherwise have been eligible for the rupee overseas pay introduced for all the regular services in 1919-20.
- (2) Passage concessions cost for the civil services about Rs. 22 lakhs in 1930-31 (about 16 Provincial and 6 Central), on the State Railways Rs. 8½ lakhs and in the Indian Army Rs. 24 lakhs. These figures are dropping appreciably every year and will continue to do so with further Indianisation.

- (3) **Pensionary concessions.** The raising of the maximum pension for the uncovenanted services by Rs. 1,000 annually is now estimated to cost Rs. 9 lakhs, of which about 3 are debitable to Central and 6 to Provincial estimates.
- (4) **Minor concessions.** The cost of (a) the exclusion of site value from the assessed rent of Government residences, (b) the limitation of house rents to 6 per cent. of the capital cost and (c) certain medical facilities granted to officers of non-Asiatic domicile is incapable of accurate assessment but cannot be very large. These rental concessions have now been extended to all officers of the Central Government. The total cost of these minor concessions to Lee Commission officers may be estimated at about 5 or 6 lakhs.

The total cost of the Lee concessions therefore does not exceed Rs. 1½ crores annually, of which approximately half is debitable to Provincial revenues.

As regards the last part of the question I would refer the Honourable Member to the statement showing the progress of Indianisation in the superior civil services which is placed annually in the Library of the House and contains detailed figures in respect of all the superior services.

**NUMBER OF PERSONS IN PRISON IN CONNECTION WITH THE KASHMIR AGITATION.**

14. **THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI:** How many persons are in Government prisons because of their having taken part in the Kashmir agitation ?

**THE HONOURABLE MR. H. W. EMERSON:** The number in jail on the 20th February, 1932, was 1,203.

**NUMBER OF PERSONS RESIDENT ABROAD IN RECEIPT OF PENSIONS AND COMPASSIONATE ALLOWANCES FROM INDIAN REVENUES.**

15. **THE HONOURABLE SIR DAVID DEVADOSS:** Will Government be pleased to state how many persons who are in receipt of pensions and compassionate allowances from Indian revenues are resident

- (a) in England,
- (b) in the Free State of Ireland,
- (c) in European countries other than those mentioned in (a) and (b),
- (d) in Australia ?

**THE HONOURABLE MR. A. F. L. BRAYNE:** The information has been called for and will be supplied to the Honourable Member on receipt.

**PENSIONS AND COMPASSIONATE ALLOWANCES PAID FROM INDIAN REVENUES TO PERSONS NOT RESIDENT IN INDIA.**

16. **THE HONOURABLE SIR DAVID DEVADOSS:** Will Government be pleased to state what amount is paid as pensions and compassionate allowances from Indian revenues to persons not resident in India ?

**THE HONOURABLE MR. A. F. L. BRAYNE:** The information has been called for and will be supplied to the Honourable Member on receipt.

**EXPORTS OF OIL CAKE, BONES AND BONE MANURES.**

17. THE HONOURABLE SIR DAVID DEVADOSS: Will Government be pleased to state what was the quantity of (a) oil cake, (b) bones and bone manures that was exported from India in the years 1929, 1930, 1931.

THE HONOURABLE MR. J. C. B. DRAKE: The required information for the years 1929 and 1930 is contained in the Accounts relating to the Sea-borne Trade and Navigation of British India for the calendar year 1930, a copy of which is in the Library. A statement giving the information for the year 1931 has also been placed in the Library.

**CONTRIBUTIONS BY THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH TO CERTAIN FOREIGN INSTITUTIONS.**

18. THE HONOURABLE MR. ABU ABDULLAH SYED HUSSAIN IMAM (on behalf of the Honourable Rai Bahadur Lala Jagdish Prasad): (a) Is it a fact that the Imperial Council of Agricultural Research has since its inception sanctioned a sum of Rs. 17,96,256 to be distributed as grants to various bodies and institutions?

(b) Is it a fact that these grants include a number of sums to be contributed to the following foreign agricultural institutions:—

	Rs.
(i) International Institute of Agriculture, Rome . . . . .	70,000
(ii) Imperial Mycological Institute, London . . . . .	40,000
(iii) International Veterinary Bureau, Paris . . . . .	24,000
(iv) The Imperial Agricultural Bureau, London . . . . .	1,45,883

(c) Will Government be pleased to state what advantage, if any, India derives from contributions to the above institutions?

THE HONOURABLE CAPTAIN NAWAB SIR MUHAMMAD AHMAD SAID KHAN: (a) Yes, up to 31st March, 1931, spread over a number of years.

