# THE

# LEGISLATIVE ASSEMBLY DEBATES

## Official Report)

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**Volume IV, 1937**

*(23rd August to 1st September, 1937)*

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## SIXTH SESSION

OF THE

## FIFTH LEGISLATIVE ASSEMBLY,

## 1937





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1938.

L153LAD

# Legislative Assembly.

*President* :

THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I.

*Deputy President* :

MR. AKHIL CHANDRA DATTA, M.L.A.

*Panel of Chairmen* :

SIR MUHAMMAD YAKUB, M.L.A.

MR. S. SATYAMURTI, M.L.A.

SIR LESLIE HUDSON, M.L.A.

SIR COWASJI JEHANGIR, BART., K.C.I.E., O.B.E., M.L.A.

*Secretary* :

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

*Assistants of the Secretary* :

MR. M. N. KAUL, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

*Marshal* :

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

*Committee on Petitions* :

MR. AKHIL CHANDRA DATTA, M.L.A., *Chairman*.

SIR LESLIE HUDSON, M.L.A.

MR. M. S. ANEY, M.L.A.

MR. M. GHIASUDDIN, M.L.A.

MR. MATHURADAS VISSANJI, M.L.A.

# CONTENTS.

VOLUM IV.—*23rd August to 1st September, 1937.*


| | PAGES. |
|---|---|
| MONDAY, 23RD AUGUST, 1937,— | |
| Members Sworn . . . | 1—3 |
| Starred Questions and Answers . . | 3—40 |
| Short Notice Questions and Answers . . | 40—50 |
| Statements laid on the Table . . . . | 50—85 |
| Motions for Adjournment *re*— | |
| Banning of the Kothapatam School of Economics and Political Science—Disallowed by the Governor General . | 85 |
| Feelings of Indian Muslims on the Palestine question—Disallowed by the Governor General . . . | 85—86 |
| Non-export of Indian sugar abroad except to Burma—Not moved | 86 |
| Government policy in respect of the tribes on the North-West Frontier of India—Disallowed by the Governor General . | 86 |
| Misrepresentation of India's feelings and aspirations at the Imperial Conference - Disallowed by the Governor General . . . | 88 |
| Protection of the interests of Indians in South Africa—Not moved . | 86—89 |
| Indian interests at Zanzibar—Negatived 89, | 385—408 |

| | PAGES. |
|---|---|
| MONDAY 23RD AUGUST, 1937,—*contd.* | |
| Panel of Chairmen . . | 89 |
| Governor General's assent to Bills . . . | 89—90 |
| Agreement between the Reserve Bank of India and the Governments of Madras, the Punjab, Sind, Assam and the United Provinces . . | 90—109 |
| Forms of forced labour in the provinces . . | 109—61 |
| Net earnings of certain newly-constructed railway lines . . . | 161—66 |
| Presentation of the Report of the Public Accounts Committee for 1935-1936 . . . . | 167—365 |
| The Indian Companies (Amendment) Bill—Introduced . . . | 365 |
| The Rules and Regulations Continuance Bill—Introduced . . . | 366 |
| The Federal Court Bill—Introduced . . . | 366 |
| The Petroleum (Berar Extension) Bill—Introduced . . . | 366 |
| The Indian Railways (Amendment) Bill—Introduced . . . . | 366 |
| The Import of Drugs Bill—Introduced. . . | 367 |
| The Workmen's Compensation (Amendment) Bill—Introduced . | 367 |

| | Pages. |
|---|---|
| **Monday, 23rd August, 1937,—*concld.*** | |
| The Indian Naturalization (Amendment) Bill—Introduced | 367 |
| The Manœuvres Field Firing and Artillery Practice Bill—Appointment of certain Members to the Select Committee | 367—68 |
| Election of a Member to the Indian Research Fund Association | 368 |
| Resolution *re* Amendments to the Indian Legislative Rules—Discussion not concluded | 368—85 |
| **Tuesday, 24th August, 1937—** | |
| Member Sworn | 409 |
| Starred Questions and Answers | 409—42 |
| Unstarred Questions and Answers | 442—45 |
| Motions for Adjournment *re*— | |
| Perpetuation of the Ottawa Agreement—Not moved | 445 |
| Reorganisation of the Imperial Secretariat—Disallowed by the Governor General | 445—46 |
| Train disaster near Dinapore Station—Not moved | 446 |
| Amendment of Indian Legislative Assembly Rules—Adopted 446, | 475—92 |
| Resolution *re* Amendments to the Indian Legislative Rules—Adopted as amended | 446—53 |
| The Trade Disputes (Amendment) Bill—Discussion on the motion to refer to Select Committee not concluded | 453—75 |
| **Wednesday, 25th August 1937,—** | |
| Starred Questions and Answers | 493—524 |

| | Pages. |
|---|---|
| **Wednesday, 25th August, 1937,—*contd.*** | |
| Unstarred Questions and Answers | 524—28 |
| Motions for Adjournment *re*— | |
| Creation of the post of Deputy Secretary in the Legislative Assembly Department—Withdrawn | 528 |
| Indo-British Trade Negotiations—Withdrawn | 528 |
| Extravagance in military operations—Disallowed by the Governor General | 528 |
| Recommendations of the Wedgwood Committee's Report—Not moved | 528—29 |
| Mr. Mudie's enquiry report into the Bengal Nagpur Railway affairs—Not moved | 529 |
| Frontier policy of Government—Disallowed by the Governor General | 529 |
| Position of Indians in Zanzibar—Barred | 529 |
| Hunger-strike of political prisoners in the Andamans—Adopted | 529—30, 559—77. |
| The Insurance Bill—Presentation of the Report of the Select Committee | 530 |
| Statement *re* new procedure regarding questions | 530—31 |
| The Trade Disputes (Amendment) Bill—Referred to Select Committee | 531—42 |
| The Indian Companies (Amendment) Bill—Referred to Select Committee | 542—44 |
| The Petroleum (Berar Extension) Bill—Passed | 544 |

| | Pages. |
|---|---|
| WEDNESDAY, 25TH AUGUST, 1937,—*concld.* | |
| The Rules and Regulations Continuance Bill—Passed | 545—58 |
| The Federal Court Bill—Discussion on the motion to consider not concluded | 558 |
| THURSDAY, 26TH AUGUST, 1937,— | |
| Starred Questions and Answers | 579—604 |
| Unstarred Questions and Answers | 604—08 |
| Motions for Adjournment *re*— | |
| Hunger-strike of the Andamans political prisoners—Barred | 608 |
| Change in the prospectus of the Training Ship "Dufferin"—Ruled out of order | 608—11 |
| Inadequate representation of Mussalmans in certain Provincial Cabinets—Disallowed by the Governor General | 611 |
| Mr. Mudie's enquiry report into the Bengal Nagpur Railway affairs—Ruled out of order | 611—16 |
| Operations on the North-West Frontier—Disallowed by the Governor General | 616—17 |
| Paucity of Muslim Ministers in certain Provinces—Disallowed by the Governor General | 616—17 |
| Report of the Royal Commission on Palestine—Disallowed by the Governor General | 617 |
| The Federal Court Bill—Passed | 617—28 |
| The Indian Naturalization (Amendment) Bill—Circulated | 628—43 |

| | Pages. |
|---|---|
| FRIDAY, 27TH AUGUST, 1937,— | |
| Starred Questions and Answers | 645—76 |
| Unstarred Questions and Answers | 676—79 |
| Statements laid on the Table | 679—94 |
| Election of a Member to the Governing Body of the Indian Research Fund Association | 694 |
| The Indian Securities (Amendment) Bill—Introduced | 694 |
| The Dangerous Drugs (Amendment) Bill—Introduced | 694—95 |
| The Indian Patents and Designs (Amendment) Bill—Introduced | 695 |
| The Indian Mines (Amendment) Bill—Introduced | 695 |
| Motion *re* Report of the Indian Railway Enquiry Committee | 695—738 |
| MONDAY, 30TH AUGUST, 1937,— | |
| Member Sworn | 739 |
| Starred Questions and Answers | 739—69 |
| Unstarred Questions and Answers | 769—71 |
| Motions for Adjournment *re*— | |
| Military aid to Burma—Disallowed by the Governor General | 771—72 |
| Andamans hunger-strike—Not moved | 772 |
| Committee on Petitions | 772 |
| Agreements between the Reserve Bank of India and the Governments of Bihar, Orissa and the Central Provinces and Berar, and the Supplemental Agreement with the Imperial Bank of India | 772—85 |

| | Pages. |
|---|---|
| MONDAY, 30TH AUGUST, 1937,—*contd.* | |
| The Insurance Bill—Discussion on the motion to consider not concluded | 785—827 |
| TUESDAY, 31ST AUGUST, 1937,— | |
| Member Sworn | 829 |
| Starred Questions and Answers | 829—61 |
| Postponed Question and Answer | 862 |
| Unstarred Questions and Answers | 862—64 |
| Short Notice Questions and Answers | 865—66 |
| The Insurance Bill—Discussion on the motion to consider not concluded | 867—910 |
| WEDNESDAY, 1ST SEPTEMBER, 1937,— | |
| Member Sworn | 911 |
| Starred Questions and Answers | 911—41 |
| Statements laid on the Table | 941—42 |
| Statement *re* treatment of questions addressed to wrong Departments | 942—44 |
| Motion for Adjournment *re* Negotiations between the Government of India and the Princes in respect of Federation—Disallowed by the Governor General | 944, 960 |
| The Moslem Personal Law (*Shariat*) Application Bill—Presentation of the Report of the Select Committee | 944 |
| The Insurance Bill—Discussion on the motion to consider not concluded | 944—60, 961—81. |

THE

# LEGISLATIVE ASSEMBLY DEBATES

## (OFFICIAL REPORT OF THE SIXTH SESSION OF THE FIFTH LEGISLATIVE ASSEMBLY.)

## VOLUME IV—1937.

## LEGISLATIVE ASSEMBLY.

*Monday, 23rd August, 1937.*

The Assembly met in the Assembly Chamber in Simla, at Eleven of the Clock, being the First Day of the Sixth Session of the Fifth Legislative Assembly, pursuant to Section 63-D (2) of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935. Mr. President (The Honourable Sir Abdur Rahim, K.C.S.I., Kt.), was in the Chair.

### MEMBERS SWORN.

The Honourable Sir James Grigg, K.C.B., K.C.S.I. (Finance Member) ;

The Honourable Sir Thomas Alexander Stewart, K.C.I.E., C.S.I. (Member for Industries and Labour) ;

The Honourable Sir Saiyid Sultan Ahmad, Kt. (Member for Commerce and Railways) ;

Mr. K. S. Gupta, M.L.A. (Ganjam *cum* Vizagapatam : Non-Muhammadan Rural) ;

Mr. Thirumala Rao, M.L.A. (East Godavari and West Godavari *cum* Kistna : Non-Muhammadan Rural) ;

Mr. George Joseph, M.L.A. (Madura and Ramnad *cum* Tinnevelly : Non-Muhammadan Rural) ;

Mr. Ghulam Kadir Muhammad Shahban, M.L.A. (Sind Jagirdars and Zamindars : Landholders) ;

Mr. Badri Dutt Pande, M.L.A. (Rohilkund and Kumaon Divisions : Non-Muhammadan Rural) ;

Maulvi Abdur Rasheed Chaudhury, M.L.A. (Assam : Muhammadan) ;

Raja Bahadur Kushalpal Singh, M.L.A. (United Provinces : Landholders) ;

Maulana Zafar Ali Khan, M.L.A. (East Central Punjab : Muhammadan) ;

Mr. Ramayan Prasad, M.L.A. (Patna *cum* Shahabad : Non-Muhammadan) ;

Mr. Gauri Shankar Singh, M.L.A. (Gaya *cum* Monghyr : Non-Muhammadan) ;

Maulvi Muhammad Abdul Ghani, M.L.A. (Tirhut Division : Muhammadan) ;

Mr. Govind Vinayak Deshmukh, M.L.A. (Nagpur Division : Non-Muhammadan) ;

Pandit Shambhu Dayal Misra, M.L.A. (Central Provinces Hindi Divisions : Non-Muhammadan) ;

Mr. Brojendra Narayan Chaudhury, M.L.A. (Surma Valley *cum* Shillong : Non-Muhammadan) ;

Mr. Percival Joseph Griffiths, M.L.A. (Assam : European) ;

Mr. Abdul Qaiyum, M.L.A. (North-West Frontier Province : General) ;

Sardar Bahadur Captain Dalpat Singh, M.L.A. (Nominated Non-Official) ;

Rao Sahib Namasivayam Sivaraj, M.L.A. (Nominated Non-official) ;

Lieut.-Col. M. A. Rahman, M.L.A. (Nominated Non-Official) ;

Mr. Charles William Augustus Gidney, M.L.A. (Nominated Non-official) ;

Shams-ul-Ulema Kamaluddin Ahmad, M.L.A. (Nominated Non-Official) ;

Mr. Arthur Eric Tylden-Pattenson, M.L.A. (Government of India : Nominated Official) ;

Mr. Bertie Munro Staig, C.S.I., M.L.A. (Financial Commissioner, Railways) ;

Mr. Charles MacIvor Grant Ogilvie, C.B.E., M.L.A. (Defence Secretary) ;

Mr. John Anderson Thorne, C.I.E., M.L.A. (Home Secretary) ;

Mr. Muhammad Saleh Akbar Hydari, C.I.E., M.L.A. (Secretary, Department of Education, Health and Lands) ;

Lieut.-Colonel Arthur Edward Broadbent Parsons, C.B.E., D.S.O., M.L.A. (Secretary, External Affairs Department) ;

Mr. Richard Stanley Purssell, C.I.E., O.B.E., M.L.A (Government of India : Nominated Official) ;

Mr. Mead Slade, M.L.A. (Government of India : Nominated Official) ;

Mr. Robert Francis Mudie, C.I.E., O.B.E., M.L.A. (Government of India : Nominated Official) ;

Mr. Susil Chandra Sen, C.B.E., M.L.A. (Government of India : Nominated Official) ;

Mr. Rangiah Subra Mani, M.L.A. (Government of India : Nominated Official) ;

Rao Bahadur K. C. Manavedan Raja, M.L.A. (Madras : Nominated Official) ; and

Khan Sahib Shaikh Fazl-i-Ilahi, M.L.A. (Punjab ; Nominated Official) ;

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## STARRED QUESTIONS AND ANSWERS.

### (a) Oral Answers.

#### Profit or Loss on Burma Railways.

1. ***Mr. T. S. Avinashilingam Chettiar** : Will the Railway Member state :

(a) whether the Burma Railways were before separation working at a profit or loss ;

(b) if calculated from the very inception, what profit or loss has resulted from those railways ; and

(c) whether out of the Railway Depreciation Fund any amount has been allotted to Burma, and, if so, how much ?

**Mr. B. M. Staig** : (a) Figures are readily available from the year 1897. They show that from that year to 1899 inclusive the Burma Railways worked at a small loss, thereafter till the end of the financial year 1929-30 at a profit, and subsequently, up to the 31st March, 1937, at a loss.

(b) Profit to the State from their inception to the end of 1936-37 amounted to 231 lakhs.

(c) A credit of Rs. 148 lakhs from the Railway Depreciation Fund has been given to Burma.

**Mr. T. S. Avinashilingam Chettiar** : In view of the fact that the total profit has been only 231 lakhs, may I know whether such an amount of depreciation could be allotted to the Burma Railways on their separation ?

**Mr. B. M. Staig** : The question of the amount of the depreciation fund to be allotted to Burma was settled by the Amery Tribunal. The subject was discussed in the Legislative Assembly on the 18th February of this year and in the Council of State on the 20th February. I may perhaps refer the Honourable Member to those debates.

**Mr. T. S. Avinashilingam Chettiar** : I am quite aware of that discussion. May I know whether, in view of the fact that they are not entitled to so much out of the depreciation fund on account of the fact

that the whole of the depreciation fund has been built out of the depreciation fund going out of the Indian Railways, the Amery Tribunal was right, and if not, whether the Government cannot reopen the question ?

**Mr. B. M. Staig** : The question has been already settled.

**Mr. Brojendra Narayan Chaudhury** : Did the Government of India press this point before the Tribunal ?

**Mr. B. M. Staig** : I do not think that arises out of this question.

**Mr. S. Satyamurti** : May I know what are the bases on which this sum of 148 lakhs was settled, as the contribution to the depreciation fund of the Burma Railways ?

**Mr. B. M. Staig** : That does not arise.

**Mr. S. Satyamurti** : I submit, Sir, it is for the Chair to say whether it arises or not. May I ask for an answer to my question ?

**Mr. President** (The Honourable Sir Abdur Rahim) : The Chair understands the question was considered by the Tribunal and probably the Honourable Member will find the bases in that report.

**Mr. S. Satyamurti** : It is not there. Therefore, I am asking my Honourable friend whether, according to his knowledge, there were any bases on which the 148 lakhs was arrived at, and if so, what those bases were ?

**Mr. B. M. Staig** : I shall require notice of that question.

**Mr. Lalchand Navalrai** : May I know whether there was any debt due from the Burma Railways to the Indian Railways when they separated and whether any account of that was taken ?

**Mr. B. M. Staig** : I should like to have notice of that question.

**Mr. Lalchand Navalrai** : May I know if when the separation took place any adjustment was made with regard to this depreciation and with regard to other items between the railways when they were separated ?

**Mr. B. M. Staig** : All I can say is that the payment of 148 lakhs was one of the items in the settlement with Burma between the Governments of India and Burma in accordance with the award of the Amery Tribunal.

**Mr. Lalchand Navalrai** : Is the Honourable Member in possession of any facts to give us anything more than that with regard to this depreciation alone ?

**Mr. B. M. Staig** : If the Honourable Member will give me the questions to which he wishes an answer, I shall endeavour to supply it.

## CONSTITUTION OF THE STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

2. ***Mr. T. S. Avinashilingam Chettiar** : Will the Commerce Member state :

(a) what the purposes are for which the Standing Committee for Commerce was originally constituted in the Assembly ;

(b) how many times the Committee was summoned and consulted last year or this year ; and

(c) whether they propose to consult the Committee on such outstanding questions as the Indo-British and the Indo-Japanese Trade Agreements ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) The attention of the Honourable Member is invited to the Home Department Notification No. F.-49, dated the 22nd August, 1922, as subsequently amended, a copy of which is in the Library.

(b) No Standing Committee for the Commerce Department could be constituted for the year 1936-37 as the motion for the election of Members of this House to serve on the Committee was negatived by the House in April, 1936. A Committee has been constituted this year and it is proposed to summon a meeting as soon as possible, during the current Session.

(c) The questions to be placed before the Committee do not include the Indo-British and Indo-Japanese Trade Agreements. Negotiations regarding the latter, that is, the Indo-Japanese Agreement was finished some time back and Government was assisted in them by representative commercial and agricultural advisers. The Government of India delegate to the Indo-British trade negotiations is also receiving the assistance of a panel of non-official advisers.

**Mr. T. S. Avinashilingam Chettiar** : May I know if the Standing Committee attached to the Commerce Department is not to be consulted on these very important activities connected with the commerce of this country, for what other purposes is this committee to be consulted ?

**The Honourable Sir Saiyid Sultan Ahmad** : But for the fact that the Indo-British trade negotiations are carried on by the delegates with the help of extremely competent non-official advisers and also official advisers, the matter would certainly have been referred to the Standing Committee, but under the circumstances the Government do not consider that any good would come out by a reference to the Standing Committee.

**Mr. T. S. Avinashilingam Chettiar** : Are the Government aware that last year the motion for the constitution of a Standing Committee was thrown out on the sole ground that it was never summoned even once in the previous year even though very important things were pending ?

**The Honourable Sir Saiyid Sultan Ahmad** : However, Government propose to summon the Standing Committee as soon as possible and whenever necessary.

**Mr. S. Satyamurti** : In view of these important negotiations which are now going on, will Government be pleased to refer this matter to the Standing Committee ?

**The Honourable Sir Saiyid Sultan Ahmad** : I will find it out.

**Mr. S. Satyamurti** : May I know whether these non-official advisers, who are now engaged in these trade negotiations in England, were selected in consultation with this House ?

**The Honourable Sir Saiyid Sultan Ahmad** : I submit that does not arise out of this question, but I may say that these non-official advisers are such competent men that I am sure the House has got the fullest confidence in them.

**Mr. S. Satyamurti** : May I know how the Government have come to the conclusion that, in view of the fact that these delegates were not selected in consultation with this House, they would take the place of those who have been elected by this House, *viz.*, the Committee.

**The Honourable Sir Saiyid Sultan Ahmad** : I submit that is a matter of opinion and the question does not really arise out of the question that is already put.

**Mr. S. Satyamurti** : May I know the reasons why, apart from the fact that there is already a delegation in England, the Government will not refer the matter to the Standing Committee elected by this House, in such an important matter as the Indo-British Trade Agreement ?

**The Honourable Sir Saiyid Sultan Ahmad** : If the Government consider it absolutely necessary to refer this question to the Standing Committee, they will do so, but at present they do not think it is necessary to do so.

**Qazi Muhammad Ahmad Kazmi** : Will the Government consider and let us know the standard by which they propose to refer certain questions to this Standing Committee ?

**Mr. President** (The Honourable Sir Abdur Rahim) : That does not arise out of this.

**Mr. K. Santhanam** : May I know if the final decisions arrived at on this question will be referred to this House ?

**Mr. T. S. Avinashilingam Chettiar** : May I know whether Government propose to consult the Standing Committee before coming to a final decision on this question.

**Mr. President** (The Honourable Sir Abdur Rahim) : He has answered it already.

APPOINTMENT OF A TRADE COMMISSIONER FOR BURMA.

3. ***Mr. T. S. Avinashilingam Chettiar** : Will the Commerce Member state :

(a) whether there is any proposal to appoint a Trade Commissioner for Burma ; and

(b) if not, whether Government are prepared to consider the advisability of appointing one in view of the importance of trade and other relations existing between the two countries ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) No.

(b) No. I would in this connection invite the attention of the Honourable Member to the India and Burma (Trade Regulation) Order 1937, a copy of which is in the Library.

**Mr. T. S. Avinashilingam Chettiar** : May I know if the Government are aware that a large number of Indians have settled in Burma and are trading there ?

**The Honourable Sir Saiyid Sultan Ahmad** : Government are aware of it.

**Mr. Lalchand Navalrai** : May I know whether there is any difference in the functions and powers of this Committee, I mean the Standing Committee and other Committees ?

**Mr. President** (The Honourable Sir Abdur Rahim) : Perhaps the Honourable Member is thinking of the last question. (Laughter.)

STATEMENT OF THE INCOME-TAX EXPERTS REGARDING INCOME-TAX ON PENSIONS EARNED IN BRITISH INDIA.

4. ***Mr. T. S. Avinashilingam Chettiar** : (a) Will the Law Member state whether he is aware of the following statement of the Income-tax experts on page 9 in their Report :

"Liability should not depend upon the accident of the place at which the pension may be made payable, but should extend to all pensions earned in British India."

(b) In view of the above statement, have Government made any representations to His Majesty's Government to amend section 272 of the Government of India Act ?

**The Honourable Sir Nripendra Sircar** : I am unable to reply to this question which should have been addressed to the Honourable the Finance Member.

**Mr. T. S. Avinashilingam Chettiar** : I thought this was a matter to be settled by the Government themselves. May I have your ruling on this matter, Sir, as to whether this is to be addressed to the Finance Member or to the Honourable the Leader of the House ?

**Mr. President** (The Honourable Sir Abdur Rahim) : It is a departmental matter. I myself have got to accept the arrangement which they make among themselves. I do not know what the inter-departmental arrangements are in a matter like this.

**The Honourable Sir James Grigg** : If it meets the wishes of the House, with your permission, Sir, I am prepared to give an answer to this question now.

(a) Yes.

(b) No.

**Mr. T. S. Avinashilingam Chettiar** : May I know, Sir, why the answer to (b) is no ?

**The Honourable Sir James Grigg** : I do not see any reason why we should try to interfere with a matter which has been already settled by the Government of India Act of 1935.

**Mr. S. Satyamurti** : They are losing a large sum of money on pensions ; section 272 of the Government of India Act prohibits the levying of income-tax on those pensions. May I know the reasons why the Government propose to acquiesce in that decision, and why they do not propose to re-open the subject with His Majesty's Government ?

**The Honourable Sir James Grigg** : Respect for the law.

**Mr. S. Satyamurti** : May I know if respect for law means that, once a law is enacted, you ought not to amend it ? It is a frivolous

answer, I submit. I am not asking you to disobey the law, but I am asking the Government to move the proper authorities, and see if the law cannot be amended, in order to put the income-tax law of this country on a more reasonable and proper footing, a law which has been made by my Honourable friend's own countrymen ?

**The Honourable Sir James Grigg** : My Honourable friend, who has quoted the experts, will see that they themselves have said that so far as certain Government pensions are concerned, the matter is concluded by section 272 of the Government of India Act.

**Mr. S. Satyamurti** : That is a mere statement of fact.

**The Honourable Sir James Grigg** : I respect that statement of fact.

**Mr. S. Satyamurti** : Will not the Honourable Member be pleased to take up this matter with His Majesty's Government ? If he will not do so, I may warn him that we will not co-operate with him.

**Mr. T. S. Avinashilingam Chettiar** : In view of the importance of this question, have the Government made any representations to His Majesty's Government ? The law does not prevent them from doing so.

**Mr. President** (The Honourable Sir Abdur Rahim) : That is a matter of argument.

**Mr. T. S. Avinashilingam Chettiar** : Have the Government of India made any representations to His Majesty's Government on this point ?

**The Honourable Sir James Grigg** : I have already said that Government see no reason to interfere with a matter which has already been decided.

**Mr. T. S. Avinashilingam Chettiar** : Are the Government aware that they are already suffering a huge loss ?

**Mr. Sri Prakasa** : Did not the Honourable Member place in the hands of his experts a copy of the Government of India Act, so that such remarks might not have been made ?

**Mr. President** (The Honourable Sir Abdur Rahim) : Next question please.

## RELATIONSHIP BETWEEN THE GOVERNOR GENERAL IN COUNCIL AND THE PROVINCIAL GOVERNMENTS.

5. ***Mr. Sri Prakasa** : (a) Will the Honourable the Law Member state what the relationship *de facto* and *de jure* is between the Governor General in Council and the present Provincial Governments ?

(b) Has the Governor General in Council considered the situation in the various provinces, and if so, did they make any suggestions to the persons concerned for the easing of the situation in such provinces where there has been a struggle between Governors and the leaders of the majority parties in the Legislatures with regard to the acceptance of ministerial office ?

**The Honourable Sir Nripendra Sircar** : (a) The relationship between the Provincial Governments and the Governor General in

Council is regulated by the provision of the Government of India Act, 1935, particularly part VI of the Act. I would also invite the attention of the Honourable Member to paragraphs 8-12 of the Instrument of Instructions to the Governor General.

(b) The matter is outside the purview of the Governor General in Council.

**Mr. T. S. Avinashilingam Chettiar** : May I know, Sir, when opinions are wanted from Provincial Governments, whether the letters are addressed to the Governors of the Provinces individually or to the Governments of the provinces concerned ?

**The Honourable Sir Nripendra Sircar** : I submit, Sir, that does not arise out of my answers.

**Mr. Sri Prakasa** : I am sorry I could not hear the answer to part (b). Will the Honourable Member please repeat it ?

**The Honourable Sir Nripendra Sircar** : I am sorry I could not make myself heard. The answer is—" The matter is outside the purview of the Governor General in Council ".

**Mr. S. Satyamurti** : May I know if the Governor General in Council was ever consulted by the Government of India in respect of the situation in the provinces ?

**The Honourable Sir Nripendra Sircar** : That does not arise out of this.

**Mr. S. Satyamurti** : I ask for your ruling, Sir. It is open to the Honourable Member to say that it is not in the public interest to give the answer. Otherwise, I submit I am entitled to an answer as to whether they were consulted by the Governor General in respect of the situation in the provinces.

**The Honourable Sir Nripendra Sircar** : I submit that question does not arise out of any of the answers I have given.

**Mr President** (The Honourable Sir Abdur Rahim) : Unless there is any sort of ambiguity in the answer given, surely the Honourable Member is not entitled to put further questions.

**Mr. S. Satyamurti** : It is not ambiguity, Sir, but it is obscurity. The question, Sir, is whether the Governor General in Council considered the situation in the various provinces, and if so, whether they made any suggestions to the persons concerned. I am asking Government to throw some light on this matter as to whether, as a matter of fact, the Governor General in Council did offer any advice or whether they were ever asked for any advice by the persons concerned with regard to the position in the provinces.

**Mr. President** (The Honourable Sir Abdur Rahim) : I understand that the answer was that the Governor General in Council had nothing to do with the matter.

**Mr. S. Satyamurti** : Legally, yes.

**Mr. President** (The Honourable Sir Abdur Rahim) : Informally—I do not think that the Honourable Member is entitled to ask about informal consultations.

**Mr. S. Satyamurti** : I want to know whether, as a matter of fact, they were consulted.

**Mr. President** (The Honourable Sir Abdur Rahim) : If the Honourable the Leader of the House is prepared to answer that, I have no objection.

**The Honourable Sir Nripendra Sircar** : I am not prepared.

**Mr. S. Satyamurti** : Why ?

**The Honourable Sir Nripendra Sircar** : That was a question put to me by the Honourable the President and I gave the reply.

**Mr. S. Satyamurti** : I submit for your consideration, Mr. President, that the Honourable Member is entitled to say, " In the public interests, I will not answer a question ". But he cannot say arbitrarily, " I won't answer ".

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable the Leader of the House has appealed to me often—I do not know how often—but the Government Member need not say on every occasion when he is not in a position to answer a question, that it is not in the public interest to do so. I have ruled to that effect that it is not necessary to do so.

**Mr. Muhammad Azhar Ali** : Part (b) of the question says : " Has the Governor General in Council considered the situation in the various provinces ? " My question is, has the Honourable the Law Member consulted the Governor General in Council on this point and then given this reply ?

**The Honourable Sir Nripendra Sircar** : My answer was : " The matter is outside the purview of the Governor General in Council ". I again submit that this question does not arise.

**Mr. Bhulabhai J. Desai** : The terms of the question are these : " Has the Governor General in Council considered the situation in the various provinces, and if so,..... ". The question asked is a question of fact and it cannot be answered by way of evasion by saying that in law there is some other situation. It must be answered as a question of fact. I want to ask, I repeat the question, whether, in fact, the Governor General in Council did consider the situation.

**Mr. Sri Prakasa** : Did or did not ? Answer. (Laughter.)

**The Honourable Sir Nripendra Sircar** : Will you kindly repeat the question ?

**Mr. Bhulabhai J. Desai** : I will repeat my question. The question is one of fact and no opinion of law is asked whether it was in their purview or not. Therefore, my question is, whether, in fact, the Governor General in Council considered the situation referred to in part (b) of the question.

**The Honourable Sir Nripendra Sircar** : The answer has got to be split up into two parts. As regards whether the Governor General in Council considered the situation in the various provinces, the answer is Yes. As regards the other part, " If so, did they make any suggestions to the persons concerned for the easing of the situation in such provinces..... ", I refuse to answer on the ground of public interest.

**Mr. Sri Prakasa** : Public interest apart, will not the Honourable Member consider the desirability of answering the question on the ground of private interest ? Is it not in the interests of Government to tell the world what herculean labours have been undertaken to clear the augean stables of local potentates to put this upright ?

**Mr. President** (The Honourable Sir Abdur Rahim) : Next question.

VIEWS OF MEMBERS OF LEGISLATURES ON BILLS CIRCULATED FOR ELICITING PUBLIC OPINION.

6. ***Mr. Sri Prakasa** : Will the Honourable the Leader of the House state :

(a) if there is a rule that individuals or institutions desiring to send their views on Bills circulated for public opinion must do so through Provincial Governments, except the European Associations who can deal direct with the Legislative Assembly Department ;

(b) if there is a rule that the Legislative Assembly Department is not to send the Bills directly to individuals and institutions but must do so through Provincial Governments ; if so, why if at all, is an exception made in the case of European Associations in the matter ;

(c) if it is not a fact that the Honourable the President on one occasion said in the House that if Honourable Members would ask the Legislative Assembly Department to send Bills to any particular institutions, the Department will attend to the request ;

(d) if there is any rule that Bills are not to be circulated to Members of the Indian Legislative Assembly and the Council of State ;

(e) whether it is a fact that the statement of my views on the Indian Oaths Amendment Bill was sent back by the Legislative Assembly Department and I was asked to send them through the Provincial Government ; if so, under what rule was this done ;

(f) whether Government propose to consider the desirability of obtaining the views of the Members of the Legislature when they circulate Bills for public opinion ; and

(g) whether it is not a fact that when Bills are circulated through Provincial Governments only a few Members of the legislature are asked for their opinion ?

**The Honourable Sir Nripendra Sircar** : (a) and (b). There is no rule to this effect but it is an established practice that opinions on Bills are not obtained direct from any individual or institution on the ground that unless the opinions are received through the Provincial Governments it is not possible to know the weight of the opinion behind the views expressed. The European Association and the Anglo-Indian and Domiciled European Association are consulted direct on Bills circulated for opinion as these are all-India organisations and their branches are scattered over the whole of India, and they applied for permission to

send opinions direct in 1927. Such permission was granted but they were warned that the matter will be reconsidered if other associations similarly applied. That understanding holds good and the matter will be reconsidered if necessary.

(c) No, what the Honourable the President said was that "the Honourable Member can make that suggestion to the Legislative Assembly Department".

(d) No.

(e) Yes. This was done in accordance with the long established practice.

(f) The Honourable Member is referred to the answer I gave to his starred question No. 254 (a) on the 26th January, 1937. The Members of the Indian Legislature under whose direction a Bill is circulated for opinion are entitled to express their views in the Legislature whenever a Bill is taken up for discussion as well as in the Select Committee.

(g) The Legislative Assembly Department has no such information and no complaint of this nature has been made before. I may add that the Legislative Assembly Department requested the Local Governments on the 21st December, 1936, to place a certain number of copies of such Bills in the Library of their Legislatures, and they are acting upon this request.

**Mr. Sri Prakasa** : With reference to the answer of the Honourable Member to part (a) of the question, may I ask if it is not a fact that opinions on his pet Insurance Bill have been received from individuals and associations direct, and for this purpose I may refer him to Opinions Nos. 65 to 71 ?

**The Honourable Sir Nripendra Sircar** : What is No. 65 ?

**Mr. Sri Prakasa** : I do not know, but I may inform the Honourable Member that there is one individual. One gentleman called Mr. Jagdish Prasad—he may be a famous man, I do not know him—his opinion was received direct and there were also various associations whose opinions were received direct.

**Mr. President** (The Honourable Sir Abdur Rahim) : By whom ?

**Mr. Sri Prakasa** : By the Legislative Department.

**Mr. President** (The Honourable Sir Abdur Rahim) : By the Legislative Department or by the Legislative Assembly Department ?

**Mr. Sri Prakasa** : I am not learned in the law ; I do not differentiate between these two departments. My submission is this. Usually we receive opinions which are supposed to come through the Provincial Governments, but this time we have received enormous volumes which may just as well have never been printed, which came directly to this office and were circulated to us. Why were these exceptions made ?

**The Honourable Sir Nripendra Sircar** : My Honourable friend does not expect me to remember what is Opinion No. 65 and what is Opinion No. 71. I do not carry that in my head, but I do protest that in the guise of framing these questions he should make a number of observations which were no part of the questions, such as, that these should not

have been printed, this should not have been done, that should have been done, and so on. They were no part of the questions and I protest.

**Mr. Sami Vencatachelam Chetty** : Arising out of the answer to part (a) of the question, may I know whether the Federation of Chambers of Commerce have got the right to send their opinions directly ?

**Mr. President** (The Honourable Sir Abdur Rahim) : It is really not possible for the Honourable Member to say offhand. He has said as regards the European Association that the matter will be reconsidered if necessary.

**Mr. Sri Prakasa**: I am very sorry that I have annoyed the Honourable Member. With reference to his reply to part (f), is he not aware that it is not always possible for all Members of the Legislature to be able to speak on any particular Bill that is before the House, and in that view, will he not consider the desirability of sending the Bills for opinion to individual Members ?

**Mr. President** (The Honourable Sir Abdur Rahim) : That is a matter of argument. Next question.

**Mr. Sri Prakasa** : With due respect, I should have thought that the impossibility of every Member to speak was a fact and not an argument.

**Mr. President** (The Honourable Sir Abdur Rahim) : Next question.

**Mr. Sri Prakasa** : With due respect, may I say that it is a long question and you may please permit a few more supplementaries.

**Mr. President** (The Honourable Sir Abdur Rahim) : I have considered that question very carefully. I have called on the next question

DEBARRING INDIA FROM EXPORTING SUGAR EXCEPT TO BURMA.

7. *Mr. T. S. Avinashilingam Chettiar : Will the Honourable the Commerce Member state :

(a) whether it is true that in the recent International Sugar Conference, the Government of India have agreed to a provision debarring India from exporting sugar except to Burma ;

(b) whether the convention was signed subject to the ratification of the Central Legislature ; and

(c) if so, whether Government propose to place the convention before the House in this Session ?

**The Honourable Sir Saiyid Sultan Ahmad** : As there are various matters involved in this question, Government have decided to allot a day for the consideration of these matters. It is rather unsatisfactory to deal with the very big problems involved here in the course of a reply to short questions. The answers cannot be as full as one would like them to be. I would suggest therefore that the Honourable Member might withdraw this question in view of the fact that Government are allotting a day for a full discussion on this subject.

**Mr. T. S. Avinashilingam Chettiar** : May I know the answer to part (b) ?

**The Honourable Sir Saiyid Sultan Ahmad** : The answer is ' No '.

**Mr. S. Satyamurti** : May I know if the Honourable Member will kindly inform us whether Government will stay their hands in respect of implementing this agreement, until the House has had an opportunity of discussing and deciding this matter on the day on which Government will place it before this House ?

**The Honourable Sir Saiyid Sultan Ahmad** : The question is the responsibility of the Government of India. The ratification has to be done by the Government of India and as this is a very important matter, Government would like that there should be a full discussion in the House. More than that I cannot say.

**Mr. M. Ananthasayanam Ayyangar** : Is the discussion in this House to take place before or after the ratification is made ?

**The Honourable Sir Saiyid Sultan Ahmad** : Before.

LEASING OUT OF PLOTS OF LAND TO STONE MERCHANTS FOR STAKING PURPOSES OUTSIDE DHAURA STATION ON THE GREAT INDIAN PENINSULA RAILWAY.

8. ***Mr. Sri Prakasa** : Will the Honourable Member for Commerce and Railways state :

(a) whether it is a fact that plots of land measuring 50 ft. × 50 ft. were leased out by the Great Indian Peninsula Railway outside the station of Dhaura near Jhansi in the United Provinces to stone merchants for stacking purposes at the rate of Re. 1 per annum and that the same was suddenly increased to Rs. 10 per annum in August 1936 ;

(b) what the exact circumstances were in which this sudden enhancement was made and what, if any, has been the additional profit to the Railway because of this ;

(c) whether it is a fact that the local stone merchants of Dhaura appealed to the Agent against this order telling him of their difficulties and the profit that they have been able to give to the Railway on account of their efforts to procure custom ;

(d) whether it is a fact that the Agent dismissed the application in February 1937, saying that he did not regard the charge as excessive and that Rs. 10 was the standard rate on plots of 50 ft. × 50 ft. and that it was not possible to quote different rates for equal plots of lands at different stations ;

(e) if so, whether Government agree with the principle laid down by the Agent of fixing a standard rate at all stations regardless of local conditions ; and

(f) whether Government are prepared to ask the railway administration to re-consider their decisions in this behalf ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a)—(f). The matter is one which is entirely within the province of the Railway Administration.

If the facts are as stated Government are of the opinion that the rate of Rs. 10 is a reasonable one for a plot of the area mentioned.

**Mr. Sri Prakasa** : Am I to understand from the reply of the Honourable Member that all those things that are within the province of the railway administration and in regard to which the railway is not administering properly we should not ask any questions here ?

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has not said anything of the kind.

**Mr. Sri Prakasa** : The Honourable Member said that this was within the province of the railway administration. Does not that imply that the question here is futile ?

**Mr. President** (The Honourable Sir Abdur Rahim) : That was not the intention of the Honourable Member.

**Mr. M. Ananthasayanam Ayyangar** : I would invite your attention to Rule 35 on page 15 of the Manual of Business which says : A question addressed to a Member of the Government must relate to the public affairs with which he is officially connected or to a matter of administration for which he is responsible.

I am asking your ruling whether.....

**Mr. President** (The Honourable Sir Abdur Rahim) : No ruling is necessary. I am dealing with these questions every day.

**Mr. Sri Prakasa** : Is not the Honourable Member aware that the prices of land are different in different places in accordance with local conditions and is it not unwise to fix a flat rate for all places as that may interfere with the earning of the railway itself.

**The Honourable Sir Saiyid Sultan Ahmad** : I have already answered that question. I said " If the facts are as stated, Government are of the opinion that the rate of Rs. 10 is a reasonable one for a plot of the area mentioned ".

**Mr. Sri Prakasa** : There are various areas. The Agent's letter to the persons concerned is that they have fixed a flat rate and that they do not want to change it. I can supply a copy of it to the Honourable Member if he so desires. Does not the Honourable Member think that it is a dangerous principle to lay down, namely, that there should be a flat rate for all stations, as the prices of land at various stations are obviously different.

**The Honourable Sir Saiyid Sultan Ahmad** : I have answered the question.

**Mr. Lalchand Navalrai** : May I know from the Honourable Member if he will be prepared to send a copy of the question and answer to the authorities concerned, so that they may reconsider the matter.

**The Honourable Sir Saiyid Sultan Ahmad** : I shall consider that and I may draw their attention to it.

FREIGHT ON TEA CHARGED BY THE ASSAM BENGAL RAILWAY BETWEEN CERTAIN STATIONS.

9. ***Maulvi Abdur Rasheed Chaudhury** : Will the Honourable Member in charge of Railways please state :

(a) the distance between Kulaura and Fenchuganj railway stations on the Assam Bengal Railway and the freight charged per

maund of tea by the Assam Bengal Railway for this distance and what is the freight of tea for this distance in the Eastern Bengal Railway and East Indian Railway or even in the Assam Bengal Railway in other places ;

(b) the distance between Baramchal and Fenchuganj railway stations on the Assam Bengal Railway and the freight charged per maund of tea by that Railway and how does this freight compare with that for similar distances on the Eastern Bengal Railway and the East Indian Railway and the Assam Bengal Railway in other places ;

(c) the reason for the high freight charged by the Assam Bengal Railway between Kulaura and Fenchuganj and between Baramchal and Fenchuganj ;

(d) whether it is a fact that to avoid payment of high freight many gardens send their tea by boat or cart to Fenchuganj ; and

(e) whether the Assam Bengal Railway intend to reduce the freight so that tea may not be sent by boat or cart to Fenchuganj instead of sending it by Railway, and if not, why not ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) Kulaura to Fenchuganj station : mileage—16 miles.

Freight per maund of tea—As. 2-8.

The freight for a similar distance would be

(i) on Eastern Bengal Railway—As. 2-6.

(ii) on East Indian Railway—As. 1-9.

(b) Baramchal to Fenchuganj station : mileage—9 miles.

Freight per maund of tea—As. 1-11.

The freight for a similar distance would be

(i) on Eastern Bengal Railway—As. 1-9.

(ii) on East Indian Railway—As. 1-5.

(c) The freight charges shown above are the ordinary tariff rates over the Railways in questions. The reason for the disparity between the Assam Bengal and Eastern Bengal Railways and the freight over the East Indian Railway is that the classification of tea on the first two named Railways is higher (9th class) than on the East Indian Railway where it is 4th class.

(d) Government have no information, but, in view of the short distances involved, consider it not unlikely that tea is sent by gardens in the locality by road to Fenchuganj and thence by river steamer.

(e) Government have no information, but consider it unlikely that the Assam Bengal Railway intend to reduce the freight in order to encourage despatches by river steamer *via* Fenchuganj.

**Maulvi Abdur Rasheed Chaudhury** : Is it not a fact that the freight by steamer is lower than that by train and in order to prevent gardens sending out tea by steamer, the high freight is charged in train.

**The Honourable Sir Saiyid Sultan Ahmad** : I have no such information.

**Maulvi Abdur Rasheed Chaudhury** : Am I correct if I say that on account of the rivalry between the Assam Bengal Railway and the Eastern Bengal Railway, the tea industry is penalised by this high freight.

**The Honourable Sir Saiyid Sultan Ahmad** : I have no such information but I may inform the House that the higher classification on the Assam Bengal Railway and the Eastern Bengal Railway is on account of the importance of this commodity to these railways. In actual practice, lower rates are quoted by the Assam Bengal Railway for despatches to Chittagong by the all rail route but the full rate is maintained for despatches by the rail *cum* river route.

**Maulvi Abdur Rasheed Chaudhury** : Is it not a fact that as many as five gardens are sending their tea by cart and boat instead of sending it by train ?

**The Honourable Sir Saiyid Sultan Ahmad** : Government have no information.

**Maulvi Abdur Rasheed Chaudhury** : Will the Honourable Member inform the House what loss the railway authorities are incurring on account of this high freight ?

**The Honourable Sir Saiyid Sultan Ahmad** : I would like to have notice of that question.

INAUGURATION OF THE FEDERATION.

10. *__Mr. Badri Dutt Pande__ : Will the Honourable the Leader of the House state :

(a) how the scheme of the Federal Legislature has progressed ;

(b) whether he is in a position to state when fresh elections to the Federal Legislature are going to be held ; and

(c) whether the press reports that most of the Princes are not willing to enter into the Federation have any basis ?

**The Honourable Sir Nripendra Nath Sircar** : I regret I am not in a position to furnish any information on the points raised by the Honourable Member in his question.

**Mr. Badri Dutt Pande** : May I inquire the reason why ?

**The Honourable Sir Nripendra Sircar** : The reason is this. Part (a) of the question wants to know how the scheme of the Federal Legislature has progressed. Honourable Members are aware that negotiations are going on with the Princes with a view to Federation. How am I to answer the question as to how far the scheme of the Federal Legislature has progressed. The only statement of fact that I can make is that negotiations are going on with the Princes with a view to inaugurate Federation. That is all I can say.

**Mr. M. A. Jinnah** : What are the chances ?

**Mr. Badri Dutt Pande** : Is it a fact that the Princes are not willing to enter the Federation but they are being coerced by the Political Department of the Government of India ?

**Mr. M. Asaf Ali** : Is it not a fact that the preparation of the electoral rolls has been already ordered and is being carried out ?

**The Honourable Sir Nripendra Sircar** : There is another question about it.

**Mr. Lalchand Navalrai** : May I know from the progress so far made whether there is a probability of their agreeing ?

(No answer.)

INAUGURATION OF THE FEDERATION AND EXTENSION OF THE LIFE OF THE INDIAN LEGISLATIVE ASSEMBLY.

11. ***Mr. S. Satyamurti** : Will the Honourable the Leader of the House be pleased to state :

(a) whether any Indian Prince or Princes have agreed to join the proposed Indian Federation ; and if so, who and how many ;

(b) whether the Federation is proposed to be inaugurated on the 1st April 1938 ;

(c) whether any Instrument or Instruments of Accession have been prepared ;

(d) what are the main outstanding points of dispute for discussion between the Government of India and the Princes regarding the proposed Indian Federation ; and

(e) whether any decision has been arrived at with regard to the life of the Indian Legislative Assembly, and if so, what ?

**The Honourable Sir Nripendra Sircar** : (a) to (d). Government are not in a position at this stage to furnish any information to the Honourable Member on the points raised.

12 NOON.

(e) His Excellency the Governor General has announced his decision to extend the life of the Assembly for a period the duration of which he has reserved for subsequent determination.

**Mr. S. Satyamurti** : May I ask my Honourable friend, in despair and not in hope, with regard to the answer to clauses (a) to (d) of the question, what the inability of the Government to answer this question is due to,—either to want of information, or to unwillingness to answer this question ?

**The Honourable Sir Nripendra Sircar** : I should say impossibility. If I may explain ; the fact is that when negotiations are going on, it is not possible to say that they have agreed or that they have disagreed.

**Mr. S. Satyamurti** : May I take it that, in the case of every Prince in India, the negotiations are still in a nebulous state and that no single Prince has definitely agreed to join the Federation ?