(b) Yes, except that these grants are spread over a period of five to six years and that the rate of subscription to the International Institute of Agriculture, Rome, has been reduced from Rs. 14,000 to Rs. 8,533-5-4 per annum with effect from 1931-32, thus effecting a saving of about Rs. 15,000 over three years.

(c) By contributing to these institutions India obtains information of the greatest value to her research workers in agriculture and its allied sciences and secures the co-operation of research workers in other parts of the world who are engaged in dealing with similar problems. It is with the help of such institutions that the Imperial Council of Agricultural Research is enabled to discharge an important function assigned to it by the Royal Commission on Agriculture in India, *i.e.*, to link agricultural (including veterinary) research in India with agricultural research in other parts of the British Empire and in foreign countries.

**APPOINTMENT OF INDIANS AS AGENTS OF CLASS I RAILWAYS.**

19. THE HONOURABLE MR. ABU ABDULLAH SYED HUSSAIN IMAM (on behalf of the Honourable Rai Bahadur Lala Jagdish Prasad):

(a) Is it a fact that seven Agents of Class I Railways are retiring this year? If so, will Government kindly give their names?

(b) Have new Agents been appointed to succeed them?

(c) If so, how many of the newly appointed Agents are Indians?

(d) If some new appointments are yet to be made will Government be pleased to state if it intends to appoint Indians to some of these posts?

THE HONOURABLE MR. T. G. RUSSELL: (a) The following six Agents have proceeded or are proceeding on leave preparatory to retirement during 1932. Colonel Walton, Sir Ernest Jackson and Messrs. Pearce, Burn, Wathen and Glascott.

(b) and (c). Only one of these officers has already vacated his post. It has been filled by a European.

(d) The claims of qualified Indians have been considered and in one case Government propose to appoint an Indian to officiate in a short leave vacancy.

MOVING FREE OF COST OF TELEPHONE WIRES IN CONNECTION WITH THE SRI KRISHNA LILA PROCESSION AT MUTTRA.

20. THE HONOURABLE MR. ABU ABDULLAH SYED HUSSAIN IMAM (on behalf of the Honourable Rai Bahadur Lala Jagdish Prasad): (a) Is it a fact that in connection with the Sri Krishna Lila procession at Muttra (U. P.) the electric and telephone wires used to be cut off free of cost in past years?

(b) Is it a fact that this time in November last the postal authorities refused this privilege unless a sum of Rs. 40 was paid by the organisers of the Sri Krishna Lila?

(c) Is it a fact that on the representation of the President of the local Hindu Sabha and others the District Magistrate of Muttra assured the organisers of the Sri Krishna Lila of his support for getting the sum refunded?

(d) Is it a fact that both the Hindu and Muslim communities respectively of Muttra enjoyed till now the privilege of having the electric and telephone wires cut free of cost on the occasion of taking out their processions?

(e) Has the sum of Rs. 40 been refunded by the postal authorities and do Government intend to let the public of Muttra enjoy in future this privilege free of charge as heretofore?

THE HONOURABLE MR. J. A. SHILLIDY: (a) and (d). Government have no information as to electric wires other than telephone wires, to which my answer is confined. As far as these are concerned it used to be the practice to move free of cost the wires when necessary to enable processions to pass up to March, 1930.

(b) Yes, under certain general orders which had been issued.

(c) Government have no information.

(e) No, but instructions were issued in December, 1931, that pending the result of further investigations regarding the general question of moving lines on the occasion of religious processions, no further recoveries for such measures should be made.

## APPOINTMENT OF INCOME-TAX INSPECTOR-ACCOUNTANTS IN BIHAR AND ORISSA.

21. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH:

(a) Is it a fact that an advertisement for 11 posts of Income-tax Inspector-Accountants appeared in the issue of the Bihar and Orissa Gazette of the 9th December last, in which the 12th December was fixed as the last date for receiving applications?

(b) Is it a fact that several Accountantship passed B. A.'s with Mathematics as one of the subjects for their degree examination were rejected, while B. A.'s who had not passed in Accountantship were taken in?

(c) Is it a fact that amongst the candidates finally selected a large majority are domiciled Bengalees though there was no dearth of fully qualified natives of Bihar and Orissa amongst the candidates?

(d) If the answers to (a), (b) and (c) be in the affirmative, what action, if any, do Government propose to take?

THE HONOURABLE MR. A. F. L. BRAYNE: The information is being obtained and will be furnished in due course.

## MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: I have Messages for the Council from His Excellency the Governor General. The Messages are in the form of the following Orders:—

The first Order:

## PANEL OF CHAIRMEN.

*"In pursuance of the provisions of sub-section (2) of section 63A of the Government of India Act, I, Freeman, Earl of Willingdon, hereby nominate the following Members of the Council of State to be on the Panel of Chairmen of the said Council of State:*

*In the first place, the Honourable Sir Philip Henry Browne; in the second place, the Honourable Rai Bahadur Lala Ram Saran Das; in the third place, the Honourable Sardar Bahadur Shivdev Singh Uberoi; and lastly, the Honourable Mr. Ganesh Srikrishna Khaparde.*

New Delhi,  
The 31st January, 1932.

(Sd.) WILLINGDON,  
Viceroy and Governor General."

The second Order:

## RAILWAY BUDGET.

*"For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Freeman, Earl of Willingdon, hereby appoint Thursday, the 25th February, for the presentation to the Council of State, and Saturday, the 27th February, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.*

New Delhi,  
The 22nd February, 1932.

(Sd.) WILLINGDON,  
Viceroy and Governor General."

The third Order :

GENERAL BUDGET.

*" For the purpose of sub-section (1) of section 67A of the Government of India Act and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Freeman, Earl of Willingdon, hereby appoint Monday, the 7th March, for the presentation to the Council of State, and Friday, the 11th March, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of subjects other than Railways.*

New Delhi,  
The 22nd February, 1932. }

(Sd.) WILLINGDON,  
Viceroy and Governor General."

The fourth Order :

*" In pursuance of the provisions of sub-section (3) of section 67A of the Government of India Act, I hereby direct that the heads of expenditure specified in that sub-section shall be open to discussion by the Council of State when the Budget is under consideration.*

(Sd.) WILLINGDON,  
Viceroy and Governor General."

(The Messages were received by the Council standing.)

COMMITTEE ON PETITIONS.

THE HONOURABLE THE PRESIDENT: As the House knows, at the beginning of each Session it is my duty to appoint a Committee on Petitions. I am proposing to make no change on this occasion and the following Honourable Members having kindly consented to serve are appointed as follows :

The Honourable Mr. G. A. Natesan as Chairman of the Committee, and the Honourable Sardar Charanjit Singh, the Honourable Diwan Bahadur G. Narayanaswami Chetty, the Honourable Mr. Ali Baksh Muhammad Hussain and the Honourable Mr. Syed Abdul Hafeez as Members of the Committee.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meetings held on the 3rd, 12th, 17th, 22nd and 24th February, 1932, namely :

A Bill to amend the Indian Companies (Amendment) Act, 1930, for a certain purpose.

A Bill to repeal the Employers and Workmen (Disputes) Act, 1860.

A Bill to amend the Indian Finance (Supplementary and Extending) Act, 1931, for a certain purpose.

A Bill to extend the operation of the Wheat (Import Duty) Act, 1931.

A Bill to define and amend the law relating to partnership.

A Bill to provide for the fostering and development of the wire and wire nail industry in British India.

A Bill further to amend the law relating to the fostering and development of the bamboo paper industry in British India.

## CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

**THE HONOURABLE SIR BROJENDRA MITTER (Law Member):** Sir, I move for leave to introduce a Bill further to amend the Code of Civil Procedure, 1908, for a certain purpose.

Sir, this is a non-contentious measure. Difficulties have been experienced in securing the evidence of witnesses required in foreign courts in civil cases, foreign courts like courts in France and Germany. We have no provision in our Civil Procedure Code for securing such evidence. This Bill provides the procedure on the lines of the procedure which obtains in England. Sir, I need not say anything further at this stage. I move.

The motion was adopted.

**THE HONOURABLE SIR BROJENDRA MITTER:** Sir, I introduce the Bill.

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## MOTION FOR THE ELECTION OF FOUR NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

**THE HONOURABLE SIR BROJENDRA MITTER (Law Member):** Sir, with your permission I wish to make a slight amendment in the motion by adding the word "non-official" after the figure "4" in the second line.

I move that this Council do proceed to elect, in such manner as the Honourable the President may direct, 4 non-official Members to sit on the Standing Committee on Emigration.

The motion was adopted.

**THE HONOURABLE THE PRESIDENT:** In accordance with that motion I direct that nominations shall be received up till noon on Saturday, the 27th February.

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## MOTION FOR THE ELECTION OF THREE MEMBERS TO THE STANDING COMMITTEE ON ROADS.