**The Honourable Sir Nripendra Sircar** : There are seven hundred Princes, and I cannot speak with certainty and say whether negotiations

are going on with every one of them ; as the stage of negotiations is not finished, I can only repeat what I have said.

**Mr. S. Satyamurti** : May I take it that negotiations even with a single Prince are not yet finished ?

**The Honourable Sir Nripendra Sircar** : I think my answer is clear.

**Mr. S. Satyamurti** : With regard to clause (d) of the question, what is the present calculation of the Government of India, as regards the probable date of the inauguration of the Federation ?

**The Honourable Sir Nripendra Sircar** : I hope my friend will not think I am evading the question, but that is really a matter for an astrologer. (Laughter.)

**Mr. S. Satyamurti** : I want the astrologer to answer, not the representative of the Government. With regard to part (c) of the question, may I know whether the attention of the Government has been drawn to a report in the newspapers recently, that the Secretary of State for India has sent out to the Government of India a draft instrument of accession with his suggestions, and whether Government have now received that ?

**The Honourabe Sir Nripendra Sircar** : My impressions are not very definite but I think that the answer ought to be yes.

**Mr. S. Satyamurti** : May I ask whether the Government are sending out the amended draft instrument of instructions for the Princes' consideration ?

**The Honourable Sir Nripendra Sircar** : I want notice.

**Mr. S. Satyamurti** : With reference to clause (d) of the question, may I know whether any of these outstanding points of discussion between the Government of India and the Princes involve questions of finance concerning federal India, and whether the Honourable the Finance Member or the Finance Department have been and are being consulted, as to the effect of these outstanding points on the finances of federal India ?

**The Honourable Sir Nripendra Sircar** : When negotiations are going on, in the public interest I refuse to disclose any of these negotiations.

**Mr. S. Satyamurti** : With reference to clause (e), apart from the communiqué recently issued, may I ask whether Government have recently considered the question, and come to any decision as regards the life of the Assembly, or whether my Honourable friend can give us any indication roughly of the probable life ?

**The Honourable Sir Nripendra Sircar** : There is no question of the Governor General in Council ; the matter is for the decision of the Governor General and I have answered that he has not come to any decision yet and it is kept for future determination.

**Mr. S. Satyamurti** : Will Government consider the desirability of announcing the decision as soon as possible, so that we may get ready for the elections ?

**The Honourable Sir Nripendra Sircar** : Government cannot undertake to do what is the statutory duty of the Governor General.

**Qazi Muhammad Ahmad Kazmi** : May I ask as to what is the maximum and minimum period which His Excellency the Governor General is considering for the extension of the life of the Assembly ?

**The Honourable Sir Nripendra Sircar** : I have no information to give.

**Qazi Muhammad Ahmad Kazmi** : May I ask whether the question is of more than a year or less than a year ?

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has already answered that.

**Mr. Mohan Lal Saksena** : May I ask if the Governor General in Council was consulted by the Governor General in this matter ?

**The Honourable Sir Nripendra Sircar** : I submit I am not compelled to disclose that : in the public interest I refuse to disclose confidential communications if any exist.

†12*.

**Mr. S. Satyamurti** : I do not put (a) or (c) of question No. 13, but I put only part (b) of the question.

DISCUSSION IN THE INDIAN LEGISLATIVE ASSEMBLY OF PROPOSALS MADE BY THE WEDGWOOD COMMITTEE.

13. ***Mr. S. Satyamurti** : Will the Honourable the Railway Member be pleased to state :

(a) * * * * * *

(b) whether Government will stay their hands in respect of passing orders on these proposals, till the Assembly has expressed its opinion thereon ; and

(c) * * * * * *

**The Honourable Sir Saiyid Sultan Ahmad** : (b) The Report contains many recommendations on matters of varying degrees of importance. On certain of these relating to technical aspects of railway administration, the Railway Board are already taking some action, but major issues of policy are still under the consideration of the Government of India. The proximity of the discussion alluded to in the reply to clause (a) of this question will enable Government to take the opinion of the Assembly into consideration in arriving at their decisions thereon.

**Mr. Mohan Lal Saksena** : May I know if the report will be supplied to Members of the House ?

**The Honourable Sir Saiyid Sultan Ahmad** : I do not know the practice, as to whether such reports are supplied ; if that is the practice, they will be supplied.

**Mr. Mohan Lal Saksena** : If it is not supplied to Honourable Members, how are they to discuss the report ?

**The Honourable Sir Saiyid Sultan Ahmad** : I shall try and comply with the request.

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†This question was not put by the questioner.

REFORMS OFFICE.

**14. *Mr. S. Satyamurti** : Will the Honourable the Leader of the House be pleased to state :

(a) the present personnel of the Reforms Office and the total monthly bill for the Officers and the Establishments ;

(b) how long the Reforms Office has been working ; and

(c) how much longer it is proposed to continue it ?

**The Honourable Sir Nripendra Sircar** : (a) I lay a statement on the table. The total monthly bill for the officers and the establishments is Rs. 15,450 and Rs. 5,513, respectively.

(b) The Reforms Office has been in existence, as a separate Department of the Government of India, since the 15th May, 1930.

(c) It is impossible to say at present for how long a separate Reforms Office will be necessary. The whole office is on a temporary basis and will not be continued longer than is absolutely necessary.

*Statement.*

PERSONNEL OF THE REFORMS OFFICE.

One Reforms Commissioner.
One Joint Secretary.
Two Officers on Special Duty.
One Assistant Secretary.
Three Superintendents (one of whom is the Chief Superintendent).
Twelve Assistants.
Ten clerks.
Three Stenographers.
Twenty-nine inferior servants.

**Mr. S. Satyamurti** : May I know that every year the need for continuance of the office is being examined, and a fresh decision is being arrived at by the Government ?

**The Honourable Sir Nripendra Sircar** : Certainly.

**Mr. S. Satyamurti** : May I know, now that the Government of India Act has been passed, and negotiations with the Princes for joining the Federation are going on, what are the main functions of this Reforms Office ?

**The Honourable Sir Nripendra Sircar** : My recollection is that I answered this question at great length on a previous occasion, but if I am wrong, I shall be glad to do that if notice is given to me.

**Mr. S. Satyamurti** : I am asking this question as most of the reforms are already in actual working ; I should like to ask whether there are any new functions which are being attached to this Department.

**The Honourable Sir Nripendra Sircar** : Obviously their functions cannot possibly come to an end until we get the Federation, and apart from Federation there are other duties.

**Mr. S. Satyamurti** : May I know if one of the functions of this Reforms Office is to act as advisers to the Governor General in matters coming within the discretion, or his individual judgment ?

**The Honourable Sir Nripendra Sircar** : I am not compelled to reply to that question.

NEGOTIATIONS FOR THE REPLACEMENT OF THE OTTAWA TRADE AGREEMENT.

**15. *Mr. S. Satyamurti** : Will the Honourable the Commerce Member be pleased to state :

(a) at what stage the negotiations between Great Britain and India for the replacement of Ottawa stand ;

(b) whether the Government of India propose to abide by the recommendations of the Non-Official Advisers ;

(c) whether the Government of India propose to retain freedom for concluding bilateral agreements with countries, other than Great Britain ;

(d) whether the whole question of a trade agreement between England and India will be considered on merits, apart from any Imperial Preference or the political relationship between the two countries ; and

(e) whether the proposals of the Government of India will be placed before the Assembly for an expression of its opinion before any commitments are undertaken by the Government of India ; and if so, when ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) The negotiations are still in progress. Discussions with His Majesty's Government's representatives which were interrupted by the Summer holidays in England, will be resumed in September.

(b) Their recommendations will naturally be given the fullest consideration.

(c) Yes, Sir.

(d) Yes, Sir.

(e) The Honourable Member's attention is invited to the reply given to part (f) of Seth Govind Das's starred question No. 701 on the 29th September, 1936.

**Mr. S. Satyamurti** : With reference to the answer to clause (b) of the question, may I know why the Government—apart from their giving their best consideration to the recommendations of their non-official advisers—cannot agree to abide by their recommendations ?

**The Honourable Sir Saiyid Sultan Ahmad** : Because they are simply advisers.

**Mr. S. Satyamurti** : May I know, in view of the certificate which the Honourable Member already paid by way of compliment to their excellent advisers, men on whose ability and knowledge they can rely, why, apart from the legal implications, as a matter of fact the Government now

refuse to say that they will abide by the recommendations of this non-official body ?

**The Honourable Sir Saiyid Sultan Ahmad** : Because we will wait and see what the advice is.

**Mr. S. Satyamurti** : In reply to part (e) of the question, may I take it that the position is as was outlined previously, that before any final commitments are undertaken, the matter will be placed before the House, and their decision accepted by the Government ?

**The Honourable Sir Saiyid Sultan Ahmad** : I have already referred the Honourable Member to the reply given to part (f) of Seth Govind Das's starred question.

**Mr. S. Satyamurti** : I think my recollection is fairly all right, but I merely want to know whether the reply given was that Government will place their recommendations before this House and will abide by their verdict.

**The Honourable Sir Saiyid Sultan Ahmad** : The Honourable Member might refer to that.

**Mr. S. Satyamurti** : But the Honourable Member can enlighten the House on the point.

**The Honourable Sir Saiyid Sultan Ahmad** : I do not think it is part of my duty to read out the whole answer that was then given. I have, however, got it here with me and I will read out a portion of it. " The Government of India are under no constitutional obligation to place before the House every discussion on the terms of the trade agreement before it is concluded."

**Mr. T. S. Avinashilingam Chettiar** : May I know whether it will be placed before the House before it is ratified ?

**The Honourable Sir Saiyid Sultan Ahmad** : No.

**Mr. S. Satyamurti** : Apart from the constitutional position, may I know with regard to these pending negotiations what, in fact, the Government of India intend to do in this matter ? After the negotiations are over and when the Government have come to some tentative conclusion, may I know what they intend to do then ?

**The Honourable Sir Saiyid Sultan Ahmad** : It depends entirely on whether there is an agreement or not. We will wait and see. We cannot come to any conclusion at present. The Government of India are not in a position to come to any decision about it. The negotiations are going on and we must see whether there is an agreement or not. Then and then alone can we come to some decision.

**Mr. Bhulabhai J. Desai** : May I respectfully again divide this question into two parts as I did before. The question is this, whether the proposals of the Government of India, which will only fructify, I take it, after the negotiations have been completed, will be placed before the Assembly for an expression of its opinion before any commitments are undertaken by the Government of India ? May I respectfully ask whether this question of fact can be answered because the question is not that we want to know now at what stage it is, but the hypothesis

of the question is that as and when, after taking the advice, this proposal has been accepted, would they place it before this House for opinion before the Government of India commit themselves to it as an agreement ?

**The Honourable Sir Saiyid Sultan Ahmad** : I have answered the question by saying that it is the responsibility of the Government of India and they will come to certain conclusion. It may be before or after and they do not like to commit themselves at all at present. It is their responsibility and they will discharge that responsibility when the agreement is arrived at or even when there is no agreement.

**Mr. Bhulabhai J. Desai** : I am not denying that it is their responsibility in the sense that they can act as they like. That I appreciate, but the point that I am asking is whether in the same manner in which the question of the decision or denunciation of the Ottawa Agreement was referred to in a statement by the Government of India that they would abide by the opinion of the House, I ask a similar question of fact with reference to part (e), that the whole of the denunciation would not have the value that the House attaches to it ?

**The Honourable Sir Saiyid Sultan Ahmad** : I am not prepared to answer that question at present, but as far as I can see the Government of India take full responsibility for a decision of this question and they will undertake the responsibility.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is whether the Government of India are going to consult the House before any decision is arrived at.

**The Honourable Sir Saiyid Sultan Ahmad** : We have answered that question. We say that the Government of India have got full liberty to come to a decision in their own judgment and they might do it.

**Mr. President** (The Honourable Sir Abdur Rahim) : But will they consult the House before the decision is arrived at ?

**The Honourable Sir Saiyid Sultan Ahmad** : Not necessarily, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim) : If the Honourable Member is not in a position to answer that question off-hand, he can consider the matter.

**Mr. T. S. Avinashilingam Chettiar** : May I know what purpose will be served if the agreement is placed before the House after it has been concluded ?

**Mr. President** (The Honourable Sir Abdur Rahim) : That is an argument.

**Mr. S. Satyamurti** : Till these negotiations come to a fruition, may I know if the Government of India have examined the effect on our international trade by the continuance of this Ottawa arrangement ? Have they come to any conclusion as to whether these arrangements are beneficial to us or adverse to us ?

**The Honourable Sir Saiyid Sultan Ahmad** : I should like to have notice of the question. You may put down the question and we will consider it.

REFUSAL TO ALLOW THE SEVA SAMITI TO SUPPLY WATER TO PASSENGERS AT THE HISSAR RAILWAY STATION.

16. *Mr. Sham Lal : Will the Honourable Member for Commerce and Railways be pleased to state :

(a) whether it is a fact that the Seva Samiti of Hissar has been supplying water to the passengers at Hissar Railway station for the last 20 years ;

(b) whether it is a fact that Railway Officials have always expressed their appreciation of the work of the Seva Samiti ;

(c) whether the members of the Seva Samiti have always conformed to the instructions issued by the Railway staff and even badges have been provided to the members of the Seva Samiti in order to distinguish them from passengers ;

(d) whether Hissar is one of the hottest places in the Punjab and that it is the junction of three Railways ;

(e) whether it is a fact that the Railway has kept only one waterman to serve all the trains, and whether Government are aware that it is difficult for him to serve all the passengers ;

(f) whether Government are aware that recently the District Traffic Superintendent has by his letter, dated the 10th April, 1937 refused to accord permission to the Seva Samiti to supply drinking water to the passengers ;

(g) whether it is a fact tnat on the representation being made by Seva Samiti, the District Traffic Superintendent has refused to reconsider his decision ?

**The Honourable Sir Saiyid Sultan Ahmad** : With your permission, Sir, I propose to reply to this and questions Nos. 17 and 18 together.

Government have no information. I am, however, having enquiries made, and will lay a reply on the table in due course.

**Mr. Sri Prakasa** : Will Government take steps to make arrangements for the supply of all these necessities of passengers so that private persons may not have to waste their time in supplying what the Railway should itself do ?

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has answered that he has no information on the point to which the question refers.

**Mr. Sri Prakasa** : I am not contesting his want of information. What I say is this : Will Government take steps to ask the railway administrations themselves to supply all the needs of the passengers ?

**Mr. President** (The Honourable Sir Abdur Rahim) : There are certain questions asked on the subject and the Honourable Member is called upon to answer those questions. He is unable at present to give the information that is sought and therefore no Honourable Member is entitled to put any supplementary questions.

**Prof. N. G. Ranga** : Will the Honourable Member try to obtain this information ?

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has said that he is not in a position to supply the information.

REFUSAL TO ALLOW THE SEVA SAMITI TO SUPPLY WATER TO PASSENGERS AT THE HISSAR RAILWAY STATION.

†17. ***Mr. Sham Lal** : Is the Honourable Member for Commerce and Railways aware :

(a) whether it is a fact that the Seva Samiti have done nothing to incur the displeasure of the authority and had always carried out instructions issued by the Railway authorities and have been rendering this service purely out of charitable considerations and incurring heavy expenses ; and

(b) that this order of the District Traffic Superintendent would involve great hardship to the passengers and has created great resentment among the public ?

REFUSAL TO ALLOW THE SEVA SAMITI TO SUPPTY WATER TO PASSENGERS AT THE HISSAR RAILWAY STATION.

†18. ***Mr. Sham Lal** : Will the Honourable Member for Commerce and Railways be pleased to state whether Government are prepared to consider the decision referred to in the preceding questions and allow the members of the Seva Samiti to supply drinking water to the passengers at Hissar Railway station ?

UNCOVERED PLATFORMS AT THE AMBALA CANTONMENT RAILWAY STATION.

19. ***Mr. Sham Lal** : Will the Honourable Member for Commerce and Railways be pleased to state :

(a) whether it is a fact that platform Nos. 4 and 5 at the Ambala Cantonment railway station are not covered ;

(b) whether Government are aware that in rainy season and in the hot weather the passengers are put to great inconvenience and their luggage is spoiled ; and

(c) whether the Railway Administration is prepared to get these platforms covered as soon as possible ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) and (b). Government have no precise information, but are prepared to accept that the position is as stated.

(c) Government are not aware of the intentions of the Administration with regard to providing cover over these platforms. This requirement is one which Government consider could suitably be brought to the notice of the Agent through the Local Advisory Committee. But I shall also bring these questions to the notice of the administration.

†For answer to this question, *see* answer to starred question No. 16.

**Mr. Muhammad Azhar Ali** : Will the Honourable Member also take the trouble of informing the Agents of other railways to consider this question ?

**The Honourable Sir Saiyid Sultan Ahmad** : That does not arise from this question.

**Mr. Lalchand Navalrai** : Is it the policy of the Railway Board to supply all the platforms with these coverings where they are necessary ?

**The Honourable Sir Saiyid Sultan Ahmad** : That also does not arise from the question.

MISUSE OF FIRST CLASS PASSES ISSUED TO CERTAIN PRIVATE GENTLEMEN.

20. *Mr. **Sham Lal** : Will the Honourable Member for Commerce and Railways be pleased to state :

(a) if it is a fact that first class railway passes are sometimes being issued to private gentlemen connected with Railway Administration in one capacity or another for certain distances and periods ;

(b) if so, whether any cases of the misuse of these railway passes by other or these very gentlemen were detected during the last three financial years ; and

(c) if so, how many in each Railway respectively together with the nature of action taken in the matter ?

**The Honuorable Sir Saiyid Sultan Ahmad** : (a) The issue of complimentary passes is made at the discretion of the Agents of Railways.

(b) and (c). Government have no information regarding any case of misuse of a complimentary pass during the past three financial years.

**Mr. Sham Lal** : Will the Government make inquiry about the matter that certain persons were detected as having misused their passes ?

**The Honourable Sir Saiyid Sultan Ahmad** : The question is very vague. Unless the Honourable Member is prepared to give me some specific cases, I can do nothing, but if a single case is brought to my notice I can have inquiries made.

**Pandit Lakshmi Kanta Maitra** : May I know to what class of persons these complimentary passes are issued by the Railways ?

**The Honourable Sir Saiyid Sultan Ahmad** : That question does not arise from the question put ; at any rate, not from the answer that I have given.

**Mr. K. Santhanam** : May I know how much this discretion of the Agents is costing the railways every year ?

**The Honourable Sir Saiyid Sultan Ahmad** : This question does not arise.

**Mr. President** (The Honourable Sir Abdur Rahim) : It must be put as a separate question.

**Mr. Muhammad Azhar Ali** : Will the Honourable Member inform the House whether any complimentary passes are issued or not ?

**The Honourable Sir Saiyid Sultan Ahmad** : I have answered that question. I said that the issue of complimentary passes is made at the discretion of the Agents of Railways.

**Mr. Sri Prakasa** : What exactly is the position of the pass-holder ? Is it the same as that of a *bonâ fide* passenger ? If so, does he not often misuse it by thrusting other passengers out ?

**The Honourable Sir Saiyid Sultan Ahmad** : That is an argument.

**Mr. Sri Prakasa** : It is a case of misuse.

INDIANISATION OF HIGHER POSTS IN THE GOVERNMENT OF INDIA DEPARTMENTS.

21. ***Mr. Badri Dutt Pande** : (a) Is the Honourable the Leader of the House in a position to inform the House as to what is the present policy of the Central Government in the matter of Indianisation of the higher posts in all the Departments of the Government of India ?

(b) How many Indians (I.C.S. or non-I.C.S.) are there in the higher posts in all the Departments of the Government of India as compared with the number of Europeans ?

(c) What steps are being taken to take in more Indians in the Political, Defence, Commerce, Railway, Finance and Legislative Departments ?

(d) What is the proportion of I.C.S. officers, Indians *versus* Europeans assigned by the Lee Commission to each Department, and what is the proportion at present ?

(e) When will the ratio of 50 Indians *versus* 50 Europeans (I.C.S.) be completed ?

**The Honourable Sir Nripendra Sircar** : I am unable to reply to this question which should have been addressed to the Honourable the Home Member.

**Mr. T. S. Avinashilingam Chettiar** : In view of the fact that sometimes questions are not addressed to the proper department, will it be possible for the Assembly Office to assist Honourable Members by sending the questions to the proper departments concerned ?

**Mr. President** (The Honourable Sir Abdur Rahim) : The office cannot possibly undertake such duties ; it is not one of the duties laid upon the office by the Rules recently framed. Under the Rules, the Honourable Member who puts the question should address his question to the proper department of the Government. The office is helpless in the matter. Supposing the office does make the correction and it makes a mistake in so doing, what happens ? The office cannot undertake the duty which is laid upon the Honourable Member. If any Honourable Member informally seeks advice, that is another matter. But the office cannot undertake the duty of forwarding the question to the proper department of the Government.

**Mr. T. S. Avinashilingam Chettiar** : In that case may I make an appeal to the Government ? If a question is not addressed to the proper

department—this will happen only in a very few cases—will the department to whom the question is addressed kindly pass on the question to the appropriate department of the Government of India so that it may be answered on the due date.

**Mr. President** (The Honourable Sir Abdur Rahim) : Perhaps the Honourable the Leader of the House might consider this suggestion because it is in the cognisance of the Government. If a question is addressed to a wrong department, the Government might perhaps communicate it to the right department and pass on the question to them.

**The Honourable Sir Nripendra Sircar** : May I make a statement as to that. I took the precaution of warning Mr. Thorne that he may have to answer this question and my belief is that he is quite ready to answer this question.

**Mr. J. A. Thorne** : I am ready to answer this question.

(a), (b), (c) and (e). I would refer the Honourable Member to the Honourable Mr. Maxwell's speech in the other House on the 15th March last on the Resolution of the Honourable Pandit Hridaynath Kunzru on the same subject.

(d) I have not been able to find that the Lee Commission assigned definite proportions of Indians and Europeans to every department.

**Mr. S. Satyamurti** : May I know if Government are implementing the recommendations of what is called the Maxwell report, in respect of matters covered by clauses (a) to (c) of this question ?

**Mr. J. A. Thorne** : I have not come ready to answer that question.

**Mr. S. Satyamurti** : May I know, with regard to the present policy of the Central Government in the matter of Indianisation referred to in clause (a), whether Government are giving effect to any new recommendations or decisions of their own ?

**Mr. J. A. Thorne** : That again is a question which I was not expecting to answer. I must ask for notice.

**Mr. Bhulabhai J. Desai** : May I point out this, in reference to the vicarious answers occasionally given that it may save a great deal of the cost of printing these questions if the only answer which the Government are going to give is that a particular question is addressed to the wrong department. May I point out to the departments of the Government that whenever a question happens to be wrongly addressed, it might be transferred to the proper department so that the cost of printing a futile answer might be saved.

**Mr. President** (The Honourable Sir Abdur Rahim) : Is the Honourable the Leader of the House in a position to say anything in regard to that. It is quite possible that in some cases, it may not be practicable to any Honourable Member to know the department to which the question should be addressed, though in most cases, there ought to be no difficulty.

**Mr. Badri Dutt Pande** : When I sent this question, I specially sent a covering letter to the Honourable the Leader of the House to answer this question.

**Mr. President** (The Honourable Sir Abdur Rahim) : The suggestion is whether the Government is in a position to help Honourable Members

who may not have exact information as to the particular department to which the question relates.

**The Honourable Sir Nripendra Sircar** : Will you give me time till Wednesday morning to make a statement on this point ?

**Mr. President** (The Honourable Sir Abdur Rahim) : All right.

†22*.

RAILWAY ACCIDENT AT BIHTA ON THE EAST INDIAN RAILWAY.

23. ***Sir Muhammad Yakub** : (a) Will the Honourable Member for Commerce and Railways state the circumstances which led to the horrible railway disaster at Bihta in Bihar ?

(b) Is the Honourable the Railway Member aware of the statement issued by Mr. Syyad Jaafar Imam, Advocate-General, Bihar, to the effect that, while travelling by the Imperial Mail, which passed the scene of disaster at Bihta about two hours before the unfortunate Express, he, and also other passengers, felt a severe jerk and shaking on the spot ?

(c) Did the railway authorities verify the above statement, of a responsible officer, from the guard and the driver of the Imperial Mail and question them whether they conveyed this information to the Station Master of Dinapur ?

(d) Is the Honourable the Railway Member prepared to appoint a mixed Committee, including both the official and non-officials, to make an enquiry about the disaster and place their report before this House ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) The cause of the accident has not yet been determined and is still under investigation.

(b) Government are aware of the statement made by Mr. Jaffar Imam to the effect that he had felt a severe jerk between the Koilwar bridge and Bihta station, but are not aware that other passengers also felt the jerk described by Mr. Jaffar Imam. The Imperial Indian Mail passed the scene of the accident approximately 3 hours 53 minutes before the accident.

(c) Government are not aware that Mr. Jaffar Imam informed the railway authorities of the incident, and no other passenger reported any such incident to the guard and driver on the Imperial Indian Mail.

(d) An enquiry into the disaster has been made by the Senior Government Inspector of Railways, whose report is now under the consideration of Government. The statutory rules also provide for the holding of a magistrate's enquiry assisted by experts, if the magistrate considers this to be necessary. The question as to whether any other enquiry should be instituted will be decided when Government have come to a final conclusion on the Senior Government Inspector's report.

**Mr. Sri Prakasa** : With reference to part (b), is it not a fact that the Imperial Indian Mail goes over the Grand Chord *via* Gaya.

**The Honourable Sir Saiyid Sultan Ahmad** : No.

†This question has been postponed to be answered on the 31st August, 1937.

**Mr. President** (The Honourable Sir Abdur Rahim) : I would remind Honourable Members of Government that such questions which could not be answered verbally owing to want of time, the replies thereto have to be laid on the table.

## (b) Written Answers.

### Complaints against the Improper Attitude of the Jodhpur Railway Staff.

24. *Mr. **Husenbhai Abdullabhai Laljee** : Will the Honourable Member for Commerce and Railways please state :

(a) whether Government are aware of the fact that no proper treatment is being meted out to the passengers by the Jodhpur Railway staff now-a-days ;

(b) whether they have received such complaints against the improper attitude of the Jodhpur Railway staff ;

(c) if reply to part (b) be in the affirmative, what action the authorities concerned have taken against the staff ;

(d) whether any preference is given to European passengers on the Jodhpur Railway line in the matter of allotment of first or second class seats ,

(e) whether first class compartments are converted into second class when seats are not available at Marwar Junction for Europeans only and not Indians ;

(f) if reply to part (e) be in the affirmative, why such discrimination is shown between Indians and Europeans ; and

(g) whether they are prepared to issue a general circular to the Jodhpur Railway, to the effect that they should not ill-treat any passengers in future but on the contrary they should treat all alike and provide second and first class seats to passengers without any discrimination as to caste or creed, as it is done on all stations throughout India ?

**The Honourable Sir Saiyid Sultan Ahmad** : With your permission, Sir, I propose to reply to this and question No. 25 together.

Government have no information on any of the points mentioned. I am, however, bringing these two questions to the notice of the Manager of the Jodhpur Railway for suitable action.

### Racial Discrimination in the Supply of Meals to Intermediate and Third Class Passengers on the Jodhpur Railway.

†25. *Mr. **Husenbhai Abdullabhai Laljee** : Will the Honourable Member for Commerce and Railways please state :

(a) whether it is a fact that Indian passengers travelling on the Jodhpur Railway by intermediate and third class are not served meals in Dining Cars and if not why ;

†For answer to this question, *see* answer to starred question No. 24.

(b) whether it is a fact that European passengers are served with meals in intermediate and third class compartments ; and

(c) whether it is a fact that passengers travelling by intermediate and third class are not served in their compartments by restaurant service and if not why not ; and what the arrangement is for their food in view of the fact that trains with restaurant cars do not halt sufficiently at various stations ?

INAUGURATION OF THE FEDERATION.

26. *Mr. Lalchand Navalrai : Will the Honourable the Leader of the House be pleased to state :

(a) when the Federation of India at the centre will be established ;

(b) now that the Congress Ministries in several provinces of India have come into existence, whether Government propose to wait to see how they operate before the introduction of Federation ; if not, what is the reason for any more delay ; and

(c) which Indian States have up till now agreed to participate in the Federation of India ?

**The Honourable Sir Nripendra Sircar** : (a) It is not possible at present to make a forecast as to the date of inauguration of Federation.

(b) and (c). Government are not in a position at this stage to make any statement.

EMPLOYMENT OF "DUFFERIN" CADETS.

27. *Mr. Lalchand Navalrai : (a) Has the attention of the Honourable the Commerce Member been drawn to the report of the Indian Merchants Chamber, Bombay, regarding their first quarterly general meeting held on Friday, 30th April, 1937, in connection with the employment of Dufferin Cadets ?

(b) Is it a fact that the original scheme initiated under the guidance of Lord Irwin gave assurances to the public with regard to Cadets' training and employment as officers on ships ?

(c) Is it a fact that Government have made fundamental changes in the prospectus by giving the public to understand that the Cadets' school gives a public school education and no more ?

(d) If so, is it also a fact that when Dufferin Ship was started it was not intended as a public school but was really meant to be a school for the training of mercantile marine officials ?

(e) If so, what is the justification for the change introduced in the prospectus ; and do Government propose to carry out fully the original intention and object of working the Dufferin Ship ? If not, why not ?

(f) Is it a fact that the number of Cadets that seek admission has considerably fallen down ?

(g) How many Cadets were interviewed at the last interview and how many were selected by the Governing Body, and what is the number of Cadets now under training ?

(h) Is it a fact that the Governing Body of the Ship has repeatedly written to the Government of India on the subject of the employment of the Cadets ? If so, what steps have Government taken to comply with their views ?

(i) Is the Honourable Member for Commerce aware that the Governing Body intend to withdraw their co-operation and leave the Government of India to run this Ship departmentally ?

(j) Do Government propose to withdraw the changes they have made in the prospectus and give substantial and real help to Indians for naval and marine service ? If not, why not ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) No.

(b) It is presumed that the Honourable Member refers to the prospectus of the I. M. M. T. S. " Dufferin ". This gave an account of the curriculum and training and of the facilities for apprenticeship, and while giving no assurances indicated the Government of India's opinion that apprentices who had satisfactorily completed their preliminary training should be able to find employment on ships.

(c) There has been no change whatever in the nature or orientation of the training on the ship, and I welcome the opportunity, although I deplore the necessity, of again stating this categorically. In this connection, I may be allowed to quote the reply given by the Honourable Sir Zafrullah Khan to part (g) of question No. 511 asked by Mr. Mathuradas Vissanji :

" Government's attitude has consistently been to regard the object of this ship as to give the training to its cadets which will best fit them for actual service at sea, and any changes or modifications suggested in the curriculum or training have had, and will continue to have, this sole object in view."

There is no foundation whatever for any allegation that Government desire the training ship to become a mere public school and no more.

(d) If by the word " official " the Honourable Member means " officers ", the answer is in the affirmative.

(e) There has been no change in the objects of the ship or in the nature of the training. The changes in the prospectus were made because Government consider that the parents and guardians of cadets intending to apply for admission to " Dufferin " are entitled to the fullest possible information regarding the course of study and the prospects of employment.

(f) The number of applications for admission has fluctuated within rather wide limits, and has latterly shown a tendency to decrease. (The figures for 1931 and 1932 were 219 and 166 respectively : for 1935 and 1936 they were 180 and 124 respectively).

(g) In January last 50 were selected out of 57 interviewed. The total now under training is 143.

(h) The matter has been under correspondence with the Governing Body and Government have given constant attention to the problem of assisting *ex*-cadets to find employment at sea. The Honourable Member's attention is invited to the Press Communiqué of 23rd June last, a copy of which is in the Library.

(i) No. Government have always attached great value to the advice of the Governing Body, and would receive any suggestion of withdrawal of their co-operation with the very greatest regret.

(j) The changes in the prospectus have been made in the interests of the cadets and of their parents, who as already stated above, are entitled to know the true facts regarding their curriculum and prospects of employment. Government have always done their best to give real and substantial help to cadets who wish to obtain employment in the naval and marine services, and if the Honourable Member has any concrete suggestions to offer by which such help can be rendered more effective, I shall be very glad to give them my most careful consideration.

PROMOTION OF INDIANS TO STATION MASTER GRADE ON THE NORTH WESTERN RAILWAY.

28. *Mr. **Lalchand Navalrai** : (a) With reference to my starred question No. 1127 put on the 14th November, 1932, is the Honourable the Railway Member aware that the Director of the Establishment of the Railway Board supplied further information to me in reply to my letter dated the 27th February, 1933, addressed to the Financial Commissioner, stating that the racial discrimination had been removed and Indians were eligible to be promoted to Station Master grade IV to VIII and also that it was the intention of the North Western Railway administration to fill in the gap that previously existed beyond which the Station Masters' grade III could not advance, by increasing the number of posts of Station Masters in grade IV and thereby improving the chances of Station Masters' grade III securing promotions in future to Station Masters' grade V to VIII ?

(b) Will the Honourable the Railway Member be pleased to state if the gap mentioned above has since been filled up ? If so, how many posts have been increased in grade IV up to now ?

(c) Is it a fact that one of the original posts of grade IV was also decreased ? If so, why ?

(d) Do Government propose to fill up the gap adequately to give full effect to their intention ? If not, why not ?

**The Honourable Sir Saiyid Sultan Ahmad** : With your permission Sir, I will reply to questions Nos. 28 and 29 together. I am collecting information and will lay a reply on the table of the House in due course.

PROMOTION OF STATION MASTERS TO GRADE V ON THE NORTH WESTERN RAILWAY.

†29. *Mr. **Lalchand Navalrai** : (a) Will the Honourable the Railway Member be pleased to state how many posts on the North Western

†For answer to this question, *see* answer to starred question No. 28.

Railway there are in grade V of the Station Masters ? Is it a fact that all are held by Europeans, the old incumbents of the time previous to the removal of racial discrimination ?

(b) Will Government be pleased to state if any Indians have been raised from grade IV to V permanently or temporarily ?

(c) Do Government propose to raise the Indian Station Masters to grade V by increasing the number of Station Masters in grade V or in any other way ?

(d) Will the Honourable the Railway Member be pleased to state if there is any likelihood of vacancies occurring in grade V at a reasonably early time for being filled up by Indian incumbents of grade IV ?

(e) What steps do Government propose to generally help the Indians in grade IV to rise to grade V ?

NOMINATION OF OFFICIAL MEMBERS TO THE CENTRAL LEGISLATURE REPRESENTING PROVINCIAL GOVERNMENTS.

30. ***Sardar Mangal Singh** : (a) Will the Honourable the Law Member please state whether the Provincial Governments are consulted in the matter of the nomination of the official Members to the Central Legislature representing the Provincial Governments ?

(b) If the answer to (a) be in the affirmative will the Honourable the Law Member please state in how many cases the recommendations of the Provincial Governments have been ignored in this matter since 1st April, 1937 ?

(c) If the answer to (a) be in the negative, will the Honourable the Law Member please state whether in view of the establishment of provincial autonomy the Government of India will in future consult the Provincial Governments in this matter ? If not, why not ?

**The Honourable Sir Nripendra Sircar** : (a) Yes.

(b) None.

(c) Does not arise.

NOMINATION OF OFFICIAL MEMBERS TO THE CENTRAL LEGISLATURE REPRESENTING PROVINCIAL GOVERNMENTS.

31. ***Sardar Mangal Singh** : Will the Honourable the Law Member please state whether the official nominated Members of the Central Legislature representing the Provincial Governments will in future obey the Whip of the Provincial Governments or that of the Government of India ?

**The Honourable Sir Nripendra Sircar** : Consequentially on the commencement of Provincial Autonomy Provincial Governments were given a free option between

(1) continuing to make officials available for nomination on the basis that they would be subject in respect of speech and vote to the control of the Central Government, and

(2) ceasing to make officials available for nomination.

It follows that in cases in which the Provincial Government elects to make officials available for nomination they will obey the Central Government's Whip.

ARRANGEMENTS TO PUBLISH THE INDIAN LEGISLATIVE ASSEMBLY DEBATES IN HINDUSTANI.

32. *Sardar Mangal Singh : Will the Honourable the Leader of the House please state whether the Assembly Department is prepared to make arrangements to publish Assembly debates in Hindustani, in both Debanagari and Persian scripts ?

The Honourable Sir Nripendra Sircar : The Legislative Assembly Department do not propose to make arrangements to publish the Legislative Assembly Debates in Hindustani, in both Debanagari and Persian scripts.

INAUGURATION OF THE FEDERATION.

33. *Sardar Mangal Singh : (a) Will the Honourable the Leader of the House please state approximate time when the Indian Federation is likely to be established ?

(b) Will the Honourable the Leader of the House please state at what stage the negotiations with the Princes regarding their entry into Federation are at present and how many Indian States have so far indicated their willingness to join the Federation and on what terms ?

(c) Will the Honourable the Leader of the House please state whether this House would be consulted before final decision is taken in the matter ?

The Honourable Sir Nripendra Sircar : (a) The Honourable Member is referred to the reply given by me to part (a) of Mr. Lalchand Navalrai's question No. 26.

(b) and (c). I regret I am not in a position at present to make any statement.

EXTENSION OF THE LIFE OF THE INDIAN LEGISLATIVE ASSEMBLY.

34. *Sardar Mangal Singh : (a) Will the Honourable the Law Member please state the duration for which the life of the present Central Assembly will be extended ?

(b) Will the Honourable the Law Member please state whether it is a fact that the Government of India has issued instructions to the Provincial Governments for the preparation of the electoral rolls of the Central Assembly ?

The Honourable Sir Nripendra Sircar : (a) His Excellency the Governor General has announced his decision to extend the life of the Assembly for a period the duration of which he has reserved for subsequent determination. I am unable to anticipate His Excellency's decision in regard to the duration of the extension.

(b) Sub-rule (4) of rule 9 of the Legislative Assembly Electoral Rules renders obligatory the preparation of fresh rolls on the expiration of the period for which the existing rolls are in force. Provincial Governments have merely been requested to discharge this obligation.

PLANS TO DEAL WITH JAPANESE COMPETITION IN THE INDIAN COASTAL TRAFFIC.

35. *Seth Govind Das : Will the Honourable Member in charge of Commerce be pleased to state :

(a) whether Government's plans to deal with Japanese competition in the Indian coastal traffic have been completed ;

(b) whether Government propose first to clear the ground by repealing the old Act of 1850, which threw coastal waters open to shipping of all nations and thereafter to take powers to regulate coastal shipping ;

(c) whether Government have already approached the Secretary of State for the formal sanction necessary to repeal the old Act and the introduction of the new legislation ;

(d) whether Government propose bringing forward the propositions before the House during the course of this Session ?

(e) whether Government made this move entirely on their own initiative or whether suggestions were made to them by the Secretary of State ;

(f) whether it is only the Japanese intrusion that has actuated Government for this move or is it also for the German shipping in our coasts that has provided the provocation in the matter ;

(g) whether or not it is a fact that with a view to help Britain's shipping and British industries this matter has been taken up ; and

(h) whether Government will be pleased to lay on the table a copy of all the deliberations that had led Government to the decision they have taken in the matter ?

**The Honourable Sir Saiyid Sultan Ahmad** : Government are considering the question of foreign shipping in the Indian coastal trade, but I am not yet in a position to give any detailed information on the subject.

INAUGURATION OF THE FEDERATION AND EXTENSION OF THE LIFE OF THE INDIAN LEGISLATIVE ASSEMBLY.

36. *Seth Govind Das : (a) Will the Honourable the Leader of the House inform the House as to whether any decision has been arrived at by the Government of India and the Secretary of State as to the exact date when Federation would be brought into existence ?

(b) If not, will Government be pleased to state the reasons why the life of the present Assembly has been extended indefinitely ?

(c) Is the Leader of the House aware that there is a very strong feeling all over the country that the postponement of the dissolution of the present Assembly is due to the overwhelming majority of Congress men elected in the Provinces in the last elections ?

(d) Will the Leader of the House state whether Government would dissolve the present Central Assembly after this Session in view of the

public demand for such a dissolution and if the majority of the Lower House of the provincial Legislatures demand such a dissolution ?

(e) Is the Leader of the House aware that the Congress ministries in the provinces are to a certain extent being handicapped due to the proper want of a support from the Central Legislature as constituted at present with a solid majority for the policies of the Bureaucratic Government ?

(f) If not, did he try to consult the views of the Provincial Governments whether they desire to have a dissolution of the present Central Assembly during the period of the enforcement of that part of the Government of India Act, 1935 for the administration of the country during the transitional stage ?

**The Honourable Sir Nripendra Sircar** : (a) No.

(b) The Assembly has not been extended indefinitely. The position is as explained in my reply to question No. 34.

(c) No.

(d) The matter does not rest with Government, but with His Excellency the Governor General who has authorised me to say that he does not propose to reconsider the decision which he has already announced.

(e) No, and I must dissociate myself from the Honourable Member's view of the present position of Government *vis-a-vis* the Central Legislature.

(f) No. I have already explained that jurisdiction in this matter rests with the Governor General.

### SELECTION OF DEPUTY SECRETARY OF THE LEGISLATIVE ASSEMBLY DEPARTMENT.

37. ***Seth Govind Das** : Will the Honourable the Leader of the House state whether it is a fact that the Deputy Secretary of the Assembly Department is one of the principal officers of the House ? If so, will Government be pleased to state whether Government propose to attach a panel consisting of the Speaker and all the Leaders of the parties of this House to the Public Service Commission when interviewing candidates for this post of Deputy Secretary ? If not, why not ?

**The Honourable Sir Nripendra Sircar** : The reply to the first part of the question is in the affirmative.

As regards the second part of the question, the recruitment is being made by selection under rule 5 of the Federal Public Service Commission's (Functions) Rules. Under proviso (a) of that rule, the Governor General in Council is entitled to appoint an officer to represent the department to be present at the interviews. Under rule 4 of the Legislative Assembly Department (Conditions of Service) Rules the Honourable the President takes the place of that officer. The rules do not contemplate the appointment of a panel, and it is not, therefore, proposed to appoint one.

REVERSION OR RETRENCHMENT OF STAFF IN THE REFORMS OFFICE.

38. *Seth Govind Das : (a) Will the Honourable the Leader of the House be pleased to state whether several men have been ordered during the last three months for reversion or for being retrenched in the Reforms Office ?

(b) If so, is he aware that in recommending for reversion or retrenchment selections were made not according to the length of service in that office, but according to the province from where a particular officer hails ?

(c) If he is not aware, is he prepared to make a thorough investigation into the matter and find out the true position ? If not, why not ?

**The Honourable Sir Nripendra Sircar :** (a) Yes.

(b) There is no foundation for the suggestion that selections for reversion or retrenchment were made on a provincial basis.

(c) Does not arise.

SALE OF IMPORTED ARTICLES UNDER THE STAMP OF "MADE IN INDIA" IRRESPECTIVE OF THEIR COUNTRY OF ORIGIN.

39. *Seth Govind Das : (a) Is the Honourable Member in charge of the Commerce Department aware that a large number of imported articles are being sold in the market under the stamp of "Made in India" irrespective of their true country of origin ?

(b) If he is not aware does he propose to make a thorough enquiry into the matter ? If not, why not ?

(c) Is he aware that in good many cases foreign stamps or marks on articles are removed by scientific process and stamped as "Made in India" ? If not, does he propose to make a thorough enquiry into the matter and stop such frauds ? If not, why not ?

(d) Will he be pleased to state whether the Government have in existence any agency for detecting such frauds on the Indian Merchandise Marks Act ?

(e) If so, will Government be pleased to state the total number of such fraudulent cases reported to the authorities during the last three years ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a), (b) and (c). Certain complaints of the nature mentioned by the Honourable Member were received some time ago. Government have under consideration the question of amendment of the Indian Merchandise Marks Act, 1889, with the object, *inter alia* of empowering Government to prescribe, after due enquiry, that specified goods should at the time of import bear an indication of the country of origin and that the mark of origin should be indelible where practicable.

(d) The Government have not appointed any specific agency for detecting cases which offend against the provisions of the Indian Merchandise Marks Act. The existing law sufficiently provides for the punish-

ment of sale of goods bearing false trade marks or false trade descriptions and it is open to any aggrieved or interested party to institute prosecutions in Courts in respect of such offences.

(e) Does not arise.

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## SHORT NOTICE QUESTIONS AND ANSWERS.

**Mr. President** (The Honourable Sir Abdur Rahim) : There are six short notice questions, and all of them refer to the Andamans hunger-strike. All these short notice questions have to be read out. I want to know from the Honourable Member of the Government who is to reply on behalf of Government whether he wants to reply to all these questions jointly or separately.

**Mr. J. A. Thorne** : I have answers prepared separately.

### ANDAMANS HUNGER-STRIKE.

**Mr. Mohan Lal Saksena** : (a) Will the Honourable the Home Member be pleased to make a statement regarding the hunger-strike by prisoners in the Cellular Jail in Andamans ?

(b) Will the Honourale the Home Member lay on the table copies of representations made jointly or severally by the prisoners to the Government during the last twelve months ?

(c) Did Raizada Hansraj submit any report regarding his visit to Andamans ? If so, when and what were its principal recommendations ?

(d) Did he make any recommendations regarding the abolition of Andamans as a convict settlement ? If so, what action did Government take thereon ? If none, why not ?

**Mr. J. A. Thorne** : (a) The Government of India have issued two communiqués and given information to the press from time to time. The latest information contained in a message from the Chief Commissioner, dated the 19th August, 1937, is that 225 prisoners are now on hunger-strike.

(b) It would not be in the public interest to lay on the table copies of the representations received from prisoners during the last twelve months.

(c) No.

(d) I cannot find that he made any such recommendation to the Government.

**Mr. Mohan Lal Saksena** : May I know what is the present condition of the prisoners on hunger-strike ?

**Mr. J. A. Thorne** : I am answering that later on.

ANDAMANS HUNGER-STRIKE.

**Mr. Mohan Lal Saksena** : (a) Will the Honourable the Home Member please state when the prisoners in the Cellular Jail in Andamans sent their joint petition to Government before resorting to hunger-strike ?

(b) When was it given to the authorities in Andamans and when did it reach the Government of India ?

(c) What steps, if any, did Government or the authorities in Andamans take to dissuade the prisoners from resorting to hunger-strike ?

(d) Why did Government not publish the news of the proposed hunger-strike to enable the friends and relations of the prisoners to dissuade them from going on hunger-strike ?

**Mr. J. A. Thorne** : (a) The petition was dated 9th July.

(b) The Chief Commissioner's forwarding letter was dated the 11th July. It reached the Government of India on the 20th July.

(c) The Chief Commissioner warned them that their strike would be fruitless and that the strike constituted a breach of jail discipline.

(d) The prisoners' threat was that they would go on hunger-strike unless they received the reply of the Government of India to their petition by the 24th July. They received the Government of India's reply on July 23rd. The Government had at that time no reason to assume that the hunger-strike would begin on the 24th, whatever the nature of the Government's reply.

**Mr. S. Satyamurti** : With reference to the answer to clause (c), may I know whether the jail authorities in the Andamans told these people that if they went on hunger-strike they were ready for their deaths, and even for their cremation ?

**Mr. J. A. Thorne** : I am answering that question or a similar one later.

**Mr. Mohan Lal Saksena** : With reference to clause (d), may I know when Government communicated their final decision to the Chief Commissioner of the Andamans ?

**Mr. J. A. Thorne** : It was received by the Chief Commissioner on the 23rd. I cannot be certain whether it was sent from here on the 22nd or the 23rd.

**Prof. N. G. Ranga** : Is it not a fact that on several other occasions these political prisoners in the Andamans have gone on hunger-strike, and whenever they threatened to go on hunger-strike they did go on it ?

**Mr. J. A. Thorne** : May I say that that hardly arises out of this question ?

**Mr. S. Satyamurti** : My Honourable friend said that Government had no reason to suppose that the prisoners would go on hunger-strike, whatever the reply of Government was. My Honourable friend is asking on that, whether Government are aware that, on previous occasions whenever the prisoners threatened to go on hunger-strike, they did actually go on such strike, and whether Government, in coming to the conclusion of the kind referred to, did take that matter into consideration ?

**Mr. J. A. Thorne** : I have not looked up the nature of the threat made and the circumstances which led to the hunger-strike of 1933, and I am afraid I cannot answer that with any knowledge.