**THE HONOURABLE MR. J. A. SHILLIDY (Industries and Labour Secretary):** Sir, I move that this Council do proceed to the election for the financial year, 1932-33, in such method as may be approved by the Honourable the President, of three Members to serve on a Standing Committee for Roads which will be appointed by the Governor General in Council and the constitution and functions of which shall be as defined in the Resolution on Road Development as adopted by the Council of State on the 4th March, 1930.

The motion was adopted.

**THE HONOURABLE THE PRESIDENT:** In regard to that motion I shall later announce the date for nominations and for the election.

## THE RAILWAY BUDGET.

**THE HONOURABLE MR. T. G. RUSSELL** (Chief Commissioner of Railways) : Sir, I have again the honour to present a statement of the estimated revenue and expenditure of the Governor General in Council for the coming year in respect of Railways. This is the third time I have performed this duty. There is a very old superstition that the third time is lucky. I am afraid the Council may not consider that the superstition has been entirely fulfilled in this instance, but I trust I shall be able to show that the Railways of India have done their best, in these days of world-wide trade depression and the consequent falling off in traffic, to meet the situation.

2. As in previous years I propose to give a short resumé of the results of the last financial year, 1930-31, broad details of our revised estimates for this year and a forecast of our revenue and expenditure for the year 1932-33, finishing with some account of our capital expenditure during the current financial year and the expenditure proposed for 1932-33, and I will include a brief review of the situation and a short description of certain railway activities which may be of interest to the Council. I shall endeavour to avoid the quotation of great masses of figures, leaving Honourable Members to study the details given in the Memorandum which will be placed in their hands this morning.

3. When we prepared our revised estimates for the year 1930-31 for presentation to the Council in February of last year we estimated that there would be a loss in the working of commercial and strategic lines combined of 5·12 crores. The actual loss was 5·18 crores. To meet this loss and also to pay our contribution to General Revenues it was necessary to withdraw 10·92 crores from the Reserve Fund, leaving a balance of 5·42 crores at the end of the year. I do not think I need enter into details of the reasons for these results. Railways, like all other undertakings which depend on the prosperity of a country for their revenues, have been greatly affected by the general trade depression and have been working very much under capacity. The expenditure from the Depreciation Fund was 11·40 crores, leaving 13·92 crores at the credit of the Fund at the end of the year.

4. Coming to the current year, in framing our estimates of revenue and expenditure a year ago we, after very full consideration of the position, decided that we were on reasonably safe ground in allowing for a slight increase over 1930-31—a year of abnormally low traffic. Unfortunately our hopes have been falsified and our receipts are actually considerably worse than they were in 1930-31. We now estimate these from commercial lines at 86·68 crores against the 101·02 crores allowed for in our estimates. Although we were unduly optimistic in our estimate of receipts we were at the same time unduly pessimistic about our working expenses, and if our anticipations prove correct these should be about 3½ crores, or 3 crores excluding emergency deductions from pay, less than we budgeted for—a no mean achievement on the part of railway administrations.

[Mr. T. G. Russell.]

5. As I have said we now estimate our total receipts at 86·68 crores. Our total charges, that is, working expenses (including depreciation), surplus profits paid to Indian States and Railway Companies, interest and miscellaneous charges, will amount to 94·12 crores, leaving a net deficit of 7·44 crores for commercial lines; and a loss of 2·03 crores for strategic lines brings the total loss to 9·47 crores. The balance in the Reserve Fund at the beginning of the year was 5·42 crores. Of this sum 47 lakhs is invested in securities, which it is not considered advisable to realise at the moment. After utilising 4·95 crores of the free balance in the Reserve Fund we have a deficit of 4·52 crores to make up. It is proposed to make up this deficit by taking a temporary loan from the Depreciation Fund of this amount. Despite this, owing to our curtailed programme of renewals, the Depreciation Fund will be increased by 66 lakhs and will stand at 14·58 crores at the end of the year. As I think I have said on a previous occasion, these estimates are prepared before the results of two of the heaviest traffic months of the year are known, but I am afraid I can hold out no hopes that during these months there will be any substantial improvement. The approximate results which we get week by week show no indication of this. The reasons for this heavy fall in our receipts are not far to seek. Many of the Honourable Members of this Council are connected with business and know far more about the reactions which the world trade depression has had on India than I do. I shall only quote a few figures to illustrate the position. The number of passengers carried this year has shown a decline of over 15 per cent. The total number of passenger miles has fallen by 14·7 per cent.—a sure indication that the people of India at the present moment have no money to spare for railway travelling. As regards goods traffic, the position is the same. Again I shall quote only a few figures. Up to the 2nd of January the Railways loaded eighty-three thousand fewer wagons with coal and coke, a decrease of 10 per cent.; twenty-six thousand and five hundred fewer with oilseeds, a decrease of 15 per cent.; twenty-two thousand five hundred less under cotton, a decrease of 23 per cent.; two hundred and twenty-nine thousand, or a decrease of 13 per cent., of miscellaneous full wagons, as compared with the loading for 1930-31, itself a year of abnormally low traffic.