**Pandit Lakshmi Kanta Maitra** : Is it a fact that some of these prisoners started hunger-strike on the 11th July ?

**Mr. J. A. Thorne** : No, Sir.

**Maulvi Abdur Rasheed Chaudhury** : May I know why the Chief Commissioner made a delay of three days in forwarding the petition to the Government of India ?

**Mr. J. A. Thorne** : May I remind the Honourable Member that the Andamans is an island ?

**Mr. S. Satyamurti** : Are there no telegraph wires or cables between the Andamans and India ? Why was not the information communicated earlier, by means of a quicker despatch, than the post ?

**Mr. J. A. Thorne** : I may point out that the petition was dated the 9th July and it was forwarded by the Chief Commissioner on the 11th.

**Mr. S. Satyamurti** : And when did it reach the Government of India ?

**Mr. J. A. Thorne** : On the 20th.

**Mr. S. Satyamurti** : May I know whether a quicker means of despatch could not be availed of by the Chief Commissioner for the purpose of communicating this important matter of life and death to the Government of India ?

**Mr. J. A. Thorne** : I was not prepared for this question, but I think I am right in saying that that petition made no threat of a hunger-strike.

**Maulvi Abdur Rasheed Chaudhury** : May I know why no action was taken by the Chief Commissioner on the petition on the 9th ?

(No reply.)

**Prof. N. G. Ranga** : When did the Government of India receive intimation of the intention of these prisoners to go on hunger-strike ?

**Mr. J. A. Thorne** : I think that was received on the 20th.

**Mr. S. Satyamurti** : May I know if it came along with this letter by post ?

**Mr. J. A. Thorne** : No, Sir.

**Mr. S. Satyamurti** : Was it received by telegram ?

**Mr. J. A. Thorne** : Yes, Sir.

**Mr. S. Satyamurti** : When was it received ?

**Mr. J. A. Thorne** : On the 20th.

**Mr. S. Satyamurti** : When did the Chief Commissioner get notice of the hunger-strike in the Andamans ?

**Mr. J. A. Thorne** : I shall require notice of that question ; I do not want to answer from memory.

**Mr. Mohan Lal Saksena** : Will the Honourable Member lay a copy of this petition on the table ?

**Mr. J. A. Thorne** : I have answered that.

**Pandit Lakshmi Kanta Maitra** : When did the Government of India for the first time come to know of the hunger-strike ?

**Mr. J. A. Thorne** : I think on the 27th.

**Mr. Mohan Lal Saksena** : Am I to understand that there is no mention of this hunger-strike in this petition ?

**Mr. J. A. Thorne** : That is what I said. Speaking from recollection, there is no threat of a hunger-strike in the petition.

**Mr. Mohan Lal Saksena** : I want to know whether there is any mention of it.

**Mr. President** : He said that is his recollection.

**Mr. Brojendra Narayan Chaudhury** : Who is the present Chief Commissioner ?

(No reply.)

ANDAMANS HUNGER-STRIKE.

**Mr. Mohan Lal Saksena** : (a) Will the Honourable the Home Member please state when the hunger-strike by the prisoners in the Cellular Jail commence and how many persons were on hunger-strike on the first day ?

(b) Is it not a fact that the number of hunger-strikers swelled because of the provocative attitude taken by authorities in Andamans ?

(c) Is it not a fact that about 80 extra hands were engaged before the comencement of the strike ?

(d) Is it not a fact that responsible officials did tell the prisoners that Government would not consider their demands even if all of them died ?

(e) Is it not also a fact that fuel was stacked and cloth purchased to make a show of preparedness for all eventualities including the cremation of dead bodies ?

(f) What arrangements, if any, were made for extra medical help in the Cellular Jail ?

(g) Why were non-officials, desirous of persuading the prisoners to terminate the hunger-strike, not permitted to go to Andamans ?

(h) Why did Government not accept the suggestions for publishing regular bulletins in India regarding the progress of strike and the conditions of the prisoners ?

(i) How many prisoners were in jail hospital and how many were on invalid diet on the 23rd July, 1937 ? How many of these are on hunger-strike ?

**Mr. J. A. Thorne** : (a) The mass hunger-strike commenced on the 24th July. The number of strikers was 177.

(b) The Honourable Member has made a statement to that effect, but the facts do not support it.

(c) No. Additional jail staff was employed on July, 26th : additional medical staff from other hospitals in the Andamans were employed in the Jail after the hunger-strike began.

(d) No.

(e) Fuel is always stocked at the burning ghat (which is a long way from the jail and out of sight of it) and shrouds are always kept ready at the hospitals in the Andamans. Adequate arrangements were made for funerals of hunger-strikers if necessity arose, as adverse criticisms were made on this point after the hunger-strike of 1933.

(f) Five doctors and three trained compounders were sent by the earliest possible sailing.

(g) The only non-official who applied for leave to go to the Andamans was the Honourable Member himself. From his telegram his object appeared to be to supply medical aid in regard to which Government had already made adequate provision. His telegram made no mention of his intention to attempt to terminate the strike.

(h) Government receive bi-weekly reports from the Andamans and have given the information contained in these reports to the press from time to time.

(i) On the 23rd July, twenty prisoners were in the hospital on account of indifferent health and two on account of hunger-strike. No prisoner was on invalid diet, but 65 were on various forms of special diet : out of these 48 are on hunger-strike.

**Mr. Mohan Lal Saksena** : With reference to clause (a), may I know if there were any prisoners on hunger-strike before the 24th ?

**Mr. J. A. Thorne** : Two, I think.

**Mr. Mohan Lal Saksena** : Did these two prisoners go on hunger-strike because of the refusal of the Government of India to accept their demands ?

**Mr. J. A. Thorne** : No, Sir. They went on hunger-strike, I think, on the 19th.

**Mr. Mohan Lal Saksena** : What was the cause of their hunger-strike ?

**Mr. J. A. Thorne** : I am again very reluctant to speak from memory, but I think their reason for hunger-strike was that no answer had been received to their petition.

**Mr. Sri Prakasa** : How long does it take to make arrangements for the cremation of a body after a man is dead ? Has the Honourable Member ever heard of a parade of cremation before a man is actually dead ? Is it not scandalous ?

**Mr. J. A. Thorne** : I am afraid I cannot answer that question.

**Mr. Mohan Lal Saksena** : May I know cremation arrangements were made for how many prisoners ?

**Mr. J. A. Thorne** : I have not got that information.

**Mr. Mohan Lal Saksena** : With regard to clause (g) of the question, may I know whether the Honourable Member is not aware that I sent a telegram to the prisoners requesting them to give up the hunger-strike before the 6th of August ?

**Mr. J. A. Thorne** : I cannot answer that without notice.

**Mr. Mohan Lal Saksena** : Is it not a fact that telegrams to Andamans are sent through the Home Department of the Government of India ?

**Mr. J. A. Thorne** : Some have been sent through the Home Department ; others have been sent direct to the Chief Commissioner.

**Mr. Mohan Lal Saksena** : Will the Honourable Member take it from me that my telegram was sent before the 6th, and before that I had asked for permission to proceed to Andamans by the steamer which left on the 6th ?

**Mr. J. A. Thorne** : If the Honourable Member says so, I certainly take it from him that it is so.

**Mr. Bhulabhai J. Desai** : What is the latest information regarding the condition of these prisoners in the Andamans ?

**Mr. J. A. Thorne** : I am answering that in a minute.

**Mr. Bhulabhai J. Desai** : Do the Government of India intend to publish frequently if not daily information relating to their condition ?

**Mr. J. A. Thorne** : Well, Sir, the arrangement is, we get reports twice a week, but if there is anything of importance, that is to say, if there is any important change in the circumstances, it is the business of the Chief Commissioner to let us know at once, and that certainly would be published.

**Mr. Bhulabhai J. Desai** : Is there telegraphic or wireless communication with the Andamans ?

**Mr. J. A. Thorne** : Wireless.

**Mr. Bhulabhai J. Desai** : Can information be obtained regarding the condition of these prisoners every evening ?

**Mr. J. A. Thorne** : Does the Honourable Member mean the condition of each one of the 225 prisoners ?

**Mr. Bhulabhai J. Desai** : The condition of the prisoners generally. After all, I hope the Government appreciate that it is not a question of a change of condition which is unanticipated in case of a hunger-strike. Do the Government realise that delay of a day may mean the death of several hundreds ?

**Mr. J. A. Thorne** : I am certainly prepared, if there is such a desire in the minds of the Honourable Members of this House, to ask the Chief Commissioner to give us a daily bulletin instead of a weekly one.

**Mr. Mohan Lal Saksena** : I would like to know how many hands were specially engaged for purposes of cremation ?

**Mr. J. A. Thorne** : I did not understand that the Honourable Member's question (c) had anything to do with cremation. I thought he wanted to know the extra men employed in or about the jail.

**Mr. President** (The Honourable Sir Abdur Rahim) : No. 4.

**Mr. Mohan Lal Saksena** : Before you proceed with the next question, Sir, I may submit for your consideration that in clause (c) I have asked whether it is not a fact that about 80 extra hands were engaged before

the commencement of the strike. I want to know if the Honourable Member had time to find out the exact number of persons who were actually engaged ?

**Mr. J. A. Thorne** : The question as prepared by the Honourable Member was sent to the Chief Commissioner, and the answer is as I have given.

**Mr. Mohan Lal Saksena** : Will you please repeat it ?

**Mr. J. A. Thorne** : The question as prepared by the Honourable Member was sent by telegraph to the Chief Commisioner, and the answer is as I have read out.

**Mr. Mohan Lal Saksena** : I have not followed it. Will you please read it ?

**Mr. J. A. Thorne** : The answer was no. The question was—" Is it not a fact that about 80 extra hands were engaged before the commencement of the strike ? " The answer is no. Additional jail staff was employed on July 26th, that is, two days after the strike began. Additional medical staff from other hospitals in the Andamans was employed in the jail after the hunger-strike began.

ANDAMANS HUNGER-STRIKE.

**Mr. Mohan Lal Saksena** : (a) Is the Honourable the Home Member aware of the intensity of public opinion regarding the repatriation of the prisoners from Andamans ?

(b) Has he read the speeches and statements of prominent Indians, including Rabindra Nath Tagore, and the comments in the Press ?

(c) Is it a fact that several Provincial Governments have moved the Government of India for repatriation of prisoners from their respective provinces ?

(d) Will Government state the reasons for not repatriating the prisoners and abolishing Andamans as a convict settlement ?

(e) Will Government state how many prisoners have been repatriated during the last twelve months and for what reasons ?

(f) Is it not a fact that most of them were transferred on grounds of health only when their respective ailments were in an advanced stage ?

**Mr. J. A. Thorne** : (a) and (b). I am aware of the agitation that has been proceeding.

(c) The Government have received representations from some Provincial Governments.

(d) As regards repatriation of the prisoners the reasons have been fully stated in comumnications which have appeared in the Press. As regards the abolition of the convict settlement the reasons have been stated more than once : in particular I invite attention to the Home Department Resolution, dated the 27th February, 1926, and to the Honourable Sir Harry Haig's speech made in the Council of State on the 11th September, 1933.

(e) During the last twelve months 41 terrorist prisoners were repatriated as due for release ; one on account of suspension of sentence ; and 18 on medical grounds.

(f) No.

**Mr. S. Satyamurti** : With reference to clause (c) of the question, may I know, Sir, how many Local Governments and which Local Governments have applied to the Government of India for repatriation of their prisoners ?

**Mr. J. A. Thorne** : Here again I would not like to trust my memory, but I think I am right in saying that Madras and Bihar have applied, but there may also be others who have applied.

**Mr. S. Satyamurti** : Has not the Bengal Government which is responsible for most of the prisoners who are hunger-strikers applied to the Government of India for repatriation of their prisoners to Bengal ?

**Mr. J. A. Thorne** : No.

**Mr. S. Satyamurti** : What about the U. P. Government ? Have they or have they not applied for repatriation of their prisoners ?

**Mr. J. A. Thorne** : I understand there are no terrorist prisoners in the Cellular Jail who have been convicted in the United Provinces.

**Sardar Mangal Singh** : Has not the Punjab Government asked for repatriation of their prisoners ?

**Mr. J. A. Thorne** : I think not, but I am speaking from memory.

**Mr. Mohan Lal Saksena** : Is it or is it not a fact that there are at least two prisoners in the Andamans from U. P. ?

**Mr. J. A. Thorne** : I think there are many more than that.

**Mr. Mohan Lal Saksena** : Is it not a fact that the U. P. Government have asked for repatriation of all prisoners from the U. P. who are now in the Andamans ?

**Mr. J. A. Thorne** : My answer just now referred of course to prisoners in the Cellular Jail, but if it is a question of prisoners who are not in the Cellular Jail, I think it is a separate matter, and I should like to have notice.

**Mr. Mohan Lal Saksena** : How does the Honourable Member call them terrorists when they have not been tried ?

**Mr J. A. Thorne** : That is a misapprehension which I must correct. There is not a single man in the Cellular Jail who has not been tried and convicted.

**Mr. Kuladhar Chaliha** : What about the two prisoners from Assam ?

**Mr. J. A. Thorne** : I am afraid I cannot reply precisely.

**Mr. K. Santhanam** : What action has been taken on the representation of the Madras Government for the repatriation of their prisoners ?

**Mr. J. A. Thorne** : The answer is in accordance with the policy of the Government as it has been communicated to the press. They are not prepared to consider the repatriation of prisoners so long as the hunger-strike continues.

**Mr. M. Asaf Ali** : I understand that some of these prisoners have been repatriated on medical grounds before. Is there any insuperable difficulty in the way of Government repatriating these hunger-strikers who are on their death bed, making it their only ground for doing so ?

**Mr. President** (The Honourable Sir Abdur Rahim) : That is an argument.

**Pandit Lakshmi Kanta Maitra** : Is it not a fact that only recently some of these hunger-strikers have been repatriated actually on medical grounds ?

**Mr. J. A. Thorne** : It is a fact that two were repatriated after the hunger-strike began. Both of them had been medically examined and their repatriation had already been decided upon on other grounds.

**Pandit Lakshmi Kanta Maitra** : Only two prisoners ? Our information is, some more on medical grounds.

**Mr. J. A. Thorne** : I thought that the Honourable Member was referring to the men who had gone on hunger-strike.

**Pandit Lakshmi Kanta Maitra** : Yes.

**Mr. J. A. Thorne** : My answer was that two of those who were on hunger-strike were repatriated two or three days after the hunger-strike began.

**Mr. Sami Vencatachelam Chetty** : What is the authority of the Government of India to keep those prisoners for whose repatriation the Provincial Governments have asked ?

**Mr. J. A. Thorne** : That is a legal question of which no notice has been given. I am prepared to answer that if I get notice.

**Mr. M. Ananthasayanam Ayyangar** : Is it not illegal for the Government of India to keep these prisoners in the Andamans after provincial autonomy has come into force ?

**Mr. President** (The Honourable Sir Abdur Rahim) : Next question.

## ANDAMANS HUNGER-STRIKE.

**Mr. Mohan Lal Saksena** : (a) Will the Honourable the Home Member please state whether it is a fact that a passenger on the steamer that sailed from the Andamans on the 28th July was arrested ?

(b) If so, for what reasons and offence ?

(c) Is it in any way connected with hunger-strike ?

(d) What is the name of the aforesaid passenger and what action do Government contemplate or have taken against him ?

**Mr. J. A. Thorne** : (a), (b) and (d). On the 28th July the son of a shopkeeper in the Andamans who was intending to travel to Calcutta was found to have smuggled in his baggage letters from convicts. He was arrested and put on trial. He pleaded guilty and was sentenced to a fine of Rs. 30 which was paid the same day.

(c) The incident was not in any way connected with the hunger-strike.

**Mr. Mohan Lal Saksena** : May I put one question which I ought to have put in connection with another question ?

**Mr. President** (The Honourable Sir Abdur Rahim) : Is it connected with these questions ?

**Mr. Mohan Lal Saksena** : In connection with No. 3. They arise out of these questions.

**Mr. President** (The Honourable Sir Abdur Rahim) : Out of this question ?

**Mr. Mohan Lal Saksena** : Out of this No. 5. May I know whether the Government are prepared to permit me or some other non-official Members who want to go to the Andamans to persuade these prisoners to give up their hunger strike ?

**Mr. S. Satyamurti** : At our own cost.

**Mr. J. A. Thorne** : I am not prepared to answer that on the spur of the moment.

**Mr. Mohan Lal Saksena** : Because the Honourable Member has said that the Government were not aware that I was going with intention of persuading the hunger-strikers.....

**Mr. President** (The Honourable Sir Abdur Rahim) : That does not arise out of this question.

**Mr. Mohan Lal Saksena** : I would like the Honourable Member to consult the Government and let me know.

ANDAMANS HUNGER-STRIKE.

**Mr. T. S. Avinashilingam Chettiar** : (a) Will the Honourable the Home Member state for how many days the hunger-strike among the Andaman prisoners has been going on ?

(b) What are the reasons for the strike ?

(c) What is the present state of the health of the strikers ?

(d) What action have Government taken in the matter ?

**Mr. J. A. Thorne** : (a) The general hunger-strike began on July 24th.

(b) I would refer the Honourable Member to the Home Department Communiqué, dated the 30th July, 1937, a copy of which has been placed on the table of the House.

(c) The condition of three prisoners is serious and the condition of one is critical. The general health of the other prisoners is fair.

(d) Every possible care is being taken of the prisoners.

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*Communiqué.*

A large number of the terrorist convicts in the Andamans recently sent a petition to the Government of India requesting that throughout the whole of British India

(1) all detenus, State prisoners and convicted "political" prisoners be released ;

(2) all repressive laws repealed and all orders of internment withdrawn ;

(3) all "political" prisoners at present in the Andamans be returned to India and no more sent to the Andamans ;

(4) all "political" convicts be treated as class B prisoners.

In this connection it must be made clear that there are no detenus or State prisoners in the Andamans. All the prisoners in the Cellular Jail have been convicted by regular courts of serious terrorist crimes.

This petition was received by the Government of India on July 20th. On the 18th July the terrorist convicts informed the Chief Commissioner, Andaman and Nicobar Islands, that, unless the Government of India's reply was received by the 24th July, they would go on hunger-strike.

It is, of course, open to any individual prisoner, desiring premature release, or transfer to a jail in his own Province, to address a petition representing the circumstances of his own particular case to his Provincial Government but Government are in no circumstances prepared to entertain mass petitions from convicted prisoners particularly mass petitions on questions of broad policy of a general character. They have accordingly had no choice but to reject the petition in question.

The orders of the Government of India rejecting the petition were communicated to the prisoners on 23rd July and next day the great majority of the terrorist prisoners in the Andamans went on hunger-strike or work-strike.

HOME DEPARTMENT,

*Simla, the 30th July, 1937.*

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## STATEMENTS LAID ON THE TABLE.

*Information promised in reply to starred question No. 1248, asked by Pandit Lakshmi Kanta Maitra on the 16th March, 1936.*

### DEGRADATION OF STAFF IN THE GEODETIC BRANCH OF THE SURVEY OF INDIA, DEHRA DUN.

(a) to (d). An order such as the Honourable Member refers to was issued and a copy is laid on the table. In establishments of this kind it is advisable, if possible, for variations in efficiency to be reflected in the remuneration and the object of the order was to secure this effect in a systematic and intelligible way. A copy of the order was given to each member of the Service concerned. As the order states, no question of special fault or misdemeanour was involved, nor strictly speaking any question of "degradation", as suggested by the Honourable Member. The alterations in class referred to in items (c) and (d) were of this nature.

It has, however, since been decided in order to avoid misunderstandings that such changes downwards in class should in future follow the precedure applicable to ordinary reductions.

(e) No. Promotion to the highest class is not by mere efflux of time but when a man has attained the qualifications necessary for it.

(f) No. The men have a right of appeal to the Surveyor General and until that right has been exercised, the Government of India do not propose to interfere.

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*Copy of Geodetic Branch Standing Order No. 12, dated Dehra Dun, the 10th August, 1935.*

*Subject.*—RECLASSIFICATION OF OFFICERS OF THE L. S. S. WHO HAVE BEEN IN THEIR CLASS FOR 5 YEARS.

The Surveyor General of India has desired that the classification of every Lower Subordinate who has been 5 years in the same class, will be reviewed in the Promotion rolls every year beginning with the rolls for 1st January, 1936, and definite recommendations made for retention or change of class.

2. L. S. officers who fail to maintain the standard applicable to their class will be liable to reversion to a lower class at any time. Surveyors, who on account of ill health or other reasons are permanently transferred as draftsmen to a Drawing

Office will usually be reclassified as draftsmen and draw pay and increments as draftsmen according to their classification as such.

3. S. G. has also suggested that at the time of writing the qualification reports each year, the Officer in charge should record his view as to the class for which the L. S. officer reported upon is fit.

4. In keeping with the above instructions, Executive Officers in this Branch have recommended some L. S. S. officers for demotion from their existing classes to lower classes and if these recommendations are approved by S. G. the reductions will have effect from 1st January 1936 and similar readjustment of classes will be done every year.

It should be understood that such reductions in class are in no way indicative of special fault or misdemeanour.

The principle underlying this new procedure is that all officers should receive pay in accordance with their current qualifications in conjunction with that which accrues by mere length of service. The effects of over-classification in the past will thus not be perpetuated and declining qualifications will be taken into consideration, to the encouragement of those men who continue to improve and to keep themselves up to the standard of their class in the later years of their service.

5. This order is issued with a view of making the position clear to all officers of the L. S. S. and to avoid unnecessary appeals and representations. A copy of this order should be supplied to each L. S. S. Officer.

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*Information promised in reply to parts (a) to (f) of starred question No. 1210, asked by Pandit Nilakantha Das on the 13th October, 1936.*

ADULTERATED TEA LEAVES SOLD FOR HUMAN CONSUMPTION.

(a), (b), (e) and (f). The information supplied by the Provincial Governments indicates that there is no tea unfit for human consumption which is being sold in India. Wet tea leaves after drying are used as adulterants in Calcutta (there is no information for other cities in India) but not to any considerable extent.

(c) and (d). There are two factories in Madras which manufacture refined black gram husk dust, refined sesbania leaf and refined cassia auriculate. The black gram dust, etc., manufactured there is sold as such to Bombay firms. This trade has declined from 80,000 maunds in 1930-31 to 2,000 maunds now. There is no information regarding the existence of similar factories elsewhere.

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*Information promised in reply to starred question No. 1281, asked by Pandit Govind Ballabh Pant and Nos. 1286 and 1287, asked by Mr. Mohan Lal Saksena on the 15th October, 1936.*

DISPOSAL OF CAST IRON SCRAP ON THE NORTH WESTERN RAILWAY.

The attention of the Honourable Members is invited to the press communiqué issued by the Railway Board on the subject on 27th May, 1937, a copy of which has been placed in the Library of the House.

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*Information promised in reply to starred question No. 1420, asked by Seth Haji Sir Abdoola Haroon on the 16th October, 1936.*

SEASONAL ASSISTANT MISTRIES IN THE POSTS AND TELEGRAPHS DEPARTMENT.

(a) Scales of pay vary according to localities. The scale of Rs. 20—1—40 is applicable to seasonal Assistant Mistries in certain localities.

(b) Services rendered in a season post count for increment in that post.

(c) Yes—Seasonal appointments are sanctioned on the minimum of the time-scale of pay fixed for the station and the class to which the establishment belongs, in the case of clerical, postmen and lower grade staff cadres.

(d) The facts are not as stated by the Honourable Member. Two seasonal wiremen whose designation was subsequently changed to Assistant Mistries were employed in the Allahabad and Lucknow Telegraph Offices and their pay was fixed for the time being at the minimum of the scale of Rs. 30—2—50 in force at that time. This scale of pay was subsequently reduced to Rs. 20—1—40.

(e) Yes, but only the Assistant Mistries referred to in part (d) above.

(f) The answer to the first part of the question is in the negative. With regard to the second part the matter is within the competence of the Postmaster-General who has already been instructed to grant increments due to the officials concerned.

(g) Does not arise in view of reply to part (f) above.

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*Information promised in reply to unstarred questions Nos. 251 to 255, asked by Pandit Sri Krishna Dutta Paliwal on the 16th October, 1936.*

EXAMINATION FOR RECRUITMENT OF CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.

*Question No. 251.*—(a) Up to 1926, the Staff Selection Board used to hold combined examinations for all Divisions in which vacancies were anticipated and candidates were assigned to each category according to the marks they obtained. Since the Public Service Commission started their regular competitive examinations, one examination is held for the first and second divisions of the Secretariat and attached offices and another examination for the third division. The old scale of pay of the lower division in the Secretariat was higher than but not double that of the lower division in attached offices.

(b) and (c). The system of posting has undergone several changes during the years 1920—34. In the early years, a certificate to the effect that he had qualified for a particular division was issued to each candidate and the Departments and offices were requested to select qualified candidates for appointment. Those who "qualified" were given no guarantee of appointment and candidates were not always posted in the strict order of merit.

(d), (e) and (f). Particulars about the posting of candidates successful in the 1925 examination are not available. As the examinations were then qualifying, not competitive, Departments were at liberty to select from the list of qualified candidates persons who had already acquired experience by serving in a temporary capacity or, when a vacancy had to be filled urgently, persons who were immediately available. There was no irregularity involved in such appointments, as Departments were not bound to follow the order of merit.

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EXAMINATION FOR RECRUITMENT OF CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.

*Question No. 252.*—(a) The Honourable Member is referred to the reply given to part (a) of question No. 251. The educational qualification for the examination for the first and second divisions is higher than that for the examination for the third or routine division.

(b) Yes.

(c) and (d). When there were only two divisions in attached offices, persons qualified for the second division and persons qualified for the routine division had both to be posted to the second division, but the former were given better prospects of promotion.

## EXAMINATION FOR RECRUITMENT OF CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.

*Question No. 253.*—(a) and (b). The scales of pay were different. The position with regard to the holding of examinations has already been explained in reply to question No. 251.

(c) No. Ordinarily candidates qualified for the lower division Secretariat were not considered eligible for nomination to posts of Assistants in attached offices. In exceptional cases, however, the Commission declared a few candidates to be qualified for appointment to a division higher than the one for which the Staff Selection Board had declared them qualified.

(d) Does not arise.

(e) Government have no information regarding the careers of the candidates in question, but their educational qualifications are given in the Results' Statement for the year.

(f) and (g). If these persons are holding permanent appointments in the second division, they can now be promoted to the first division either in their own office or by transfer to other offices in accordance with the rules regulating promotion.

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## EXAMINATION FOR RECRUITMENT OF CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.

*Question No. 254.*—(a) The system of qualifying examinations has been discontinued and promotion is not now made on the results of such examinations. Information with regard to the number of persons who have not yet been provided for permanently in the divisions for which they have qualified was supplied to the Honourable Member in the reply given to his question No. 1361, asked on the 20th March, 1936, and subsequent particulars printed in the proceedings of the Assembly for the 11th September, 1936.

(b) and (d). No. Promotion is made in merits, but when merit is equal preference is given to persons who qualified for a higher division under the old system.

(c) This might be the case in view of the circumstances explained in reply to parts (b) and (c) of question No. 251.

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## EXAMINATION FOR RECRUITMENT OF CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.

*Question No. 255.*—(a) to (d). As no particular year or years have been mentioned and in the absence of more definite information of the cases which the Honourable Member has in mind, I am unable to verify the statements made.

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## *Information promised in reply to unstarred question No. 10, asked by Mr. Sham Lal on the 25th January, 1937.*

## CONTRACTS OF BOOKSTALLS AND EUROPEAN REFRESHMENT ROOMS ON THE NORTH WESTERN RAILWAY.

(a) The bookstall contract has been sold and the contractor pays the Railway Rs. 7,650 per annum for this contract. As regards the contract for European Refreshment Rooms the policy of the Railway has been to give this contract to the firm that is best able to carry it out and to give the most efficient service.

(b) Passes are allowed to European Refreshment Room and bookstall contractors to enable them to maintain a high standard of service and to serve the travelling public at the lowest rates. It is, therefore, not considered desirable to withdraw such passes.

(c) The sale price in the European Refreshment Rooms of a bottle of Murree beer is Re. 0-13-0 and that of a bottle of whisky varies between Rs. 8 and Rs. 10-8-0 according to the brand. The other prices quoted are generally correct.

(d) The prices charged in the European Refreshment Rooms are higher than the bazar prices because the contractor generally has to pay much higher licence fees than the bazar firms and also in order to cover the cost of the higher standard of service and other amenities. The European Refreshment Room prices and service are comparable with those of the better class hotels.

(e) The price per peg of whisky varies from Re. 0-15-0 to Re. 1-5-0. Retail prices per peg are ordinarily higher than the prices charged per bottle in the bazar, and the retail price charged by the contractor is necessary to cover the cost of service and other amenities, and is comparable with the prices charged in good class hotels.

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*Information promised in reply to starred questions Nos. 257, 300, part (b), 303, part (c), and 308, asked by Mr. Sri Prakasa on the 26th January, 1937.*

DECORATIONS AT RAILWAY STATIONS ON THE OCCASIONS OF THE VISIT OF VICEROYS AND GOVERNORS.

*Question No. 257.*—On the understanding that the Honourable Member's question refers to the East Indian Railway :

(a) Outside parties are not asked to undertake such decorations but there have been a few occasions on which a public body or institution has asked for permission to decorate a station.

(b) The first part does not arise. As regards the latter part, whatever action it is proposed to take is subject to the approval of the competent railway authority.

(c) The Railway may lend or hire out such decorative material as is required and available.

(d) Platform tickets are not required to be purchased.

(e) As regards licensed coolies, no : as regards whole-time railway employees, such assistance as can be given without detriment to their legitimate duties is not ordinarily refused.

(f) No. Whenever decorations are being put up steps are taken to ensure that passengers are not inconvenienced.

(g) No.

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ALTERNATIVE ROUTES BETWEEN BENARES AND STATIONS ABOVE ALLAHABAD ON THE EAST INDIAN RAILWAY.

*Question No. 300.*—(b) 1st August, 1936.

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TICKETS CHECKED AT THE BIDDING OF THE CRIMINAL INVESTIGATION DEPARTMENT OFFICIALS ON THE EAST INDIAN RAILWAY.

*Question No. 303.*—(c) No.

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TICKETS FOR THE BENGAL AND NORTH WESTERN RAILWAY PLATFORM AT THE BENARES CANTONMENT RAILWAY STATION.

*Question No. 308.*—(a) The station is worked by the East Indian Railway for both its own traffic and the traffic of the Bengal and North-Western Railway : the latter having running powers into the station for its trains.

(b) Platform tickets are not issued on the Bengal and North-Western Railway system. It is, however, necessary to purchase a platform ticket to obtain admission to any of the platforms at Benares Cantonment, as the system of issuing platforms tickets is in force at this station.

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*Information promised in reply to starred question No. 279, asked by Mr. M. Asaf Ali on the 26th January, 1937:*

SALE OF PLOTS IN NEW DELHI.

(a) No. The area of New Delhi is roughly 30 square miles of which about one-third has been developed.

(b) It is not known to whom the Honourable Member refers. The Government are informed that the New Delhi Municipal Committee is very strict in enforcing its bye-law.

(c) The area behind the Modern High School was put to public auction, under certain conditions affecting building design.

(d). No. The average premium per plot of three to four hundred square yards was Rs. 1,951. The maximum bid for such plots was Rs. 2,250.

(e) It has now been decided to permit certain internal modifications not affecting the appearance or general design of the building.

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*Information promised in reply to starred question No. 327, asked by Mr. M. Asaf Ali on the 1st February, 1937.*

GRIEVANCES OF THE PEOPLE OF THE DELHI PROVINCE.

The position with regard to professional tax, tax on wells and remission of land revenue is as follows :

*Professional Tax.*—This tax is levied under the Punjab District Boards Act, as applied to Delhi, first imposed by the District Board, Delhi, with the previous sanction of the Chief Commissioner, with effect from the 1st July, 1927, and revised from the 1st July, 1930. In times of distress and hardship, the recovery of this tax is waived.

*Tax on wells.*—The attention of the Honourable Member is invited to part 1 (a) of the statement laid on the table of the House, in reply to part (b) of his question No. 91, on the 4th September, 1935, and also to the replies given to Mr. Satyamurti's supplementaries to question No. 346, on the 14th September, 1936. Rs. 240 were remitted in Kharif 1936 and Rs. 588 during the previous three years, on wells which had gone out of use.

*Remission of land revenue.*—The following amounts have been remitted during the last three years :

| Year. | Remission of land revenue. |
|---|---|
| | Rs. |
| 1933-34 .. .. .. | 1,68,648 |
| 1934-35 .. .. | 709 |
| 1935-36 .. .. | 3,839 |

*Information promised in reply to starred question No. 400, asked by Sardar Sant Singh on 16th February, 1937.*

TICKETLESS TRAVELLERS ON STATE RAILWAYS.

| Railways. | Total number of passengers found travelling without tickets. | Number of passengers who paid excess fares and penalty on detection. | Details of action taken under Indian Railways Act. | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Under Section 112. | | | | | Under Section 113. | | | | |
| | | | Let off. | Fares and penalty recovered. | Punishment inflicted. | Pending in Courts. | Total. | Let off. | Fares and penalty recovered. | Punishment inflicted. | Pending in Courts. | Total. |
| Assam Bengal Railway .. | 66,150 | 53,287 | 1 | .. | .. | 13 | 14 | 2,110 | 1,522 | .. | 6,931 | 10,563 |
| Bengal Nagpur Railway .. | 80,882 | 20,046 | 72 | 159 | 1,171 | 329 | 1,731 | 1,157 | 1,585 | 27 | 9,460 | 12,229 |
| Bengal and North Western Railway. | 257,091½ | 271,891½ | 1,881 | 470 | 24 | 9,884 | 12,259 | 1,433 | 347½ | 5 | 9,889½ | 11,675 |
| Bombay, Baroda and Central India Railway. | *749,053½ | 228,932 | .. | 54 | 221 | .. | 275 | 2 | 118 | | | 128 |
| Burma Railways .. .. | 186,215 | 181,818 | 218 | 672 | 900 | 840 | 2,630 | 262 | 938 | 197 | 338 | 1,735 |
| Eastern Bengal Railway .. | 229,388 | 155,871 | 1,783 | 989 | 6,986 | 383 | 10,141 | 5,366 | 1,333 | 82 | 5,442 | 12,223 |
| East Indian Railway .. | 236,969½ | 185,206½ | 166 | 2,810 | 4,825 | 5,283 | 13,084 | 7,333 | 13,153 | 1,832 | 16,361 | 38,679 |
| Great Indian Peninsula Railway | 338,312 | 228,824½ | 91 | 305 | 1,540 | 46½ | 1,982½ | 1,376 | 1,614 | 32 | 138 | 3,160 |
| Madras and Southern Mahratta Railway. | 367,897 | 168,417 | 594 | 463 | 444 | 232 | 1,733 | 1,782 | 1,312 | 74 | 635 | 3,803 |
| North Western Railway .. | 366,206½ | 298,397½ | 809 | 3,594½ | 5,662 | 654½ | 10,720 | 1,368 | 3,335 | 2,455 | 1,006 | 8,184 |
| Rohilkund Railway .. .. | 42,232 | 40,611 | .. | .. | .. | .. | .. | 314 | 352 | | 387 | 1,053 |
| South Indian Railway .. | 125,140 | 76,278 | 90 | 173 | 818 | 50 | 1,131 | 2,170 | 1,523 | | 1,107 | 4,800 |

*This figure includes mendicants found travelling without tickets, whereas the figures for the other railways in the main do not.

*Information promised in reply to parts (b) and (c) of unstarred question No. 29, asked by Mr. N. M. Joshi on the 19th February 1937.*

BAN ON CONFIRMATION OF POSTAL CLERKS IN THE BOMBAY CIRCLE.

(b) and (c). In December, 1936, the Postmaster-General, Bombay, ordered that for the time being vacancies in the clerical cadre should not be filled permanently as they might be required to provide for the absorption of any members of the Telephone Revenue Accounting Staff of the Circle Office who were likely to be found surplus to the requirements of the new Central Telephone Revenue Accounting Office established at Delhi. The injunction has since been withdrawn. No hardship has been caused to any one as all the permanent staff in question has been transferred to Delhi.

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*Information promised in reply to starred question No. 464, asked by Sardar Sant Singh on the 2nd March, 1937.*

INSUFFICIENT REPRESENTATION OF SIKHS IN THE POSTS AND TELEGRAPHS AUDIT OFFICES.

(a) (i) A statement showing the total sanctioned strength of each cadre, both temporary and permanent is placed on the table.

(ii) *Deputy Accountant-General, Posts and Telegraphs, Delhi.*

| | Permanent. | Temporary. |
|---|---|---|
| Accountant .. .. .. .. | 1 | .. |
| Upper Division clerks .. .. .. | 3 | 5 |
| Lower Division clerks .. .. .. | 3 | 8 |
| Sorters .. .. .. .. | 2 | .. |

*Deputy Accountant-General, Posts and Telegraphs, Nagpur.*

| | Permanent. | Temporary. |
|---|---|---|
| Lower Division clerk .. .. .. | 1 | .. |

(b) The method of recruitment to the Upper Division and Lower Division clerical grades is partly by promotion of qualified men of the Lower grades and partly by direct recruitment of outsiders. The outsiders are recruited by Selection Boards in each office. The percentage of appointments fixed for each community, applicable only to direct recruitment is as follows :—

| Name of office. | Muslims. | Other minority communities including Sikhs. |
|---|---|---|
| Dy. Accountant General, Posts and Telegraphs, Delhi .. / Accountant General, Posts and Telegraphs Delhi .. | 33% | 8-1/3% |
| Dy. Accountant General, Posts and Telegraphs, Calcutta. .. | 40% | 8-1/3% |
| Accounts Officer, Telegraph Check Office, Calcutta .. | 40% | 8-1/3% |
| Dy. Accountant General, Posts and Telegraphs, Madras .. | 8-1/3% | 8-1/3% |
| Dy. Accountant General, Posts and Telegraphs, Nagpur .. | 5% | 5% |

(c) The number of men appointed and the number of men confirmed in different cadres in the Posts and Telegraphs Audit and Accounts Offices since 1931 are shown in the statement placed on the table. In the office of the Deputy Accountant General, Posts and Telegraphs, Delhi, where recruitment is made from Delhi Province, the Punjab, United Provinces, and the North-West Frontier Province, Sikhs have been given a considerable share of the vacancies reserved for "other minority communities including Sikhs". In the other Posts and Telegraphs Branch Audit Offices, where recruitment is ordinarily restricted to certain local areas in which 'Sikhs' do not form any appreciable part of the population, and in the office of the Accountant-General, Posts and Telegraphs, where recruitment is generally made from the Branch Offices, the absence or poor representation of Sikhs does not indicate that any injustice has been done to the Sikh community.

(d) No posts are reserved for members of the Sikh community alone, who, as shown in (b) above, along with members of other minority communities (other than Muslims) comprise a single class for whom appointments are reserved to the extent of 8-1|3 per cent. The question of making good a deficiency of members of Sikh community does not therefore arise. But in recruiting members of minority communities, other than Muslims, care is taken to see that there is no preponderance of any community.

*Statement showing the total sanctioned strength of each cadre, both temporary and permanent in the different Posts and Telegraph Audit Offices in India.*

| Name of Offices. | Accountants. | | Stenographer. | | Upper Dn. Clerks. | | Lower Divn. Clerks. | | Typists. | | Sorters. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Permanent. | Temporary. | Permanent. | Temporary. | Permanent. | Temporary. | Permanent. | Temporary. | Permanent. | Temporary. | Permanent. | Temporary. |
| Accountant General, Posts and Telegraphs, New Delhi .. .. | 6 | 1 | 1 | | 44 | 77 | | | 3 | 2 | | |
| Deputy Accountant General, Posts and Telegraphs, Delhi .. .. | 19 | | | | 305 | 70 | 113 | 99 | 4 | 1 | 61 | 31 |
| Deputy Accountant General, Posts and Telegraphs, Calcutta .. | 31 | | | | 401 | 37 | 173 | 89 | 7 | | 90 | 29 |
| Deputy Accountant General, Posts and Telegraphs, Madras .. | 15 | | | | 235 | 3 | 105 | 27 | 3 | 1 | 59 | 18 |
| Deputy Accountant General, Posts and Telegraphs, Nagpur .. | 16 | | | | 225 | 33 | 111 | 58 | 3 | | 50 | 29 |
| Telegraph Check Office, Calcutta .. | 3 | | | | 127 | 1 | 90 | 16 | 2 | 1 | 18 | 15 |

*Statement showing the number of men appointed and confirmed since 1931 in different cadres in the Posts and Telegraphs Audit and Accounts Offices.*

| Name of Office. | Different Cadres. | Hindus. | Muslims. | Anglo-Indians. | Sikhs. | Indian Christians. | Parsees. | Other Community. |
|---|---|---|---|---|---|---|---|---|
| Accountant General Posts and Telegraphs, New Delhi | Clerks, Upper Division— | | | | | | | |
| | Appointed | | .. | | | | | |
| | Confirmed .. | 5* | 2* | | | | | .. |
| | Clerks, Lower Division— | | | | | | | |
| | Appointed .. | | | | | | | |
| | Confirmed .. .. | | | | | | | |
| | Sorters— | | | | | | | |
| | Appointed .. | | | | | | | |
| | Confirmed .. | | | | | | .. | |
| | Typist — | | | | | | | |
| | Appointed .. | 1 | | | | | | |
| | Confirmed .. .. | .. | .. | .. | .. | .. | .. | .. |

* Transferred from the Delhi A. O.

| Name of Office. | Different Cadres. | Hindus. | Muslims. | Anglo-Indians. | Sikhs. | Indian Christians. | Parsees. | Other Community. |
|---|---|---|---|---|---|---|---|---|
| Deputy Accountant General, Posts and Telegraphs, Calcutta. | Clerks, Upper Division— | | | | | | | |
| | Appointed .. | 32 | 31 | 13 | | 2 | .. | |
| | Confirmed .. .. | 8 | 9 | 6 | | 1 | .. | |
| | Clerks, Lower Division— | | | | | | | |
| | Appointed .. | 193 | 77 | 11 | | 17 | .. | |
| | Confirmed .. | 81 | 47 | 8 | | 11 | .. | |
| | Sorters— | | | | | | | |
| | Appointed .. | 30 | 14 | 1 | | 6 | .. | |
| | Confirmed .. | 13 | 4 | | | 2 | .. | |
| | Typists — | | | | | | | |
| | Appointed .. | | | | | | .. | |
| | Confirmed .. | | | | | | .. | |
| Deputy Accountant General, Posts and Telegraphs, Delhi. | Clerks, Upper Division— | | | | | | | |
| | Appointed .. | 21 | 11 | 1 | 3 | | .. | |
| | Confirmed .. | 9 | 3 | | | | .. | |
| | Clerks, Lower Division— | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Appointed | .. | 81 | 54 | 4 | 8 | 4 | | .. |
| | Confirmed | .. | 48 | 21 | 3 | 4 | 2 | .. | .. |
| | Sorters— | | | | | | | | |
| | Appointed | .. | 27 | 14 | 2 | 1 | | | .. |
| | Confirmed | .. | 13 | 7 | | 1 | 2 | | |
| | Typists— | | | | | | | | |
| | Appointed | .. | 1 | | | | | | |
| | Confirmed | .. | 3 | 1 | | | | | |
| Deputy Accountant General, Posts and Telegraphs, Madras. | Clerks, Upper Division— | | | | | | | | |
| | Appointed | .. | 2 | 2 | | | | | |
| | Confirmed .. | .. | | 1 | | | | | |
| | Clerks Lower Division— | | | | | | | | |
| | Appointed | .. | 31 | 10 | 3 | | 6 | .. | |
| | Confirmed | .. | 33 | 7 | 1 | | 5 | | |
| | Sorters— | | | | | | | | |
| | Appointed | .. | 33 | 5 | 1 | | 4 | .. | .. |
| | Confirmed | .. | 24 | 5 | | | 3 | | |
| | Typists— | | | | | | | | |
| | Appointed | .. | 1 | | | | | | |
| | Confirmed | .. | | | | | .. | | |

| Name of Office. | Different Cadres. | Hindus. | Muslims. | Anglo-Indians. | Sikhs. | Indian Christians. | Parsees. | Other Community. |
|---|---|---|---|---|---|---|---|---|
| Deputy Accountant General, Posts and Telegraphs, Nagpur. | Clerks, Upper Division— | | | | | | | |
| | Appointed .. | 37 | 10 | | | 1 | 2 | |
| | Confirmed .. | 24 | 2 | 2 | .. | .. | .. | |
| | Clerks, Lower Division— | | | | | | | |
| | Appointed .. | 161 | 27 | 9 | 3 | 14 | 1 | |
| | Confirmed .. | 58 | 9 | 2 | 1 | 2 | | |
| | Sorters— | | | | | | | |
| | Appointed .. | 50 | 6 | | | 6 | | .. |
| | Confirmed .. | 13 | 2 | | | 1 | | .. |
| | Typist— | | | | | | | |
| | Appointed .. | 1 | | | .. | | .. | |
| | Confirmed .. .. | 1 | | .. | .. | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Accotnt Officer, Telegraph Check Office, Calcutta. | Clerks, Upper Division— | | | | | | | | |
| | Appointed | .. | 1 | | | .. | .. | .. | |
| | Confirmed | .. | | | | | .. | .. | |
| | Clerks, Lower Division— | | | | | | | | |
| | Appointed | .. | 14 | 8 | | | 2 | .. | .. |
| | Confirmed | .. | 4 | 2 | | | 1 | | .. |
| | Sorters— | | | | | | | | |
| | Appointed | .. | 21 | 19 | | | 3 | .. | .. |
| | Confirmed | .. | 7 | 9 | | | 2 | | .. |
| | Typist— | | | | | | | | |
| | Appointed | .. | 1 | | | | | | .. |
| | Confirmed | .. | | | .. | .. | | .. | |

*Information promised in reply to starred question Nos. 466, 467 and 468, asked by Khan Bahadur Shaikh Fazl-i-Haq Piracha, on the 2nd March, 1937.*

## ABSENCE OF TELEGRAPHIC OR TELEPHONE CONNECTIONS ON STATIONS ON THE MALAKWAL BHERA BRANCH LINE, NORTH WESTERN RAILWAY.

*Question No. 466.*—(a) Yes.

(b) The telegraph line was removed on the 3rd February, 1936, when both Miani and Bhera Stations were converted to non-block stations. This action was taken in pursuance of a policy to effect economy in working costs by the introduction of the "One Engine only" system of train working.

(c) The annual saving in rent charges for the telegraph wire, instruments, etc., is Rs. 649 per annum.

In addition to the above saving, it is calculated that there is a net saving of Rs. 3,134 per annum by the introduction of the "One Engine only" system.

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## ABSENCE OF TELEGRAPHIC OR TELEPHONE CONNECTIONS ON STATIONS ON THE MALAKWAL BHERA BRANCH LINE, NORTH WESTERN RAILWAY.

*Question No. 467.*—(a) No data are available as separate accounts are not maintained for the section.

(b) A statement of the earnings arising on the Malakwal-Bhera Branch on account of booked traffic to and from stations during the year 1936 is enclosed. The proportion, which interchanged traffic, is not known. The total amounts to Rs. 2,08,173-9-0. The working costs of this section as a separate entity are not available as they are not maintained separately for each section.

(c) From no other.

(d) Telegraph lines are maintained primarily for line clear working which does not exist on the Malakwal-Bhera Branch, which is worked on the "One Engine only" system.

The length of line and frequency of train services on other Branch Lines renders it impossible to introduce this system of working thereon.

The short length of the Malakwal-Bhera Branch, which is only 17½ miles, lends itself to the adoption of the "One Engine only" system.

(e) The arrival and departure time of trains is advertised to the public by sheet time tables (as is the practice at all other flag stations) and no inconvenience has been experienced by the public on this Section as trains are run punctually.

*Statement showing Earnings of Coaching and goods Traffic booked to and from Malakwal-Bhera Section for the year 1936 (1st January to 31st December, 1936).*

| Section. | Coaching. | | | | | | | | Goods. | | | | | Total. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Passengers. | Luggage. | H. C. and Dog. | Parcel O/W Paid. | Parcel I/W To Pay. | Parcel O/W To pay. | Parcel I/W Paid. | Other Miscellaneous earnings. | O/W paid. | I/W To pay. | O/W To pay. | Inwards paid. | Other miscellaneous earnings. | |
| | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. | Rs. a. |
| Miani .. | 32,910 0 | 388 2 | 15 0 | 289 3 | 267 0 | 152 1 | 534 14 | 139 8 | 104 10 | 18,473 6 | 7,144 7 | 401 12 | 66 12 | 60,886 11 |
| Hazurpur .. | 3,448 4 | 11 14 | 1 4 | 13 11 | 2 5 | 4 10 | 1 10 | 1 8 | 0 9 | 871 12 | 22 14 | 3 9 | 10 1 | 4,393 15 |
| Bhera .. | 57,441 6 | 778 1 | 84 9 | 1,083 9 | 1,162 2 | 364 13 | 2,820 4 | 194 2 | 201 0 | 52,303 0 | 25,032 0 | 855 0 | 778 1 | 1,42,892 15 |
| Grand Total | .. | .. | .. | .. | | | .. | .. | | | .. | .. | .. | 2,08,173 9 |

## ABSENCE OF A TELEGRAPH OFFICE IN VILLAGE HAZURPUR AND DERAILMENT OF AN ENGINE AT BHERA RAILWAY STATION.

*Question No. 468.*—(a) Yes. But in the event of an accident a messenger is sent to Malakwal or Bhera, whichever is nearest, by lorries running on the adjacent road or on foot as the occasion demands.

(b) Yes. At 17-45 hours on the 9th February, the engine of 258 Down, which arrived from Malakwal at 15-30, derailed at Bhera.

The relief train from Malakwal was summoned to re-rail the engine by a telegram despatched from the public Telegraph Office at Bhera. At the time of the derailment the Station Master foresaw that it would not be possible to start 257 Up at 18-05 hours and furnished intending passengers with timely information as a result of which not a single ticket was issued for 257 Up and no passengers were detained in that train.

(c) The derailed engine was re-railed at about 3-00 hours on the 10th February and took up the timing of the next train to Malakwal, No. 255 Up, at 5-57 hours.

(d) The night train from Malakwal, No. 272 Down, due at Bhera at 21-40 hours on the 9th February, was cancelled and did not run on that date.

(e) As Nos. 257 Up and 272 Down were cancelled, passengers who came to the station were advised of this.

(f) The existence of telegraph or telephone connections on the line would not prevent intending passengers coming to stations in the case of accidents and the inconvenience experienced in the event of an accident cannot be considered a justification for the provision of a telegraph line. Accidents are of rare occurrence.

(g) Information regarding the accident was, as stated under (b), conveyed by the public telegraph line to Malakwal and also by a guard, who left Bhera by road motor.

(h) The engine derailed at 17.45 hours on the 9th February. Information regarding the accident was received at Malakwal from the Government Public Telegraph Office at 21-00 hours. The relief train with staff left Malakwal at 23-30 and reached Bhera at 0-30 on the 10th February.

*Information promised in reply to part (a) of starred question No. 521, asked by Mr. M. Ananthasayanam Ayyangar on behalf of Mr. Sri Prakasa on the 6th March, 1937.*

## System of Marking and Reservation of Seats in Intermediate and Third Classes on the East Indian Railway.

The cost of marking the lines and fitting brackets to take name cards of passengers for whom seats are reserved was about Rs. 250.

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*Information promised in reply to unstarred questions Nos. 52, 53, 54, part (b), and 56, asked by Mr. Umar Aly Shah on the 6th March, 1937.*

## Maintenance of Records of Subordinate Non-Pensionable Servants on State Railways.

*Question No. 52.*—Government are informed as follows :

As regards the first part, there is no restriction against members of subordinate staff being permitted to see their service records should they wish to do so.

The second part does not arise.

---

## Alleged Loss of Lives due to Overcrowding in Trains during the Garhmukteswar Fair.

*Question No. 53.*—The Agent, East Indian Railway, reports that the news item in the *Hindustan Times* of the 29th November, 1934, referred to was not brought to the notice of the Railway Administration. The question of contradicting it did not therefore arise.

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## Quota System on the East Indian Railway.

*Question No. 54.*—(b) The amount expended during 1936-37, on staff and publicity in connection with the Quota System on the East Indian Railway was :

| | Rs. |
|---|---|
| Staff .. .. .. .. .. .. | 423 |
| Publicity .. .. .. .. .. | 1,990 |

---

## Catering in the Railway School of Transportation, Chandausi.

*Question No. 56.*—Government are informed as follows :

(a) Yes.

(b) The best man suitable for the post of instructor is selected from the various posts on the East Indian Railway.

(c) It was not considered necessary to call for tenders as the question is entirely of obtaining good wholesome food hygienically prepared, and not of obtaining it at the cheapest rate.

(d) Presumably the question relates to the expenditure of messing allowance. If so, the position is that the rates have been very considerably reduced during recent years.

(e) Isolated complaints have been made in regard to the catering and these have received due attention. There have been no general complaints.

(f) No.

*Information promised in reply to starred questions Nos. 603, 605 and 606, asked by Mr. Muhammad Nauman on the 9th March, 1937.*

RATES CHARGED FOR HIDES FROM ALLAHABAD AND CAWNPORE TO CALCUTTA.

*Question No. 603.*—(a) and (b). Rates per maund for dry and wet hides are as under :

| | In minimum wagon loads of 400 maunds. | In small consignments. |
|---|---|---|
| | Rs. A. P. | Rs. A. P. |
| From Allahabad to Howrah .. .. .. | 0 9 10 | 1 11 3 |
| From Cawnpore to Howrah .. .. .. | 0 10 7 | 2 1 5 |

(c) and (d).—The rates in force during the various periods are shown below :—

*For hides, dry, in wagon loads.*

| Period. | To Howrah. | |
|---|---|---|
| | From Cawnpore. | From Allahabad. |
| | Per wagon. Rs. A. P. | Per wagon. Rs. A. P. |
| 1912 to 1915 .. | 160 4 0 | 160 4 0 |
| 1916 to 1918 | 176 4 0 | 176 4 0 |
| 1919 .. .. | No change. | |
| 1920.. .. | 211 0 0 | 176 0 0 |
| 1921 to 1925 .. | 265 0 0 | 220 0 0 |
| | Per maund. Rs. A. P. | Per maund. Rs. A. P. |
| 1926.. .. .. .. | 0 14 2 | 0 11 9 |
| 1927 to 1930 .. | 0 10 7 | 0 10 7 |
| 1931 to date .. | 0 10 7 | 0 9 10 |

*For hides, wet, in wagon loads.*

| | | |
|---|---|---|
| | Per wagon. Rs. A. P. | Per wagon. Rs. A. P. |
| 1912 to 1915 .. .. | 160 4 0 | 160 4 0 |
| 1916 to 1918 .. .. .. .. .. | 176 4 0 | 176 4 0 |
| 1919.. | No change. | |
| 1920.. .. .. .. .. | 238 0 0 | 196 0 0 |
| 1921 to 1925 .. .. .. .. | 298 0 0 | 245 0 0 |
| October 1925 .. | 265 0 0 | |
| | Per maund. Rs. A. P. | Per maund. Rs. A. P. |
| 1926 to date .. .. .. .. .. | 0 10 7 | 0 9 10 |

*For hides, wet or dry, in small consignments.*

| Period. | To Howrah. | |
|---|---|---|
| | From Cawnpore. | From Allahabad. |
| | Per maund. | Per maund. |
| | Rs. A. P. | Rs. A. P. |
| 1912 to 1916 .. | 1 3 2 | 1 3 2 |
| 1917 to 1921 .. | 1 11 1 | 1 6 1 |
| 1922 to 1927 .. .. | 2 1 4 | 1 11 2 |
| 1928 to 1935 .. | 2 1 3 | 1 11 1 |
| 1936 to date .. .. .. | 2 1 5 | 1 11 3 |

## Despatch of Hides from Lohardaga to Calcutta by Lorries.

*Question No. 605.*—Government are not prepared to admit that the use of motor lorries for the conveyance of hides from Lohardaga to Calcutta is attributable to a lack of adequate arrangements for the carriage of such consignments by rail, as an investigation of the matter has revealed that the arrangements made by the Bengal Nagpur Railway for the carriage of hides and skins from the Ranchi area to Calcutta are satisfactory.

## Arrangement for expediting Transhipment of Hides and Skins from certain Places to Calcutta.

*Question No. 606.*—(a) The procedure at Mokameh Ghat is that all consignments of hides and skins taken over from the Bengal and North-Western Railway during working hours are loaded and despatched by the first train the same day as far as possible. In exceptional cases consignments in small lots are detained to complete loads for the following day, but are not detained for more than 24 hours as a rule.

(b) No. The proportion of packages found to be damaged by wet is in fact negligibly small.

(c) At Mokameh Ghat the consignments are unloaded under a covered shed with raised platform and bordered on either side by the Bengal and North-Western and East Indian Railway wagons, which afford reasonable protection during rainy weather. In addition, paulins are always available for further protection to goods on hand, if necessary. The small proportion of damage by wet shows that present arrangements are quite satisfactory.

## *Information promised in reply to unstarred question No. 67, asked by Sardar Sant Singh on the 12th March 1937.*

## Overtime Work in the Central Telegraph Office, Madras.

(a) and (b). The facts are not as stated by the Honourable Member. With a view to avoid serious delay to traffic during the busy months of December and January last, some staff were employed to work overtime and the Chief Superintendent, Central Telegraph Office, Madras, called upon the staff for co-operation in this matter in the interests of the service. No disciplinary action has been taken against any member of the staff for declining to work overtime.

(c) and (d). A telegraphist who was on duty from 15 to 22 hours on the 23rd December, 1936, is reported to have expired at his residence on the same day. He did only his full term of duty on that day and did not complain of any indisposition while in office. He was employed on overtime for *two hours* each day on the two previous days and was not called upon to take extra duty on the 23rd December, 1936.

(e) Yes.

(f) The facts as stated by the Honourable Member are wholly incorrect. The Assistant Superintendent on duty immediately 'phoned to the General Hospital for the Ambulance car. The official was in the meantime attended to by a few of the other telegraphists and clerks who were on duty. After about 20 minutes, the official recovered consciousness and stated that he was not willing to go to the hospital as he was subject to frequent epileptic attacks. The Assistant Superintendent on duty could not send the official to his residence immediately as he was living in a suburban station seven miles outside the city of Madras. He was allowed to take rest in the office and was granted leave on medical certificate for five days from the 19th January, 1937.

(g) Does not arise in view of the facts stated above.

---

*Information promised in reply to starred questions Nos. 634, parts (b) and (c), and 636, asked by Mr. Sham Lal on the 13th March, 1937.*

## PRACTISING OF MEDICINE BY UNQUALIFIED AND UNREGISTERED PEOPLE.

*Question No. 634.*—(b) No. As stated in reply to part (a) of the question there is no law under which action can be taken.

(c) Does not arise.

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## REGISTRATION OF NURSES IN THE CENTRALLY ADMINISTERED AREAS.

*Question No. 636.*—(a) No.

(b) Does not arise.

---

*Information promised in reply to starred question No. 674, asked by Mr. Sham Lal on the 15th March, 1937.*

## ACCOMMODATION FOR PATIENTS IN THE ANTI-RABIC HOSPITAL AT DELHI.

(a) No. The patients who visit Delhi for anti-rabic treatment make their own arrangements for accommodation and it is not correct that they have to stay in unsuitable quarters.

(b) No. The number of outside patients has been small and as they could not be compelled to occupy the quarters, the construction of quarters might lead to a waste of money.

---

*Information promised in reply to starred questions Nos. 679, 680 and 681 asked by Bhai Parma Nand on the 16th March, 1937.*

## RESTRICTIONS ON THE KEEPING OF COWS IN QUARTERS IN NEW DELHI.

*Question No. 679.*—(a) Yes.

(b) According to the requirements of these bye-laws cows cannot be kept in some of the lower grade quarters.

(c) Yes.

(d) The practice of keeping cattle encourages fly breeding and attracts flies which cause intestinal diseases, several outbreaks of which have occurred in New Delhi during the last few years.

(e) Yes.

(f) The courtyards of the A. and B types of quarters could be described as open, sunny and airy but in the case of C, D and E types of quarters they are very small and crowded in by buildings to an extent which does not permit of the keeping of cattle under hygienic conditions.

(g) Government have no information as to the practice in other provinces. The Delhi Municipal Committee has framed bye-laws for the licensing of milch cattle stables. I cannot agree with the Honourable Member that the keeping of cows in dark rooms and streets is unobjectionable.

(h) Hindus regard the cow as an animal to be venerated, but many of them, living under urban conditions, find it possible to manage without keeping cows in their homes.

---

## Restriction on the Keeping of Cows in Quarters in New Delhi.

*Question No. 680.*—(a) The bye-laws apply to the entire population of New Delhi.

(b) 600 cattle can be comfortably kept in the cow-byres, and the daily yield of milk is reported to be roughly 59 maunds.

(c) If the Honourable Member suggests that the yield of these 600 cattle is not sufficient to meet the requirements of the entire population of New Delhi, this is probably so.

(d) Yes.

(e) The application of the Punjab Pure Food Act should impose an effective check on the quality of the milk.

(f) If the milk is strained and scalded there is no danger of its causing any disease.

(g) Yes.

(h) Where conditions are not suitable, it would not be advisable in the interest of public health, to allow residents to keep cows in their quarters.

---

## Restriction on the Keeping of Cows in Quarters in New Delhi.

*Question No. 681.*—(a) Government grants paid to the New Delhi Municipal Committee during the last three years were as follows :—

| Year. | Amount. |
|---|---|
| | Rs. |
| 1934-35 .. .. .. .. | 5,68,525 |
| 1935-36 .. .. .. .. | 5,54,835 |
| 1936-37 .. .. .. .. .. | 3,66,659 |

(b) The provision of cow-houses in Government bungalows and quarters is not the concern of the New Delhi Municipal Committee. The Committee do not permit cattle being kept in any house where a proper cow-house is not built.

---

## *Information promised in reply to parts (c) to (p) of starred question No. 700, asked by Mr. B. Das on the 19th March, 1937.*

## Filling up of Temporary Vacancies in the Government of India Offices.

(c) Yes.

(d) No. As the nature of the work required the employment of experienced persons, such persons were engaged and the approval of the Home Department to the original and extended periods of their employment was obtained.

(e) As far as can be foreseen the present staff will be required for at least two years.

(f) In view of what has been stated in reply to part (d) above, this does not arise.

(g) On the basis of their qualifications.

(h) Owing to the urgency of the case the posts were not advertised. The candidates selected were tested before appointment and placed on probation.

(i) A Selection Board was not constituted nor was the selection left to a single officer.

(j) No.

| | | | |
|---|---|---|---|
| (k) Quetta Section | .. | 4 | excluding lady clerks. |
| Branch proper | .. .. | 4 | |
| (l) Graduates | .. | 2 | |
| Matriculates | | 6 | |

(m) No.

(n) One.

(o) No.

(p) So far as the Quetta Section is concerned, this does not arise in view of the reply given to part (d). As regards the Branch proper, vacancies have been filled by qualified candidates nominated by the Home Department.

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*Information promised in reply to starred questions Nos. 704, 705 and 706, asked by Mr. Muhammad Anwar-ul-Azim on the 19th March, 1937.*

OFFICERS SERVING UNDER MR. A. P. HUME, OFFICER ON SPECIAL DUTY IN CONNECTION WITH THE DELHI IMPROVEMENT TRUST.

*Question No. 704.*—There are only three such gazetted officers, all of whom are Hindus.

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OFFICERS SERVING UNDER MR. A. P. HUME, OFFICER ON SPECIAL DUTY IN CONNECTION WITH THE DELHI IMPROVEMENT TRUST.

*Question No. 705.*—There are 35 non-gazetted employees in superior service, 24 of whom are Hindus and 11 Muslims, their percentages being 68.6 and 31.4, respectively.

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POSTS SANCTIONED FOR THE DELHI IMPROVEMENT TRUST.

*Question No. 706.*—A statement containing the information asked for is enclosed.

*Statement showing the Posts sanctioned for the Delhi Improvements Trust Office and their Distributions among the Various Communities.*

| Post. | Community of the Employee. |
|---|---|
| ***English Office—*** | |
| 1 Head clerk .. | .. Hindu. |
| 1 Record Keeper .. .. | .. Muslim. |
| 1 Diarist .. .. | .. Hindu. |
| 1 Despatcher .. .. | .. Hindu. |
| 1 Typist .. .. | .. Hindu. |
| 2 Stenographers .. .. .. | .. Hindu. |
| *Accounts Section—* | |
| 2 Accountants | .. Hindu. |
| 4 Clerks | .. Muslim 1. Hindus 3. |
| 1 Cashier .. .. | .. Hindu. |
| 1 Ledger Poster .. .. | .. Muslim. |
| *Vernacular Office—* | |
| 2 Girdawars .. .. | Muslims. |
| 9 Patwaris .. .. | .. Muslims 3. Hindus 6. |
| 5 Clerks .. .. | .. Muslims 2. Hindus 3. |
| *Survey Section—* | |
| 1 Assistant Engineer .. | Hindu. |
| 1 Surveyor .. | .. Hindu. |
| 2 Draftsmen .. | .. Muslim 1. Hindu 1. |

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*Information promised in reply to unstarred question No. 98, asked by Mr. Kuladhar Chaliha on the 19th March, 1937.*

LAVATORIES, FANS, ETC., PROVIDED IN INTERMEDIATE AND THIRD CLASS CARRIAGES ON THE ASSAM BENGAL RAILWAY.

(a) Yes. So far the improvement has been effected in 81 third class and 25 intermediate class compartments.

(b) Arrangement has been made to fit some of the intermediate class carriages with independent light switches as an experimental measure. Government do not propose to provide fans in intermediate class compartments.

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*Information promised in reply to starred question No. 707, asked by Bhai Parma Nand on the 20th March, 1937.*

CASE OF FRAUD IN THE LAHORE DIVISION ON THE NORTH WESTERN RAILWAY.

Government are informed as follows :

(a) No.

(b) Presumably the Honourable Member is referring to the case of recovery of rent and water charges from Dr. De Monte from whom a short recovery was made due to want of clear orders on the subject. No blame attaches to an officer.

(c) No.

*Information promised in reply to unstarred questions Nos. 100, 101, 104, 105 and 106, asked by Mr. Amarendra Nath Chattopadhyaya on the 20th March 1937.*

## REMOVAL OF CERTAIN DRIVERS FROM SERVICE IN DISREGARD OF SUBSIDIARY RULES FRAMED BY THE AGENT, EASTERN BENGAL RAILWAY.

*Question No. 100.*—Government are informed as follows :

(a) Where any disregard of the rules is brought to light, the matter is taken up, but in the cases to which it is presumed the Honourable Member refers there has been no disregard of the rules.

(b) The drivers were discharged by officers empowered to do so.

(c) Two out of the three drivers appealed to the Agent who considered and rejected the appeals.

(d) and (e). Do not arise.

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## DISPOSAL OF APPEALS AGAINST ORDERS OF DISCHARGE OR DISMISSAL ON STATE RAILWAYS.

*Question No. 101.*—Government are informed as follows :

(a) (i) The reply to the first two parts is in the affirmative. As regards the last part, senior district superintendents were empowered to discharge lower subordinates and menial staff and to discharge all Indian subordinate staff drawing Rs. 150 per mensem and under. Junior and acting district superintendents were empowered to discharge or dismiss lower subordinates and menials and to discharge Indian subordinates in grades the maximum salary of which did not exceed Rs. 80 per mensem.

(ii) A copy of the relevant extract from the Agent, East Indian Railway's circular No. 449, dated the 14th September, 1925, on the subject referred to by the Honourable Member is attached herewith.

(iii) The staff were advised in this respect through the East Indian Railway Gazette, dated the 9th December, 1925, a copy of the relevant extract from which is attached herewith.

(b) No. The divisional organisation on the East Indian Railway came into force with effect from the 1st July, 1925, but a specific delegation of powers to divisional superintendents was not made until the 14th September, 1925, when the circular quoted by the Honourable Member was issued.

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*Extract from Weekly Gazette, issued on 9th December, 1925.*

1315. Notice to subordinate staff—

The staff are aware that under the new organisation Divisional Superintendents have powers very largely in excess of the powers formerly given to District Officers. In fact their powers are very much greater than those formerly exercised by Heads of Departments. On a very large system, such as the East Indian Railway has now become, without such a decentralisation of authority and work the administrative organisation in the head office tends to become overburdened.

As a further step in this decentralisation the staff are advised that, whilst I am fully prepared to give the most careful personal consideration to all appeals regarding dismissals, discharges and loss of gratuity, if received through the proper channel, appeals, against all other orders passed on their cases can in future only be to the officer immediately above the officer passing the orders. For example, if a Divisional Superintendent has reduced a member of the staff, or has superseded him by another man, the member of the staff may appeal to the Chief Operating Superintendent or if he is one of the Engineering staff, to the Chief Engineer. In such cases appeals should not be addressed to me.

*Extract from Circular No. 449, dated 14th September, 1925.*

Re-organisation of the East Indian Railway Powers of Divisional Superintendents.

The powers of Divisional Superintendents with effect from 1st October, 1925, and the procedure with regard to various items are detailed below :

NOTE.—The expression " Agent's sanction " does not mean that a reference to the Railway Board is not necessary in certain cases.

Section I.

Works.

* * * * * * * *

Section II.

Staff.

* * * * * * * *

II. *Discharge and Dismissal.*—Divisional Superintendents to have full powers except in the case of gazetted officers and covenanted staff and other staff drawing Rs. 425 and over.

(in the case of Engineering staff Rs. 325).

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## LEVY OF INCOME-TAX FROM THE STAFF EMPLOYED IN THE ANGLO-INDIAN AND DOMICILED EUROPEAN ASSOCIATION, CALCUTTA.

*Question No. 104.*—(a) The reply to the first part is in the negative.

(i) The employees of the Association are honorary workers, except that payment is made to the menial staff and some allowance is paid to the typist.

(ii), (iii) and (vi). I am debarred by section 54 of the Indian Income-tax Act, 1922, from giving the information required.

(iv) Yes, but he is an honorary worker.

(v) It is reported that this is the case.

(vii) The journal is reported to be the property of a private person.

(b) This part of the question does not arise.

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## GRANT OF UNRECORDED LEAVE ON THE EASTERN BENGAL RAILWAY.

*Question No. 105.*—(a) A somewhat similar practice prevails on certain divisions of the East Indian Railway though the details vary.

(b) No.

(c) No. Government see no reason for interfering in a matter of this kind.

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## PROVISION OF RENT-FREE QUARTERS TO THE STAFF ON STATE RAILWAYS.

*Question No. 106.*—(a) Under the rule in State Railway Code (revised 1933), Chapter II, paragraph 2, rent is charged for all quarters, except those occupied by inferior staff, subject to the exceptions mentioned in note 2 under that rule.

(b) Yes, in some cases.

(c) The deciding factor in the case of persons appointed prior to the introduction of the revised rent rules is whether or not the employee was in a category, or held a post, prior to the introduction of the new rules, to which the privilege of rent free quarters was attached.

(d) So far as Government is aware rent is charged in accordance with the provisions of the rules.

*Information promised in reply to starred question No. 721, asked by Babu Kailash Behari Lal on the 30th March, 1937.*

OVERHAULING OF THE PATNA JUNCTION RAILWAY STATION.

(a) Yes.

(b) The Agent, East Indian Railway, reports that the work has been in progress for some time and it is hoped that the main block will be completed by March 31st, 1938. The delay in starting the work was due to the necessity for making a complete remodelling plan for the yard and goods shed, etc., before work was started on the station building.

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*Information promised in reply to starred question No. 736, asked by Mr. Ram Narayan Singh on the 30th March, 1937.*

GRIEVANCES OF PASSENGERS ON THE BARAKAKHANA LOOP LINE OF THE EAST INDIAN RAILWAY.

The Agent, East Indian Railway, states that a representation was received from the Vice-Chairman of the Daltongunj Municipality in regard to train timings only and no mention was made therein of an overbridge and passenger sheds. A reply was sent to the representation stating that the existing trains provided suitable connections with most of the main line trains and any alteration in timings of trains on this loop would result in connection with main line trains being missed and also that the traffic offering did not provide financial justification for running additional trains.

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*Information promised in reply to starred question No. 745, asked by Mr. Mohan Lal Saksena on the 30th March, 1937.*

PERSONS REFUSED PASSPORTS.

The names of the persons who were refused passports during the year in question cannot be furnished. The number is 224. This includes a large number of persons whose applications for passports were refused on economic grounds.

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*Information promised in reply to starred question No. 750, asked by Mr. Umar Aly Shah on the 30th March, 1937.*

FITTINGS AND FURNISHINGS OF REFRESHMENT ROOMS ON THE NORTH WESTERN RAILWAY.

(a) to (c). All necessary furniture is supplied by the Railway free of charge. Replacements, except such as are necessitated by fair wear and tear, are made by the Railway at the expense of the contractor. This arrangement did not apply to the Hindu refreshment room at Delhi. The latter had been furnished by the lessee when the Delhi station was under the control of the East Indian Railway, and this arrangement was allowed to continue till the termination of the lessee's agreement with the Administration in February, 1937. The contractor since appointed has been permitted to supply the necessary furniture on the understanding that the Railway will take over and pay the cost, as the Railway does not stock the special type of furniture that is required in this room.

(d) No.

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*Information promised in reply to parts (b), (d), (e) and (f) of starred question No. 755, asked by Sir Abdul Halim Ghuznavi on the 30th March, 1937.*

FISHING ON THE BAY OF BENGAL BY JAPANESE TRAWLERS.

(b) No license has been issued to the Japanese trawler "the Shinkyo Maru". The question asked in the second part does not therefore arise.

(d) Yes.

(e) No facilities have been granted to the Japanese trawlers.

(f) Yes.

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*Information promised in reply to parts (b) and (d) of starred questions Nos. 762 and 764, asked by Mr. Lalchand Navalrai on the 30th March, 1937.*

## GROUP INSPECTORS OF SPECIAL TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

*Question No. 762.*—The Agent, North-Western Railway, reports that :

(b) The Group Inspectors check trains as a counter check of the work of the Special Ticket Examiners working under them.

(d) The Group Inspectors are supplied with uniforms, but on some Divisions they have not hitherto been supplied with badges. All Inspectors are now being supplied with badges.

The Group Inspector on the Rawalpindi Division wears uniform when on duty, and the Group Inspector on the Karachi Division usually wears his uniform, but occasionally he goes in mufti with permission.

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## RIGHTS AND PRIVILEGES OF THOSE IN SERVICE AFTER THE SEPARATION OF RAILWAY ACCOUNTS AND AUDIT.

*Question No. 764.*—(a) The actual words used in paragraph 67 of the Financial Commissioner of Railways' Memorandum presented to the Legislative Assembly on the separation of Accounts from Audit are :

> "In accordance with accepted policy all changes introduced will provide for the protection of the existing rights and privileges of those already in service. Concessions will also be given to those who are expected to move from their homes if their conditions of engagement are for local service."

This assurance was always intended to apply only to men who were holding substantive appointments in the combined Audit and Accounts Offices.

(b) Seven Inspectors who had been provisionally confirmed or were permanent before 1st April, 1929, for whom permanent posts of Inspectors were not available after separation, were declared supernumerary and allowed to retain the old audit scale of pay of Inspectors as a concession. This was not done under Fundamental Rule 22, but under special orders.

(c) Yes. But as already stated the concession given to Inspectors, who held substantive posts prior to separation of Accounts from Audit, was not allowed under Fundamental Rule 23.

(d) The information is given below :

(i) *Before separation.*

| | No. of sanctioned posts. | Actuals. |
|---|---|---|
| Inspectors class I Rs. 300—20—500 | 11 | 11 |
| Inspectors class II Rs. 120—15—270 | 36 | 34<br>Eight officiating (two against permanent post and six against men on deputation or officiating in higher grades). |

(ii) *After separation.*

| | | |
|---|---|---|
| Senior Inspectors Rs. 290—20—450 .. | 9 | 9 |
| Junior Inspectors Grade I, Rs. 150—15—270 | 13 | 13 |
| Junior Inspectors Grace II, Rs. 130—8—170 | 16 | 16 |
| Junior Inspectors Grade II (Temporary) | 9 | 7 Supernumerary<br>8 officiating.<br>(two against temporary posts and six against men on deputation or officiating in higher grades). |

(e) On North-Western Railway seven. There is no such case on any other State-managed Railway.

(f) No, because their case does not stand on the same footing as that of men who hold permanent appointments.

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*Information promised in reply to unstarred questions Nos. 123 and 127, asked by Mr. B. B. Varma on the 30th March, 1937.*

OVERBRIDGE OVER THE LEVEL CROSSING NORTH TO THE JAMALPUR RAILWAY STATION.

*Question No. 123.*—(a) The foot overbridge at the north end of Jamalpur station was erected at a cost of Rs. 31,000.

(b) The position is that the level crossing at this point is across 12 tracks and to overcome the detentions experienced, it was decided, after careful consideration, to provide a road overbridge to replace the level crossing. This overbridge is now under construction at some distance from the level crossing and on its completion the existing foot bridge will be dismantled and used elsewhere on the railway.

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SCALES OF PAY FOR THE SUBORDINATE STAFF ON THE EAST INDIAN RAILWAY ACCOUNTS DEPARTMENT.

*Question No. 127.*—(i) Yes.

(ii) Yes.

(iii) No.

(iv) Yes. But only ten men on Rs. 150—10—200 scale—the old Oudh and Rohilkund Railway scale and 19 on Rs. 170—10—200 scale—the old East Indian Railway Company scale are eligible for this concession.

(v) No. Such promotions were allowed at the time of the election referred to and are also allowed now.

(vi) No.

(vii) Does not arise.

(viii) and (ix). Yes. Re-election was allowed in these cases because at the time of election they were wrongly given to understand that their election was confined only to the scales of pay of their substantive grades and that on promotion to higher grades they were to come on the new scales of pay.

(x) No. There was no misunderstanding on the East Indian Railway.

(xi) The collection of this information will involve a great deal of time and labour and Government do not consider that any useful purpose will be served by it.

(xii) Yes. The memorials were rejected.

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*Information promised in reply to starred question No. 788, asked by Mr. Sham Lal on the 31st March, 1937.*

MANDI AT THE NARELA RAILWAY STATION IN THE DELHI PROVINCE.

(a) (i) Yes.

(ii) Yes. The exact amount realised was Rs. 1,75,900.

(iii) No. The only undertaking that appears to have been given was to the effect that the proceeds of the ground rent, if realised, would be utilised by the District Board for the upkeep of the Mandi and the construction of feeder roads to the neighbouring villages with a view to attracting trade.

(iv) No new tax has been imposed by the District Board. Only house tax has been levied by the Notified Area Committee, Narela.

(v) No. Arrangements have been made by the local authorities to look after the sanitary condition of the Mandi and also for lighting it. As regards the roads the Honourable Member is referred to the reply to part (iii) above.

(vi) A well was constructed inside the Mandi by the District Board, but when its water was found brackish another well outside the Mandi has been constructed.

(b) and (d). No separate account has been kept, but according to the records of the District Board a sum of Rs. 60,394 has been spent on the Mandi in the manner indicated below :

| | Rs. |
|---|---|
| Cost of land acquired .. .. .. .. | 8,562 |
| Construction of *pucca* masonry works with gates and metalled roads inside the Mandi .. .. .. .. .. | 36,832 |
| Raising and straightening the Nawana-Narela *kachcha* road .. | 15,000 |
| | 60,394 |

The balance amounting to Rs. 1,15,506 has been spent in defraying the ordinary expenses of the District Board. A sum of Rs. 1 lakh was originally earmarked out of this amount for the improvement of the Mandi but when the shopkeepers left the Mandi in 1922 and refused to return, the money was utilised for other purposes.

(c) Does not arise.

(e) Yes. There is already a *pucca* road leading from Narela to Alipur. The other two places are outside the jurisdiction of the Delhi Administration.

(f) This is a matter of opinion.

(g) The Honourable Member is referred to the reply given to part (a) (vi) above. If the people concerned wish to sink another well they should apply to the District Board who will consider the question.

(h) No particular enquiry seems called for. The District Board are prepared to consider any grievances that may be represented to them.

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*Information promised in reply to question No. 794 asked by Babu Baijnath Bajoria on the 31st March, 1937.*

ACQUISITION OF A BUILDING IN PURANI MANDI, AJMER, TO PROVIDE A LIQUOR SHOP ON RENT.

(a) Yes.

(b) Yes. The Assistant Commissioner, Ajmer-Merwara, who is *ex-officio* Collector under the Land Acquisition Act, Ajmer, is also *ex-officio* Collector, Excise Revenue.

(c) No. The liquor shop has been located in the same house for a period of over 30 years and has not been detrimental to public peace during the whole of that period.

(d) No. The objections made were rejected by the Local Administration.

(e) The amount of the award made is Rs. 8,227 and the present rent is Rs. 63 per mensem.

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*Information promised in reply to starred question No. 805 asked by Mr. Mohan Lal Saksena on the 31st March, 1937.*

REPRESENTATION REGARDING THE AMALGAMATION OF THE TWO CLERICAL GRADES IN THE OPERATING DEPARTMENT OF THE DIVISIONAL SUPERINTENDENT'S OFFICE, LUCKNOW.

(a) The reply to the first part is in the affirmative. As regards the second part, the request of the clerks was not granted as the conditions of working in the Accounts Department are not analogous to those in the Operating Department.

(b) Yes.

(c) The reply to the first part is in the negative. The second part does not arise.

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*Information promised in reply to starred question No. 812 asked by Pandit Lakshmi Kanta Maitra on the 31st March, 1937.*

INSANITARY CONDITION OF THE GOL MARKET AREA IN NEW DELHI.

(a) The Government understand that the Health Officer, New Delhi, has visited the Gol Market area and the neighbourhood very frequently, but no record of inspections has been kept.

(b) and (c). No. This is not so.

(d) The sanitary and conservancy arrangements in this area are satisfactory and no fresh measures are proposed.

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*Information promised in reply to starred question No. 819 asked by Dr. N. B. Khare on the 31st March, 1937.*

MEAT SHOPS IN THE MINTO ROAD AREA, NEW DELHI.

(a) Yes. A third shop (for Jhatka meat) was closed as the tenant could not secure sufficient business.

(b) No complaints have been received by the New Delhi Municipal Committee.

(c) No. Meat was not obtainable only on the 15th and 16th March, 1937, since the butchers in Old Delhi closed their shops and no meat could be procured by the New Delhi shopkeepers who are dependent for their supply of meat on the Delhi Slaughter House.

(d) Does not arise.

(e) The New Delhi Municipal Committee will consider this question, if there is a genuine demand for more meat shops.

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*Information promised in reply to unstarred questions Nos. 137 and 142 asked by Mr. Amarendra Nath Chattopadhyaya on the 31st March, 1937.*

REVISION OF THE FREE PASS RULES FOR THE RAILWAY STAFF.

*Question No. 137.*—(a) Presumably the Honourable Member is referring to the staff employed in the Railway Department (Railway Board). If so, there was no difference in the scales of pay of ministerial staff employed in the Railway Department (Railway Board) and of staff employed in other departments of Government of India recruited before November, 1924. From that date, the scales of pay of staff in the Railway Department (Railway Board) were fixed at a lower level than those in force in other departments in view *inter alia* of the fact that the former were in receipt of Railway free passes. From July, 1931, however, the scales of pay fixed for staff employed in the Railway Department (Railway Board) are the same as for the staff employed in other departments of the Government of India.

(b) (i) A statement showing the old and the revised scales of pay of ministerial staff employed in the Railway Department (Railway Board) is attached as annexure 'A'.

(ii) As regards the old scales of pay for the ministerial staff in the Posts and Telegraphs Department, the Honourable Member is referred to Chapters VII to XII of the Posts and Telegraphs Department Manual of Appointments and Allowances, a copy of which is in the Library of the House.

As regards the revised scales of pay for such staff the Honourable Member is referred to the Government of India, Industries and Labour Department Memorandum No. E.S.A.-130|33 (2), dated the 11th March, 1935, a copy of which also is in the Library of the House.

(iii) A statement showing the old and the revised scales of pay of the ministerial staff in the Customs Department is *attached* as annexure ' B '.

(iv) The old scales of pay are given in the Pay and Cadre Schedules of Central Services, and the new scales of pay in the Revised Rates of Pay Rules, copies of both of which are in the Library of the House.

(c) In view of the last portion of the reply to part (a) above this does not arise.

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ANNEXURE " A ".

*Statement showing the Old and Revised Scales of Pay of Ministerial Staff of the Railway Department (Railway Board).*

| —— | Old scales. | Revised scales (1924). | Revised scales (1931). |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| 1. Superintendent. .. | 600—40—800 .. | 550—30—700 | 500—20—600. |
| 2. *First Division.* | | | |
| Probationer, Officiating and Temporary, Assistants. | 175 .. .. | 180—15—450 | 140—10—280 (Efficiency bar)—10—310—15—400. |
| Lower time-scale .. | 200—15—365—efficiency bar—380—15 500. | | .. |
| Upper time-scale for selected men (15 per cent. of the permanent staff) as it stood on the 1st November, 1924. | 375—25—500. | | |
| 3. *Second Division.* | | | |
| Probationers, Officiating and Temporary Assistants. | 80 .. .. | 100—8—260 | 80—4—120—5—200 (Efficiency bar after 125). |
| Ordinary grade .. | 100—8—156—efficiency bar—164—8—300. | | |
| Special grade (10 per cent. of permanent staff) as it stood on the 1st November, 1924. | 300—25—350. | | |
| 4. *Third Division* .. | 100—8—156 .. | 75—5—150 | 60—2—80—3—125 (Efficiency bar after Rs. 95) |
| 5. Stenographers .. | 175—9—400 .. | 150—10—300 | 125—5—180—10—300. |

ANNEXURE "B".

*Statement showing the Old and Revised Scales of Pay of the Ministerial Staff in the Customs Department.*

| — | Post. | Old scale of pay. | Revised scale of pay. |
|---|---|---|---|
| | | Rs. | Rs. |
| | Auditor. | | |
| Madras .. | Chief Accounts Officer | 400—20—700 .. | 300—20—500. |
| Karachi .. | | 400—20—700 .. | 310—20—550. |
| Calcutta .. | | 500—35—850 .. | 400—200—600. |
| Bombay .. | | 500—35—850 .. | 400—20—600. |
| Bombay .. | Superintendents .. | 275—15—425 .. | 250—15—400. |
| | Deputy Superintendents | No separate scale .. | 200—10—250. |
| | Clerks, Upper Division .. | 110—5—230 (S. P. of Rs. 30 for supervising clerks). | 80—80—5—150—10—200. |
| | Stenographers .. | 150—5—200 .. | 90—5—150 (Special pay of Rs. 25 for the Collector's Stenographer). |
| | Lower Division Clerks .. | 60/60—4—100—5—160. | Lower Grade 50—3—95. Higher Grade 100—5—150 (E. B. at 130). |
| | Typists .. .. | No separate scale | 50—5/2—90—5—100. |
| Calcutta .. | Superintendents .. | 300—20—500—50/2—550. | 250—15—400. |
| | Treasurer .. .. | 400—10—500 .. | 300—10—400. |
| | Deputy Superintendents | 200—10—300 .. | 200—10—250. |
| | Clerks, Upper Division .. | 80—80—100—5—150—10—200. | 80/80—5—180. |
| | Clerks, Lower Division .. | 45/45—50—3—110—5—120. | 45/45—5/2—90—3—105. |
| | Stenographers .. | 100—10—200 .. | 80—4—160 (with special pay of Rs. 25 for Collector's Stenographer). |
| | Typists .. .. | 45—5/2—100 .. | 45—45—5/2—90. |

| — | Post. | Old scale of pay. | Revised scale of pay. |
|---|---|---|---|
| | | Rs. | Rs. |
| Madras .. | Superintendents .. | 200—10—250 .. | 175—15/2—250. |
| | Deputy Superintendents | 125—5—175 .. | 100—10/2—150. |
| | Upper Division Clerks .. | 70—3—85—4—125 .. | 55—5/2—70—7½/2—100. |
| | Lower Division Clerks .. | 40—2—60—2½—95 .. | 40—3/2—55—5/2—70. |
| | Stenographers .. | 65/65—5—90—3—105 | 60—4—100. |
| Karachi .. | Superintendents .. | 300—10—400 .. | 230—10—300. |
| | Deputy Superintendents | 230—10—300 .. | 175—10—225. |
| | Stenographers .. | 120—5½—175 .. | 75—5—150. |
| | Clerks, Upper Division.. | Two posts on 175—5—225. | 150—5—175. |
| | | Others on 125—5—160 | 80—5—140. |
| | Clerks, Lower Division .. | 45—2½—70—3—115.. | 45/45—5/2—90—3—105. |
| | Typists .. .. | 70—5—100—4—120.. | 45/45—5/2—90. |

TRANSFER OF STAFF EMPLOYED IN THE CARRIAGE AND WAGON SECTION ATTACHED TO THE DIVISIONS OF THE EAST INDIAN RAILWAY.

*Question No. 142.*—Government are informed as follows :

(a) and (b). No.

(c) The bulk of the staff of the carriage and wagon branch at Howrah are artisans and inferior servants and normally it is not considered in the interests of service to transfer such classes of staff.

(d) No, only such staff are promoted as train examiners as are qualified and competent for such posts.

(e) The reply to the first part is in the negative. The second part does not arise.

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*Information promised in reply to starred question No. 824 asked by Pandit Lakshmi Kanta Maitra on the 2nd April, 1937.*

GRADES OF COAL FIXED BY THE INDIAN COAL GRADING BOARD.

(a) (i) Yes.

(ii) Yes.

(iii) No. The relative efficiencies of coals when burnt in locomotive boilers are found not to agree strictly with the grades fixed by the Grading Board.

(b) No.

*Information promised in reply to starred question No. 827 asked by Seth Sheodass Daga on the 2nd April, 1937.*

EXPIRY OF LEASES OF NAZUL LANDS IN CERTAIN AREAS IN DELHI.

(a) Yes.

(b) No. The lessees do not seem ever to have asked the authorities to renew the leases.

(c) Yes.

(d) No leases have been renewed in the area.

(e) None.

(f) The Bandhanis are being charged rent at the rate of As. 6 per 100 square yards per mensem which was fixed in 1921. Others to whom plots have been allotted in this locality are charged rents ranging from As. 12 to Rs. 2 per 100 square yards per mensem.

(g) On the renewal of a lease the rent is enhanced according to the terms of the lease, subject to any maximum limit prescribed by the lease, and after taking into consideration the letting value of the land at the time of the renewal.

(h) In the Western Extension Area there was a 100 per cent. increase at the time of renewal. This is the maximum prescribed under the terms of the leases. There has been no renewal of long term leases elsewhere.

(i) No application is pending. As regards renewals generally, in view of the transfer of the management of the Nazul Estate to the Improvement Trust, it will be for the Improvement Trust to fix the rents.

(j) No. There is no such proposal.

(k) and (l). Do not arise.

(m) The matter will now be one for the Improvement Trust.

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*Information promised in reply to starred question No. 828 asked by Mr. C. N. Muthuranga Mudaliar on the 2nd April, 1937.*

ALLEGATIONS AGAINST THE CUSTOMS AUTHORITIES IN CUDDALORE.

(a) The locality referred to is Devipatnam Beach which is close to the French enclave of Behour from which goods are known to be smuggled. Such an operation is facilitated by large gatherings of people during bathing festivals. On the 25th February, 1937, 17 persons were found coming from the direction of the French territory carrying new articles of clothing. Many of them had several garments each of the same kind. As none of them were able to produce customs duty receipts or evidence of purchase in British India, the articles were confiscated and penalties were imposed under section 7 (1) of the Land Customs Act, 1924. One new *sari* was found on the beach on the 26th February. It was unclaimed and has accordingly been confiscated. It will be seen that the use of the word "indiscriminately" is not justified by the facts.

(b) to (f). On receipt of information that smuggled articles, chiefly silk, were secreted and used by the girl student residing in the Christian and Hindu Hostels attached to the Government Girls' School, Tirupappuliyur, and by one Mrs. Rukmani Ammal, music mistress of the school, residing at No. 13, Babu Rao Street, the Assistant Inspector of Salt Revenue, Southern Range, conducted on the 10th March, 1937, with the permission of the Lady Superintendent, a search of the hostel premises and the residence of the mistress, after obtaining a search warrant from the Sub-Magistrate. The search of the hostels lasted from 3 P.M. to about 6-15 P.M. Thereafter, statements of the residents of the Christian Hostel were recorded till 10-45 P.M. and of the Hindu Hostel till 12-45 A.M. From the three places contraband silk worth about Rs. 250 to Rs. 300 was seized. Government agree that the late hour at which enquiries were conducted was calculated to cause inconvenience, mental worry and anxiety to the residents. The officer responsible has been dealt with for his indiscretion in holding his enquiry at such a late hour.

(g) Section 5 (3) of the Land Customs Act, 1924.

(h) Duty is chargeable on vegetables and other perishable articles when they are imported in quantities in excess of ordinary personal requirements.

(i) No. Exemption to a more limited extent was allowed for some time. Experience showed that the concession was abused and involved a considerable loss of revenue. The concession was consequently withdrawn.

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## MOTIONS FOR ADJOURNMENT.

### BANNING OF THE KOTHAPATAM SCHOOL OF ECONOMICS AND POLITICAL SCIENCE.

**Mr. President** (The Honourable Sir Abdur Rahim) : Order, order. I have received notice of a motion for an adjournment of the business of the House from Professor N. G. Ranga to this effect :

"I hereby give notice of my intention to move the adjournment of the House to discuss a definite matter of urgent public importance, namely, the banning of the Kothapatam School of Economics and Political Science by Madras Government under the Criminal Law Amendment Act and charging the students and lecturers with *lathis*, before and after arresting them and lodging them in the sub-jails."

His Excellency the Governor General has disallowed this by the following Order :

(While the Order was being read by the Chair, Members on the Government Benches stood in their seats.)

"In exercise of the power vested in me by sub-rule (2) of rule 22 of the Indian Legislative Rules, I, Victor Alexander John, Marquess of Linlithgow, hereby disallow the motion of Professor N. G. Ranga to move the adjournment of the House for the purpose of considering 'the banning of the Kothapatam School of Economics and Political Science by Madras Government under the Criminal Law Amendment Act and charging the students and lecturers with *lathis* before and after arresting them and lodging them in the sub-jails', on the ground that the motion relates to a matter which is not primarily the concern of the Governor General in Council.

LINLITHGOW,

*Viceroy and Governor General.*"

SIMLA,
*The 19th August, 1937.*

### FEELINGS OF INDIAN MUSLIMS ON THE PALESTINE QUESTION.

**Mr. President** (The Honourable Sir Abdur Rahim) : The next motion is in the name of Mr. M. Ghiasuddin, which is to this effect :

"I wish to move the adjournment of the business of the House at the next sitting of the Assembly on the following grounds :

'This House do now adjourn to discuss a definite matter of urgent public importance and of recent occurrence, namely, the failure of the Government of India to advise His Majesty's Government correctly as regards the feelings of Indian Muslims on the Palestine question. This failure resulted in acceptance by His Majesty's Government the recommendations of the Royal Commission on Palestine greatly to the detriment of Arabs in that country'."

His Excellency the Governor General has disallowed this by the following Order :

"In exercise of the power vested in me by sub-rule (2) of rule 22 of the Indian Legislative Rules, I, Victor Alexander John, Marquess of Linlithgow, hereby disallow the motion of Mr. M. Ghiasuddin to move the adjournment of the House for the

purpose of considering ' the failure of the Government of India to advise His Majesty's Government correctly as regards the feelings of Indian Muslims on the Palestine question. This failure resulted in acceptance by His Majesty's Government the recommendations of the Royal Commission on Palestine greatly to the detriment of Arabs in that country ', on the ground that the motion relates to a matter which is not primarily the concern of the Governor General in Council.

LINLITHGOW,

*Viceroy and Governor General.*''

SIMLA,

*The 19th August, 1937.*

(While the Order was being read, Members on the Government Benches stood in their seats.)

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : On a point of order, Sir. While you are standing.....

**Mr. President** (The Honourable Sir Abdur Rahim) : There can be no point of order while the Chair is standing.

## NON-EXPORT OF INDIAN SUGAR ABROAD EXCEPT TO BURMA.

**Mr. President** (The Honourable Sir Abdur Rahim) : The next notice of a motion for an adjournment of the business of the House is in the name of Mr. Avinashilingam Chettiar. It runs thus :

'' I propose to ask leave to move for the adjournment of the House to discuss a definite matter of urgent public importance, namely, the agreement made by the Government of India in the last International Sugar Conference agreeing not to export Indian sugar abroad except Burma.''