6. Let me now turn for a moment to working expenses of commercial lines. These we place at 4·72 crores below last year, despite the fact that last year's figures were diminished by an arrear credit adjustment to the extent of 1·66 crores. The actual decrease is, therefore, 6·38 crores, of which about 58 lakhs has been obtained from the emergency deductions from pay which were introduced from January. The balance of 5½ crores represents the result of the endeavours made by Railways to reduce their working expenses. These results have been obtained despite the fact that Railways have endeavoured to prosecute the activities which were started in the more prosperous years. It has, of course, been necessary to slow down in certain directions but few of our activities have ceased altogether. Railways are like a machine which once having gained momentum can be kept going with the expenditure of very little fuel, whereas the stopping and starting up again requires a large expenditure of power and money. We have continued the progressive standardisation of railway equipment. We have continued our publicity policy, though on a modified scale, and we have not ignored the desire which has been expressed on many occasions by Honourable Members of this Council that the conditions under which our staff work should be improved. It is true that owing to the serious drop in railway earnings it has not been possible to launch fresh schemes

for the improvement of the service conditions of the staff; nevertheless, appreciable progress has been made with the schemes to which I referred last year, namely,

- (i) The introduction of the Hours of Employment Regulations ;
- (ii) Acceleration of payments of salaries and allowances ;
- (iii) Removal of the legitimate complaints in regard to the raising and recovery of debits ;
- (iv) Grant of assistance to Railway employees towards the education of their children ;
- (v) Relief of indebtedness ; and
- (vi) Introduction of staff benefit funds.

The Hours of Employment Regulations were given statutory force on the North Western and East Indian Railways with effect from 1st April 1931, and though it has been necessary, in view of the present financial outlook and on a consideration of the recommendation of the Railway Retrenchment Sub-Committee, to defer their introduction on the Company-managed Railways and on the Burma Railways, steps have been taken to introduce them on the Great Indian Peninsula and Eastern Bengal Railways with effect from the 1st April of this year.

7. The scheme for speeding up payments of salaries and allowances which was introduced last year on one of the Divisions of the East Indian Railway has been extended to the Howrah Division on the same Railway, while the Eastern Bengal Railway has quite recently introduced a system for the preparation and payment of wage bills so as to ensure that wages are, as a general rule, paid within 7 days of the period to which they relate.

8. The report of the Traffic Officer who was placed on special duty to enquire into the existing procedure on the East Indian Railway with regard to fines and debits imposed on the traffic staff was received in March 1931. After a discussion with a representative committee consisting of officers from all the principal railways in December 1931, orders giving effect to the decisions arrived at as a result of this discussion were issued to the State-managed Railways. The Company-managed Railways at the same time were informed of the orders issued to the State-managed Railways.

9. The Officer of the Education Department placed on special duty to frame an estimate of the cost of introducing new rules for the grant of assistance to railway employees towards the education of their children and to report on certain other outstanding questions, such as the standard of education up to which assistance should be given and other cognate matters, has completed his investigation on the Eastern Bengal Railway and is now carrying out a similar investigation on the East Indian, Great Indian Peninsula and North Western Railways. His final report is expected next month.

10. I mentioned last year that a new fund called " The Lower Paid Staff Loan Fund " had been created on the East Indian Railway with the object of advancing loans at reasonable rates of interest to the lower paid employees. It is now proposed to start a similar fund on the North Western Railway with effect from 1st April 1932.

11. The Staff Benefit Funds to which I also referred last year were introduced on the State-managed Railways from 1st April 1931.

12. The Railway Board have made a preliminary examination of the recommendations of the Royal Commission on Labour in India in so far as

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these affect railways and after discussion with the Agents of the principal railways have come to provisional conclusions on points of lesser importance. Further discussion of the remaining matters which concern railways will take place in April next, after which the final recommendations of the Railway Board will be submitted to the Government of India.