**Mr. T. S. Avinashilingam Chettiar** (Salem and Coimbatore *cum* North Arcot : Non-Muhammadan Rural) : In view of the undertaking given by the Honourable the Commerce Member to allot a day so that this matter may be discussed threadbare and that they will not come to any final understanding before it has been discussed in this House, I do not move my motion.

## GOVERNMENT POLICY IN RESPECT OF THE TRIBES ON THE NORTH-WEST FRONTIER OF INDIA.

**Mr. President** (The Honourable Sir Abdur Rahim) : The next motion is in the name of Mr. S. Satyamurti. It states :

'' I hereby give you notice that I intend asking the leave of the Honourable the President and of the House to move that the House do stand adjourned, to consider a definite matter of urgent public importance, on the first day of the Session, or the next day available for the purpose, namely, the futile and costly policy of the Government of India in respect of the Tribes on the North-Western Frontier of India.''

This motion has been disallowed by His Excellency the Governor General, and the Order is this :

'' In exercise of the power vested in me by sub-rule (2) of rule 22 of the Indian Legislative Rules, I, Victor Alexander John, Marquess of Linlithgow, hereby disallow the motion of Mr. S. Satyamurti to move the adjournment of the House for the purpose of considering ' the futile and costly policy of the Government of India in respect of the Tribes on the North-Western Frontier of India ', on the ground that the motion cannot be moved without detriment to the public interest.

LINLITHGOW,

*Viceroy and Governor General.*''

SIMLA,

*The 19th August, 1937.*

(While the Order was being read, Members on the Government Benches stood in their seats.)

**Mr. M. Ananthasayanam Ayyangar** : I should like to know this. When you are standing, all others are to sit. But in this case, how is it that, when you are standing, others also stand ?

**Some Honourable Members** : Order, order.

**Mr. M. Ananthasayanam Ayyangar** : I am raising a point of order. I won't allow myself to be shouted down. I am entitled to a hearing. Will you, Sir, rebuke those who have interrupted me ?

**Mr. President** (The Honourable Sir Abdur Rahim) : What is the point of order ?

**Mr. M. Ananthasayanam Ayyangar** : The point of order is this. When you are standing and reading out, conducting the business of the House, it is not open to any Honourable Member to stand. He has got to sit down. Such being the case, when you were reading out, how could the others stand ?

**Mr. President** (The Honourable Sir Abdur Rahim) : It is not a point of order. They stand there, not to speak, but out of respect to the Viceroy and Governor General.

**Sir Muhammad Yamin Khan** (Agra Division : Muhammadan Rural) : On a point of order, Sir. I want to know your opinion whether this should be considered as a message to the House from the Governor General, or it is a decision on a matter which is under his jurisdiction ?

**Mr. President** (The Honourable Sir Abdur Rahim) : I have read it out as an Order of the Governor General.

**Mr. M. A. Jinnah** (Bombay City : Muhammadan Urban) : I understood you just now to say that this was a message from His Excellency the Governor General.....

1 P.M.

**Mr. President** (The Honourable Sir Abdur Rahim) : No. I said it was his order.

**Mr. M. A. Jinnah** : You said that you stood out of respect. I want to definitely understand this—if the order is to be merely communicated, then why should the Chair stand up ? I understood you to say that you did so out of respect.

**An Honourable Member** : Not he.

**Mr. President** (The Honourable Sir Abdur Rahim) : I stood out of respect to the House. (Loud Applause.)

**Sir Muhammad Yamin Khan** : It is the procedure of the House that when the President is on his legs the Members must be sitting down. When the Honourable the President has been reading out only a decision of the Governor General it has not been the practice in this House for any Honourable Member to stand up while the President is on his legs.

**Mr. President** (The Honourable Sir Abdur Rahim) : I never asked any Honourable Member to rise in his seat.

**Maulana Zafar Ali Khan** (East Central Punjab : Muhammadan) : Will you please allow me to make a few remarks. I want to know whether this House is a debating society, pure and simple.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member cannot make any such remark. The Honourable Member must withdraw that remark.

**Maulana Zafar Ali Khan** : Alright, I bow before your superior decision ; but what I want to say is this. The question of Palestine and the question of the North-West Frontier are questions which are greatly exercising the minds of the Mussalmans of India.....

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member cannot argue that question. The Governor General has got the power to disallow any motion under the rules.

**Maulana Zafar Ali Khan** : You can curb us.

**Mr. President** (The Honourable Sir Abdur Rahim) : I cannot allow that. The Honourable Member must withdraw that remark.

**Maulana Zafar Ali Khan** : I have withdrawn my remark.

MISREPRESENTATION OF INDIA'S FEELINGS AND ASPIRATIONS AT THE IMPERIAL CONFERENCE.

**Mr. President** (The Honourable Sir Abdur Rahim) : The next motion stands in the name of Mr. Satyamurti who says :

"I hereby give you notice that I intend asking the leave of the Honourable the President and of the House to move that the House do stand adjourned, to consider a definite matter of urgent public importance, on the first day of the Session, or the next available day for the purpose, namely, the misrepresentation of India's feelings and aspirations at the Imperial Conference by the Honourable Sir Muhammad Zafrullah Khan, the Government of India representative on the same."

This has been disallowed by the Governor General by his Order which says :

"In exercise of the power vested in me by sub-rule (2) of rule 22 of the Indian Legislative Rules, I, Victor Alexander John, Marquess of Linlithgow, hereby disallow the motion of Mr. S. Satyamurti to move the adjournment of the House for the purpose of considering 'the misrepresentation of India's feelings and aspirations at the Imperial Conference by the Honourable Sir Muhammad Zafrullah Khan, the Government of India representative on the same', on the ground that the motion cannot be moved without detriment to the public interest.

LINLITHGOW,

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Then, motion No. VI about the World Sugar Conference has been covered by Mr. Chettiar's motion.

PROTECTION OF THE INTERESTS OF INDIANS IN SOUTH AFRICA.

**Mr. President** (The Honourable Sir Abdur Rahim) : The next motion is by Mr. Satyamurti who says :

"I hereby give you notice that I intend asking the leave of the Honourable the President and of the House to move for the adjournment of the business of the House, to discuss a definite matter of urgent public importance, on the first day of the Session, or the next day available for the purpose, *viz.*, the failure of the Government of India to take prompt and effective action to protect the interests of Indians in South Africa in respect of recent proposed discriminatory legislation."

**Mr. S. Satyamurti** (Madras City : Non-Muhammadan Urban) : I understand that the legislation has been dropped for the present and the Commissioners are not going to be appointed, and, therefore I do not propose to move this motion.

INDIAN INTERESTS AT ZANZIBAR.

**Mr. President** (The Honourable Sir Abdur Rahim) : Then, No. 7 is not moved. Then, Motion No. 8 is also in the name of Mr. Satyamurti who says :

"I hereby give you notice that I intend asking the leave of the Honourable the President and of the House, for the adjournment of the business of the House, on the first day of the Session, or the next available day for the purpose, to discuss a definite matter of urgent public importance, namely, the failure of the Government of India to take prompt and effective action to protect the legitimate interests of Indians in Zanzibar."

Is there any objection ? (No objection being taken). The motion will be taken up at 4 o'clock today.

PANEL OF CHAIRMEN.

**Mr. President** (The Honourable Sir Abdur Rahim) : I have to inform the House that under rule 3 (1) of the Indian Legislative Rules, I nominate Sir Muhammad Yakub, Mr. S. Satyamurti, Sir Leslie Hudson and Sir Cowasji Jehangir on the Panel of Chairmen for the current Session.

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GOVERNOR GENERAL'S ASSENT TO BILLS.

**Secretary of the Assembly** : Sir, information has been received that the following Bills which were passed by both Chambers of the Indian Legislature during the Delhi Session, 1937, have been assented to by His Excellency the Governor General under the provision of sub-section (1) of section 68 of the Government of India Act, as continued by section 317 of the Government of India Act, 1935 :

1. The Agricultural Produce (Grading and Marking) Act, 1937,
2. The Indian Naval Armament (Amendment) Act, 1937,
3. The Land Customs (Amendment) Act, 1937,
4. The Indian Income-tax (Amendment) Act, 1937,
5. The Indian Lac Cess (Amendment) Act, 1937,
6. The Arbitration (Protocol and Convention) Act, 1937,
7. The Workmen's Compensation (Amendment) Act, 1937,
8. The Code of Civil Procedure (Amendment) Act, 1937,
9. The Code of Civil Procedure (Second Amendment) Act, 1937,
10. The Indian Electricity (Amendment) Act, 1937,
11. The Indian Boilers (Amendment) Act, 1937,
12. The Contempt of Courts (Amendment) Act, 1937,
13. The Indian Tea Cess (Amendment) Act, 1937,
14. The Indian Limitation (Amendment) Act, 1937,

15. The Indian Army (Amendment) Act, 1937,
16. The Code of Civil Procedure (Third Amendment) Act, 1937,
17. The Indian Red Cross Society (Amendment) Act, 1937,
18. The Hindu Women's Rights to Property Act, 1937,
19. The Arya Marriage Validation Act, 1937,
20. The Repealing and Amending Act, 1937,
21. The Indian Tariff (Amendment) Act, 1937, and
22. The Payment of Wages (Amendment) Act, 1937.

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## AGREEMENTS BETWEEN THE RESERVE BANK OF INDIA AND THE GOVERNMENTS OF MADRAS, THE PUNJAB, SIND, ASSAM AND THE UNITED PROVINCES.

**The Honourable Sir James Grigg** (Finance Member) : Sir, I lay on the table a copy each of the Agreements between the Reserve Bank of India and the Governments of Madras, the Punjab, Sind, Assam and the United Provinces.

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### GOVERNMENT OF MADRAS.

FINANCE (WAYS AND MEANS) DEPARTMENT.

AN AGREEMENT made this first day of April 1937 BETWEEN THE GOVERNOR OF THE PROVINCE OF MADRAS of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act 1935 by an Order of His Majesty in Council dated the Eighteenth day of March 1937 cited as the India and Burma (Burma Monetary Arrangements) Order 1937 (hereinafter called "the Act") with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, *viz.*,

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and

(3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall come into force on the first day of April 1937.

2. The general banking business of the Government of Madras (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall

be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorized by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time.

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement, the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount

of the minimum balance prescribed under Clause 5 and any subsidiary agreement provided under the Clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1|16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, *viz.* :—

(a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.

(b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorized in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Madras Government Securities Rules, 1937, for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues :

Provided that loans not directly issued by the Government but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Madras Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881), subject nevertheless and notwithstanding the provisions of

that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorized by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, subdivision or cancellation of any Government security shall rest with and be borne by the Bank provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realizing money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connexion with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

IN WITNESS WHEREOF Mr. Cyril Edgar Jones, C.I.E., I.C.S., Secretary to the Government of Madras in the Finance Department by the order and direction of the Governor of the Province of Madras has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board

has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Mr. Cyril Edgar Jones, C.I.E., I.C.S., Secretary to the Government of Madras in the Finance Department, for and on behalf of the Governor of the Province of Madras in the presence of D. W. DODWELL, Additional Deputy Secretary to the Government of Madras, Finance Department.

C. E. JONES,

Secretary to the Government of Madras, Finance Department.

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purushotomdas Thakurdas, *Kt.*, C.I.E., M.B.E.,

and

Mr. Rustom Pestonji Masani two of its Directors and Sir James Braid Taylor, *Kt.*, C.I.E., its Deputy Governor.

Common Seal of the Reserve Bank of India.

PURUSHOTAMDAS THAKURDAS,
R. P. MASANI,
*Directors.*

J. B. TAYLOR,
*Deputy Governor.*

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*Agreement between the Governor of the Punjab and the Reserve Bank of India.*

AN AGREEMENT made this twentysixth day of May, 1937, BETWEEN THE GOVERNOR OF THE PUNJAB of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part.

WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) (hereinafter called "the Act") as adapted and modified pursuant to the Authority contained in section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March, 1937, cited as the India and Burma (Burma Monetary Arrangements) Order 1937 with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, *viz.* :—

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require, and

(3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall be deemed to have come into force on the first day of April, 1937, and the previous agreement, dated the 2nd November, 1935, is hereby cancelled.

2. The general banking business of the Government of the Punjab (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and in accordance with and subject to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorized by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time:

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1/16 per cent. in addition to any further charges

which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the rupee public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, *viz.* :—

(a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.

(b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General under the powers conferred upon him by the Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues.

Provided that loans not directly issued by the Government, but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause, but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Punjab Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, sub-division or cancellation of any Government security shall rest with and be borne by the Bank provided, however, that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the

Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connection with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

17. The stamp duty on the instrument shall be borne by the Government.

IN WITNESS WHEREOF Ram Chandra, C.I.E., M.B.E., I.C.S., Secretary to the Government of the Punjab in the Finance Department by the order and direction of the Governor of the Punjab has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Ram Chandra, Secretary to the Government of the Punjab in the Finance Department for and on behalf of the Governor of the Punjab in the presence of—

(Sd.) RAM CHANDRA,
*Secretary to the Government of the Punjab, Finance Department.*

(Sd.) LALCHAND,

*Assistant Secretary to the Government of the Punjab, Finance Department.*

Common Seal of the Reserve Bank of India.

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purushotamdas Thakurdas, Kt., C.I.E., M.B.E., and Kasturbhai Lalbhai, two of its Directors and Manilal Balabhai Nanavati, its Deputy Governor who in token thereof have hereunto signed their names in the presence of—

(Sd.) N. D. NANGIA,
Reserve Bank of India,
Central Office, Bombay.

(Sd.) PURUSHOTAMDAS THAKURDAS.
(Sd.) KUSTURBHAI LALBHAI,
*Directors.*
(Sd.) MANLAL B. NANAVATI,
*Deputy Governor.*

*Agreement between the Governor of the Province of Sind and the Reserve Bank of India.*

AN AGREEMENT made this twenty-sixth day of May, 1937, BETWEEN THE GOVERNOR OF THE PROVINCE OF SIND of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part, WHEREAS the Bank was constituted and incorporated and regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934, hereinafter called "the Act"), as adapted and modified pursuant to the Authority contained in section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council dated the eighteenth day of March, 1937, cited as the India and Burma (Burma Monetary Arrangements) Order, 1937, with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, *viz.* :—

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require, and

(3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall be deemed to have come into force on the first day of April, 1937.

2. The general banking business of the Government of Sind (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may, from time to time, be given to the Bank by the Government through any Government officer or officers authorized by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may, from time to time, be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall, from time to time, direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall, subject to such orders as may, from time to time, be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of

securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and account in respect of the said public debt as the Government may, from time to time, direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank, from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as " scheduled banks " in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1|16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the rupee public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, *viz.* :—

(a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.

(b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum, the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter, from time to time, be prescribed by the Governor General under the powers conferred upon him by the Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues :

Provided that loans not directly issued by the Government, but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause, but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Sind Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may, from time to time, require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches, except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing within the jurisdiction of the Government shall be closed except on Sundays and on public holidays authorised by the Government.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, sub-division or cancellation of any Government security shall rest with and be borne by the Bank provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto, PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it, from time to time, at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connection with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

IN WITNESS WHEREOF Charles Beaupré Bell Clee, Secretary to the Government of Sind in the Finance Department by the order and direction of the Governor of Sind has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Charles Beaupré Bell Clee, Secretary to the Government of Sind in the Finance Department, for and on behalf of the Governor of Sind in the presence of

(Sd.) C. B. B. CLEE,
*Secretary to the Government of Sind, Finance Department.*

(Sd.) N. V. RAGHAVAN,
*Assistant Secretary to Government, Finance Department, Karachi.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purushotamdas Thakurdas, Kt., C.I.E., M.B.E., and Kasturbhai Lalbai two of its Directors and Manilal Balabhai Nanavati its Deputy Governor.

Seal of the Reserve Bank of India.

(Sd.) KUSTURBAI LALBHAI,
(Sd.) PURUSHOTAMDAS THAKURDAS,
*Directors.*
(Sd.) MANIAL B. NANAVATI,
*Deputy Governor.*

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*Agreement between the Governor of Assam and the Reserve Bank of India.*

AN AGREEMENT made this twenty-first day of April, 1937, BETWEEN THE GOVERNOR OF THE PROVINCE OF ASSAM of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) as adapted and modified pursuant to the Authority contained in section 293 of the Government of India Act 1935 by an Order of His Majesty in Council, dated the Eighteenth day of March, 1937, cited as the India and Burma (Burma Monetary Arangements) Order, 1937 (hereinafter called "the Act") with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, *viz.*,

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and

(3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall come into force on the first day of April, 1937.

2. The general banking business of the Government of Assam (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorized by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and account in respect of the said public debt as the Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time.

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1|16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amount shall be excluded from the amount of public debt, *viz.* :—

(a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.

(b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General under the powers conferred upon him by the Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues :

Provided that loans not directly issued by the Government, but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause, but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Assam Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, sub-division or cancellation of any Government security shall rest with and be borne by the Bank provided, however, that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in

such cases no liability shall be incurred by the Bank in respect thereto PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connection with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

IN WITNESS WHEREOF Mr. Arnold Gordon Patton, B.A., (Cantab.), J.P., I.C.S., Secretary to the Government of Assam in the Finance Department by the order and direction of the Governor of Assam has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said A. G. Patton, I.C.S., Secretary to the Government of Assam in the Finance Department for and on behalf of the Governor of Assam in the presence of

(Sd.) A. G. PATTON,
*Secretary to the Government of Assam, Finance Department.*

(Sd.) A. V. JONES,
*Deputy Secretary to the Government of Assam, Finance Department.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purushotamdas Thakurdas, Kt., C.I.E., M.B.E., and Sir Homi Mehta, Kt., two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Deputy Governor.

Common Seal of the Reserve Ban of India.

(Sd.) PURUSHOTOMDAS THAKURDAS,
(Sd.) HOMI MEHTA,
*Directors.*
(Sd.) J. B. TAYLOR,
*Deputy Governor.*

*Agreement between the Governor of the United Provinces and the Reserve Bank of India.*

AN AGREEMENT made this seventh day of July, 1937, BETWEEN THE GOVERNOR OF THE UNITED PROVINCES of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part.

WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 [being Act No. II of 1934 (hereinafter called "the Act")] as adapted and modified pursuant to the Authority contained in section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March, 1937, cited as the India and Burma (Burma Monetary Arrangements) Order, 1937, with and subject to the various powers, provisions, and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, *viz.*,

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and

(3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall be deemed to have come into force on the first day of April, 1937.

2. The general banking business of the Government of United Provinces (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorized by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of

securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time.

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as " scheduled banks " in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1|16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, *viz.* :—

(a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.

(b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorised in that behalf provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General under the powers conferred upon him by the Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division, or otherwise of all Government Securities which the Bank issues.

Provided that loans not directly issued by the Government, but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the United Provinces, as the Government may, with the previous

sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, sub-division or cancellation of any Government security shall rest with and be borne by the Bank provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connection with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

IN WITNESS WHEREOF Mr. A. C. Turner, I.C.S., M.B.E., Secretary to the Government of the United Provinces in the Finance Department, by the order and direction of the Governor of United Provinces, has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Mr. A. C. Turner, I.C.S., M.B.E., Secretary to the Government of United Provinces in the Finance Department, for and on behalf of the Governor of United Provinces in the presence of

SURAJ DIN BAJPAI,

*Deputy Secretary to the Government of the United Provinces.*

A. C. TURNER,
*Secretary to the Government of United Provinces, Finance Department.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sultan Meherally Chinoy and Devi Das Madhowji Thakersey two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Governor.

*Common seal of the Reserve Bank of India.*
SULTAN CHINOY,
DEVIDAS MADHOWJI THAKERSEY,
*Directors.*

J. B. TAYLOR,
*Governor.*

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AN *AGREEMENT* made this seventh day of July one thousand nine hundred and thirty-seven BETWEEN THE GOVERNOR OF UNITED PROVINCES of the one part and the Reserve Bank of India (hereinafter called "the Bank") of the other part supplemental to an agreement (hereinafter referred to "as the principal agreement") made on the 7th day of July, 1937, between the parties hereto.

WHEREAS under clause 5 of the principal agreement it is provided that the Government of United Provinces (hereafter referred to as "the Government") shall maintain a daily balance with the Bank not below such minimum as may be agreed upon NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED AS FOLLOWS :

1. The Bank shall inform the Government by telegram of the Government daily balance with the Bank at the close of each working day.

2. The Government shall take steps by taking a ways and means advance from the Bank or by issuing treasury bills to ensure that the Government balance on each Friday is not less than a credit of thirty lakhs. If a reduction in the Government balance is to be anticipated before the following Friday, *e.g.*, owing to the-beginning-of-the-month disbursements, etc., the Government shall also take steps to ensure that this balance does not fall below the said minimum by more than five lakhs.

3. The Government will not repay ways and means advances or invest any surplus of the Government balances unless the said balance exceeds a credit of thirty-five lakhs.

4. Ways and means advances may be taken and repaid on any day without previous notice by telegraphic or such other intimation to such branch of the Bank as the Bank may prescribe provided that such advances shall be for a minimum period of seven days and provided further that such advances shall be in minimum amounts of five lakhs.

IN WITNESS WHEREOF Mr. A. C. Turner, I.C.S., M.B.E., Secretary to the Government of United Provinces in the Finance Department, by the order and direction of the Governor of United Provinces, has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a resolution of its

Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Mr. A. C. Turner, I.C.S., M.B.E., Secretary to the Government of United Provinces in the Finance Department, for and on behalf of the Governor of United Provinces in the presence of

SURAJ DIN BAJPAI,
*Deputy Secretary to the Government of United Provinces.*

A. C. TURNER,
*Secretary to the Government of United Provinces, Finance Department.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sultan Meharally Chinoy and Devi Das Madhowji Thakersey two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Governor.

*Common seal of the Reserve Bank of India.*
SULTAN CHINOY,
DEVIDAS MADHOWJI THAKERSEY,
*Directors.*
J. B. TAYLOR,
*Governor.*

## FORMS OF FORCED LABOUR IN THE PROVINCES.

**Mr. R. F. Mudie** (Government of India : Nominated Official) : Sir, I lay on the table a copy of the correspondence relating to the forms of forced labour in the Provinces.

## SECTION I.

## CORRESPONDENCE RELATING TO THE FORMS OF FORCED LABOUR IN THE PROVINCES.

*Serial no. 24.*—LETTER FROM THE JOINT SECRETARY TO THE GOVERNMENT OF INDIA, HOME DEPARTMENT, TO THE SECRETARIES TO THE GOVERNMENTS OF MADRAS (PUBLIC WORKS AND LABOUR DEPARTMENT) ; BOMBAY (POLITICAL DEPARTMENT) ; BENGAL (COMMERCE AND MARINE DEPARTMENT) ; AND THE UNITED PROVINCES (POLICE DEPARTMENT) ; THE HOME SECRETARY TO THE GOVERNMENT OF THE PUNJAB ; THE CHIEF SECRETARIES TO THE GOVERNMENTS OF BIHAR AND ORISSA (POLITICAL DEPARTMENT) ; THE CENTRAL PROVINCES (POLICE DEPARTMENT) ; AND ASSAM (GENERAL AND JUDICIAL DEPARTMENT) ; THE CHIEF COMMISSIONERS, NORTH-WEST FRONTIER PROVINCE, DELHI AND COORG ; AND THE HON'BLE THE AGENT TO THE GOVERNOR-GENERAL, BALUCHISTAN, NO. F. 187/2/30-PUBLIC, DATED NEW DELHI, THE 3RD NOVEMBER 1931.

With reference to the correspondence ending with your letter no.

| | | |
|---|---|---|
| 1791-(5-S.)-L., | | 13th July 1931, |
| 8245-B., | | 20th June 1931, |
| 32-18-Com., | | 6th July 1931, |
| 2938, | | 18th June 1931, |
| 1969/S.H./Judl., | | 27th June 1931, |
| 261-W./31, | | 15th June 1931, |
| 1148-P.R., | dated the | 16th June 1931, |
| C. 802/366-VI, | | 31st May 1931, |
| Immgn./190/5196-G.J., | | 8th June 1931, |
| 1779/21/21-G. N., | | 16th June 1931, |
| 1296/145-10, | | 13th May 1931, |
| 48-Camp/Home, | | 29th June 1931, |
| 25-R., | | 5th June 1931, |

I am directed to forward a copy

of the papers noted below :—

(1) Draft Convention and Recommendations concerning Forced or Compulsory Labour adopted by the Fourteenth Session of the International Labour Conference held at Geneva from 10th/28th June 1930.

(2) Proceedings of and Resolutions adopted by the Legislative Assembly and the Council of State respectively on the 3rd and 5th October 1931.

While the Government of India were unable to ratify the Convention, they have decided to accept the recommendations contained in the Resolutions passed by the Legislative Assembly on the 3rd October 1931 and by the Council of State on the 5th October 1931 regarding the Draft Convention and Recommendations concerning the Forced or Compulsory Labour. In order to give effect to these resolutions the amendment of certain Acts which permit the employment of forced or compulsory labour within the definition of that term, given in clause 2 of the Convention, and the issue, in certain cases, of suitable executive orders, will be necessary.

2. Article 4 of the Convention requires the immediate abolition of forced or compulsory labour for the benefit of private individuals, companies or associations. An examination of the replies received from local Governments to Mr. Tin Tut's letter no. L.-1548, dated the 20th September 1929, suggest that for all practical purposes, such forced labour has already ceased to exist, but, if, in any locality, the practice of exacting forced or compulsory labour still prevails, I am to request that suitable steps may be taken to abolish it at the earliest possible opportunity. Article 1 of the Convention deals with forced or compulsory labour for public purposes, and, while providing that forced or compulsory labour in all its forms should be suppressed within the shortest possible period, allows a transitional period of five years in regard to forced or compulsory labour for public purposes only and as an exceptional measure, subject to certain conditions and guarantees. I am to request, therefore, that any enactments of the local legislature which permit the use of forced or compulsory labour for public purposes may accordingly be modified within the transitional period allowed. In dealing with this aspect of the question special attention is invited to Article 2, 10 and 18, Article 2 exempts certain forms of forced or compulsory labour, and no action is required to discontinue these.

3. The enactments concerned appear to be—though the list may not be exhaustive—

(1) The Northern India Canal and Drainage Act, 1873.
(2) The Indian Forests Act, 1927.
(3) The Bengal Regulation XI of 1806.
(4) The Bombay Irrigation Act, 1879.
(5) The Madras Compulsory Labour Act, 1858.
(6) The Madras Forests Act, 1882.
(7) The Punjab Minor Canals Act, 1905.
(8) The Hazara Forests Regulation, 1911.
(9) The Frontier Crimes Regulation, 1901.
(10) The Burma Village Act, 1907.

It is possible that the forced labour permitted by some of these Acts may fall under one or other of the categories of forced or compulsory labour not included in the definition of " forced labour ", and any acts of a local legislature which appear to be affected by the decision to adopt the resolutions of the Legislative Assembly and the Council of State should be examined with special reference to Article 2 of the Convention.

4. I am accordingly to request that the local Government will take early steps to give practical effect to the Resolutions adopted by both Houses of the Indian Legislature and to secure the appropriate amendment of such local enactments as, after full examination on the lines indicated above, may be found to be necessary, and to issue such executive orders as may be deemed advisable to secure the objects in view. The Government of India would be glad to receive, in due course, a report on the action taken. They will themselves take such action as may be necessary to amend any Acts of the Indian Legislature or Regulations, which permit the employment of forced or compulsory labour for private or public purposes.

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Copy forwarded to the Chief Commissioner, Ajmer-Merwara, Industries and Labour, Education, Health and Lands, Foreign and Political and Army Departments for information (and such action as may be necessary) (Coorg only).

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*League of Nations.*

## INTERNATIONAL LABOUR CONFERENCE.

DRAFT CONVENTION AND RECOMMENDATIONS CONCERNING FORCED OR COMPULSORY LABOUR ADOPTED BY THE CONFERENCE AT ITS FOURTEENTH SESSION, 10—28 JUNE 1930.

(*Authentic Texts.*)

### DRAFT CONVENTION CONCERNING FORCED OR COMPULSORY LABOUR.

General Conference of the International Labour Organisation of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Fourteenth Session on 10 June 1930, and

Having decided upon the adoption of certain proposals with regard to forced or compulsory labour, which is included in the first item on the Agenda of the Session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-eight day of June of the year one thousand nine hundred and thirty, the following Draft Convention for ratification by the Members of the International Labour Organisation, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace :

*Article 1.*

Each Member of the International Labour Organisation which ratifies this Convention undertakes to suppress the use of forced or compulsory labour in all its forms within the shortest possible period.

With a view to this complete suppression, recourse to forced or compulsory labour may be had, during the transitional period, for public purposes only and as an exceptional measure, subject to the conditions and guarantees hereinafter provided.

At the expiration of a period of five years after the coming into force of this Convention, and when the Governing Body of the International Labour Office prepares the report provided for in Article 31 below, the said Governing Body shall consider the possibility of the suppression of forced or compulsory labour in all its forms without a further transitional period and the desirability of placing this question on the Agenda of the Conference.

*Article 2.*

For the purposes of this Convention the term " forced or compulsory labour " shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

Nevertheless, for the purposes of this Convention, the term " forced or compulsory labour " shall not include :

(*a*) any work or service exacted in virtue of compulsory military service laws for work of a purely military character ;

(*b*) any work or service which forms part of the normal civic obligations of the citizens of a fully self-governing country ;

(*c*) any work or service exacted from any person as a consequence of a conviction in a court of law, provided that the said work or service is carried out under the supervision and control of a public authority and that the said person is not hired to or placed at the disposal of private individuals, companies or associations ;

(*d*) any work or service exacted in cases of emergency, that is to say, in the event of war or of a calamity or threatened calamity, such as fire, flood, famine, earthquake, violent epidemic or epizootic diseases, invasion by animal, insect or vegetable pests, and in general any circumstances that would endanger the existence or the well-being of the whole or part of the pupulation ;

(*e*) minor communal services of a kind which, being performed by the members of the community in the direct interest of the said community, can therefore be considered as normal civic obligations incumbent upon the members of the community, provided that the members of the community or their direct representatives shall have the right to be consulted in regard to the need for such services.

*Article 3.*

For the purposes of this Convention the term " competent authority " shall mean either an authority of the metropolitan country or the highest central authority in the territory concerned.

*Article 4.*

The competent authority shall not impose or permit the imposition of forced or compulsory labour for the benefit of private individuals, companies or associations.

Where such force or compulsory labour for the benefit of private individuals, companies or associations exists at the date on which a Member's ratification of this Convention is registered by the Secretary-General of the League of Nations, the Member shall completely suppress such forced or compulsory labour from the date on which this Convention comes into force for that Member.

*Article 5.*

No concession granted to private individuals, companies or associations shall involve any form of forced or compulsory labour for the production or the collection of products which such private individuals, companies or associations utilise or in which they trade.

Where concessions exist containing provisions involving such forced or compulsory labour, such provisions shall be rescinded as soon as possible, in order to comply with Article 1 of this Convention.

*Article 6.*

Officials of the administration, even when they have the duty of encouraging the populations under their charge to engage in some form of labour, shall not put constraint upon the said populations or upon any individual members thereof to work for private individuals, companies or associations.

*Article 7.*

Chiefs who do not exercise administrative functions shall not have recourse to forced or compulsory labour.

Chiefs who exercise administrative functions may, with the express permission of the competent authority, have recourse to forced or compulsory labour, subject to the provisions of Article 10 of this Convention.

Chiefs who are duly recognised and who do not receive adequate remuneration in other forms, may have the enjoyment of personal services, subject to due regulation and provided that all necessary measures are taken to prevent abuses.

*Article 8.*

The responsibility for every decision to have recourse to forced or compulsory labour shall rest with the highest civil authority in the territory concerned.

Nevertheless, that authority may delegate powers to the highest local authorities to exact forced or compulsory labour which does not involve the removal of the workers from their place of habitual residence. That authority may also delegate, for such periods and subject to such conditions as may be laid down in the regulations provided for in Article 23 of this Convention, powers to the highest local authorities to exact forced or compulsory labour which involves the removal of the workers from their place of habitual residence for the purpose of facilitating the movement of officials of the administration, when on duty, and for the transport of Government stores.

*Article 9.*

Except as otherwise provided for in Article 10 of this Convention, any authority competent to exact forced or compulsory labour shall, before deciding to have recourse to such labour, satisfy itself :

(*a*) that the work to be done or the service to be rendered, is of important direct interest for the community called upon to do the work or render the service ;

(*b*) that the work or service is of present or imminent necessity ;

(*c*) that it has been impossible to obtain voluntary labour for carrying out the work or rendering the service by the offer of rates of wages and conditions of labour not less favourable than those prevailing in the area concerned for similar work or service ; and

(*d*) that the work or service will not lay too heavy a burden upon the present population, having regard to the labour available and its capacity to undertake the work.

*Article 10.*

Forced or compulsory labour exacted as a tax and forced or compulsory labour to which recourse is had for the execution of public works by chiefs who exercise administrative functions shall be progressively abolished.

Meanwhile, where forced or compulsory labour is exacted as a tax, and where recourse is had to forced or compulsory labour for the execution of public works by chiefs who exercise administrative functions, the authority concerned shall first satisfy itself :

(*a*) that the work to be done or the service to be rendered, is of important direct interest for the community called upon to do the work or render the service ;

(*b*) that the work or the service is of present or imminent necessity ;

(*c*) that the work or service will not lay too heavy a burden upon the present population, having regard to the labour available and its capacity to undertake the work ;

(*d*) that the work or service will not entail the removal of the workers from their place of habitual residence ;

(*e*) that the execution of the work or the rendering of the service will be directed in accordance with the exigencies of religion, social life and agriculture.

*Article 11.*

Only adult able-bodied males who are of an apparent age of not less than 18 and not more than 45 years may be called upon for forced or compulsory labour. Except in respect of the kinds of labour provided for in article 10 of this Convention, the following limitations and conditions shall apply :—

(*a*) whenever possible prior determination by a medical officer appointed by the administration that the persons concerned are not suffering

from any infectious or contagious disease and that they are pyhsically fit for the work required and for the conditions under which it is to be carried out ;

(*b*) exemption of school teachers and pupils and of officials of the administration in general ;

(*c*) the maintenance in each community of the number of adult able-bodied men indispensable for family and social life ;

(*d*) respect for conjugal and family ties.

For the purposes of sub-paragraph (*c*) of the preceding paragraph, the regulations provided for in Article 23 of this Convention shall fix the proportion of the resident adult able-bodied males who may be taken at any one time for forced or compulsory labour, provided always that this proportion shall in no case exceed 25 per cent. In fixing this proportion the competent authority shall take account of the density of the population, of its social and physical development, of the seasons, and of the work which must be done by the persons concerned on their own behalf in their locality, and, generally, shall have regard to the economic and social necessities of the normal life of the community concerned.

*Article 12.*

The maximum period for which any person may be taken for forced or compulsory labour of all kinds in any one period of twelve months shall not exceed sixty days, including the time spent in going to and from the place of work.

Every person from whom forced or compulsory labour is exacted shall be furnished with a certificate indicating the period of such labour which he has completed.

*Article 13.*

The normal working hours of any person from whom forced or compulsory labour is exacted shall be the same as those prevailing in the case of voluntary labour, and the hours worked in excess of the normal working hours shall be remunerated at the rates prevailing in the case of overtime for voluntary labour.

A weekly day of rest shall be granted to all persons from whom forced or compulsory labour of any kind is exacted and this day shall coincide as far as possible with the day fixed by tradition or custom in the territories or regions concerned.

*Article 14.*

With the exception of the forced or compulsory labour provided for in Article 10 of this Convention, forced or compulsory labour of all kinds shall be remunerated in cash at rates not less than those prevailing for similar kinds of work either in the district in which the labour is employed or in the district from which the labour is recruited, whichever may be the higher.

In the case of labour to which recourse is had by chiefs in the exercise of their administrative functions, payment of wages in accordance with the provisions of the preceding paragraph shall be introduced as soon as possible.

The wages shall be paid to each worker individually and not to his tribal chief or to any other authority.

For the purpose of payment of wages the days spent in travelling to and from the place of work shall be counted as working days.

Nothing in this Article shall prevent ordinary rations being given as a part of wages, such rations to be at least equivalent in value to the money payment they are taken to represent, but deductions from wages shall not be made either for the payment of taxes or for special food, clothing or accommodation supplied to a worker for the purpose of maintaining him in a fit condition to carry on his work under the special conditions of any employment, or for the supply of tools.

*Article 15.*

Any laws or regulations relating to workmen's compensation for accidents or sickness arising out of the employment of the worker and any laws or regulations providing compensation for the dependents of deceased or incapacitated workers which are or shall be in force in the territory concerned shall be equally applicable to persons from whom forced or compulsory labour is exacted and to voluntary workers.

In any case it shall be an obligation on any authority employing any worker on forced or compulsory labour to ensure the subsistence of any such worker who, by accident or sickness arising out of his employment, is rendered wholly or partially incapable of providing for himself, and to take measures to ensure the maintenance of any persons actually dependent upon such a worker in the event of his incapacity or decease arising out of his employment.

*Article 16.*

Except in cases of special necessity, persons from whom forced or compulsory labour is exacted shall not be transferred to districts where the food and climate differ so considerably from those to which they have been accustomed as to endanger their health.

In no case shall the transfer of such workers be permitted unless all measures relating to hygiene and accommodation which are necessary to adapt such workers to the conditions and to safeguard their health can be strictly applied.

When such transfer cannot be avoided, measures of gradual habituation to the new conditions of diet and of climate shall be adopted on competent medical advice.

In cases where such workers are required to perform regular work to which they are not accustomed, measures shall be taken to ensure their habituation to it, especially as regards progressive training, the hours of work and the provision of rest intervals, and any increase or amelioration of diet which may be necessary.

*Article 17.*

Before permitting recourse to forced or compulsory labour for works of construction or maintenance which entail the workers remaining at the workplaces for considerable periods, the competent authority shall satisfy itself :

(1) that all necessary measures are taken to safeguard the health of the workers and to guarantee the necessary medical care, and, in particular, (*a*) that the workers are medically examined before commencing the work and at fixed intervals during the period of service, (*b*) that there is an adequate medical staff, provided with the dispensaries, infirmaries, hospitals and equipment necessary to meet all requirements, and (*c*) that the sanitary conditions of the workplaces, the supply of drinking water, food, fuel, and cooking utensils, and, where necessary, of housing and clothing, are satisfactory ;

(2) that definite arrangements are made to ensure the subsistence of the families of the workers, in particular by facilitating the remittance, by a safe method, of part of the wages to the family, at the request or with the consent of the workers ;

(3) that the journeys of the workers to and from the workplaces are made at the expense and under the responsibility of the administration, which shall facilitate such journeys by making the fullest use of all available means of transport ;

(4) that, in case of illness or accident causing incapacity to work of a certain duration, the worker is repatriated at the expense of the administration ;

(5) that any worker who may wish to remain as a voluntary worker at the end of his period forced or compulsory labour is permitted to do so without, for a period of two years, losing his right to repatriation free of expense to himself.

*Article 18.*

Forced or compulsory labour for the transport of persons or goods, such as the labour of porters or boatmen, shall be abolished within the shortest possible period. Meanwhile the competent authority shall promulgate regulations determining, *inter alia*, (*a*) that such labour shall only be employed for the purpose of facilitating the movement of officials of the administration, when on duty, or for the transport of Government stores, or in cases of very urgent necessity, the transport of persons other than officials, (*b*) that the workers so employed shall be medically certified to be physically fit where medical examination is possible, and that where such medical examination is not practicable the person employing such workers shall be held responsible for ensuring that they are physically fit and not suffering from any infectious or contagious diseases, (*c*) the maximum load which these workers may carry, (*d*) the maximum distance from their homes to which they may be taken, (*e*) the maximum number of days per month or other period for which they may be taken, including the days spent in returning to their homes, and (*f*) the persons entitled to demand this form of forced or compulsory labour and the extent to which they are entitled to demand it.

In fixing the maxima referred to under (*c*), (*d*) and (*e*) in the foregoing paragraph, the competent authority shall have regard to all relevant factors, including the physical development of the population from which the workers are recruited, the nature of the country through which they must travel and the climatic conditions.

The competent authority shall further provide that the normal daily journey of such workers shall not exceed a distance corresponding to an average working day of eight hours, it being understood that account shall be taken not only of the weight to be carried and the distance to be covered, but also of the nature of the road, the season and all other relevant factors, and that, where hours of journey in excess of the normal daily journey are exacted, they shall be remunerated at rates higher than the normal rates.

*Article 19.*

The competent authority shall only authorise recourse to compulsory cultivation as a method of precaution against famine or a deficiency of food supplies and always under the condition that the food or produce shall remain the property of the individuals or the community producing it.

Nothing in this Article shall be construed as abrogating the obligation on members of a community, where production is organised on a communal basis by virtue of law or custom and where the produce or any profit accruing from the sale thereof remain the property of the community, to perform the work demanded by the community by virtue of law or custom.

*Article 20.*

Collective punishment laws under which a community may be punished for crimes committed by any of its members shall not contain provisions for forced or compulsory labour by the community as one of the methods of punishment.

*Article 21.*

Forced or compulsory labour shall not be used for work under ground in mines.

*Article 22.*

The annual reports that Members which ratify this Convention agree to make to the International Labour Office, pursuant to the provisions of Article 408 of the Treaty of Versailles and of the corresponding Articles of the other Treaties of Peace, on the measures they have taken to give effect to the provisions of this Convention, shall contain as full information as possible, in respect of each territory concerned, regarding the extent to which recourse has been had to forced or compulsory labour in that territory, the purposes for which it has been employed, the sickness and death rates, hours of work, methods of payment of wages and rates of wages and any other relevant information.

*Article 23.*

To give effect to the provisions of this Convention the competent authority shall issue complete and precise regulations governing the use of forced or compulsory labour.

These regulations shall contain, *inter alia*, rules permitting any person from whom forced or compulsory labour is exacted to forward all complaints relative to the conditions of labour to the authorities and ensuring that such complaints will be examined and taken into consideration.

*Article 24.*

Adequate measures shall in all cases be taken to ensure that the regulations governing the employment of forced or compulsory labour are strictly applied, either by extending the duties of any existing labour inspectorate which has been established for the inspection of voluntary labour to cover the inspection of forced or compulsory labour or in some other appropriate manner. Measures shall also be taken to ensure that the regulations are brought to the knowledge of persons from whom such labour is exacted.

*Article 25.*

The illegal exaction of forced or compulsory labour shall be punishable as a penal offence, and it shall be an obligation on any Member ratifying this Convention to ensure that the penalties imposed by law are really adequate and are strictly enforced.

*Article 26.*

Each Member of the International Labour Organisation which ratifies this Convention undertakes to apply to the territories placed under its sovereignty, jurisdiction, protection, suzerainty, tutelage or authority, so far as it has the right to accept obligations affecting matters of internal jurisdiction ; provided that, if such Member may desire to take advantage of the provisions of Article 421 of the Treaty of Versailles and the corresponding Articles of the other Treaties of Peace, it shall append to its ratification, a declaration stating :

(1) the territories to which it intends to apply the provisions of this Convention without modification ;

(2) the territories to which it intends to apply the provisions of this Convention with modifications, together with details of the said modifications ;

(3) the territories in respect of which it reserves its decision.

The aforesaid declaration shall be deemed to be an integral part of the ratification and shall have the force of ratification. It shall be open to any Member, by a subsequent declaration, to cancel in whole or in part the reservations made, in pursuance of the provisions of sub-paragraphs (2) and (3) of this Article, in the original declaration.

*Article 27.*

The formal ratifications of this Convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

*Article 28.*

This Convention shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

It shall come into force twelve months after the date on which the ratifications of two Members of the International Labour Organisation have been registered with the Secretary-General.

Thereafter, this Convention shall come into force for any Member twelve months after the date on which the ratification has been registered.

*Article 29.*

As soon as the ratifications of two Members of the International Labour Organisation have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

*Article 30.*

A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of five years and, thereafter, may denounce this Convention at the expiration of each period of five years under the terms provided for in this Article.

*Article 31.*

At the expiration of each period of five years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

*Article 32.*

Should the Conference adopt a new Convention revising this Convention in whole or in part, the ratification by a Member of the new revising Convention shall *ipso jure* involve denunciation of this Convention without any requirement of delay, notwithstanding the provisions of Article 30 above, if and when the new revising Convention shall have come into force.

As from the date of the coming into force of the new revising Convention the present Convention shall cease to be open to ratification by the Members.

Nevertheless, this Convention shall remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

*Article 33.*

The French and English texts of this Convention shall both be authentic.

The foregoing is the authentic text of the draft Convention duly adopted by the General Conference of the International Labour Organisation during its Fourteenth Session which was held at Geneva and declared closed the 28th day of June 1930.

IN FAITH WHEREOF we have appended our signatures this twenty-fifth day of July, 1930.

*The President of the Conference.*

E. MAHAIM.

*The Director of the International Labour Office.*

ALBERT THOMAS.

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*League of Nations.*

## INTERNATIONAL LABOUR CONFERENCE.

RECOMMENDATION CONCERNING INDIRECT COMPULSION TO LABOUR.

The General Conference of the International Labour Organisation of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Fourteenth Session on 10th June 1930, and

Having decided upon the adoption of certain proposals with regard to indirect compulsion to labour, which is included in the first item on the Agenda of the Session, and

Having determined that these proposals should take the form of a recommendation,

adopts, this twenty-eighth day of June of the year one thousand nine hundred and thirty, the following Recommendation, to be submitted to the Members of the International Labour Organisation for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace :

Having adopted a Draft Convention concerning forced or compulsory labour, and

Desiring to supplement this Draft Convention by a statement of the principles which appear best fitted to guide the policy of the Members in endeavouring to avoid any indirect compulsion to labour which would lay too heavy a burden upon the populations of territories to which the Draft Convention may apply,

The Conference recommends that each Member should take the following principles into consideration :

I.

The amount of labour available, the capacities for labour of the population, and the evil effects which too sudden changes in the habits of life and labour may have on the social conditions of the population, are factors which should be taken into consideration in deciding questions connected with the economic development of territories in a primitive stage of development, and, in particular when deciding upon :

(*a*) increases in the number and extent of industrial, mining and agricultural undertakings in such territories ;

(*b*) the non-indigenous settlement, if any, which is to be permitted ;

(*c*) the granting of forest or other concessions, with or without the character of monopolies.

II.

The desirability of avoiding indirect means of artificially increasing the economic pressure upon populations to seek wage-earnings employment, and particularly such means as :

(*a*) imposing such taxation upon populations as would have the effect of compelling them to seek wage-earnings employment with private undertakings ;

(*b*) imposing such restrictions on the possession, occupation, or use of land as would have the effect of rendering difficult the gaining of a living by independent cultivation ;

(*c*) extending abusively the generally accepted meaning of vagrancy ;

(*d*) adopting such pass laws as would have the effect of placing workers in the service of others in a position of advantage as compared with that of other workers.

III.

The desirability of avoiding any restrictions on the voluntary flow of labour from one form of employment to another or from one district to another which might have the indirect effect of compelling workers to take employment in particular industries or districts, except where such restrictions are considered necessary in the interest of the population or of the workers concerned.

The foregoing is the authentic text of the Recommendation duly adopted by the General Conference of the International Labour Organisation during its Fourteenth Session which was held at Geneva and declared closed the 28th day of June 1930.

IN FAITH WHEREOF we have appended our signatures this twenty-fifth day of July, 1930.

*The President of the Conference.*

E. MAHAIM.

*The Director of the International Labour Office.*

ALBERT THOMAS.

*League of Nations.*

## INTERNATIONAL LABOUR CONFERENCE.

### Recommendation Concerning the Regulation of Forced or Compulsory Labour.

The General Conference of the International Labour Organisation of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Fourteenth Session on 10th June, 1930, and

Having decided upon the adoption of certain proposals with regard to the regulation of forced or compulsory labour, which is included in the first item, on the Agenda of the Session, and

Having determined that these proposals shall take the form of a recommendation,

adopts, this twenty-eighth day of June of the year one thousand nine hundred and thirty, the following Recommendation, to be submitted to the Members of the International Labour Organisation for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace :

Having adopted a Draft Convention concerning forced or compulsory labour, and

Desiring to give expression to certain principles and rules relating to forced or compulsory labour which appear to be of a nature to render the application of the said Draft Convention more effective,

The Conference recommends that each Member should take the following principles and rules into consideration :

I.

Any regulations issued in application of the Draft Convention concerning forced or compulsory labour, as well as any other legal provisions or administrative orders, existing at the time of the ratification of the said Draft Convention or thereafter enacted, governing the employment of forced or compulsory labour, including any laws or administrative orders concerning compensation or indemnification for sickness, injury to, or death of workers taken for forced or compulsory labour, should be printed by the competent authority in such one or more native languages as will convey their import to the workers concerned and to the population from which the workers are to be drawn. Such printed texts should be widely exhibited and, if necessary, arrangements made for their oral communication to the workers and to the population concerned ; copies should also be made available to the workers concerned and to others at cost price.

II.

Recourse to forced or compulsory labour should be so regulated as not to imperil the food supply of the community concerned.

III.

When recourse is had to forced or compulsory labour all possible measures should be taken to ensure that the imposition of such labour in no case leads indirectly to the illegal employment of women and children on forced or compulsory labour.

IV.

All possible measures should be taken to reduce the necessity for recourse to forced or compulsory labour for the transport of persons or goods. Such recourse should be prohibited when and where animal or mechanical transport is available.

V.

All possible steps should be taken to see that no alcoholic temptations are placed in the way of workers engaged in forced or compulsory labour.

The foregoing is the authentic text of the Recommendation duly adopted by the General Conference of the International Labour Organisation during its Fourteenth Session which was held at Geneva and declared closed the 28th day of June, 1930.

IN FAITH WHEREOF we have appended our signatures this twenty-fifth day of July, 1930.

*The President of the Conference.*

E. MAHAIM.

*The Director of the International Labour Office*

ALBERT THOMAS.

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COPY OF THE RESOLUTION ADOPTED BY THE INDIAN LEGISLATURE, ON THE 3RD AND 5TH OCTOBER 1931, RESPECTIVELY.

" That while considering that the Draft Convention on forced labour cannot be ratified until Article 2 thereof is modified so as to exclude labour exacted under the Criminal Tribes Act, the Good Conduct Prisoners' Probational Release Act and other similar social legislation in force in India, this $\frac{\text{Assembly}}{\text{Council}}$ recommends to the Government of India that they proceed to take action on all other provisions contained in the Draft Convention and the Recommendations as soon as may be practicable."

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LETTER TO ALL LOCAL GOVERNMENTS AND THE CHIEF COMMISSIONER, COORG, NO. F. 187/II/30-PUBLIC, DATED THE 18TH DECEMBER 1931.

I am directed to refer to paragraph 4 of the Home Department letter no. F. 187/2/30-Public, dated the 3rd November 1931, in which the local Governments were requested to give effect to the Resolution adopted by both Houses of the Indian Legislature in regard to the Draft Convention and Recommendations concerning forced or compulsory labour by amending local enactments, etc.,

I am to explain that the term " local enactments " is intended to include any local Act of the Central Legislature the application of which is confined to a single province, *e.g.*, the Madras Compulsory Labour Act, 1858.

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ENDORSEMENT NO. F. 187/II/30-PUBLIC, DATED THE 18TH DECEMBER 1931.

A copy is forwarded to the Chief Commissioners of N.-W. F. P., Delhi, and Ajmer-Merwara ; the I. & L., E., H. and L., F. and P., and Army Departments for information with reference to the Home Department * letter/endorsement no. F. 187/2/30-Public, dated the 3rd November 1931.

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MEMORANDUM FROM THE FOREIGN AND POLITICAL DEPARTMENT, TO THE HON'BLE THE CHIEF COMMISSIONER AND AGENT TO THE GOVERNOR-GENERAL, NORTH-WEST FRONTIER PROVINCE, NO. D.-7390-F./31, DATED THE 18TH JANUARY 1932.

Reference Government of India, Home Department circular letter no. F.-187/2/30-Public, dated the 3rd November 1931.

2. The Government of India have under consideration the question whether Section 35 of the Frontier Crimes Regulation should be amended or repealed in order to give effect to the resolutions passed in the Indian Legislature regarding the Draft Convention and Recommendations (adopted by the International Labour Conference) concerning forced or compulsory labour.

3. As the Section in question does not actually of its own force set up a system of forced labour but merely provides a sanction in the form of personal or communal fine for the enforcement of a system of forced labour already existing under the operation of custom, it seems possible that it could be considered to come within the substantive part of the exception in clause (*e*) of Article 2 of the Convention. As an alternative to the repeal or amendment of Section 35 therefore a colourable form of compliance with the proviso to the exception in question might be devised without resort to legislation. If on the other hand the practice of providing labour, which is based on custom, is to be abolished it will of course be necessary to consider what form the consequent legislation should take.

4. The Government of India will be glad to have your views on the subject in the light of the above considerations and also with reference to the recommendations concerning this Section made by the Frontier Regulations Enquiry Committee.

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Copy forwarded to the Home Department for information.

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*To N.-W. F. P. and Delhi only.

LETTER FROM THE CHIEF COMMISSIONER, COORG, NO. 225/145-10, DATED THE 25TH JANUARY 1932.

I am directed to refer to your letter no. F. 187/2/30-Public, dated the 3rd November 1931, and to say that as the practice of exacting forced or compulsory labour does not exist in Coorg, no action is called for so far as this administration is concerned.

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LETTER TO THE GOVERNMENTS OF BENGAL, THE UNITED PROVINCES, BIHAR AND ORISSA AND ASSAM, NO. F. 187/2/30-PUBLIC, DATED THE 2ND FEBRUARY 1932.

With reference to the correspondence ending with the Home Department letter no. F. 187/II/30-Public, dated the 18th December 1931, I am directed to address you regarding section VIII of Bengal Regulation XI of 1806 which authorises the impressment of transport and supplies for public and private purposes. The Government of India consider that such impressment falls within the definition of "forced or compulsory labour" in article 2 of the Draft Convention and is not covered by any of the exceptions contained in that article. In accordance with the recommendations contained in the terms of the Resolutions passed by the two Houses of the Indian Legislature, the Government of India have to consider the repeal of Section VIII of the Bengal Regulation. They understand that as far as impressment of labour for private persons goes the section is practically a dead letter but that certain touring officers of Government have found its provisions useful, and in a few cases necessary. It is now more than two years since the local Government communicated their views on the utility of Section VIII of Regulation XI. The Government of India are inclined to the view that unless experience of the last 2 years has shown more clearly the necessity for the retention of this section they cannot, consistent with their undertaking to the Legislature, defer consideration of its repeal. Before taking any further action they would be glad to be favoured with the views of His Excellency the Governor in Council on the proposed repeal.

2. I am to request that a reply to this letter may be sent as soon as possible.

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LETTER FROM THE AGENT TO THE GOVERNOR-GENERAL AND CHIEF COMMISSIONER IN BALUCHISTAN, NO. 469-R., DATED THE 29TH JANUARY 1932.

With reference to the correspondence ending with Mr. Whittaker's letter no. F. 187/2/30-Public, dated the 9th December 1931, I have the honour to state that no forced or compulsory labour, as defined in Article 2 of the Convention, is exacted in Baluchistan. Mr. Gwynne's letter no. F. 187/2/30-Public, dated the 3rd November 1931, with its enclosures, is however being circulated to all District Officers for information and guidance.

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(Despatches from the S/S not to be sent.)

LETTER FROM THE SECRETARY TO THE GOVERNMENT OF INDIA IN THE FOREIGN AND POLITICAL DEPARTMENT; TO THE SECRETARY TO THE GOVERNMENT OF BOMBAY, POLITICAL DEPARTMENT; THE CHIEF SECRETARIES TO THE GOVERNMENTS OF BENGAL, THE UNITED PROVINCES, THE PUNJAB, BIHAR AND ORISSA, THE CENTRAL PROVINCES, AND ASSAM; THE HON'BLE THE RESIDENTS AT HYDERABAD AND MYSORE; THE HON'BLE THE AGENTS TO THE GOVERNOR-GENERAL IN CENTRAL INDIA AND RAJPUTANA; THE HON'BLE THE AGENT TO THE GOVERNOR-GENERAL AND CHIEF COMMISSIONER IN BALUCHISTAN; THE HON'BLE THE AGENTS TO THE GOVERNOR-GENERAL IN THE STATES OF WESTERN INDIA, AND THE PUNJAB STATES; THE RESIDENTS AT BARODA, KASHMIR, AND GWALIOR; THE POLITICAL OFFICER IN SIKKIM; AND THE AGENT TO THE GOVERNOR-GENERAL, MADRAS STATES, NO. D.-1890-P./32, DATED SIMLA, THE 27TH MAY 1932.

The International Labour Conference at its 14th session held in June 1930, adopted the draft Convention and Recommendations concerning forced or compulsory labour, of which copies are enclosed herewith. The Convention in question has not been formally ratified by the Government of India but they have decided to accept the Resolutions passed by the Indian Legislature in October 1931 (copies enclosed).

2. I am accordingly to request that with the permission of His Excellency the Governor / if you see no objection, copies of the draft Convention and the Resolutions may kindly be forwarded to

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| the rulers of States in political relations with | the Government of Bombay,<br>the Government of the Punjab,<br>the Government of Bihar and Orissa,<br>the Government of the Central Provinces, |
| the Darbars of States in | the Western India States Agency,<br>the Central India Agency,<br>the Rajputana Agency,<br>the Punjab States Agency,<br>the Madras States Agency, |
| the Cooch Behar and Tripura Darbars, | |
| the Rampur, Benares and Tehri Darbars, | |
| the Manipur Darbar, | |
| His Exalted Highness the Nizam's Government, | |
| the Mysore Darbar, | |
| His Highness the Khan of Kelat and the Jam of Las Bela, | |
| the Baroda Darbar, | |
| the Kashmir Darbar, | |
| the Gwalior Darbar, | |
| the Sikkim Darbar, | |

with an intimation that the Resolutions adopted by the Indian Legislature have been accepted by the Government of India who would be glad if they (Darbars) would co-operate and take such action on the provisions of the draft Convention as may be considered suitable and necessary in the individual circumstances of each State.

LETTER FROM THE CHIEF COMMISSIONER, NORTH-WEST FRONTIER PROVINCE, TO THE FOREIGN AND POLITICAL DEPARTMENT, NO. 3638-G./XXVI-B.-50, DATED THE 15TH MARCH 1932.

With reference to the correspondence ending with your memorandum no. D.-7390-F./30, dated 18th January 1932, I have the honour to say that this Province is concerned only with the following four enactments in which provisions exist regarding the mobilization of labour for certain purposes. They are (1) the Frontier Crimes Regulation, section 35, (2) the Punjab Minor Canals Act, sections 26 and 27, (3) the Northern India Canal and Drainage Act, sections 64 and 65, and (4) the Hazara Forest Regulation, sections 36 and 37.

Section 35 of the Frontier Crimes Regulation deals with the provision of watch and ward in village communities by members of these communities. This seems to me " a minor communal service of a kind which being performed by the members of the community in the direct interest of the said community can therefore be regarded as a normal civic obligation incumbent upon the members of the community " and I see no objection to the communities concerned having the right to be consulted in regard to the need for the service. When this right is conceded then I think the system to which the section relates would come under clause (*e*) of Article 2 of the Convention.

Sections 26 and 27 of the Punjab Minor Canals Act deal with the provision of labour for the purpose of effecting the annual silt clearance of canals and for maintaining the efficiency of these canals. This is another minor communal service of the kind specified in clause (*e*) of Article 2 of the Convention and the communities concerned have declared themselves bound by custom to furnish such labour or have agreed to furnish it.

Sections 64 and 65 of the Northern India Canal and Drainage Act deal with service exacted in case of emergency which comes within the scope of clause (*d*) of Article 2. Section 36 of the Hazara Forest Regulation also deals with service to meet emergencies.

In my view therefore the only action required so far as this Province is concerned is the amendment of section 35 of the Frontier Crimes Regulation. The Frontier Regulations Enquiry Committee dealt with this section at pages 76 and 86 of their report and suggested the amendment that the Deputy Commissioner should draw up a formal statement of customs obtaining in each village liable to provide Naubati Chowkidars after hearing objections, if any, by the village community concerned. This amendment would I think meet the requirement of clause (*e*) of Article 2 " that members of the community or their direct representatives shall have the right to be consulted in regard to the need for such services ".

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LETTER FROM THE GOVERNMENT OF MADRAS, PUBLIC WORKS AND LABOUR DEPARTMENT, NO. 2011-L., DATED THE 24TH SEPTEMBER 1932.

Reference Mr. Gwynne's letter no. 187/2/30-Public, dated 3rd November 1931.

I am directed to state that the enactments, so far as this Province is concerned, which relate to the use of forced or compulsory labour for public purposes are—

(1) The Madras Forests Act, 1882, and

(2) The Madras Compulsory Labour Act, 1858.

Since the various services required under section 23 of the Madras Forests Act, 1882, are either covered by the exceptions in clause (*d*) of Article 2 of the Convention or cannot reasonably be regarded as forced or compulsory labour, this Government consider that no action is required to discontinue them.

The labour referred to in sections 1 to 5 of the Madras Compulsory Labour Act, 1858, is covered by clause (*d*) of Article 2 of the Convention and that referred to in section 6 is covered by clause (*e*), the proviso to this clause being met by the provision in section 6 that in case of dispute a village panchayat shall settle the amount payable. Therefore, so far as this Act also is concerned, no amendment is, in the opinion of this Government, necessary.

2. The question of how far " forced or compulsory labour " exists in favour of individuals or of Government in the Agency tracts of Ganjam, Vizagapatam and East Godavari and what steps should be taken to secure its abolition has also been examined.

In the Bhadrachalam Taluk of the East Godavari Agency, the Koyas are mostly engaged on Agency Civil works and Forest works for which they receive payment as well as certain special privileges. These Koyas are generally lazy and do not always voluntarily offer themselves for work, if it happens to be the toddy drinking or cultivation season. But there is no legal or customary penalty imposed for refusal to work.

In the Ganjam Agency there is a system of compulsory labour called " Vetti " labour. Under this system, the Savaras have to render service to Government for the execution of civil works in return for the free grant of land to them for " podu " cultivation. The demand for this labour is not questioned or resented as a rule, but in rare cases of recalcitrancy the men have on occasions been fined up to Rs. 5. The work done for Government is not entirely unpaid, as some small amounts are paid to the village heads to be distributed amongst the men.

In the Vizagapatam Agency the Vetti system consists of service rendered by the cultivators to the owners of the land which they cultivate. As the greater part of the Agency tracts of this District is situated within the confines of the Jeypore estate, Vetti service whether performed for Government officials or the Estate is done by arrangement with the Estate. The commonest form of this system is domestic service. It is under the Vetti system also that repairs to bungalows, etc., are undertaken and supplies and coolies for carrying samans are procured. Except in the case of domestic service adequate payment is made for all such service. The Maharajah of Jeypore in a circular, dated 30th June 1924, directed that the Vetti system should cease and this order presumably referred to the system of domestic service. In regard to Vetti service to Government, the hillmen, being naturally of a lazy disposition, do not offer themselves for work voluntarily in most cases, but can usually be persuaded

to come to the work spot. There is no penalty for refusal to do Vetti service. There is another system of labour called the " Gothi " system prevalent in this Agency. Every private individual in this Agency employs Gothis chiefly for the cultivation of land. The basis of this system is a loan or advance, given by the employer to the Gothi. In theory the Gothi should discharge the debt by services rendered and in many cases it has been found that the employer executes a document commonly called a gojha or gothinama. The labour is not strictly compulsor as the Gothi usually enters into the contract voluntarily.

3. Though the Government of Madras are satisfied that none of the forms of labour described above comes fully within the definition of ' forced or compulsory labour ,' they have impressed on the officer concerned that it must be remembered that as people rise in the scale of civilisation voluntary labour for an adequate wage becomes the rule, and nothing should be done to foster a system which is incompatible with development in that direction. They have issued instructions that in particular the form of domestic Vetti service obtaining in the Vizagapatam Agency should be discouraged, and that the fining of Savaras who fail to render service to Government in the Ganjam Agency, which is stated to occur on rare occasions, should be discontinued.

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LETTER FROM THE GOVERNMENT OF BOMBAY, POLITICAL DEPARTMENT, NO. 8245-D., DATED THE 25TH APRIL 1932.

I am directed by the Governor in Council to refer to your letter no. F. 187-2-30-Public, dated the 3rd November 1931, forwarding for necessary action by the local Government the Draft Convention and Recommendations concerning Forced or Compulsory labour adopted at the International Labour Conference in June 1930 and to state as under.

2. In view of the Resolution passed by the Council of State and the Legislative Assembly concerning the Draft Convention and Recommendations, the Bombay Presidency is concerned only with the following kinds of Forced or Compulsory labour :—

(1) Labour impressed under the Indian Forest Act, 1927 ;

(2) Impressment of carts to carry the kit of Government officers ;

(3) Forced labour which arises out of the tenure of land ;

(4) Labour impressed under the Bombay Irrigation Act, 1879.

As regards (1), the requisite action will be taken by the Government of India.

As regards (2), the policy of Government in the matter of impressment of carts is stated in Press Note no. P.-88, dated the 18th July 1922, a copy of which is enclosed. The instructions contained in this Note comply with the requirements of Article 9 of the Convention. The system of granting loans for the purchase of carts and bullocks on condition that the borrower should carry the kit of Government officers wherever required was introduced in 1923. It now

prevails only in the Kanara District. No complaints in the matter of impressment of carts are now received by Government either through individual applications, newspaper articles or Council questions. It is therefore considered that abuses of the system of impressment of carts have practically ceased to exist. No orders of Government are therefore necessary in the matter.

As regards item (3), it will be seen from paragraph 5 of this Department letter to the Government of India, no. 8245-D., dated the 13th July 1931, that the Bombay Government have already urged that this kind of labour, *viz.*,— that arising out of the tenure of the land should be excluded from the definition of Forced Labour. This type of labour is not mentioned in Articles 1 and 2 of the Convention and though it is exacted under the menace of a penalty, *e.g.*, forfeiture of land, it is offered voluntarily in consideration of receiving the land. No action is therefore necessary in regard to this type of labour.

As regards item (4), I am to say that labour impressed under the Bombay Irrigation Act, 1879, cannot be included in the category of Forced or Compulsory labour within the meaning of Article 2 of the Convention, as it is covered by exception (*d*). No further action is therefore considered necessary so far as the Irrigation Act is concerned.

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No. P.-88, DATED THE 18TH JULY 1922.

With the compliments of the Director of Information, Bombay.

IMPRESSMENT OF CARTS.

*Why the system is necessary.*

From time to time complaints have been made in the Press and elsewhere regarding the present system of impressment of carts, whereby officers of Government obtain transport when they are on tour. From the nature of the criticisms made it would appear that there is some misapprehension with regard to the system itself and on the question of touring generally. Frequent touring by the superior officers of Government is essential to the proper administration of the districts in their charge. The welfare of the ryots depends, to a greater extent than is generally realised, on the constant supervision exercised over the subordinate officers of Government by their superiors and that supervision can be exercised adequately only by personal visits and inspection. The physical conditions of the country and the character and habits of the people lend themselves to the creation of conditions of isolation favourable to petty tyranny and oppression on the part of those who, either by reason of official status or private wealth and influence are placed in positions of authority. It is to counteract this possibility by bringing the ryot into personal touch with the superior officers of those Departments of Government which affect his daily life and to enable the officers themselves to know their districts and to understand the people who live in them, that touring is insisted upon as one of the most important duties of officers in the mofussil. Collectors and Deputy Collectors, District Superintendents of Police, Educational Inspectors, Excise officers, etc., must spend a considerable portion of the year travelling about

their respective charges. These journeys can only be accomplished with the aid of bullock carts and the system that has obtained for hundreds of years in India has been to obtain the necessary transport at the various villages through which the officer passes, if necessary, by impressment.

The principle that, in matters of this kind the private convenience of individuals must at times be subordinated to the interests of the State is one that is generally recognized. In England, for example, shop-keepers and publicans and private householders may be called upon at any time to billet troops for an indefinite period at a fixed rate of payment and an illustration germane to the question of the impressment of carts is to be found in all large towns, where the owners of public conveyances are licensed and are subject to various conditions, one of which binds them, when disengaged, to take any one who wishes to hire their vehicle a certain distance for a fixed fare. This system of impressment of cart has on the whole worked well. In the vast majority of cases no suggestion of compulsion is necessary. Cart owners are perfectly ready to hire out their vehicles to travelling officers and where cases of friction have occurred the trouble has been due, not to objection to hiring out the carts but to discontent at the rate of hire. Cases of refusal to hire carts under any conditions can usually be traced to the agitation of individuals who are opposed to the existing system of Government and are determined to prevent any assistance being given to its officers.

Nor is there anything new in either of these causes of friction with regard to the impressment of carts. In 1874 Government called for reports on the question from all Commissioners and Collectors. The replies received showed that there was no difficulty in obtaining carts where the price paid was fair and reasonable, and the conditions of hiring were made as light as possible, but that occasionally difficulty was met with owing to local agitation by interested persons " whose sole aim " said one report " is to raise up discontent—conduce to a belief that the cultivating classes are oppressed, their freedom and rights of liberty trampled on and that they must in every petty form and conceivable manner deny the Government and their officers the right to supplies, etc.".

It was recognised, however, that the loose system then existing laid itself open to abuse and might be made a weapon for unfair descrimination and petty tyranny by village officers and in 1881 Government drew up the following regulations with regard to the impressment of carts, which were to be observed by all officers of Government :—

(*a*) That the rate of cart hire be fixed by the order of Commissioners per mile ; that there should be a minimum charge for engaging a cart at all and a minimum rate for a cart kept a whole day.

(*b*) That no cart be carried beyond 20 miles or thereabouts from the place of hiring.

(*c*) That a list of carts in a village be kept by the Patel and a list of the number of carts in each village by the Mamlatdar.

(*d*) That requisitions by public officers for carts be made on the Patel or where large numbers are needed, on the Mamlatdar and be met in strict rotation of individuals and of villages.

(*c*) That no person's cart be taken in a village other than his own unless he offers it for hire.

(*f*) That no cart in use on any public road be taken for the use of public officers travelling.

(*g*) That officers below the rank of Assistant or Deputy Collector or Executive Engineer should be furnished with a written order from their official superiors for obtaining transport by requisition.

These orders were again brought to the notice of Commissioners and Collectors in October 1909 and they were instructed to observe them generally and especially when a complaint was made by owners regarding their impressment. In December of last year, with a view to meeting the complaint that the rates of hire fixed by the Commissioners were unduly low, Collectors were instructed to draw up annually for each Taluka or Mahal, an estimate of the ordinary market rates of cart hire and submit it to the Commissioner for sanction.

The safeguards provided by the Resolution of 1881 and the latest regulations which allow for the fixing of a rate of hire by local officers cognisant of local conditions and the current market rates have assisted in the relatively smooth working of the system which has, in most districts, been no source of hardship and has given rise to no complaints. Civil officers no longer take on tour the large establishments which were formerly considered necessary. The number of carts used by district officers is considerably less than it was some years ago, and the number of carts available has rendered their occasional use by Government officers a matter of no, or very little, inconvenience. The rates laid down by Government have usually been somewhat in excess of those obtainable from private individuals.

Government, however, has always recognised that the present system, however carefully regulated, is open to abuse and that where, of necessity the actual taking of the carts has to be entrusted to taluka peons or inferior village officers private animosities may lead to injustice and cases of individual hardship. Endeavours have been made to devise some other scheme but no solution has yet been found which, while being effective, did not involve very heavy additional expenditure. Instructions have been issued to Collectors to see that the rules laid down are given effect to and to all officers of Government to see that their subordinates understand the rules and that they are given effect to by village officers.

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LETTER FROM THE GOVERNMENT OF BENGAL, POLITICAL DEPARTMENT, NO. 1503-P. D., DATED THE 1ST OCTOBER 1932.

I am directed to refer to the correspondence resting with Home Department letter no. F. 187/2/30-Public, dated the 2nd February1932, and in reply, to say that after ascertaining the views of Commissioners of Divisions the local Government are of the opinion that section 8 of Bengal Regulation XI of 1806 is an obsolete provision which is never used and can well be dispensed with. They have therefore no objection to the repeal of this section. I am to express regret for the delay in sending this reply.

LETTER FROM THE GOVERNMENT OF BENGAL, COMMERCE DEPARTMENT, NO. 5930-COM., DATED THE 21ST NOVEMBER 1933.

I am directed to refer to your letter no. F. 187/2/30-Public, dated the 3rd November 1931, and to say that, so far as the Government of Bengal is concerned, action was found necessary in only one Department, *viz.*, Revenue (Cinchona) Department in order to give effect to the proposal. Under clause 15 of the revised form of lease for tenants in the Government Cinchona Plantation at Mungpoo in the district of Darjeeling (which was approved in this Government Order no. 4457-L.R., dated the 7th April 1932), the tenants may be ordered to supply provisions and labour on payment and under clause 17 of the form of lease, it is obligatory for them to supply two days labour each in a year, free of charge, for the opening and maintenance of roads. After considering the question further, the Government of Bengal have come to the conclusion that clause 17 of the lease is unnecessary in the circumstances existing in Mungpoo plantation and that clause 15 should be modified, so as to apply only to cases which come under Article 2 (*d*) of the draft convention and recommendations, to the extent that the tenant, his heirs and permitted assigns shall be bound on receipt of orders from any officer of Government empowered to that effect by the Superintendent, Cinchona Cultivation, Bengal, to render assistance to the best of their ability in fighting forest or plantation fires and in doing any work necessary owing to landslip, earthquake or other natural calamity in times of emergency within the plantation. As it has been reported to Government that *pattas* have been issued to tenants without the modifications mentioned above and as it will be inconvenient to make any modification in the *patta* now, instructions have been issued to the officers concerned not to enforce clause 17 of the lease and to enforce clause 15 only to the limited extent mentioned above.

In no other service under the Government of Bengal is forced or compulsory labour extracted from the people of Bengal.

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LETTER FROM THE GOVERNMENT OF THE UNITED PROVINCES, INDUSTRIES DEPARTMENT, NO. 303, DATED THE 24TH FEBRUARY 1932.

I am directed to refer to Mr. Gwynne's letter no. F. 187/2/30-Public, dated November 3, 1931. In this the Government of India request the local Government to give practical effect to the Resolutions of both Houses of the Indian Legislature by the amendment of such local enactments as permit the employment of forced or compulsory labour within the meaning of Article 2 of the Convention, and by the issue of such executive orders as may be deemed advisable to secure the objects in view. The Government of India also ask for a report on the action taken by the local Government in the matter.

2. There is no local enactment in force in the United Provinces permitting the employment of forced or compulsory labour in any form that cannot either be covered by one or other of the exceptions mentioned in Article 2 or that, like the work in Criminal Tribes Settlements, is not definitely outside the scope of the Convention as accepted by the Government of India. No action is therefore called for on the part of this Government in respect of any local enactment.

3. Section VIII of Bengal Regulation XI of 1806, however, is in force in these provinces. From Mr. Gwynne's letter no. F. 187/2/30/Public, dated February 2, 1932, it appears that the Government of India, in deference to the wishes of the Indian Legislature, desire to repeal this section, and ask for this Government's views on the proposal. In the past the United Provinces Government have always pressed for the retention of this section, but the Governor in Council has re-examined the question, and is now in favour of its repeal. It is never required in normal times. Even in present conditions, there has been no occasion to use it. And if such occasion ever did arise, the Governor in Council would prefer to take power by a temporary ordinance to meet the temporary emergency, than rely on a regulation which is now a century and a quarter old. He is, moreover, convinced that should the time ever come to exercise this power, action taken under such an emergency ordinance would prove less unpopular than action taken under this antiquated regulation.

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LETTER FROM THE GOVERNMENT OF THE PUNJAB, FINANCE DEPARTMENT, NO. 4082-I. & L., DATED THE 11TH FEBRUARY 1933.

I am directed by the Governor in Council to reply to Mr. Gwynne's letter no. F. 187/2/30-Public, dated the 3rd November 1931, on the subject of the Draft Convention and Recommendations concerning Forced or Compulsory Labour. The Government of India have made two requests of the local Government :—

(*i*) that suitable steps might be taken to abolish at the earliest possible opportunity forced or compulsory labour for the benefit of private individuals, companies or associations ; and

(*ii*) that enactments of the local legislature which permit the use of forced or compulsory labour for public purposes might be modified within the transitional period of five years with a view to the total abolition of such labour as soon as possible.

The object of these two requests was to give effect to the Draft Convention Concerning Forced or Compulsory Labour adopted by the Fourteenth Session of the International Labour Conference.

2. The first kind of ' forced ' labour, *i.e.*, labour for the benefit of private individuals, companies or associations, is commonly known as Begar. Begar has no official existence in this province, and the Governor in Council considers that no action is called for in this respect, except to undertake to deal effectively with any isolated instances of the exaction of Begar which may come to his notice.

3. The second kind of ' forced ' labour, *i.e.*, labour for public purposes, does exist, at any rate in theory, and has legal sanction.

4. ' Forced ' labour is defined in Article 2 of the Convention as " all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily ". The Convention goes on to explain what is not " forced " or " compulsory " labour, and the question which the Governor in Council has set himself to determine is whether any of the forms of ' forced ' labour which exist under

legal sanction in the Punjab is covered by the exemptions detailed in sub-clauses (*a*) to (*e*) of Article 2 of the Convention. He has surveyed every instance of anything which could conceivably be described as "forced" labour. The best known instance is to be found in the provisions of Part VIII of the Northern India Canal and Drainage Act, 1873, which authorises conscription of labour in certain circumstances. The matter was the subject of a debate in the Punjab Legislative Council in November 1932, and the contention then put forward by Government that the provisions of sections 63 to 66 of the Act were to all intents and purposes a dead letter was not seriously challenged. In any case, however, the Governor in Council is inclined to hold that it is not stretching the meaning of exemption (*d*) too far to hold that forced labour under the Canal and Drainage Act is covered by that exemption. Section 65 of the Act provides that labour can be conscripted only when some work is immediately to be executed in order to prevent such serious damage happening to any canal or drainage work as may cause sudden and extensive public injury. In paragraph 3 of the letter under reply, the Punjab Minor Canals Act, Act III of 1905, is mentioned as an enactment legalising forced labour. Presumably the reference is to section 26 of the Act, under which the local Government may direct the supply of labour by irrigators. There is no question, however, of "forced" labour. The obligation on irrigators is to furnish labour free of cost, *i.e.*, there is no obligation on any particular person to labour himself, and in any case the obligation is confined to estates where the record of rights or established custom provides for the supply of such labour.

5. The next instances of what might possibly be called "forced" labour are provided by the Village Patrol (Punjab) Act VIII of 1918, and the Frontier Crimes Regulation Act III of 1901. The Village Patrol (Punjab) Act provides for compulsory watch and ward and section 35 of the Frontier Crimes Regulation Act legalises the Naubati Chaukidari system. The Governor in Council holds that this kind of labour, if indeed it can be properly described as "forced" at all, is covered by exemption (*e*) and it is not unreasonable to claim that the continued acquiescence of the elected representatives of the people in the existence of these Acts sufficiently satisfies the concluding part of that exemption which requires that 'members of the community or their direct representatives shall have the right to be consulted in regard to the need for such services'.

6. Closely allied to these obligations to perform watch and ward, and arising in the same way out of the immemorial custom of requiring the inhabitants of a village to join in the pursuit and detection of offenders, are such forms of compulsory service as the "chiga", which is the old English "hue and cry" and is legalised by the Punjab Laws Act, and the obligation to provide men for the guarding of railway lines on certain occasions. These obligations are, to some extent at any rate, covered by exemption (*e*), in that they are always taken through the headman of a village. As much the same sort of obligation is legally imposed on all citizens by the provisions of Chapter IV of the Code of Criminal Procedure, the Governor in Council does not suppose that the Government of India consider that services of this sort can properly be classed as 'forced' labour.

7. Sub-clause (*c*) of Article 2 of the Convention exempts work or service exacted from any person as a consequence of a conviction in a court of law, provided that the said work or service is carried out under the supervision and control of a public authority and that the said person is not hired to or placed at the disposal of private individuals, companies or associations. The Governor in Council admits the existence of two Punjab Acts which, with their rules, appear to offend against the principle underlying this exemption. They are the Punjab Criminal Tribes Act VI of 1924 and the Good Conduct Prisoners' Probational Release Act, 1926. The rules under both these Acts recognize the hiring out of criminal tribesmen or of probationally released prisoners to work under private individuals. The Governor in Council does not deny that a system of this kind is open to abuse, but he asserts confidently that in practice it is not abused. He is confident that, however much the system may offend against the principles of the theorist, the practical man will acknowledge the highly beneficial results which these enactments have produced. He will, therefore, strongly oppose their repeal.

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LETTER FROM THE GOVERNMENT OF BIHAR AND ORISSA, POLITICAL DEPARTMENT, NO. 342-P.R., DATED THE 30TH MAY 1932.

With reference to your letter no. F. 187/2/30-Public, dated the 2nd February 1932, I am directed to say that during the last two years organised obstruction to the providing of transport to Government officials in the mufassal has caused difficulty on several occasions. The local Government regard it as of paramount importance that they should not be hampered in their dealing with the civil disobedience movement at the present time. In the last resort, it is necessary in the present circumstances of India that Government officials should be empowered to requisition transport and it is most undesirable to leave it uncertain whether any particular occasion can be regarded as an" emergency " and so falling within the terms of exception (*d*) of Article 2 of the Draft Convention concerning Forced or Compulsory Labour. The Local Government are of opinion that if the legal basis for the requisition of transport was repealed, the local agitators would not be slow to take advantage of it. In their opinion the moment could not be more inopportune for giving effect to the suggested repeal, and they are strongly opposed to it at the present time.

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LETTER FROM THE GOVERNMENT OF BIHAR AND ORISSA, POLITICAL DEPARTMENT, NO. 4607-P., DATED THE 6TH NOVEMBER 1932.

I am directed to refer to paragraph 4 of Mr. Gwynne's letter no. F. 187/2/30-Public, dated the 3rd November 1931, and to submit the following report on the examination of the various local enactments in force in this province which permit forced or compulsory labour.

2. In the Santal Parganas the village headmen are responsible under section 28 of Regulation III of 1872 and also under their *pattas* for keeping in repair, with the assistance of the *raiyats*, the village dykes, drains, tanks, village roads, and boundary marks ; and they are liable to statutory fines

up to a limit of Rs. 50 for failure to carry out these duties. In the Damn-i-Koh (the aboriginal reserve of the Santal Parganas) the headmen are also bound by their *pattas* to keep the circuit bungalows in proper repair. Since the settlement ending in 1879 the provision regarding these duties has been a recognised part of the law of the district which is based on ascertained custom. The performance of these duties is for the benefit of the community. It is very seldom that any action has been taken under section 28 of the Regulation III of 1872 to compel compliance with these obligations: and even then it has been necessitated by the laziness of the headmen and not by wilful opposition. The people are in favour of the continuance in this system.

3. In the Kolhan Government Estate in the district of Singhbhum there is a somewhat similar system which is governed by clause 11 of the Mankis' *pattas* which runs as follows:—

"You shall, with the Mundas and *raiyats* of the villages of your *Pir*, keep in repair all tanks, embankments, works of irrigation, boundary pillars and village roads, and shall preserve the groves of trees and trees planted along the road side within your *Pir*".

Since the year 1916 a local cess has been imposed for the maintenance of roads, and the population has been relieved of the duty of repairing roads. The other duties still remain but they are purely village services. The local Government have issued orders to the effect that, where the obligation to maintain roads is included in the Munda's or Manki's *pattas*, it should not be enforced.

4. Similarly in Angul the Sarbarakars are bound by the terms of their agreement to keep in repair the village guest house, the school, *pan kothgarh*, public well, spring and reservoir reserved for drinking use.

Under section 69 (1) (*b*) of the Angul Laws Regulations (III of 1913) the Deputy Commissioner of Angul may require or authorise the Sub-divisional Officer to require any proprietor, farmer, rent collector, Sarbarakar, Sardar, *mutha malik*, or occupier of land to supply provision and labour at market rates for the use of troops and officers of Government marching in or through the district on public service, and any person failing to comply with this requisition is punishable with fine extending to Rs. 200. In this connection I am to refer to my letter no. 342-P.R., dated the 30th May 1932, and to say that in practice no hardship is caused by this section, and at the present time the local Government think it inopportune to take steps to have it repealed.

5. The maintenance of village schools, tanks, drains, etc., by petty repairs is not a matter of forced labour, but an obligation voluntarily accepted in their own interest by the village community. Where a work is too big and expensive for them to do it for themselves they approach Government for grants. These minor communal services, therefore, come within exception (*e*) to Article 2 of the Draft Convention.

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LETTER FROM THE GOVERNMENT OF THE CENTRAL PROVINCES, REVENUE DEPARTMENT, NO. C.-113/T.-126/XII, DATED THE 23RD APRIL 1932.

I am directed by the Governor in Council to invite a reference to Joint Secretary's letter no. F. 187/2/30-Public, dated the 3rd November 1931,

and to say that in order to give effect to the recommendations of the International Labour Conference the Local Government has amended rule 4 of the rules issued under section 204 of the Central Provinces Land Revenues Act (C. P. Act II of 1917). The rule required the holders of land in a raiyatwari village to assist the Forest Department in clearing a boundary line between their village and the Government forest. It has also been decided to introduce a Bill in the Legislative Council to amend section 53 of the said Act which contains a similar provision in respect of villages held in proprietary right.

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LETTER FROM THE GOVERNMENT OF ASSAM, NO. IMMGN.-122/3825-G.J., DATED THE 20TH APRIL 1932.

I am directed to refer to Mr. Gwynne's letter no. 187/2/30-Public, dated the 3rd November 1931, and in reply to say that there are no enactments of the local Legislature in this province which will require modification in order to give effect to the Government of India's decision. Section 74 of the Assam Forest Regulation, VII of 1891, requires certain classes of persons to assist in extinguishing a fire in a forest, or in preventing a fire in the vicinity of a forest from spreading to the forest. Such labour however is excluded from the provisions of the Draft Convention by the terms of article 2 (*d*).

2. It will be possible to give effect to the Draft Convention and Recommendations, except with regard to the abolition of forced labour for porterage within a period of five years. The Governor in Council sees little possibility of being able within that period to dispense entirely with such labour in the hill districts and frontier tracts of the province. In those areas where there are few if any roads and all transport must be by porters, the only alternative to compulsory labour for this purpose would be the maintenance of large and expensive transport corps which for a part of the year would be of little or no use. This would be a serious waste of public money which this province certainly cannot afford. The Government of Assam are prepared to regulate the employment of labour for this purpose in the manner suggested in article 18 of the Draft Convention, but they see little prospect of being able to go further than that on the expiry of the transitional period.

3. The Government of India have decided to give effect to the provisions of the Draft Convention, but there is one article to which the Governor in Council must take exception, *viz.*, article 20, which prohibits collective punishment of a community by forced labour. In the hill districts and frontier tracts, inhabited largely by primitive peoples, the retention of the power to impose forced labour on a village or villages as a punishment is essential for the maintenance of peace and order. It has recently been resorted to in connection with the discovery of human sacrifice in the Sadiya Frontier Tract. It is in fact often the only effective punishment which can be imposed, and His Excellency in Council must press for a modification of the Government of India's decision to the extent that article 20 of the Draft Convention shall not apply to those areas.

LETTER FROM THE GOVERNMENT OF ASSAM, GENERAL AND JUDICIAL DEPARTMENT, NO. IMMGN.-122/3826-G.J., DATED THE 20TH APRIL 1932.

I am directed to refer to Mr. Gwynne's letter No. F. 187/2/30-Public, dated the 2nd February 1932, on the subject of the repeal of Bengal Regulation XI of 1806. In my letter no. Immgn.-122/3825-G. J., dated the 20th April 1932, the Government of India have been informed that it will be necessary to retain compulsory labour for porterage in the hill districts and frontier tracts of this province. As, however, the supply of such labour in those areas is secured by executive orders, it need not affect the question of the repeal of Bengal Regulation XI of 1806. In the plains districts of this province no use is made of the Regulation in normal times. It is necessary however, that the Government should have power in times of emergency to requisition transport. The Governor in Council would, therefore prefer that the Regulation should be amended so as to restrict its application to times of emergency. If, however, the Government of India would prefer to repeal the Regulation, the Governor in Council would agree on the understanding that in times of emergency power to requisition transport for public purposes would be given by ordinance or other special measures.

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LETTER FROM THE CHIEF COMMISSIONER, DELHI, NO. 6372-HOME, DATED THE 17TH AUGUST 1932.

In reply to Mr. Whittaker's letter no. F. 187/2/30-Public, dated the 23rd July 1932, I have the honour to say that of the Acts mentioned in paragraph 3 of the Home Department letter no. F.-187/2/30-Public, dated 3rd November 1931, this administration is only concerned with the Northern India Canal and Drainage Act, 1873, and the Punjab Minor Canals Act, 1905. Irrigation in the Delhi Area is however under the Punjab (Western Jumna Canal) and the United Provinces (Eastern Jumna and Agra Canals), so that any action taken by these two Administrations will apply to the Delhi Province.

An enquiry was made from the Punjab Government as to the action being taken there, but up to date no reply has been received. For the reasons explained, however, there seems no need to delay a reply from Delhi.

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LETTER FROM THE CHIEF COMMISSIONER, AJMER-MERWARA, NO. 2593-C./374-C.C./31, DATED THE 14TH AUGUST 1932.

With reference to letter no. F.-187/2/30-Public, dated the 23rd July 1932, from the Government of India, Home Department, I have the honour to say that the evil which the Draft Convention is intended to suppress does not exist in Ajmer-Merwara, and no action therefore appears to be called for.

A reply was not sent to letter no. F.-187/2/30-Public, dated the 3rd November 1931, from the Government of India in the Home Department, as it was sent to me only for information and such action as might be necessary.

LETTER FROM THE GOVERNMENT OF BENGAL, NO. 8265-COM., DATED THE 5TH AUGUST 1935.

I am directed to say that a further examination has disclosed two other classes of persons who are liable to forced labour. These are—

(*i*) certain tenants in the hill areas of Darjeeling,

(*ii*) all residents of the Chittagong Hill Tracts other than Government servants, shop-keepers living in bazars and school teachers.

2. Tenants in the Government estates in certain hill areas of the Darjeeling district are bound by the terms of their leases to provide labour on payment for transport of Government stores or goods of Government officers when on tour on duty. Free labour is also exacted in lieu of cess from the tenants in certain parts of these estates for the construction and repair of village roads. After a careful consideration of the conditions prevailing in the hill areas of the Darjeeling district, the local Government have come to the decision that these forms of compulsory labour on the part of the tenants cannot be dispensed with; but in order to ensure that compulsory labour is not employed for the transport of Government stores or goods of Government officers when on tour on duty when voluntary labour is available and to minimise the hardship of such compulsory labour the following instructions have been issued for the guidance of all officers concerned in the exaction of compulsory labour:—

" (*a*) Compulsory labour shall not be requisitioned if voluntary labour is forthcoming at the rates and on the conditions prevailing for such work in the locality.

(*b*) Requisitions for labour shall be made through the mandal of the block from which the labour is required. The Deputy Commissioner shall maintain a list of officers entitled to make such requisitions.

(*c*) Only adult males of an apparent age of not less than 18 and not more than 45 years may be called upon. School teachers are exempted.

(*d*) Both the requisitioning officer and the mandal shall be responsible for seeing that the persons required to work are physically fit and are not suffering from any infectious or contagious disease.

(*e*) Every person so employed shall, on completion of his task, be furnished by the officer employing him with a certificate indicating the period during which he has worked.

(*f*) Every person so employed shall be paid promptly and in cash. The rates shall be fixed from time to time by the Deputy Commissioner and shall be not less than those prevailing for similar work in the locality.

(*g*) The maximum load shall not exceed one maund.

(*h*) Except in exceptional circumstances no person shall be required to proceed more than 24 miles from his home.

(*i*) No person shall be employed, without his consent, for more than 4 days in any one month or 10 days in any year, including the days spent in returning to his home.

(*j*) A normal day's journey shall not exceed 12 miles with load or 20 miles without load. If these distances are exceeded additional wages shall be paid at such rates as may be fixed by the Deputy Commissioner. Days spent in returning home shall be counted as working days for the purpose of payment of wages.

(*k*) Not more than 25 per cent. of the resident able-bodied males may be taken at any one time from any block.

(*l*) Any complaint that labour has been requisitioned in a manner contrary to these instructions shall be enquired into promptly by the Sub-divisional Officer.

(*m*) A copy of these instructions shall be kept by every mandal. The Sub-divisional Officer will be responsible for seeing that they are observed."

3. Although for the purpose of this letter the local Government have assumed that the tenants of the Government estates in Darjeeling are liable to " forced labour " according to the definition of that term in the Convention, the matter is perhaps not free from doubt and the local Government would be glad to have the views of the Government of India on this point. And in this connection I am to invite the attention of the Government of India to the existence in this province of a system of service tenures, under which the holder of such a tenure is required to render free labour to his superior landlord, the labour consisting of service as the family barber, washerman, priest, etc. If it be held that the Darjeeling system involves " forced labour ", the local Government see no escape from the conclusion that the system of service tenures also involves " forced labour " and falls within the mischief of the Convention. The abolition of " forced labour " by the holders of service tenures is of course outside the range of practical politics.

4. The system of compulsory labour is an immemorial custom in the Chittagong Hill Tracts. From time to time, Government have issued regulations to mitigate the hardships of compulsory labour but the total abolition of the system is not considered possible for administrative reasons. Previous to 1892, every Jhumia had to render free labour to the tribal chief or headman but in that year the liability of the Jhumia was restricted by law to four days in the year. In 1926 this system of *begar* or forced free labour was abolished and in lieu thereof a tax of Re. 1 per year per house or family payable to tribal chief was sanctioned by Government. The tribal chiefs were also authorised to exact labour on payment at rates prescribed by Government in 1930, plough-cultivators were also authorised to exact labour on payment at rates prescribed by Governmet. In 1930, plough-cultivators were brought under the same regulations as the Jhumias in respect of the supply of compulsory labour.

5. Such was the position in the Chittagong Hill Tracts when the Government of India asked the local Government to take steps to give effect to the

decision to abolish compulsory labour in British India. The Government of Bengal have considered most carefully the possibility of abolishing compulsory labour in the Chittagong Hill Tracts but in view of the conditions prevailing in this district where touring is very arduous and where hillmen are notoriously idle and cannot be induced to supply labour on a voluntary basis, they are of opinion that it is not practicable to abolish either the privilege now enjoyed by chiefs and headmen of requisitioning compulsory labour for personal services or the power of authorised Government servants to requisition compulsory labour for public purposes in accordance with the prescribed regulations.

The privilege now enjoyed by the chiefs and headmen has the sanction of tribal custom and as such, does not involve any humiliation. Nor is there any public opinion in the Hill Tracts against the custom. Its abolition would cause serious dislocation of social life and would undermine the authority of the chiefs and headmen. The abolition of the power to requisition labour for public purposes would render administration almost impossible.

6. In view of the peculiar conditions of the Chittagong Hill Tracts and in the circumstances explained above the Government of Bengal are of opinion that it is essential to maintain in the Chittagong Hill Tracts—

(*a*) the right to requisition compulsory labour for public purposes, and

(*b*) the right of a chief or headman to requisition compulsory labour for personal service in accordance with custom,

and that it is not possible at present to make any further progress in the direction contemplated by the Resolutions of the Indian Legislature of October, 1931.

A copy of the rules regulating compulsory labour in the Chittagong Hill Tracts as revised up-to-date is enclosed for the information of the Government of India.

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## NOTIFICATION.

*Chittagong Hill-tracts.*—No. 921T.R., 18th June 1934. In exercise of the power conferred by section 18 of the Chittagong Hill-tracts Regulation, 1900 (Regulation I of 1900), the Governor in Council is pleased to direct that the following amendments be made in the rules for the administration of the Chittagong Hill-tracts framed under notification No. 123-P. D., dated the 1st May 1900, as subsequently amended, namely :—

I. *For* sub-rule (*9*) of rule 42, *substitute* the following :—

" Every adult male joomia or plough-cultivator of an apparent age of not less than 18 and not more than 45 years is liable to render labour, in accordance with the regulations from time to time prescribed by Government on the requisition of the Deputy Commissioner or other gazetted officers of Government having jurisdiction in the Chittagong Hill-tracts, or of a Chief or a headman or of any other officer authorised by the Deputy Commissioner

and when so employed he shall receive wages at a rate prescribed from time to time by the Deputy Commissioner. The practice of *begar* or unpaid labour is abolished."