13. I think the Council will expect me to give in some detail the measures which have been taken to meet the situation created by the serious falling off in traffic with consequent reduction in earnings. I have already referred to the results of this year's working. Soon after the commencement of this financial year, I might say even before the commencement of the year, we saw that our anticipations of traffic were not likely to be fulfilled and that it would be necessary to take drastic steps to reduce the gap between receipts and expenditure. This could only be done in two ways, by decreasing our expenditure and increasing our receipts. I shall deal first with the efforts made to decrease expenditure. We have had several discussions with the administrations of our major railways. At these we have emphasised the absolute necessity of cutting down every item of expenditure to the absolute minimum, but at the same time stressing that any steps which were taken must not endanger the safety of the travelling public. An intensive economy campaign was inaugurated on every railway, each railway pooling its ideas with other railways. The result has been, as I have stated, a reduction of 5½ crores without allowing for any of the savings obtained from the temporary reduction in the emoluments of the railway staff. The main sources from which the saving has been obtained are reduction in the consumption of fuel and consumable stores, cutting down maintenance of station buildings and staff quarters to the absolute minimum, cutting down train mileage to absolute essentials, the abolition and holding in abeyance of a large number of superior posts. On State-managed Railways 169 posts have either been abolished or held in abeyance. On Company-managed Railways 24 posts have been abolished and 44 left unfiled. Compensatory allowances and special pay have been reduced or abolished. We feel that in a time of national emergency such as at present, it is quite fair to ask our officers and staff to do additional work without the additional remuneration which they might expect in more prosperous times. A large number of staff have been reduced, either by not filling vacancies or by actual discharges. Finally the emergency deduction in pay, which came into force from 1st January of this year, is expected in a full year to save 2·38 crores.

14. Before leaving this subject I should like to acknowledge our indebtedness to the Railway Sub-Committee of the Retrenchment Advisory Committee. When the Committee started work retrenchment was in full swing and all Railways and the Railway Board continued independent investigations into the possibilities of further economy while the Committee was at work. This, however, did not deter the Sub-Committee who went into the whole question with great thoroughness within the limited time at their disposal. Their recommendations have received our very careful consideration, and from the budget papers, which will be circulated to Honourable Members, it will be seen that in the great majority of cases their recommendations have been adopted with little or slight modification. In some cases it has been found possible to go beyond the recommendations of the Committee. In other cases, of course, it has not been considered advisable to go quite so far. In one very important matter—that of cuts in pay of railway staff—we have, while obtaining a larger reduction, not adopted the method recommended by the Committee, though we have as recommended by them applied the cut to all staff. The

concluding recommendation of the Committee was the appointment of a small Committee, mainly composed of financial and railway experts, to undertake a full enquiry into the detailed working of the various departments of Railway Administrations. Immediately after the report was received the Government of India made every endeavour to obtain suitable personnel for such a Committee with the intention of carrying out the enquiry this cold weather. It is to be regretted that owing to the urgent preoccupations of the leading railway and financial experts in the present very difficult times, the efforts made to get together a suitable Committee were unsuccessful, and it has been necessary to postpone the constitution of the Committee until next year.

15. On more than one occasion the presentation of the Railway Budget has been referred to in another place as the annual meeting of the shareholders of the State Railways of India, and while shareholders look to their Board of Directors for a report showing how their property is being managed Honourable Members, in their capacity as representatives of the general public, are also undoubtedly interested in the charges the public have to pay when using the railway. In a year of falling revenues, when rigid economy and severe measures of retrenchment have been forced on railways, other measures which will have the effect of increasing revenue have also to be considered. Here we come up against two schools of thought; one suggesting reduced rates and fares as providing an incentive to traffic, the other considering an enhancement in rates and fares as being a more satisfactory expedient. When I last addressed this Council, I said that I was in the unhappy position of having to announce that it would be necessary to increase certain of our rates. I, however, gave this House an assurance that any changes we made would be done with due regard to the trade of the country and said that care would be taken not to impose rates which would press too hardly on any particular section of the community. I think we may reasonably claim that this assurance has not been disregarded, in so far that such alterations as have been made in our rates and fares within the last twelve months have been fairly and evenly distributed so as to make their incidence felt as lightly as was possible in the circumstances. Honourable Members are no doubt aware of the enhancements that have been made, and I propose, therefore, to refer only to the more important of these, so as to give this House some idea of the additional revenue, we believe, we will get as a result of the action taken. The increase in passenger fares