II. *For* rule 42A *substitute* the following :—

"All adult male residents of the Chittagong Hill-tracts, of an apparent age of not less than 18 and not more than 45 years other than Government servants, shop-keepers living in bazars, and school teachers, are liable to the obligations imposed on joomias and plough-cultivators under sub-rule (9) of rule 42 as far as they relate to requisitions by Government servants for labour."

III. *Insert* the following after rule 42A as rule 42B :—

"*Regulations regarding compulsory labour.*

(1) Labour may be requisitioned under sub-rule (*9*) of rule 42 or under rule 42A for the following purposes only :—

(*a*) for transport of Government stores ;

(*b*) for carrying baggage or camp equipment of a Government officer, Chief or headman when on tour on duty in the Chittagong Hill-tracts ;

(*c*) for erecting shelters for the accommodation of Government officers when on tour on duty ;

(*d*) for public works including making or maintaining roads, paths or bridges or clearing forest boundaries ; provided that if such work involves removal of the workers from their place of habitual residence, no requisition shall be made except under the orders of the Deputy Commissioner ;

(*e*) for acting as boatmen for any of the purposes mentioned above.

(2) A chief or a headman authorised by the Deputy Commissioner may also require a joomia or plough-cultivator in his circle or mauza to perform personal service in accordance with custom for not more than 4 days in a year and for not more than 8 hours in a day.

(3) A requisition for labour shall be made in such manner as may be ordered by the Deputy Commissioner.

(4) Only adult males of an apparent age of not less than 18 and not more than 45 years may be called upon to render labour.

(5) The requisition shall be sent to the headman of the mauza from which the labour is required and the headman and the person requisitioning their services shall be responsible for seeing that the workers are physically fit and not suffering from any infectious or contagious disease.

(6) Every person so employed shall be furnished by the person employing him with a certificate indicating the period of the labour performed by him.

(7) The maximum load to be carried shall not exceed one maund.

(8) Every person so employed shall be paid in cash at such rates as may be fixed from time to time by the Deputy Commissioner and shall not be less than those payable for similar work in the locality.

(9) No person employed on transport work shall be required normally to proceed more than 36 miles from his home.

(10) No person shall be taken for transport work for more than 6 days in any one month or more than 12 days in a year.

(11) A normal day's work for a boatman as well as an ordinary labourer shall be 8 hours.

(12) A normal day's journey shall not exceed 12 miles with load or 20 miles without load. If a greater distance is travelled payment shall be made for overtime work at such rates as may be fixed by the Deputy Commissioner. Days spent for returning home shall be counted as working days for the purpose of the payment of wages. The wages shall be paid to each worker individually and not to anyone else.

(13) Not more than 25 per cent. of the adult able-bodied males may be taken away at one time from any mauza or any portion of a mauza which may be specified by the Deputy Commissioner for the purpose.

(14) Any person who has been required to work may make a complaint to a gazetted officer, the Chief or the headman with regard to the conditions of his service and such complaint shall be reduced to writing and forwarded to the Deputy Commissioner.

(15) A copy of the rules regarding compulsory labour shall be kept by every headman and the Deputy Commissioner and Sub-divisional Officers shall be responsible for seeing that the rules are observed."

O. M. MARTIN,
*Secretary to the Government of Bengal.*

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LETTER TO THE GOVERNMENT OF MADRAS, NO. F. 187/2/30-PUBLIC, DATED THE 14TH JANUARY 1936.

I am directed to refer to the correspondence endig with your letter no. 2011-L., dated the 24th September 1932 (Serial no. 39), and to say that the Government of India agree that no amendment of the Madras Forest Act, 1882 or the Madras Compulsory Labour Act, 1858 is necessary in order to comply with the Regulations of the Indian Legislature. They also agree that the froms of labour in existence in the Agency tracts do not come fully within the definition of " forced or compulsory labour ", and note with satisfaction the instruction issued in respect of them.

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LETTER TO THE GOVERNMENT OF BOMBAY, NO. F. 187/2/30-PUBLIC, DATED THE 14TH JANUARY 1936.

I am directed to invite a reference to the correspondence ending with your letter no. 8245-D., dated the 25th April 1932 (Serial no. 40), and to say that the

Government of India agree with the views of the Government of Bombay expressed therein except in regard to the existing system of impressment of carts to carry the baggage of Government officers when on tour.

The Government of Bombay remark that the system is regulated by instructions which comply with the requirements of Article 9 of the Convention, and that abuses of the system have practically ceased to exist.

The Government of India do not question the latter part of this justification of the system; but as regards the former, must observe that they are pledged to abolish such a form of labour as soon as may be practicable and they cannot therefore contemplate an indefinite acquiescence in it. Further, it appears to the Government of India that if, as seems to be the case, the arrangement has no statutory basis, the need for terminating it at an early date is the more pressing. Again Article 9 is not the only Article which applies; for instance, Article 18 has an important bearing on the arrangement.

I am, therefore, to request that the Government of Bombay will consider whether this system cannot be terminated. If the decision is that it cannot, I am to request that the practice of it may be regulated in the manner required by Article 18: the instructions issued by the Government of Bombay no doubt comply with some of those requirements, but it seems necessary in particular to define precisely the classes of officers entitled to demand the impressment of carts, and the area within which and the circumstances in which the demand may be made. The Government of Bombay will no doubt restrict permission to the narrowest possible limits.

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LETTER TO THE GOVERNMENT OF BENGAL, NO. F. 187/2/30, DATED THE 14TH JANUARY 1936.

I am directed to refer to the following letters of the Bengal Government:—no. 1503-P. D., dated 1st October 1932 (Serial no. 41), no. 5930-Com., dated 21st November 1933 (Serial no. 42), and no. 8265-Com., dated 5th August 1935 (Serial no. 54).

1. *Bengal Regulation XI of 1806.*—The Government of India observe that the Governor in Council has no objection to the repeal of section 8 of this Regulation. While welcoming this attitude, the Government of India have decided not to undertake legislation either to amend the section so as to restrict its application to public officers or to repeal it altogether.

They would, however, be glad if the Government of Bengal would, in order to comply with the provisions of Article 4 of the Convention, issue executive instructions to the effect that the use of the section for the benefit of private individuals should be entirely discontinued.

As regards the impressment of transport and supplies for public servants, the Government of India are pledged to abolish this form of forced labour, also as soon as may be practicable: and though for the present its continuance, if regulated in the manner provided in the relevant Articles of the Convention (*e.g.*, Articles 9 and 18), would not be opposed to the Convention, they would welcome the issue of instructions by the Governor in Council for its discontinuance.

2. *Labour required from tenants in the hill areas of Darjeeling.*—The Government of India note with pleasure the instructions issued by the local Government to regulate the employment of this type of labour, which instructions are certainly in furtherance of the spirit of the Convention. But so far as the Government of India are able to understand the conditions described, they are inclined to the view that the labour so required can scarcely be described as being labour which is "exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily", since it is performed in fulfilment of a contract which may be presumed to have been undertaken voluntarily.

3. *Labour required from residents of the Chittagong Hill tracts.*—As described in the letter of the local Government, this appears to fall within the definition of forced or compulsory labour, and the desideratum is therefore to abolish it altogether or, so long as this is not possible, to bring it within the conditions of the Convention. The labour is of two types, (*a*) that exacted for public purposes, and (*b*) that exacted by chiefs or headmen for personal service in accordance with custom. The Government of India note the rules issued for the regulation of the former, which comply with the conditions of the Convention; and in this regard must express the hope, being pledged to the abolition of all forced labour as soon as may be practicable, that the local Government will bear in mind the necessity to work up to the ideal of voluntary labour for an adequate wage as soon as possible. The latter type of service, according to the local Government, has the sanction of tribal custom and involves no humiliation, and its abolition would undermine the authority of the chiefs and headmen. The chiefs and headmen presumably fall within the scope of Article 7 of the Convention and exercise administrative functions. Here again the Government of India note the rules issued for the regulation of this type of labour, and desire to reiterate the hope expressed above.

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LETTER TO THE GOVERNMENT OF THE UNITED PROVINCES, NO. F. 187/2/30, DATED THE 14TH JANUARY 1936.

I am directed to refer to the correspondence ending with your letter no. 303-Industries Department, dated 24th February 1932 (Serial no. 43). The Government of India observe that the Governor in Council is in favour of the repeal of section 8 of Bengal Regulation XI of 1806. The Government of India, while welcoming this attitude, have decided not to undertake legislation either to amend the section so as to restrict its application to public officers or to repeal it altogether. They would, however, be glad if the Government of the United Provinces would, in order to comply with the provisions of Article 4 of the Convention, issue executive instructions to the effect that the use of the section for the benefit of private individuals should be entirely discontinued. As regards the impressment of transport and supplies for public servants, the Government of India are pledged to abolish this form of forced labour also as soon as may be practicable; and though for the present its continuance, if regulated in the manner provided in the relevant Articles

of the Convention (*e.g.*, Articles 9 and 18), would not be opposed to the Convention, they would welcome the issue of instructions by the Governor in Council for its discontinuance.

2. The Government of India presume that the Government of the United Provinces have examined other enactments with which they are concerned and are satisfied that forced or compulsory labour employed under them falls under one or other of the exceptions in Article 2 of the Convention. I am, however, to refer to the last paragraph of section 65 of the Northern India Canal and Drainage Act, 1873, which permits the local Government to direct that the provisions of Part VIII of the Act shall apply to any district or part of a district for the purpose of effecting necessary annual silt clearances or to prevent the proper operation of a canal or drainage work being stopped or so much interfered with as to stop the established course of irrigation or drainage. As the labour exacted for these purposes does not come under any of the exceptions in Article 2 of the Convention, its retention is not permissible and it would be desirable to repeal this portion of the section. Before proceeding further, the Government of India will be glad to be informed whether the powers conferred by the paragraph referred to are ever used and whether its repeal will give rise to any difficulty.

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LETTER TO THE GOVERNMENT OF THE PUNJAB, NO. F. 187/2/30-PUBLIC, DATED THE 14TH JANUARY 1936.

I am directed to refer to the correspondence ending with your letter no. 4082-I. & L., dated the 11th February 1933 (Serial no. 44), and to say that the Government of India agree with the Government of the Punjab that no action is called for in respect of the abolition of the various forms of forced labour obtaining in the province except as stated below—

*The Northern India Canal and Drainage Act, 1873.*—In their reference to section 65 of this Act the local Government mention only the emergency provisions contained in it. The last paragraph of the section, however, permits the local Government to direct that the provisions of Part VIII of the Act shall apply to any district or part of a district for the purpose of effecting necessary annual silt clearances or to prevent the proper operation of a canal or drainage work being stopped or so much interfered with as to stop the established course of irrigation or drainage. As the labour exacted for these purposes does not fall within any of the exceptions in article 2 of the convention, its retention is not permissible and it would be desirable to repeal this portion of the section. Before proceeding further the Government of India will be glad to be informed whether the powers conferred by the paragraph are ever used and whether its repeal will give rise to any difficulty.

2. With reference to paragraph 7 of the letter under reply, I am to observe that the Criminal Tribes Act, 1924, and Good Conduct Prisoners' Probational Release Act, 1926, are expressly excepted in the resolutions adopted by the Legislative Assembly and the Council of State in 1931 and no action is therefore called for in respect of the labour enforced under those Acts.

LETTER TO THE GOVERNMENT OF BIHAR AND ORISSA, NO. F. 187/2/30-PUB., DATED THE 14TH JANUARY 1936.

I am directed to refer to the correspondence ending with your letters no. 342-P.R., dated the 30th May 1932 (Serial no. 47) and no. 4607-P., dated 6th November 1932 (Serial no. 48). The Government of India observe that the local Government are strongly opposed to the repeal of section of 8 of Bengal Regulation XI of 1806. The local Government make no exception as regards those portions of the section which provide facilities for the benefit of private persons: the Government of India presume, however, that the local Government would have no objection to the discontinuance of those facilities, and that their oppostion is only to the abolition of facilities for Government servants.

2. The view of the Government of Bihar and Orissa is not shared by the Governments of Bengal, the United Provinces and Assam. The two first named have no objection to the total repeal of the section, and the Government of Assam, while preferring its amendment so as to restrict its application to Government purposes and to times of emergency, agree to its repeal on the understanding that in times of emergency power to requisition transport for public purposes would be given by special measures.

3. The Government of India have decided not to undertake legislation either to amend the section so as to restrict its application to public officers or to repeal it altogether. It is, however, necessary, in order to comply with Article 4 of the Convention, that the use of the section for the benefit of private individuals should be discontinued: and, as regards the impressment of transport and supplies for public servants, the Government of India are pledged to abolish this form of forced labour as soon as may be practicable and cannot therefore contemplate an indefinite acquiescence in it. For these ends the Government of India consider it desirable that local Governments should take action by the issue of executive instructions. If, as regards public servants, the Government of Bihar and Orissa are not prepared to abolish the use of the section altogether, the instructions should be so framed as to comply with the relevant Articles of the Convention, for instance Article 9 and Article 18; and I am to suggest in particular the necessity for defining precisely the classes of officers entitled to make requisitions and the circumstanes in which they may be made, and to state the hope that the local Government will restrict permission to the narrowest possible limits.

4. As regards the forms of labour mentioned in your second letter quoted above, I am to say that the Government of India agree with the views expressed therein, except in regard to section 69 (1) (*b*) of the Angul Laws Regulation (III of 1913). I am to request that in this regard action may be taken on the lines suggested in the preceding paragraph.

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LETTER TO THE GOVERNMENT OF THE CENTRAL PROVINCES, NO. F. 187/2/30-PUBLIC, DATED THE 14TH JANUARY 1936.

I am directed to invite a reference to the correspondence ending with your letter no. C.-113-T.-126/XII, dated the 23rd April 1932 (Serial no. 49).

2. No mention is made of the Northern India Canal and Drainage Act, 1873, which applies to the Central Provinces as well as to other Provinces. It will be observed that the last paragraph of section 65 of the Act permits the local Government to direct that the provisions of Part VIII of the Act shall apply to any district or part of a district for the purpose of effecting necessary annual silt clearances or to prevent the proper operation of a canal or drainage—work being stopped or so much interfered with as to stop the established course of irrigation or drainage. As the labour exacted for these purposes does not fall within any of the exceptions in Article 2 of the Convention, its retention is not permissible, and it would be desirable to repeal this portion of the section. Before proceeding further the Government of India will be glad to be informed whether the powers conferred by the paragraph are ever used and whether its repeal will give rise to any difficulty.

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LETTER TO THE GOVERNMENT OF ASSAM, NO. F. 187/2/30-PUBLIC, DATED THE 14TH JANUARY 1936.

I am directed to refer to the correspondence ending with your letters nos. Immgn.-122-3825 and 3826-G.J., dated 20th April 1932 (Serial no. 51).

The Government of India observe that in the plains districts of the Province no use is made of section 8 of Bengal Regulation XI of 1806 in normal times; and that, though the local Government would prefer the amendment of the section so as to restrict its appliction to times of emergency, they would agree to repeal on the understanding that in times of emergency power of requisition would be given by special measures.

2. The Government of India presume that so far as the section grants facilities for the benefits of private persons (and is thus incompatible with Article 4 of the Convention) the local Government do not in any case desire its continuance.

3. The Government of India have decided not to undertake legislation either to amend the section so as to restrict its application to public officers or to repeal it altogether. They would, however, be glad if the Government of Assam would, in order to comply with Article 4 of the Convention, issue executive instructions to the effect that the section should never be employed for the benefit of private individuals. As regards the impressment of transport and supplies for public servants, the Government of India are pledged to abolish this form of forced labour also as soon as may be practicable: and though for the present its continuance, if regulated in the manner prescribed in the relevant Articles of the Convention (*e.g.*, Articles 9 and 18) would not be opposed to the Convention, they would welcome the issue of instructions by the Governor in Council for its discontinuance in the plains districts of the Province. As regards porterage in the hill districts and frontier tracts of the Province, the Government of India would be glad if the local Government would, as suggested by them, regulate it in accordance with the relevant Articles of the Convention.

4. As regards collective punishment of a community by forced labour in the hill districts and frontier tracts, the Government of India accept the views of

the local Government but would wish them to bear in mind the obligation to discontinue the practice as soon as may be possible and to aim at imposing, whenever possible, other forms of punishment in lieu of this.

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LETTER TO THE GOVERNMENT OF THE NORTH-WEST FRONTIER PROVINCE, NO. F. 187/2/30-PUBLIC, DATED THE 14TH JANUARY 1936.

I am directed to refer to the correspondence ending with the local Government's letter no. 3638-G./XXVI-B./50, dated the 15th March 1932, and to say that the Government of India agree that no action is called for in respect of the abolition of labour exacted under section 36 of the Hazara Forest Regulation, 1911, and sections 26 and 27 of the Punjab Minor Canals Act. As regards the other Acts and Regulations mentioned in the letter under reference which permit the employment of forced labour, I am to communicate the views of the Government of India as follows :—

(*i*) *Section 65 of the Northern India Canal and Drainage Act, 1873.*—The last paragraph of this section permits the local Government to direct that the provisions of Part VIII of the Act shall apply to any district or part of a district for the purpose of effecting necessary annual silt clearances or to prevent the proper operation of a canal or drainage-work being stopped or so much interfered with as to stop the established course of irrigation or drainage. As the labour exacted for these purposes does not fall within any of the exceptions in Article 2 of the Convention, its retention is not permissible and it would be desirable to repeal this portion of the section. No specific reference has, however, been made to that paragraph in the letter under reference, and before proceeding further the Government of India will be glad to be informed whether the powers conferred by the paragraph are ever used and whether its repeal will give rise to any difficulty.

(*ii*) *Section 35 of the Frontier Crimes Regulations, 1901.*—The Government of India understand that in the settlement record in all the districts of the Frontier Province there is an entry relating to the services of Naubati Chauki and that these services are acknowledged as part of the normal services of the village community which the land owners and their tenants with certain exceptions are expected to perform. It is also understood that the village community is consulted on each settlement in the matter of their customs as embodied in the record. If the facts are as stated, it might be held that the members of the community have fully and freely acknowledged the necessity for the services of Naubati Chauki, and that the system comes within exception (*e*) in Article 2 of the Convention. Possibly it might also be held to fall under exception (*d*) in the same Article, since it is more or less a system of self-help in village watch and ward which is absolutely essential in the villages along the border exposed to raids which endanger the well-being of the whole or part of the population. In the circumstances, the Government of India consider that no amendment of section 35 of the Frontier Crimes Regulation as suggested is necessary.

LETTER FROM THE GOVERNMENT OF THE CENTRAL PROVINCES, NO. 41-A.I., DATED THE 5TH FEBRUARY 1936.

With reference to the Government of India, Home Department letter no. F. 187/2/30-Public, dated the 14th February 1936, I am directed by the Governor-in-Council to state that the Northern India Canal and Drainage Act, 1873, has been repealed in its application to the Central Provinces, and the Central Provinces Irrigation Act, 1931, is in force in its place with effect from the 15th March 1932. Section 36 of the latter Act relates to the power to impress labour in an emergency, but the labour exacted under this section falls within exception (*d*) of the exceptions in Article 2 of the Convention.

Repeal of any of the provisions of the Northern India Canal and Drainage Act will not give rise to any difficulty in this province.

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LETTER FROM THE GOVERNMENT, N. W. F. PROVINCE, NO. 7022-G./XXVI-B.-50, DATED THE 8TH APRIL 1936.

I am directed to refer to the correspondence ending with your letter no. F. 187/2/30-Public, dated the 14th January 1936 and to say that as regards Section 65 of the Northern India Canal and Drainage Act, the provision in question is never used and its repeal, if this is considered essential, will give rise to no difficulty.

2. The Governor in Council observes that the Government of India are of opinion that no alteration in Section 35, Frontier Crimes Regulations is required.

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LETTER FROM THE GOVERNMENT, PUNJAB, NO. 203-I. & L.-36/15648, DATED THE 2ND MAY 1936.

With reference to Mr. Thorne's letter no. F. 187/2/30-Public, dated the 14th January 1936, I am directed to state that the Governor in Council agrees with the Government of India that the last paragraph of section 65 of the Northern India Canal and Drainage Act, 1873, is inconsistent with the recommendations of the International Labour Conference, 1930, and as the powers conferred by the paragraph are not used, there is no objection to the proposal to repeal it.

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LETTER FROM THE GOVERNMENT OF ASSAM, NO. IMMGN.-286/4214-G. J., DATED THE 29TH JULY 1936.

I am directed to say that after careful consideration of the present position of the impressment of transport and supplies, the Government of Assam have issued instructions to the district officers in the plains districts to the effect that the power given to the Police by section 8 of Regulation XI of 1806 should not be used for the benefit of private individuals. As for the impressment of transport and supplies for public servants travelling on duty, the Governor in Council has directed that no use should be made in the plains district of the powers given by section 8 of Regulation XI of 1806 except in cases of emergency when other methods for securing facilities for touring are not possible.

2. I am to add that Government have also decided to issue regulations controlling the practice of porterage in the hills in the manner suggested in Articles 9 and 18 of the Draft Convention adopted by the International Labour Conference. District officers have been consulted as to the exact nature of these regulations but all replies have not yet been received. (A further communication on the subject will be made to the Government of India in due course with reference to Mr. Thorne's letter no. 347/35/-Public, dated the 8th June 1936.)

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LETTER FROM THE GOVERNMENT OF BENGAL, POLITICAL DEPARTMENT, NO. 11943-P., DATED THE 31ST JULY 1936.

I am directed to state, for the information of the Government of India, that the instructions contained in Home Department letter no. F. 187/2/30-Public, dated the 14th January 1936, have been conveyed to the local officers for their information and guidance.

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LETTER FROM THE GOVERNMENT OF THE UNITED PROVINCES, NO. 2677, DATED THE 19TH AUGUST, 1936.

I am directed to say that the powers conferred by the last para. of section 65 of the Northern India Canal and Drainage Act, 1873, have not been used in recent times in the United Provinces. There is therefore no objection to the repeal of that paragraph.

2. As regards the issue of executive instructions to the effect that section 8 of the Bengal Regulation XI of 1806 should not be used, I am to point out that the section is actually not in use and has been for many years past a dead letter. It does not therefore seem advisable to issue instructions on the subject. The only effect of the issue of such instructions would be to invite attention to the section and revive a knowledge of its existence. Under the circumstances it is not proposed to take any action.

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LETTER FROM THE GOVERNMENT OF BIHAR, NO. 2437-P. R., DATED THE 19TH AUGUST 1936.

With reference to Mr. Bakhle's letter no. F. 187/2/30-Public, dated the 23rd July 1936, I am directed to forward for the information of the Government of India a copy of my letter no. 3777-P., dated the 29th March 1936, for the guidance of the officers serving under the Government of Bihar.

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LETTER FROM THE CHIEF SECRETARY TO THE GOVERNMENT, BIHAR AND ORISSA, NO. 3777-P., DATED THE 29TH MARCH 1936, TO THE SECRETARY TO THE BOARD OF REVENUE, BIHAR AND ORISSA.

I am directed to say that the Government of India have now decided not to repeal section 8 of Bengal Regulation XI of 1806.

2. The Government of India, however, have asked the local Government to limit the operation of both section 8 of Bengal Regulation II of 1806 and section 69 (1) (*b*) of the Angul Laws Regulation (III of of 1913) by executive instructions so as to comply with Article 4 and, so far as public servants are concerned, with Articles 9 and 18 of the "Draft Convention concerning Forced or Compulsory Labour adopted by the International Conference at its fourteenth session, 10-28 June 1930". In particular, the Government of India stress the importance of defining the classes of officers entitled to make requisitions and the circumstances in which they may be made.

3. The local Government have accordingly been pleased [in continuation of Mr. Briscoe's letter no. 1388-92-P., dated the 8th February 1922 (copy enclosed)] to lay down the following rules for the guidance of officers serving under the local Government who requisition transport or supplies :—

(*a*) Only Government servants travelling on public business may requisition transport or supplies.

(*b*) The right to requisition transport or supplies is limited to Government servants engaged in general administration, excise or police duties, or travelling in connection with medical relief, surveys, forest administration, public works, posts and telegraphs, education, agriculture or co-operative credit.

(*c*) Such Government servants may not requisition transport or supplies under the regulation unless it is impossible for them to obtain transport or supplies otherwise.

(*d*) When a requisition is made for transport the requisitioning officer must satisfy himself that coolies or drivers are physically fit for the work and that the loads carried and the distances travelled are not greater than what is recognised as normal in that area. They should not be kept away from their homes for longer than is necessary.

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LETTER TO THE GOVERNMENT OF THE UNITED PROVINCES, INDUSTRIES DEPARTMENT, GOVERNMENT OF THE PUNJAB, I. & L. DEPARTMENT, CHIEF SECRETARY, GOVERNMENT OF THE CENTRAL PROVINCES, AND THE CHIEF SECRETARY TO THE GOVERNMENT OF THE NORTH WEST FRONTIER PROVINCE, NO. F. 187/2/30-PUBLIC, DATED THE 9TH FEBRUARY 1937.

I am directed to say that the Government of India have decided to take steps for the repeal of the last para. of section 65 of the Northern India Canal and Drainage Act, 1873, when the Act next comes under revision. An opportunity may not arise for some time : and in the meanwhile I am to request that, with the permission of the Governor in Council, executive instructions may be issued, prohibiting the action permitted under the para. from being resorted to.

[2. The Government of India agree that for the reason given by the local Government no instructions need be issued with regard to Section 8 of the Bengal Regulation XI of 1806.]

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[To U. P. only.]

## SECTION II.

## CORRESPONDENCE RELATING TO THE MAINTENANCE OF WORKERS EMPLOYED ON FORCED LABOUR AND OF THEIR DEPENDENTS IN THE EVENT OF ACCIDENT OR ILLNESS ARISING OUT OF SUCH EMPLOYMENT.

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LETTER TO THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY, POLITICAL DEPARTMENT, THE SECRETARY TO THE GOVERNMENT OF BENGAL, FINANCE, COMMERCE AND MARINE DEPARTMENTS, THE SECRETARY TO THE GOVERNMENT OF THE UNITED PROVINCES, INDUSTRIES DEPARTMENT, THE CHIEF SECRETARY TO THE GOVERNMENT OF BIHAR, POLITICAL DEPARTMENT, THE CHIEF SECRETARY TO THE GOVERNMENT OF ASSAM, NO. F. 347/35-PUBLIC, DATED THE 8TH JUNE 1936.

I am directed to invite a reference to the correspondence ending with the Home Department letter no. F. 187/2/30-Public, dated the 14th January 1936, in which the Government of India have expressed the view that

*the impressment of carts to carry the baggage of Government officers when on tour

†the impressment of transport and supplies for public servants and the labour requisitioned in the Chittagong Hill Tracts

‡the impressment of transport and supplies for public servants

§the impressment of transport and supplies for public servants and the labour exacted under section 69 (1) (*b*) of the Angul Laws Regulation (III of 1913)

||the labour exacted for porterage in the hill districts and frontier tracts of the Province

is excluded from the exceptions given in Article 2 of the Convention relating to Forced or Compulsory Labour and is as such to be abolished as soon as may be practicable, and suggested the desirability of regulating where this has not already been done, this kind of labour in accordance with the provisions of Articles 9 and 18 of the Convention pending its total abolition.

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*To Bombay only.
†To Bengal only.
‡To United Provinces only.
§To Bihar only.
||To Assam only.

2. There still remains the question of the fulfilment of the requirements of Article 15 of the Convention in respect of the use of such labour. This Article states as its first requirement that persons from whom forced or compulsory labour is exacted should get the benefit of any Indian laws or regulations relating to workmen's compensation for accidents or sickness and providing compensation for the dependents of deceased or incapacitated workers. The only Indian law relating to the subject is the Workmen's Conpensation Act. Under this Act compensation is payable in respect of personal injuries caused by accident arising out of and in the course of employment, and also in respect of occupational diseases (mentioned in Schedule III to the Act) and for any disease which is directly attributable to a specific injury by accident arising out of and in the course of employment. The scales of compensation (*vide* Schedule IV to the Act) are so prescribed as to make the amount of compensation vary with the wages of the workmen.

The Workmen's Compensation Act does not in its existing form apply to the forms of "forced or compulsory labour" with which the Government of India are concerned and the Government of India do not see any reason to amend it so as to make it applicable to forms of labour for which it was never intended. They considered that the requirements of Article 15 of the Convention would be adequately fulfilled by the issue of executive instructions on the lines *mutatis mutandis* of the relevant provisions of the said Act. That is to say, personal injury by accident and sickness arising out of the employment of "forced or compulsory" labourers may be dealt with as if the Workmen's Compensation Act had applied to them, sickness being treated as an occupational disease. The calculation of the amount of compensation should not present any difficulty as forced labour will be paid for in accordance with the requirements of Article 14. It is not, however, necessary to import in any scheme of compensation which is to be enforced by executive instructions the restriction mentioned in proviso (*a*) to section 3 (1) of the Act, the provisions relating to notice and claim (section 10) and medical examination (section 11). These provisions are intended to safeguard alike the rights of the employer and the workmen and disputes arising out of their application are matters for judicial decision, subject to a right of appeal to the High Court. As for the most part of the persons from whom the labour is exacted will be ignorant and the officers who will administer the scheme of compensation will not be conversant with the law relating to workmen's compensation it is necessary that the scheme should be as simple as possible and aim at making spontaneous and expeditious awards.

3. I am accordingly to request that pending the total abolition of forced labour executive instructions on the lines indicated above may be issued with the permission of the Governor in Council, to secure the fulfilment of the Article. The question of making a statutory provision for compensation in the Acts under which such labour is employed might be considered when the Acts are next under revision. I am also to request that a report of the action taken by the local Government in this respect may be submitted to the Government of India by the end of this year.

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Copy forwarded to the Government of the Punjab / Central Provinces / North-West Frontier Province for information with reference to the correspondence ending with the Home Department letter no. F. 187/2/30-Public, dated the 14th January 1936.

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LETTER FROM THE GOVERNMENT OF BOMBAY, REVENUE DEPARTMRENT, NO. 8482-E./28, DATED THE 5TH AUGUST 1936.

I am directed by the Governor in Council to state that as it has been decided to abolish the system of impressment of carts in this Presidency no executive instructions to subordinate officers are necessary. I am further directed to state that the public are being informed of the decision of Government by means of a Press note.

LETTER FROM THE GOVERNMENT OF THE UNITED PROVINCES, NO. 2072, DATED THE 13TH NOVEMBER 1936.

I am directed to forward, for the information of the Government of India, a copy of a circular letter no. 2072/XVIII-611-1931, dated October 16, 1936, issued by this Government to all heads of departments, etc.

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LETTER FROM THE SECRETARY TO GOVERNMENT, UNITED PROVINCES, TO ALL HEADS OF DEPARTMENTS, ETC., AND COMMISSIONERS OF DIVISIONS AND DISTRICT OFFICERS AND DISTRICT AND SESSIONS JUDGES, UNITED PROVINCES, NO. 2072/XVIII-611-1931, DATED THE 16TH OCTOBER 1936.

I am directed to say that in order to fulfil the requirements of article 15 of the Convention relating to the use of Compulsory or forced labour adopted by the international Labour Conference the following instructions should be complied with in regard to the payment of compensation to workers (if any) who are forced to do compulsory labour or to their dependants, as the case may be, in the event of accident, permanent disablement, illness or death arising from such employment.

INSTRUCTIONS.

1. Workers who are forced to do compulsory labour, or their de pendants as the case may be, will be paid the compensation payable under section 4 of the Workmen's Compensation Act, 1923 (VIII of 1923), in case of personal injury resulting in death or partial or total disablement caused by an accident arising out of and in the course of such employment. Sickness arising out of such employment will be treated as an occupational disease within the meaning assigned to it in the aforesaid Act and will be paid for as provided for therein.

Provided that no compensation shall be paid in respect of any injury, not resulting in death, caused by an accident which is directly attributable to—

(*i*) the worker having been at the time thereof under the influence of drink or drugs, or

(*ii*) the wilful disobedience by the worker of an order expressly given for the purpose of securing his safety.

2. The person or body responsible for the payment of the wages of such worker shall determine the amount of compensation payable; and it will be incumbent upon him to see that compensation is paid expeditiously, without waiting for any notice or claim from the injured worker, or from his dependants as the case may be.

3. In all cases of employment of forced or compulsory labour, in which compensation becomes payable, a report shall immediately be made to the District Magistrate of the district, who shall satisfy himself that prompt payment of compensation is made in accordance with the provisions of these instructions.

LETTER FROM THE SECRETARY TO GOVERNMENT OF ORISSA, LAW AND COMMERCE DEPARTMENT, NO. 262-COM., DATED THE 13TH JANUARY 1937.

I am directed to say that the questions of issue of executive instructions in the lines of Workmen's Compensation Act in respect of personal injury by accidents and sickness arising out of the employment of 'forced or compulsory' labour is still under the consideration of this Gover ment and a further communication will be sent to the Government of India on the subject, as soon as possible.

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LETTER FROM THE GOVERNMENT OF ASSAM, NO. IMMGN.-436/420-G. J., DATED THE 28TH JANUARY 1937.

The Officers of the hill districts were consulted on both these subjects, and I am to enclose a copy of the regulations or instructions which have been drawn up in the light of their advice. As conditions vary, it has been necessary, while laying down certain general principles, to leave matters such as the rate of wages, the number of days of employment and the fixing of the rate of compensation in case of accident or illness to the discretion of the District, Subdivisional or Political Officer.

2. The views of the Political Officers, Balipara and Sadiya Frontier Tracts have not yet been obtained. Conditions in these tracts are different owing to the existence of a permanent labour corps and it is not expected that any substantial alteration of the regulations or instructions will be required. I am to say that these regulations or instructions may be treated as provisional till the advice of the Political Officers has been received. They are now being consulted. Any alterations will be communicated to the Government of India.

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REGULATIONS GOVERNING IMPRESSMENT OF LABOUR IN THE HILLS DISTRICT OF ASSAM.

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*Impressment for the purpose of transport facilities.*

1. Porters shall only be impressed for the purpose of facilitating the movements of officials on duty, for the transport of Government stores or, in cases of urgent necessity, when other means for securing transport facilities are not possible, for the transport of persons other than officials.

2. The impressment of porters shall be made in all cases by or under the general or special orders of the District, Subdivisional or Political Officer.

3. The person employing porters shall be responsible for seeing, as well as he can, that they are fit to carry loads. Ordinarily, impressment shall be confined to persons who are accustomed to physical labour. No porters should be taken from the villages where infectious diseases such as small-pox or cholera are known to exist. Women may be employed where permissible by local custom; but their emplo ment should, as far as possible, be discouraged. No person should be called up for work on any day on which religious custom prohibits him from leaving the village or from carrying loads.

4. A day's march for a loaded porter shall not exceed fifteen miles except in very special circumstances. The load to be carried by a porter shall not exceed 60 lbs.

5. Porters shall not be required to travel more than two marches from their starting point except in very special circumstances.

6. A porter's wage for a march not exceeding fifteen miles on any one day shall not be less than the normal daily wage prevailing in the locality. This rate will be fixed by the District, Subdivisional or political Officer according to the conditions of the locality and other circumstances. For a daily march exceeding fifteen miles the rate of wages shall be double the ordinary rate. Porters carrying loads more than thirty miles from their village shall be paid, in addition to the daily wage a subsistence allowance at the rate of three annas for every thirty miles or part thereof.

7. The number of days of employment per person every year shall not exceed the maxima fixed by the District, Subdivisional or Political Officer having particular regard to local conditions.

8. In the case of both impressed labourers and voluntary workers, personal injury by accident or sickness arising out of their employment as porters will be dealt with as if the Workmen's Compensation Act applied, sickness being treated as occupational disease.

(*i*) No Compensation will be paid if there is a suit for damages pending in any Court in respect of the accident or sickness.

(*ii*) The amount of compensation will be calculated in the manner laid down in section 4 of the Workmen's Compensation Act.

(*iii*) For the purpose of this rule and for the application of section 4 of the Workmen's Compensation Act, the monthly wages will be taken to be the monthly rate of wages prevailing in the locality for work similar to the work on which the porter is employed, as may be fixed by the District, Subdivisional or Political Officer.

(*iv*) Employers of impressed labourers or voluntary workers are bound to report to the District, Sub-divisional or Political Officer all cases of sickness, personal injury or death by accident. The district, Subdivisional or Political Officer on receiving the information and on making such inquiries as he may consider necessary will fix the amount of compensation, if any, to be paid and will take necessary steps for ensuring payment if the amount is payable by any person other than Government. If compensation is payable by the Government he will report the amount with particulars of the circumstances to the Local Government.

(*v*) Compensation on account of personal injury or sickness will be paid by the District, Subdivisonal or Political Officer or the employer to the person concerned or his agent. Compensation on account of death will be paid by the District, Subdivisional or Political Officer to the nearest heirs of the deceased or to their representatives after such inquiry as may be necessary.

LETTER FROM THE GOVERNMENT OF ASSAM, NO. IMMGN.-59/801-G. J., DATED THE 6TH MARCH 1937.

I am directed to say that the regulations or instructions governing impressment of labour in the hills districts of Assam forwarded therewith may be treated as final. The Political Officers, Balipara and Sadiya Frontier Tracts who were consulted do not consider it necessary to make any alterations in those regulations or instructions.

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LETTER FROM THE GOVERNMENT OF BIHAR, POLITICAL DEPARTMENT, NO. 1083-P., DATED THE 23RD MARCH, 1937.

I am to say that executive instructions have now been issued by the local Government to regulate the compensation payable to labourers on account of personal injury by accident or sickness arising out of their employment under Regulation XI of 1806.

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LETTER FROM THE GOVERNMENT OF BENGAL, DEPARTMENT OF COMMERCE & LABOUR (COMMERCE), NO. 3818-COM., DATED THE 5TH APRIL 1937.

I am directed to forward for the information of the Government of India a copy of Notification no. 7515-E. A., dated the 24th March 1937, issued by the Revenue Department of this Government under section 18 of the Chittagong Hill Tracts Regulation, 1900 (I of 1900), with a view to provide for the payment of compensation to persons employed on forced or compulsory labour in the event of any accident or illness to them arising out of such employment. (A copy of the rules which this notification amends was forwarded to the Government of India with this Department letter no. 8265-Com., dated the 5th August 1935.)

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NOTIFICATION FROM THE GOVERNMENT OF BENGAL, REVENUE DEPARTMENT, EXCLUDED AREA BRANCH, NO. 7515-E. A., DATED CALCUTTA, THE 24TH MARCH 1937.

*Chittagong Hill Tracts.*

In exercise of the power conferred by section 18 of the Chittagong Hill Tracts Regulations, 1900 (Regulation I of 1900), the Governor in Council is pleased to direct that the following amendments be made in the rules for administration of the Chittagong Hill Tracts framed under notification no. 123-P.D., dated the 1st May 1900, as subsequently amended, namely :—

In rule 42-B of the said rules—

(*i*) ***insert*** the following *before* the word "Labour" in the beginning of sub-rule (1) :—

"Whenever voluntary labour on payment is not available".

(*ii*) *insert* the following as sub-rule (15) and *renumber* existing sub-rules (15) and (16) as sub-rules (16) and (17), respectively.

(15) If any person employed under this rule shall be temporarily or permanently incapacitated by injury or sickness caused by reason of, and during, the service rendered, he may apply for compensation to the Deputy Commissioner, who after such inquiries as he considers necessary, may order, subject to the approval of the Commissioner, an equitable compensation to be paid to such person for his incapacity by Government or by the Chief or headman, who has employed him. In assessing the compensation the Deputy Commissioner will consider to what extent, if any, the incapacity, sickness, or death of the person employed was due to contributory negligence on his part. If death should result, the compensation may be paid to the dependants of the person deceased in such proportion as the Deputy Commissioner thinks fit.

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## NET EARNINGS OF CERTAIN NEWLY-CONSTRUCTED RAILWAY LINES.

**Mr. B. M. Staig** : (Financial Commissioner, Railways) : Sir, I lay on the table a statement giving the information at present available as to the net earnings of certain newly-constructed railway lines, during the financial year 1935-36, and a comparison of the return given by these earnings on the capital outlay with the return anticipated in the original estimates.

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| Name of Project. | Working Railway. | Gauge. | Mileage. | Date of Opening. | Net income creditable to the project for 1935-36. | Percentage return of income (column 6 on Capital outlay). | | Estimated percentage return of income on capital outlay some years after opening as estimated originally. |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 1934-35. | 1935-36. | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Chittagong-Nazarhat .. | A. B. .. | 3' 3-3/8" .. | 22·97 | 17-3-1930 | 22,961 | 0·66 | 1·02 | 8·50 |
| Chittagong-Dohazari .. | A. B. .. | 3' 3-3/8" .. | 25·05 | 10-6-1931 | —1,00,354 | —0·48 | —1·91 | 8·50 |
| Feni-Belonia .. .. .. | A. B. .. | 3' 3-3/8" .. | 16·88 | 1-12-1929 | —33,450 | —3·19 | —2·34 | 5·80 |
| Furkating-Badulipara-Jorhat .. | A. B. .. | 3' 3-3/8" .. | 42·28 | 1-8-1928 | —93,933 | 2·63 | 2·73 | 7·00 |
| Karimganj-Jongai Valley .. .. | A. B. .. | 3' 3-3/8" | 39·45 | 1-1-1929 | —91,275 | —2·07 | —2·61 | 5·50 |
| Netrakona-Monanganj .. .. | A. B. .. | 3' 3-3/8" | 17·55 | 1-4-1929 | —17,995 | —0·69 | —0·86 | 9·60 |
| Shaistaganj-Habiganj-Balla .. | A. B. .. | 3' 3-3/8" | 25·29 | 1-12-1929 | —30,292 | —0·53 | —1·40 | 6·47 |
| Senchoa-Mairabai .. | A. B. .. | 3' 3-3/8" | 30·25 | 20-4-1930 | 30,579 | —1·91 | 1·36 | 13·00 |
| Sibsagar Road-Khowang .. .. | A. B. .. | 3' 3-3/8" | 38·79 | 10-11-1927 | 41,665 | 3·24 (a) | 1·20 (a) | 7·00 |
| Mashrak-Thawe Extension .. .. | B. & N. W. | 3' 3-3/8" | 30·32 | 12-1-1931 | 68,653 | 2·90 | 2·91 | 6·00 |
| Raipur Parvatipuram .. | B. N. .. | 5' 6" | 240·00 | 31-3-1932 | 45,68,617 | 4·19* | 8·88 | 5·40 |
| Boriavi-Vadtal .. | B. B. & C. I. | 5' 6" | 3·71 | 18-4-1929 | —5,973 | —3·16* | —2·65 | 5·00 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Jambusar Kavi .. | B. B. & C. I. | 2′ 6″ | 17·87 | 1-8-1929 | 19,450 | 4·58* | 2·44 | 8·09 |
| Samni-Dahej .. | B. B. & C. I. | 2′ 6″ | 24·72 | 1-3-1930 | —15,694 | —0·66* | —1·56 | 8·90 |
| Vasad-Katana .. | B. B. & C. I. | 5′ 6″ | 26·61 | 1-9-1930 | 1,64,318 | 8·35* | 7·55 | 8·00 |
| Heho-Shweryaung .. | Burma .. | 3′ 3-3/8″ | 11·25 | 2-5-1928 | 7,504 | 0·13* | 0·26 | 6·00 |
| Kayan-Thongwa .. .. | Burma .. | 3′ 3-3/8″ | 10·80 | 15-12-1928 | 8,423 | 0·59* | 0·55 | 10·75 |
| Myingyan Paleik .. .. | Burma .. | 3′ 3-3/8″ | 68·86 | 13-1-1930 | 1,36,669 | 1·57* | 1·89 | 5·50 |
| Nyaunglebin-Madauk .. .. | Burma .. | 3′ 3-3/8″ | 11·06 | 15-8-1929 | 1,10,270 | 7·30* | 8·23 | 3·37 |
| Taungdwingyi-Kyaukpadaung .. | Burma .. | 3′ 3-3/8″ | 71·82 | 17-7-1930 | 1,92,355 | 2·20* | 1·74 | 6·00 |
| Abdulpur-Nawabganj .. | E. B. .. | 5′ 6″ | 57·15 | 10-2-1930 | 1,67,009 | —0·97 | 1·85 | 6·20 |
| Baruipur-Lakshmikantapur .. | E. B. .. | 5′ 6″ | 23·26 | 15-12-1928 | 1,07,000 | —1·17 | 2·55 | 7·00 |
| Dinajpur-Ruhea .. .. | E. B. .. | 3′ 3-3/8″ | 47·80 | 8-5-1928 | 3,12,000 | 12·31 | 9·16 | 6·50 |
| Kalukhali-Bhateapara .. .. | E. B. .. | 5′ 6″ | 53·49 | 1-3-1932 | 52,000 | —3·58 | 0·88 | 5·00 |
| Purnea-Murliganj .. | E. B. .. | 3′ 3-3/8″ | 51·98 | 1-10-1929 | 3,11,000 | 6·23 | 9·62 | 6·50 |
| Tangla Rangapara .. | E. B. .. | 3′ 3-3/8″ | 52·50 | 6-2-1933 | 3,11,000 | 4·05 | 5·92 | (b) 0·68 |
| Calcutta Chord Railway .. .. | E. I. .. | 5′ 6″ .. | 8·50 | 1-2-1932 | —3,42,930 | 0·32 | (t) —0·77 | † |

(a) Excludes net earnings of existing lines from new traffic interchanged with new railway.

* Revised figures.

(b) The Government of Assam have agreed to pay the actual loss incurred in working the railway for an indefinite period subject to a maximum of Rs. 1,75,000 each year provided that, if and when, the line yields a return of over 5 per cent. on its capital cost, the balance will be utilised in repaying sums that may have been paid under the guarantee.

† Justified on broad grounds of improving transportation facilities particularly quick despatch of coal traffic to the docks.