12 Noon. on most of the principal railways was estimated to give us about 109 lakhs more in a normal year; on luggage and parcels, the rates were put up by about 15 per cent. giving us increased revenue approximating to 62 lakhs; and in the case of coal we hope to get 60 lakhs by the surcharge of 15 per cent. which had effect from 15th January last. From certain other minor changes which individual railways considered it was possible to make in the scale of terminal charges, in the freight rates on petrol, jaggree, sugar and a few other comparatively unimportant commodities, and by the withdrawal or modification of some concession rates, the additional revenue anticipated approximates in a full year to 105 lakhs. In considering the desirability or otherwise of these enhancements, we have not been unmindful of the obligation that rests on Railways to do nothing that would impede the free movement of traffic, but, on the contrary, to assist whenever an opportunity offers by reducing rates to secure traffic that is not likely otherwise to move. To illustrate this point, I may refer to the substantial reduction in the freight rates on wheat and wheat flour made by the North Western Railway Administration in May last year, when it was found that the parity of wheat prices in India was considerably above the point at which export was possible, and export was desirable in order to reduce the

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large surplus of wheat in the country which tended to keep prices down at a level that was proving unremunerative to the grower. In the event, the reduction made proved of no avail, as world prices slumped substantially and Indian wheat prices continued to be above world parity. Although over 250 thousand tons were carried to Karachi during the period the reduced rates were in operation, export overseas was negligible; and the only practical effect of the reduction was to divert to the sea route for shipment to Indian ports traffic which would normally have been carried by railway at the ordinary rates. On the assumption that the quantity railed into Karachi would have moved to that port in any case, the reduction in railway freights led to a loss of revenue estimated at about sixteen lakhs. Incidentally, this instance seems to indicate that the suggestion that lower freight rates will bring increased revenue for railways must be subject to certain important qualifications, not the least of which is that unless the margin available for a reduction to facilitate movements is substantial, any reduction made is a needless sacrifice of revenue to be deprecated at all times and particularly now when, owing to a world wide depression in trade and other causes, the financial position of railways is not such as to justify experiments in freight reductions. I think also that the general indications are that, taken as a whole, railway rates are not on the high side, and their incidence on the free movement of traffic is not very appreciable. Having said this, I should like to assure Honourable Members that these views are not a prelude to any contemplated action for a further enhancement in rates and fares, although we would be unmindful of our obligations for the solvency of the railway system of this country, if we neglected to take any opportunity that may present itself of adjusting rates and fares to obtain increased revenue either by reductions when these are proved to be necessary or by enhancements where such action appears to be indicated.

16. I have now to assume the role of a prophet and endeavour to make a forecast of our receipts and expenditure for 1932-33. Like most prophets I am skating on very thin ice and am almost certain to fall through the ice and be drowned. It is quite impossible to say whether we have reached the trough of the wave of depression. All we can say is that we are very far off the crest of a wave of prosperity. I do not think it is safe to assume that there will be any increase in the volume of traffic over that of the present financial year, and the only increase which we can expect in our receipts will be from the increases in rates and fares which we have introduced this year. On this assumption we estimate our gross traffic receipts from commercial lines at 86·57 crores as compared with our revised estimate of 85·55 crores for this financial year. In estimating our working expenses we are on slightly safer grounds. We know what railways have already done. We place these at 60·81 crores against 62·69 crores our revised budget estimate for this year. Both these figures include our contribution to the Depreciation Fund. Of this reduction of 188 lakhs we get about 1½ crores from the emergency cut in pay after paying 22 lakhs to the Income-tax Department; so excluding this we expect to bring down our working expenses by another 38 lakhs. Honourable Members may not think this is a very great achievement, but I would explain that the surcharge on coal freights affects our working expenses to the extent of 37 lakhs. This, of course, also appears on the receipt side. Further, 25 lakhs additional has to be found for the Depreciation Fund, and finally increments in pay of staff and staff required on new lines will amount to about half a crore. After allowing for the abnormal gratuity payments this year, we may say that our Budget provides for a decrease of 1½ crores over the reduction on this year's working

of about 6 crores. It may be possible by further economies to increase this figure and we will continue to explore any avenue of economy, but I am sure the Council will realise that indiscriminate economies in working may very well result in a loss in that they may be reflected in a larger reduction in receipts.

17. It remains now for me to give an account of our expenditure under Capital and Depreciation Fund for the current year and to place before the Council our programme for the ensuing year. In presenting the programme of works for 1931-32 I estimated that our total expenditure would amount to 21·70 crores, or allowing for a reduction in stores balances of 2 crores, a net cash expenditure of 19·70 crores. By the exercise of the most rigid economy and cutting down all but absolutely essential works it has been found possible to reduce this figure to 16·60 crores, despite the fact that we have opened or hope to open 406 miles of new railways this financial year. The more important of these are the—

Chittagong-Dohazari . . . . .	25 miles.
Raipur-Parvatipuram, a section of the Raipur-Vizianagram line thus completing the line from Raipur to Vizianagram . . . . .	74 miles.
Kalukhali-Bhateapara . . . . .	53 miles.
Dharwa-Pusad . . . . .	43 miles.
Sind Left Bank Feeder Railways . . . . .	120 miles.
Chinpasalem-Vridhachalam . . . . .	32 miles.
and the Pollachi-Palghat . . . . .	33 miles.

18. Our activities in open line works, as was only to be expected, have not been very spectacular; we have concentrated on keeping our track, bridges and rolling stock up to the requisite standard.

19. Our programme for 1932-33 has been still further curtailed and we have only been able to provide 9½ crores, after allowing for a further reduction in stores balances of 1½ crores. An allotment of 101 lakhs will practically complete all new lines under construction, or a total of 173 miles. The remainder will be spent, as was done last year, on essential open line works. None of these are of great magnitude, but I may mention 3 of them—the Gorai Bridge on the Eastern Bengal Railway, the Barakar Bridge on the East Indian Railway and the Betwa Bridge on the Great Indian Peninsula Railway. None of these works, in the interests of safety and also of economy, could be postponed longer. Our expenditure on rolling stock will be limited to 1½ crores.

20. I trust that my review of the situation and the figures which I have placed before the Council will not lead to a spirit of too great pessimism as regards the future of Indian Railways. India, like all other great countries throughout the world, is passing through troublous times and it was not to be expected that the Railways would escape, but I for one feel confident that when better times do return the Railways will be the first to feel the effect. Lessons learnt during this period of economy and retrenchment will bear fruit and lead to all the greater prosperity. The Council may rest assured that the Railways will be in a position to meet all the needs of traffic when this reaches its normal level once again.

21. As is customary, in concluding my Budget speech I wish to bring to the notice of the Council the valuable services which the Agents, officers and staff of all railways throughout India have rendered to the country during the past year; this has been a particularly trying one; not only have the emoluments of the staff been subjected to reduction but their immediate prospects have been seriously affected by the economy campaign, through the abolition

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of many of the higher paid posts, both for officers and subordinates. There are several officers who in normal times might reasonably have expected by now to have reached the administrative ranks with the higher pay these carry, but who have had to be content with the lower ranks and lower pay. Much the same applies to subordinates. Several of the plums of their services have been taken away. No man can face a reduction in his salary and prospects with equanimity, but I think I can safely say that unpalatable as these measures have been, they have been accepted by practically all ranks as inevitable and all are cheerfully carrying out their work as before, with the same keenness in their search for every possible economy and with the same desire to do all in their power to restore prosperity to Indian Railways. I am glad of the opportunity which my presence here gives me of publicly expressing to the Agents and to all those serving under them the gratitude of the Railway Board for their whole-hearted co-operation in what is their and our common aim.

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#### CONGRATULATIONS TO RECIPIENTS OF HONOURS.

**THE HONOURABLE THE PRESIDENT:** Before I adjourn the Council I am glad of an opportunity to tender my own personal congratulations and I feel sure the congratulations of the Council as a whole to those of our colleagues who since we last met have been the recipients of honours. When I open the Gazette of India on New Year's Day or on the Birthday of His Majesty the King Emperor it is always a source of personal gratification to me to find that honours have been given to Members of this Council and I always regard them as honours not merely to individuals but also to the Council as a whole. My pleasure on the latest occasion was particularly great because I think I am right in saying that since this Council was inaugurated there has never been a larger number of Members of this House appearing as recipients of honours in any particular list. The list is indeed so long that I do not propose to make individual references to the honours. But I would remind the House that our Leader, Sir Brojendra Mitter, and the Honourable Sir John Thompson have been appointed to and promoted in the Order of the Star of India and they are both Knight Commanders of that Order. The Honourable Mr. Shillidy has also been appointed to that Order as a Companion. It is not the practice here as a rule to refer to *ex*-Members of the Council in the matter of honours but the Honourable Mr. Whitty was with us so very recently that I think the House would also like me to refer to the fact that he too has been appointed Companion of the Most Exalted Order of the Star of India. Sir Philip Browne and Sir David Devadoss have both received the honour of Knighthood at the hands of His Majesty and Mr. B. K. Basu has been appointed a Companion of the Order of the Indian Empire. I tender to all those of our colleagues my most warm congratulations and I know the House associates itself with me in that respect.

While I am on the subject, I think the House will also like me to tender our congratulations to one of our colleagues, the Honourable Sardar Bahadur Shivdev Singh Uberoi, on his appointment to the Council of the Secretary of State for India,—an appointment which he will join shortly after the termination of this Session.

The Council then adjourned till Eleven of the Clock on Saturday, the 27th February, 1932.