(t) The figures have been compiled on the old basis followed for the year 1934-35.

| Name of Project. | Working Railway. | Gauge. | Mileage. | Date of Opening. | Net income creditable to the project for 1935-36. | Percentage return of income (column 6 on Capital outlay). | | Estimated percentage return of income on capital outlay some years after opening as estimated originally. |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 1934-35. | 1935-36. | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Chandpur-Bijnor Muazzampur Narain | E. I. .. | 5′ 6″ | 37·00 | 5-1-1930 | 67,950 | —0·13 | (f) 2·01 | 6·10 |
| Daltonganj Barkakana Section of Central India Coalfields Railway (§) | E. I. .. | 5′ 6″ | 115·00 | 31-1-1929 | —1,95,556 | 0·80 | (f) —0·48 | (c) 6·88 |
| Annuppur-Chirmiri Branch of Central India Coalfields Railway (§). | B. N. .. | 5′ 6″ | 53·84 | 23-1-1931 | 7,62,330 | 3·66* | 4·24 | |
| Lucknow-Sultanpur-Zafarabad .. | E. I. .. | 5′ 6″ | 136·00 | 25-5-1932 | —2,86,876 | 4·56* | (f) —2·29 | 5·80 |
| Unao-Madhoganj .. .. | E. I. .. | 5′ 6″ | 48·00 | 21-12-1930 | —23,981 | —3·77 | (f) —0·55 | (l) 6·20 |
| Agra Bah .. | G. I. P. .. | 5′ 6″ | 43·00 | 10-4-1929 | —48,086 | —1·74* | —1·55 | 6·30 |
| Dharwa-Pusad .. .. | G. I. P. .. | 2′ 6″ | 42·65 | 23-11-1931 | —18,828 | —0·18* | —0·55 | 6·81 |
| Cocanada-Kotipalli .. | M. & S. M. .. | 5′ 6″ | 27·38 | 1-11-1929 | —67,457 | †—3·69* | †—1·58 | 6·00 |
| Guntur-Macherla .. .. | M. & S. M .. | 3′ 3-3/8″ | 79·83 | 15-1-1930 | 1,57,571 | †4·01* | †3·45 | 5·25 |
| Gudivada-Phimavaram .. | M. & S. M. .. | 3′ 3-3/8″ | 40·60 | 17-9-1928 | 2,37,965 | †4·09* | †5·84 | 6·61 |
| Nidadaolu-Narasapur .. .. | M. & S. M. .. | 5′ 6′ | 47·16 | 3-2-1929 | 3,24,652 | †4·65* | †4·73 | |
| Annivihalli-Swmihalli Extension .. | M. & S. M. .. | 3′ 3-3/8″ | 11·74 | 15-3-1928 | 2,34,834 | 64·62* | 74·74 | § |
| Amritsar Narowal .. | N. W. .. | 5′ 6′ | 39·11 | 6-5-1929 | 8,32,208 | 10·75* | 12·18 | 5·50 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Batala Qadian or Batala Beas Rly. (*l*) | N. W. | .. | 5′ 6″ | 12·04 | 20-12-1928 | 50,183 | 3·25* | 5·40 | 5·7(*c*) |
| Chak Jhumra Kushab .. | N. W. | .. | 5′ 6″ | 70·47 | 12-3-1932 | 28,68,643 | 11·33* | 16·84 | 6·00 |
| Jassar Shakargarh Chak Amru .. | N. W. | .. | 5′ 6″ | 25·97 | 21-12-1927 | 1,24,645 | 4·83* | 7·58 | 6·00 |
| Lyallpur-Jaranwala .. | N. W. | .. | 5′ 6″ | 20·75 | 3-12-1927 | —2,929 | —7·93* | —0·18 | 5·48 |
| Rohtak-Gohana-Panipat .. | N. W. | .. | 5′ 6″ | 44·01 | 15-5-1928 | 16,119 | —1·37 | 0·63 | 6·33 |
| Shahdara-Narowal .. .. | N. W. | .. | 5′ 6″ | 48·33 | 21-12-1926 | 1,41,604 | 3·32* (*d*) | 4·80 (*d*) | 4·84¶ |
| Sind Left Bank Feeder Railways .. | N. W. | .. | 5′ 6″ | 164·49 | 10-12-1931 | 6,81,522 | 2·43* (*f*) | 7·51 (*f*) | (*e*) (*f*) |
| Kangra Valley .. .. .. | N. W. | .. | 2′ 6″ | 102·99 | 1-4-1929 | —2,15,430 | —0·13* (*a*) | —0·68 (*a*) | 5·50 |
| Cuddalore-Vriddhachalam .. .. | S. I. | .. | 3′ 3-3/8″ | 35·59 | 21-6-1928 | 43,523 | 2·86* (*a*) | 1·63 (*a*) | (*g*) |
| Dindigul Pollachi .. .. .. | S. I. | .. | 3′ 3-3/8″ | 75·10 | 19-11-1928 | 1,24,553 | 4·95* | 1·53 | 9·44 |

† Justified on broad grounds of improving transportation facilities particularly quick despatch of coal traffic to the docks.

(*l*) Only part of the whole project was actually built.

(*c*) Represents estimated return on capital outlay for the entire project.

(*6*) The figures have been compiled on the old basis followed for the year 1926.

‡ Clculated on capital expenditure only excluding interest during construction.

§ This line was sanctioned for construction on the assurance that a minimum output of 35,000 tons of manganese ore annually by the Sandur Mining Company would be enough to guarantee the railway against loss.

(‖) Only part of the whole project was actually built.

(*a*) Represents estimated return on capital outlay for the entire, project.

* Revised figures.

¶ Loss to the extent of Rs. 20,000 guaranteed by local Government so as to obtain a return of 5·5 per cent. capital outlay.

(*d*) Includes a guarantee of Rs. 4,00,000 payable by the Bombay Government.

(*e*) The annual loss in working the Sind Left Bank Feed Railways was estimated as Rs. 4·60 lakhs during the first five years after opening and Rs. 2·63 lakhs after the first five years of opening for traffic. To recoup the loss the Government of Bombay will pay a fixed sum of Rs. 4 lakhs annually for each of the first five years and thereafter the actual loss in working subject to a maximum of Rs. 2 lakhs per annum.

(*f*) Includes a guarentee oi Rs. 4,00,000 payable by the Punjab Government.

(*g*) The line was considered unremunerative but the District Board of South Arcot who were interested in it expressed their willingness to guarantee the India of India against loss if any arising from the construction and working of the line.

(*a*) Excludes net earnings of the existing lines from non-traffic inter charged with new Railway.

| Name of Project. | Working Railway. | Gauge. | Mileage. | Date of Opening. | Net income creditable to the project for 1935-36. | Percentage return of income (column 6 on Capital outlay). | | Estimated percentage return of income on capital outlay some years after opening as estimated originally. |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 1934-35. | 1935-36. | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Madura Bodinayakkanur .. .. | S. I. .. | 3' 3-3/8" | 55·94 | 20-11-1928 | —44,906 | (a) —0·56* | (a) —0·83 | 8·73 |
| Pollachi Palghat .. .. | S. I. .. | 3' 3-3/8" | 33·45 | 1-4-1932 | 46,542 | (a) 1·65* | (a) 0·87 | 5·20 |
| Salem Mettur Dam .. .. | S. I. .. | 5' 6" | 23·20 | 15-4-1929 | —24,410 | (a) —0·73* | (a) —1·89 | (i) 4·75 |
| Salem Attur Vriddachalam .. .. | S. I. .. | 3' 3-3/8" | 82·53 | 17-8-1931 | —27,213 | (a) —0·98* | (a) —10·32 | 5·80 |
| Shoranur Nilambur .. | S. I. .. | 5' 6" | 11·35 | 26-10-1927 | —57,672 | (a) (j) —0·53 | (a) (j) —0·72 | (j) 4·00 |
| Villupuram Trichinopoly .. .. | S. I. .. | 3' 3-3/8" | 109·00 | 1-2-1929 | 7,89,937 | (a) 4·26* | (a) 3·90 | 6·50 |
| Trichinopoly Manamadura Chord .. | S. I. .. | 3' 3-3/8" | 94·22 | 1-7-1930 | 96,006 | (a) 3·35* | (a) 0·85 | 5·37 |

(e) The line was considered unremunerative but the District Board of South Arcot who were interested in it expressed their willingness to gaurantee the Government of India against loss if any arising from the construction and working of the line.

(f) Excludes net earnings of the existing lines from new traffic interchanged with new railway.

(g) The estimated percentage return took into account a maximum payment of Rs. 41.000 to be made good by the Madras Government.

(h) Includes a maximum guarantee of Rs. 1, 39,00 from the Government of Madras.

## PRESENTATION OF THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE FOR 1935-36.

**The Honourable Sir James Grigg** (Finance Member) : Sir, I present the Report of the Public Accounts Committee on the accounts of 1935-36—Volume I—Parts I and II.

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## REPORT OF THE PUBLIC ACCOUNTS COMMITTEE.

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### Part I.—Civil, Posts and Telegraphs, and Defence Services.

*Financial results of the year.*—The following table compares the original grants or appropriations with the expenditure actually incurred during the year :—

(In lakhs of rupees.)

| | Original grant. | Final grant. | Actual expenditure. |
|---|---|---|---|
| Expenditure charged to revenue (voted) .. .. | 26,88 | 30,86 | 30,33 |
| Expenditure charged to capital (voted) .. .. | 1,61 | 1,90 | 1,21 |
| | 28,49 | 32,76 | 31,54 |
| Disbursement of loans and advances (voted) .. .. | 11,71 | 11,83 | 10,79 |
| Total (voted) .. | 40,20 | 44,59 | 42,33 |
| Expenditure charged to revenue (non-voted) .. .. | 76,12 | 77,15 | 77,07 |
| Expenditure charged to capital (non-voted) .. .. | 5,23 | 5,25 | 5,44 |
| Total (non-voted) .. | 81,35 | 82,40 | 82,51 |
| Total expenditure charged to revenue .. .. | 103,00 | 108,01 | 107,40 |
| Total expenditure charged to capital .. .. .. | 6,84 | 7,15 | 6,65 |
| Disbursements of loans and advances .. .. .. | 11,71 | 11,83 | 10,79 |
| Grand total .. | 121,55 | 126,99 | 124,84 |

There was thus a total saving of Rs. 2,15 lakhs or 1.69 per cent. of the final grant.

The following table shows the percentage of savings in the three main sections of the budget for each of the last five years :—

| | 1931-32. | 1932-33. | 1933-34. | 1934-35. | 1935-36 |
|---|---|---|---|---|---|
| Expenditure charged to revenue .. | 3·2 | 1·9 | 1·0 | —1·1 | ·56 |
| Expenditure charged to capital .. | 11·4 | 8·3 | 15·2 | 8·9 | 6·99 |
| Disbursements of loans and advances | 10·8 | 37·1 | 23·3 | 49·2 | 8·79 |
| Combined percentage .. .. | 4·3 | 5·9 | 2·7 | 2·9 | 1·69 |

It is satisfactory to note that the percentages for 1935-36 are in all cases lower than those of the previous year.

2. *Excesses.*—In the following cases the actual expenditure exceeded the grants voted by the Legislature :—

| | Final Grant. | Actual expenditure. | Excess. |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| (1) 22.—Indian Posts and Telegraphs Department. | 10,55,95,000 | 10,68,07,734 | 2,12,734 |
| (2) 26.—Interests on Miscellaneous Obligations | 66,28,000 | 66,78,358 | 50,358 |
| (3) 28.—Executive Council .. .. | 90,000 | 1,00,381 | 10,381 |
| (4) 30.—Legislative Assembly and Legislative Assembly Department. | 7,25,000 | 7,38,556 | 13,556 |
| (5) 33.—Public Service Commission .. | 1,79,000 | 1,79,605 | 605 |
| (6) 47.—Lighthouses and Lightships .. | 9,40,000 | 9,46,405 | 6,405 |
| (7) 54.—Mines .. .. .. | 1,24,000 | 1,24,815 | 815 |
| (8) 57.—Medical Services .. .. | 6,22,000 | 6,24,714 | 2,714 |
| (9) 65.—Census .. .. | 1,000 | 1,644 | 644 |
| (10) 67.—Emigration—External .. | 1,91,000 | 2,02,464 | 11,464 |
| (11) 77.—Refunds .. .. | 1,45,75,000 | 1,53,43,038 | 7,68,038 |
| (12) 80.—Delhi | 44,69,000 | 44,79,718 | 10,718 |
| (13) 85.—Hyderabad .. .. | 42,000 | 43,594 | 1,594 |
| (14) 98.—Interest free advances .. .. | 82,18,000 | 84,87,613 | 2,69,613 |

The more important excesses are briefly explained below :—

*Item* (*1*).—The excess was mainly due to pensionary charges. As this was the first year in which the Posts and Telegraphs Department were paying the actual pensionary charges instead of contributions on this account, accurate estimating was difficult.

*Item* (*2*).—Unexpectedly heavy payments had to be made to the Post Office on account of Savings Bank and Cash Certificate work. These payments are based on the actual number of transactions handled by the Post Office.

*Item* (*3*).—More expenditure was incurred on touring than could have been anticipated.

*Item* (*4*).—Contrary to the usual practice, some members of the Legislative Assembly claimed daily allowance for March 1936 during that month instead of in the succeeding month.

*Item* (*10*).—This excess was mainly due to additional items of expenditure in the South African Agency. Measures have since been taken to improve the control of expenditure in that Agency.

*Item* (*11*).—Large refunds of customs revenue had to be made in the closing months of the year. This item will not appear in future years in view of the decision that refunds should be treated as deductions from revenue.

*Item* (*14*).—Unexpectedly heavy debits were received during the closing months of the year on account of civil advances and charges for the destruction of coin. These items, like refunds, are not susceptible of accurate budgeting.

We recommend that the necessary excess grants be voted by the Legislative Assembly.

3. *Irregular reappropriations and special items of expenditure.*—Rule 52 (2) of the Indian Legislative Rules requires us to bring to the notice of the Assembly every reappropriation from one grant to another, every reappropriation within a grant which is not made in accordance with the rules prescribed by the Finance Department, and any items of expenditures which the Finance Department may request us to bring specially to notice. We have no items to report under any of these heads.

4. *Minutes of Proceedings.*—We append the minutes of our proceedings which we desire, as usual, to be regarded as a part of our report. In the following paragraphs we shall refer only to some of the more important questions considered in the course of our discussions.

5. *Accuracy of budgeting and control over expenditure.*—In last year's report a reference was made to the instructions issued by the Finance Department on this subject in October 1935. We hope that these instructions, and the supplementary instructions which are printed as an appendix to this report, will lead to an improvement in future years. The Accounts for 1935-36 again showed large variations between the original estimates and the actual expenditure in certain cases. Such variations were especially noticeable in Grants 63 and 63-B. " Civil Aviation ", parts of Grant 73 " Civil Works ", Grant 92-A. " Capital Outlay on Schemes of Agricultural Improvement and Research ", Grant 94.—" Capital Outlay on Vizagapatam Harbour ", Grant 97.—" Delhi Capital Outlay " and the non-voted Appropriations " Political " and " Frontier Watch and Ward ". We realise that in some of these cases the variations were partly due to circumstances special to that year, but we should like to emphasise our recommendation that in cases where the figures for 1936-37 again show substantial savings the advisability of imposing lump cuts should be considered.

We frequently had occasion to notice variations which were due to accounting adjustments effected during the course of the year. We wish to reaffirm, and consider that all the authorities concerned should be reminded of a principle which has previously been accepted but which appears to have been overlooked in a considerable number of cases, namely, that even if budget provision has originally been made under an incorrect unit, the corresponding expenditure should be brought to account against that unit, unless there be strong reasons for a contrary course, *e.g.*, when such accounting would be contrary to law. The accounting authorities should take suitable action to ensure that provision is made correctly in the next year's budget.

We also wish to draw attention to our recommendation that the Finance Department, in consultation with the Auditor-General, should experiment with a few grants in order to see whether larger units of appropriation, both for budgeting and for appropriation report purposes, would not lead to more accurate estimating and indeed to economy. On

the evidence available we are inclined to agree with the suggestion that the detail with which budget proposals are submitted may actually constitute an impediment to accurate budgeting for expenditure.

6. *Works expenditure.*—We discussed at considerable length some of the special difficulties involved in budgeting accurately for works expenditure. We wish to draw attention to the note on the subject which is appended to this report (appendix VI). We hope that Government will be able to suggest to us suitable means of improving the position while maintaining the principle of Parliamentary control of expenditure.

In view of the large savings noticeable in several grants in connection with the provision for major works, we consider it desirable that Government should investigate whether the staff employed in the Central Public Works Department, being presumably based on a larger programme of capital works than is actually carried out, is not unnecessarily large. We hope that a report on this subject will be submitted next year.

7. *Unnecessary Supplementary Grants.*—We were pleased to observe that only three supplementary grants which proved unnecessary were submitted to the Legislature in 1935-36 as compared with seven in 1934-35 and six in 1933-34. The supplementary grant obtained in connection with Demand no. 73, " Civil Works " is at least partially explained by the fact that this grant is administered by a large number of different authorities and it is therefore difficult for the Central Public Works Department to estimate the total amount required. In the other two cases, however, (Grant no. 17-Taxes on Income and Grant no. 75-Stationery and Printing) we feel that a reference to the Legislature might have been found to be unnecessary if the latest figures of actuals had been carefully studied immediately before the supplementary demands were submitted to the Legislature. This practice we consider should be adopted in all cases of supplementary grants, for in several other instances we found supplementary grants taken in excess of requirements, and in some of these cases the latest actuals would have suggested a modification of the demand.

8. *Capital Grants.*—We have had occasion to question the necessity for several of the grants for capital expenditure which are at present exhibited in the accounts. We desire, in particular, to draw attention to the recommendation made in connection with Grant no. 97-Delhi Capital Outlay. This expenditure has been criticised on grounds of extravagance, and we consider that it should lead to economy if any further expenditure which may be required, unless it is of a clearly remunerative nature, is charged to revenue. We have also recommended that the Finance Department should examine the necessity for retaining a capital head for expenditure on the commutation of pensions ; and we hope that it will be possible to eliminate some of the minor capital grants which, on the evidence available, seem to us to serve no useful purpose.

9. *Expenditure in England.*—We notice that considerable expenditure is still incurred by the Government of India on account of agency functions performed on their behalf by the India Office. We find difficulty in understanding why most if not all of these functions should not now be transferred to the High Commissioner, and we hope that such a transfer will soon be effected unless there are very strong administrative or financial reasons for continuing the existing system. We presume that if all agency

functions were transferred to the High Commissioner, the remaining cost of the India Office would be borne by His Majesty's Government.

We also hope that the Finance Department will investigate the question whether it is still necessary for the Secretary of State to keep an account with the Bank of England and whether this account should not now be transferred to the Reserve Bank.

10. *Education, Health and Lands Department.*—We had some discussion regarding the financial position of the Mathematical Instrument Office, Calcutta, a subject which also engaged the attention of our predecessors. We are prepared to accept the contention of the departmental representatives that this office should be regarded as primarily a "service" and not a "commercial" department, but we consider it important that Government should again examine the question whether the transfer of work connected with the army, which has led to so large a reduction in the receipts of the Mathematical Instrument Office, was in the interests of India as a whole.

With regard to some of the other undertakings with which the Education, Health and Lands are concerned, such as the Botanical Sub-station at Karnal and the Veterinary Institute at Muktesar, we feel that although the primary object may be research, it is very desirable that the business aspect should not be allowed to go by default, and we hope that the responsible authorities will endeavour to make such undertakings as nearly self-supporting as possible.

11. *Government of India Presses.*—On the evidence available, we are inclined to think that there is some scope for economy in connection with the Government of India Presses. In view of the transfer to Delhi of most of the work formerly done by the Calcutta Press, we are somewhat doubtful whether it is now necessary to retain the latter in existence. In any case we hope that the question of amalgamating the Hastings Street and Dharamtala Presses will be settled without further delay.

12. *Vizagapatam Port.*—We were dismayed by the information supplied to us regarding the financial position of Vizagapatam port. We realise that the interests of the Railways and of the areas at present served by Vizagapatam would have to be carefully considered before any decision could be reached with regard to the closing of the port, but we are very doubtful whether the Government of India would be justified in spending any more money on the port unless it is likely to be able to balance its budget in the not distant future. We consider it most important that the whole question should be thoroughly investigated without delay, and we hope that a comprehensive report on the subject will be submitted next year.

13. *Unauthorised Funds in the North-West Frontier Province.*—Our predecessors had occasion to draw attention to the existence of a number of unauthorised Khassadar and other funds in the North-West Frontier Province. We were gratified to learn that all the funds of this kind which have so far been discovered have now been closed, the balances being credited to Government. We hope that the audit authorities will continue their investigation of irregular expenditure on the Frontier as rapidly as circumstances permit.

14. *Posts and Telegraphs.*—We are pleased to note that the improvement in the financial position of the Posts and Telegraphs Department as a whole appears to be continuing. We are uneasy, however, at the loss incurred in the Telegraphs section of the Department. The representatives of the Department contended that this was not to any appreciable extent due to the competition of the telephone ; they also stated that there was little scope for any further economy. We wish to urge that the Department should increase its efforts to reduce the loss by all possible means.

We had considerable difficulty in following certain portions of the accounts of this Department. We wish to draw attention to our suggestion that some of the suspense accounts might be eliminated, and that the authorities concerned should consider the possibility of simplifying and clarifying the accounts in other ways.

15. *Explanations given in the Appropriation Accounts and Audit Reports.*—We are much indebted to the Auditor-General for the general lucidity of the Appropriation Accounts and Audit Reports which have been placed before us. In certain instances, however, we have had occasion to note that the explanations given in connection with changes in the original estimates might have been more illuminating. We understand that these explanations are usually based on information supplied by the departments concerned, and that the concurrence of the administrative authorities is supposed to be obtained before the explanations are incorporated in the Accounts. We feel, however, that in some instances insufficient attention has been paid to the importance of ensuring that the explanations are both accurate and intelligible. We hope that this will be brought to the notice of the authorities concerned.

We also wish to suggest that the usefulness of some of the lists of variations, etc., included in the Audit Reports would be increased if the audit officer concerned would indicate in addition which of the items he still regards as unsatisfactory after considering the explanations given by the administrative authorities.

16. *Accounts and Audit under the new Government of India Act.*—We were interested in the information supplied to us by the Auditor-General with regard to the position of Accounts and Audit under the new Government of India Act. We note that the Appropriation Accounts relating to the Defence, External Affairs and Ecclesiastical Departments will continue to be placed before the Public Accounts Committee as at present. We realise that in accordance with the provisions of the Act the Committee will cease to be concerned with the accounts of the Federal Railway Authority and the Crown Department, but we understand that these accounts, with the relevant audit reports, will continue to be published. We wish to draw attention to the recommendation made by the non-official members (with which the Chairman was unable to associate himself in view of his official position) that the publication of these documents should be considered to include their being placed on the table of the Legislature.

17. *Report of the Military Accounts Committee.*—We append the report submitted by the Military Accounts Committee constituted to conduct a preliminary examination of the Military Appropriation Accounts and connected documents. We endorse the recommendations and sugges-

tions made by the Committee both in their report and in the proceedings of their meetings.

J. C. NIXON.
B. DAS.
N. G. RANGA.
JOGENDRA SINGH.
SHER MOHAMMAD KHAN.
S. SATYAMURTI.
MOHAMMAD YAKUB.
BHAI PARMA NAND.
R. D. DALAL.
FAZL-I-HAQUE PIRACHA.
ABDUL HAMID.

J. B. SHEARER,
*Secretary.*

*The 7th August, 1937.*

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**Proceedings of the sixth meeting* of the Public Accounts Committee held on Monday, the 26th of July 1937, at 11 A.M**

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PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

| | |
|---|---|
| Mr. B. DAS. | *Members.* |
| Professor N. G. RANGA. | |
| Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E. | |
| Mr. S. SATYAMURTI. | |
| Maulvi Sir MOHAMMAD YAKUB, Kt. | |
| Bhai PARMA NAND. | |
| Dr. R. D. DALAL, C.I.E. | |
| Khan Bahadur SHAIKH FAZL-I-HAQ PIRACHA. | |
| Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E. | |
| Mr. M. S. A. HYDARI, C.I.E., I.C.S., Secretary, Education, Health and Lands Department. | *Witnesses.* |
| Mr. M. W. YEATTS, I.C.S., Joint Secretary, Education, Health and Lands Department. | |
| Mr. T. K. RAJAGOPALAN, Accountant-General, Central Revenues. | |
| Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary. | |

*The proceedings of the first five meetings deal with the Railway Accounts.

*Karnal Farm.*—A member of the Committee drew attention to the fact that the loss on the Karnal sub-station of the Imperial Institute of Agricultural Research had been higher in 1935-36 than in previous years. It was explained that the main purposes of the sub-station were research and demonstration, and it could not therefore be expected to be self-supporting. There was reason to hope, however, that the loss for 1936-37 would be appreciably less than that of the year under report. The Committee agreed that no further action need be taken for the present, but they considered that it would be necessary to continue to keep a careful watch on institutions of this kind in order to ensure that their usefulness was sufficient to justify the expenditure involved. If this condition were not satisfied they should either be made self-supporting or be closed down. The Committee looked forward to seeing the review of such institutions which it was understood the Department was preparing for members of the Legislature.

2. *New Delhi Municipality.*—In connection with paragraph 64 of the Audit Report the Accountant-General, Central Revenues, stated that there had been an improvement in financial control since the appointment of a resident accountant subordinate to the Accountant General to supervise the accounts of the Municipality. It had not yet, however, been possible to introduce proper balance sheets and profit and loss accounts for the commercial undertakings of the New Delhi Municipality, since certain issues were still outstanding, of which the most important were the valuation of the assets taken over by the Municipality and the principles to be applied in regard to reserves. The Committee considered that there had been regrettable delay in reaching decisions on these points, and they hoped that the necessary orders would be passed as quickly as possible.

3. *Grant no. 21—Forests.*—The Committee noted that the additional expenditure under head A.-3 had been due to the travelling expenses of the Inspector-General in connection with the Fourth Empire Forestry Conference in Africa. They presumed that the report of the Conference would be made available to persons in India who were likely to be interested.

There was some discussion regarding the Forest Research Institute at Dehra Dun. It was explained that the Government of India were now proposing to re-open the College as an experimental measure, and they hoped that the enterprise would secure the co-operation of the Provincial Governments.

4. *Grant no. 48—Survey of India.*—A number of questions were asked with regard to the items in this Grant where there had been substantial variations from the original estimates. The explanations given by the departmental representatives were, however, accepted as satisfactory so far as expenditure in India was concerned. In connection with head " G.—English Charges (High Commissioner) on Stores " the Committee considered that the procedure adopted in connection with the acknowledgment of surrenders should be investigated in order to ascertain whether the responsibility of the various authorities concerned had been clearly defined.

5. *Map Record and Issue Office.*—In connection with the statement given on page 142 of the Appropriation Accounts the Committee wished to be informed whether any investigation had recently been undertaken with a view to improving the financial position of the Map Sales Department.

6. *Photo Litho Office.*—A member of the Committee drew attention to the high figures given in the store account of this office. It was explained that the present policy was to maintain a sufficient stock to last for about 2½ years in case supplies should be cut off by war or some other emergency when consumption might at the same time be greatly enhanced. The Committee were doubtful whether this was a sufficient reason for holding so large a stock, and they desired that the question should be further investigated.

7. *Mathematical Instrument Office, Calcutta.*—The Committee considered the memorandum which had been circulated on this subject (appendix IV). It was stated in the course of the discussion that the decrease in receipts was partly due to the decision of the military authorities to have some of their work done in their own factories instead of sending it to the Mathematical Instrument Office. The Committee desired that the Finance Department should ascertain whether this division of work was economical for the Government of India as a whole. They also wished it to be considered whether the Mathematical Instrument Office should not be permitted to take work direct from the public even if this involved entering into competition to some extent with private firms.

The Committee also suggested that if the Mathematical Instrument Office was in future to be treated as a service department the maintenance of *pro forma* accounts would appear to be unnecessary.

8. *Grant no. 51—Botanical Survey.*—The Committee noted that the head " B.—Cinchona Plantation " would presumably disappear in the current financial year, since the cinchona plantations formerly owned by the Government of India were situated in Burma. In view of this fact they wished it to be considered whether it was really necessary to retain the post of Director of the Botanical Survey.

In connection with the statement relating to the stock of quinine sulphate Mr. Hydari explained that although the Government of India were no longer producing quinine, they proposed to maintain a reserve of about 100,000 pounds for war and other emergencies. The question whether plantations should be started in India, and if so, whether they should be under the control of the Central or Provincial Governments, was being investigated.

9. *Grant no. 53—Archaeology.*—A member of the Committee drew attention to the statement made in the " Important Comments " that since the officer who had been responsible for the loss had retired from service no disciplinary action against him was possible. The Committee considered that the legal difficulties, if any, with regard to the recovery of money due from an officer on pension should be examined, and if necessary legislation should be undertaken to remove them.

10. *Grant no. 55—Other Scientific Departments.*—A member of the Committee drew attention to the fact that a considerable sum was being paid on account of municipal taxes on the buildings of the Central Museum, Calcutta. Mr. Hydari undertook to investigate the question whether exemption from such taxes could not be claimed on the ground that the buildings in question existed for a charitable purpose.

The Committee adjourned at 1-25 p.m.

**Proceedings of the seventh meeting of the Public Accounts Committee held on Monday, the 26th of July 1937, at 2-45 p.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member — *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur SHAIKH FAZL-I-HAQ PIRACHA.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E. — *Members.*

Mr. M. S. A. HYDARI, C.I.E., I.C.S., Secretary, Education, Health and Lands Department.
Mr. M. W. YEATTS, I.C.S., Joint Secretary, Education, Health and Lands Department.
Mr. N. C. MEHTA, I.C.S., Vice-Chairman, Imperial Council of Agricultural Research.
Mr. BAZLUL KARIM, Secretary, Imperial Council of Agricultural Research. — *Witnesses.*
Mr. T. K. RAJAGOPALAN, Accountant-General, Central Revenues.
Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

11. *Grant no. 57—Medical Services.*—In connection with the provision for grants-in-aid a member of the Committee raised the question whether Government receive satisfactory accounts of the receipts and expenditure of all institutions to whom such grants are paid. It was agreed that the Government of India should insist on obtaining an audited statement of accounts in all such cases.

12. *Grant no. 58—Public Health.*—The Committee considered that the explanation given for the increase of expenditure under head A.-3 was inadequate, and that in future the departments concerned should supply fuller explanations in such cases in time for incorporation in the accounts.

13. *Grant no. 59—Agriculture.*—The Committee noted that the savings under several heads in this Grant were stated to be due to " eco-

nomy to meet the cost of transfer of the Institute from Pusa to Delhi ". It was agreed that this explanation was misleading, since the savings had in fact been due not to economy but to the fact that the full activities of the Institute could not be carried on after the earthquake. The Committee considered that in this case, as in the case noted under " Public Health ", the department should have supplied a more satisfactory explanation in time for incorporation in the accounts.

The Committee presumed that the expenditure in connection with schemes of agricultural development in Sind would cease to be met from central revenues with effect from the 1st of April 1937.

The Committee noted that the supplementary grant under " Q.—Payments from Sugar Excise Duty to Sugar Manufacturing Provinces " was due to the fact that a provision for these payments had originally been made in another grant. They wished to reiterate that unless there was some statutory bar expenditure should during the year follow even incorrect budget provision in other grants.

Professor Ranga suggested that the amount provided for the purpose of improving the sugar industry should be funded and made over to the industry when it is in a position to make suitable use of the money. The Chairman agreed to consider this suggestion.

14. *Wellington Milk Depot.*—In connection with the commercial accounts of this Depot it was explained that the loss shown for the year 1935-36 was due to a more correct system of accounting. No deduction had been made, as in previous years, on account of " education and research ", and an unjustifiably high figure had previously been given for the value of the cattle, which was written down during the course of the year. It was admitted that no decision had yet been reached on the question, to which a reference was made in last year's report, whether the Depot should be obliged to sell milk and other products to the military authorities at less than the cost of production. The Committee deprecated the delay in solving this problem, and hoped that it would soon be satisfactorily settled.

15. *Grant no. 61—Civil Veterinary Services.*—It was explained that the Institute at Muktesar was primarily a research institute and not a profit-making concern. The Committee hoped, however, that the Education, Health and Lands Department would not allow the business side of the Institute to go by default, and that they would keep in touch with the Provincial Governments with a view to retaining the profit realised on its products.

16. *Grant no. 67—Emigration—External.*—In connection with the large excess under head A.-4 (voted) it was admitted that control over expenditure in the South African Agency had previously been unsatisfactory. It was hoped, however, that it would improve in future years since the Secretary to the Agent-General has now been made personally responsible for this work.

17. *Grant no. 82—Andaman and Nicobar Islands. Account II—Forests.*—The Committee noted that the amounts shown under a number of heads in this Grant were very small, and considered that it would be preferable if they could be amalgamated. Such amalgamation might facilitate financial control and enable the Committee to obtain a better idea of the accuracy of budgeting over the whole Grant. It was agreed that the

Finance Department and the Auditor-General should experiment with two or three Grants in the first instance in order to see whether larger units could not be generally introduced.

The Committee noted with approval the statement made in paragraph 199 of the Commercial Appendix that the accounts of the Andaman Forest Department for 1935-36 showed a net profit of Rs. 56,977 against a loss of Rs. 39,464 in the previous year.

In connection with paragraph 212 of the Commercial Appendix the Committee considered that on the information available the loss on the sale of "Rosamond" should not have been debited to capital.

18. *Grant no. 92-A.—Capital outlay on schemes of agricultural improvement and research.*—In connection with the saving under head A.-1 it was explained that if the new Institute had been erected on the site originally proposed the full amount would probably have been required. The site had, however, been changed on the advice of the experts after a supplementary grant had been voted by the Legislature. It was admitted that, in view of the circumstances in which the transfer of the Institute from Pusa to Delhi had been sanctioned by Government, funds had been provided before the scheme had been worked out in as much detail as would ordinarily be considered desirable.

The Committee considered that heads A.-3 to A.-6 in this Grant appeared to be another instance of excessive sub-division.

19. *Grant no. 60—Imperial Council of Agricultural Research Department.*—It was explained that all grants given by the Imperial Council of Agricultural Research Department are carefully audited by the appropriate Government auditors. It was also stated that in allotting their funds the Council do give some consideration to the needs of the poorer provinces although their main principle is to spend their money where it can be most usefully employed.

The Committee adjourned at 5-30 p.m.

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**Proceedings of the eighth meeting of the Public Accounts Committee held on Tuesday, the 27th of July 1937, at 11 a.m.**

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PRESENT :

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| The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E. I.C.S., Finance Member. | *Chairman.* |
| Mr. B. DAS. | *Members.* |
| Professor N. G. RANGA. | |
| Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E. | |
| Mr. S. SATYAMURTI. | |
| Maulvi Sir MOHAMMAD YAKUB, Kt. | |
| Bhai PARMA NAND. | |
| Dr. R. D. DALAL, C.I.E. | |
| Khan Bahadur Sir ABDUL HAMID, Kt. C.I.E., O.B.E. | |
| Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. | |

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary. *Witness.*

Mr. T. K. RAJAGOPALAN, Accountant-General, Central Revenues.

20. *Key statement to the Appropriation Accounts.*—The Committee noticed that in some cases the references given in the key statement prepared by the Auditor-General related to points which had already been considered in connection with previous references. They requested that if possible such repetitive references should be omitted from future statements. Some members also suggested that it would be a convenience if the statement could be printed in larger type.

21. *Reappropriations.*—The Chairman suggested that in dealing with at any rate some of the grants the Committee had perhaps been too strict in imposing conditions on reappropriations. On the assumption that there was no deliberate overbudgeting in the original estimates, reappropriations might in fact be desirable so long as the object of the reappropriation was within the scope of the grant as passed by the Legislature. Items relating to "new services" certainly required the vote of the Legislature. As regards other items however all that could reasonably be said was that any considerable modification between the sub-heads of a grant raised a question whether the Department concerned had gone beyond the 'scope of the Grant'. There was considerable discussion on this question, but the Committee considered that the orders conveyed in paragraph 3 of the Finance Department's memorandum dated the 9th of October 1935 (Appendix VIII to the Report on the Accounts of 1934-35) were satisfactory, and that no alteration appeared to be necessary. In this connection the Chairman circulated copies of the Finance Secretary's demi-official letter dated the 11th of March 1937 (appendix V).

22. *Excessive detail in budget proposals.*—The Committee agreed, at the instance of Mr. Satyamurti, to make the following recommendation on this subject :—

"We are informed by the Finance Department that the degree of detail with which budget proposals are submitted to it constitutes in some sense an impediment to the accurate budgeting of expenditure. Whereas the addition of a multiplicity of small item of expenditure cannot be refuted, the proposition often still holds that a certain total will accommodate these special features as it has done in the past. We think it worth while that an experiment in regard to certain grants (to be chosen in consultation with the Auditor-General) should be undertaken to see if larger units of appropriation both for budgeting and for appropriation report purposes would not, by reducing the probability of reappropriations, lead to more accurate estimating and indeed to economy. The departments concerned would be responsible for distributing these lump sums over the detailed heads which now appear in the budget demand, as we anticipate no reduction in the amount of information supplied in the book of Demands for Grants. Also we should make it clear that this would not have the effect of reducing the appropriation audit by the smaller units at present done by the Audit Department in order to aid the controlling officers."

23. *Capital and revenue expenditure.*—It was explained that the general principle was that only remunerative expenditure should be charged to capital. Most Governments had, however, found it necessary

to make some exceptions to this rule in connection with unavoidable items of unremunerative expenditure which were too large to be met from current revenues. It was suggested that such exceptions might not have very serious effects if the amount could be recovered from revenue within a short period, but the danger was that the period would be unduly prolonged. Mr. Satyamurti considered that in order to finance their schemes of development the Provincial Governments would probably have to apply the rule less rigidly than had been done in the past. In this connection the Chairman pointed out that if such expenditure were charged to capital, there would not only be a large increase in interest charges but it would also be necessary to increase the provision for the redemption of debt. Increased recurring resources would therefore in any case be necessary.

24. *Excess Grants.*—The Committee recommended that excess grants should be voted by the Legislature in all the cases mentioned in paragraph 45 of the Audit Report.

25. *Loss or gain by exchange.*—In connection with paragraph 50 of the Audit Report it was explained that the standard rate of 1s. 6*d*. was used for the purpose of accounting for individual transactions. The market rates, however, represented the amount actually spent and the difference was accounted for in one item.

26. *Budgeting and control of expenditure.*—Mr. Satyamurti drew attention to the statement made in paragraph 52 of the Audit Report that in accordance with the standing instructions excesses should only " in the last resort " be met by supplementary grants. He suggested that it would be preferable for departments to apply for supplementary grants rather than reduce desirable expenditure in order to obtain savings. It was explained, however, that when items are met by reappropriation this does not ordinarily involve deliberate postponement of other items included in the original budget ; in most cases the amount reappropriated represents casual savings.

27. *Delay in the presentation of claims.*—In connection with paragraph 53 of the Audit Report it was pointed out that in the case of private creditors departments could not be expected in most instances to obtain information regarding their intentions in respect of the presentation of claims. In the case of claims between Government departments or offices, however, it was certainly desirable, as the Committee had already noted in connection with the Railway Accounts, that there should be a greater degree of collaboration.

28. *Delay in receipt of stores.*—In connection with the suggestion made on this subject in the same paragraph of the Audit Report the Committee agreed that it was not desirable to ask departments not to place orders for purchase during the closing months of the year, if such purchases were otherwise necessary, merely in order to avoid variations in the accounts.

29. *Funds created from revenue surpluses.*—It was explained that considerable expenditure was now being incurred from the funds for the development of civil aviation and the development of broadcasting. As regards the fund for economic development and improvement in rural areas the Committee were informed that the Government of India had now decided not to place further grants at the disposal of the Provinces unless they were satisfied that the money was likely to be spent within a reasonable period. The main purpose of this restriction was to stimulate

the Provincial Governments to formulate their schemes without unnecessary delay, and there was no intention of diverting for other purposes any portion of the amounts which had been credited to the fund.

30. *Grant no. 25—Interest on Ordinary Debt.*—In connection with the "Important Comment" on the loss of Government money by fraud the Chairman stated that an appeal was being made to the Privy Council. If the appeal failed it would probably be necessary to provide for the signing of indemnity bonds in such cases, and it might be necessary to amend the Act.

31. *Provision for reduction or avoidance of debt.*—Some members of the Committee suggested that the provision of three crores which is at present made annually for this purpose is not sufficient. The Chairman stated that he agreed with this view and that the question was now being reconsidered.

32. *Grant no. 27—Staff, Household and Allowances of the Governor-General.*—The Committee noted that the savings in the provision for "State conveyances and motors" were stated to have been carried forward to the next year. They considered that these savings should have been surrendered, and they wished the procedure adopted in such cases to be investigated.

33. *Grant no. 36—Finance Department.*—The Committee considered that the Finance Department might have foreseen at the budget stage some of the events which occasioned a supplementary appropriation under the head A. 1 "Pay of Officers"—non-voted.

The Committee adjourned at 1-30 p.m.

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**Proceedings of the ninth meeting of the Public Accounts Committee held on Tuesday, the 27th of July 1937, at 2-45 p.m.**

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PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member. — *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. — *Members.*

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.
Mr. T. K. RAJAGOPALAN, Accountant-General, Central Revenues (representing the Auditor-General). } *Witnesses.*

34. *Grant no. 43—Audit.*—The Accountant-General, Central Revenues, stated that he had not obtained explanations in respect of some of the variations since they were within the limits specified in Part II of the Audit Report. The Committee hoped that the use of these limits would not be allowed to prevent matters of principle from being explained in the comments.

35. *Secret Service expenditure.*—The Committee desired that the Finance Department should satisfy themselves that the amount which is placed at the disposal of the Secretary of State for this purpose is still necessary.

36. *Grant no. 71—Currency.*—It was explained that the expenditure under head C. 1 (4) " Supplies and Services " depended upon the demand for currency notes which could not be foreseen. In the year under report there had been an increase in this demand partly owing to an improvement in trade and partly owing to the discontinuance of the practice of reissuing used notes which had been introduced temporarily as a measure of economy. In this connection a member of the Committee enquired why one rupee notes were no longer issued. The Chairman stated that these notes had been withdrawn as a measure of retrenchment since it had been found that owing to the shortness of the period for which they could be used they were considerably more expensive than silver coins.

37. *Stocks of silver coin and bullion.*—There was considerable discussion on the question whether it is necessary to retain the existing stocks of silver rupees and bullion. Some members of the Committee considered that these reserves were *prima facie* excessive. The Chairman, however, assured the Committee that the matter had the constant attention of the Finance Department and explained that it was necessary to hold considerable reserves in case there should again be a large absorption of silver coinage such as had occurred between 1916 and 1920. In this connection two members stated that, subject to the necessary safeguards, they saw no objection in a reduction in the present silver content of the rupee.

38. *Silver Redemption Reserve.*—The history and purpose of this reserve were explained, and the Chairman stated that in accordance with a recent decision any deficiency in the reserve resulting from depreciation in the value of the securities would not be made up from revenue, as was suggested by paragraph 12 of the Home Auditor's report on the accounts of the Secretary of State.

39. *Defalcations in treasuries.*—In connection with the " Important Comments " under Grant no. 71 it was explained that the Government of India would no longer be concerned with defalcations in provincial treasuries since all the money in such treasuries now belongs to the Provincial Governments.

40. *Secretary of State's balances at the Bank of England.*—The Committee wished to be informed whether it was still necessary for the Secretary of State to keep an account with the Bank of England and

whether this account should not now be transferred to the Reserve Bank. They also wished the Finance Department to consider whether the amount now prescribed as a minimum balance could not be further reduced.

41. *Grant no. 74—Superannuation Allowances and Pensions.*—The Accountant-General, Central Revenues, explained that formerly, when the commuted value of pensions was met from revenue, commutations were frequently refused on account of lack of provision in the budget, and it had been decided that such payments should be charged to capital in order to avoid delay. The Committee were doubtful, however, whether the existing procedure is really sound, and the Chairman stated that the question was under consideration.

42. *Grant no. 76-E.—Transfer to Fund for Sind and Orissa Buildings.*—It was explained that the whole of the amount shown under this Grant had not yet been spent, but that the balance had been transferred to the Provinces so conditioned that it would in fact be spent on buildings by the Provincial Governments concerned.

43. *Grant no. 86—Secretary of State's expenditure.*—The Committee were of opinion that all agency functions should now be undertaken by the High Commissioner on behalf of the Government of India unless there are very strong administrative or financial reasons for continuing the agency of the India Office, and they presumed that if all agency functions were transferred as proposed the remaining total expenditure of the India Office would be borne by His Majesty's Government.

44. *Expenditure at Jeddah.*—In connection with head E. 12 in Grant no. 86 the Committee wished to be supplied with further information regarding the staff maintained at Jeddah in connection with Indian pilgrims in order that they might be satisfied that India obtains full value for this expenditure.

45. *Expenditure on emergency measures at Aden.*—The Committee considered that on the evidence available the item of £4,000 mentioned in paragraph 23 of the Home Auditor's report on the Secretary of State's accounts should have been regarded as a " new service ".

The Committee adjourned at 5 p.m.

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**Proceedings of the tenth meeting of the Public Accounts Committee, held on Wednesday, the 28th of July, at 11 a.m.**

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PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.

*Members.*

Mr. A. H. LLOYD, C.S.I., C.I.E., I.C.S., Member, Central Board of Revenue.
Mr. J. F. SHEEHY, I.C.S., Member, Central Board of Revenue.
} *Witnesses.*

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr T. K. RAJAGOPALAN, Accountant-General, Central Revenues.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

46. *Grant no. 16-Customs.*—A member of the Committee drew attention to the large payments to Indian States shown under head B of this Grant. It was explained that under the original agreement relating to the construction of Cochin Port the net customs revenue was shared equally between the three interested parties, namely, the Government of India and the States of Cochin and Travancore. It had recently been agreed, however, that in view of the expansion of the port Cochin and Travancore should only receive one-third of the revenue up to a maximum of Rs. 20½ lakhs and Rs. 16½ lakhs respectively, and that the Government of India should retain the bulk of receipts in excess of the amount required to provide these maxima.

The Committee wished it to be considered whether these customs and other assignments and compensations should not be treated as deductions from revenue instead of expenditure, since the present system results in a large increase in the figures for total expenditure in the Customs Department and might give a wrong impression of the cost of collecting customs revenue.

47. *Excise duties on sugar and matches.*—In connection with the variations under heads D and E of the same Grant it was explained that the Government of India at present use the agency of the Provinces for the collection of the excise duties on sugar and matches, and are therefore to a large extent at the mercy of the Provincial Governments in the matter of the control of expenditure. The question had, however, recently been reviewed, and it was hoped that in future it would be possible to arrange for the collection of most of this revenue through a central agency.

48. *Grant no. 17-Taxes on Income.*—In connection with head B of this Grant it was explained that action had already been taken on some of the recommendations made by the Expert Advisers on Income-tax, but action on the more important recommendations had been delayed pending the receipt of the opinions of the Provincial Governments and others. The majority of the Provincial Governments had not yet replied to the communication addressed to them on the subject. In reply to a question asked by Dr. Dalal it was stated that the total cost of the enquiry had been approximately Rs. 87,000.

A member of the Committee drew attention to Note 2 in which it was stated that savings had occurred under one sub-head and excesses under two other sub-heads in each of the last three years. The Committee presumed that the Finance Department would take this comment into consideration in framing the budget for next year.

The Committee noted that the supplementary grant voted by the Assembly had proved to be unnecessary. In this connection they hoped that when supplementary grants are submitted late in the financial year the departments concerned will consult the latest figures obtainable in order to assure themselves that the progress of actuals does not necessitate a modification in the amount of the demand. They suggested that this point might be brought to the notice of all departments.

49. *Grant no. 18-Salt.*—In connection with the statement of expenditure on works in the Northern India Salt Revenue Department the Committee noted that only a part of the expenditure incurred in connection with the installation of a crushing and screening plant at Khewra had been met from the supplementary grant obtained for the purpose. They considered that when it is intended to meet part of the cost of an item of this kind from savings this fact should be made known to the Legislature.

A member of the Committee drew attention to the "Important Comment" to the effect that the control of expenditure in the Madras Circle had not improved during the year as much as had been hoped. Mr. Lloyd stated that he had already drawn the attention of the authorities concerned to this comment, and that the matter would certainly be followed up.

In connection with the Commercial Accounts of the Salt Revenue Department there was considerable discussion on the question of competition between supplies of salt obtained from various sources. It was explained that the areas covered by the various types of salt depended mainly on freight charges. In practice Northern India salt was nowhere in direct competition with Madras salt ; it was salt imported from Aden and elsewhere overseas that was used in the northern part of Orissa to the exclusion of salt from the Ganjam and northern Madras factories, which supply the southern part of Orissa.

50. *Grant no. 19-Opium.*—In connection with the saving under head B of this Grant it was explained that under the agreements made with the Malwa States they cultivate only a certain area of opium. In the year in question climatic conditions had prevented their producing the full amount which would normally be obtained from that area.

The saving under head D-4 was due to the fact that in accordance with the undertaking given by the Government of India exports of opium to the Far East were due to cease with effect from the 31st of December 1935, and some of the former purchasers of Indian opium had not required the last consignments reserved for them as they had already arranged for supplies from Iran. In reply to a question asked by one of the members it was stated that the consumption of opium in India was under the control of the Provincial Governments, but statistics showed that there had been some decrease in consumption during recent years.

In connection with the suggestion made in Note 1, that in view of the large saving under head B the grant appeared to be susceptible of closer estimating, it was explained that some of the States which were entitled to draw advances in respect of their opium had decided not to do so. The question whether earlier information could be obtained regarding the intentions of the States in this matter was being considered.

The Committee observed from the statement given in paragraph 139 of the Commercial Appendix that in spite of the cessation of the manufacture of opium for export the expenditure in connection with Opium Factory at Ghazipur had been higher in 1935-36 than in previous years. They desired that the Central Board of Revenue should examine the possibility of securing a reduction in expenditure corresponding with the reduction in the output of the factory.

51. *Grant no. 41-Central Board of Revenue.*—In connection with the additional expenditure under the head "A.—Pay of Officers" it was explained that a temporary additional Member of the Board had been required mainly in connection with the negotiations with the Indian States.

The Committee adjourned at 1-20 p.m.

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**Proceedings of the eleventh meeting of the Public Accounts Committee held on Wednesday, the 28th of July 1937, at 2-30 p.m.**

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PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman*

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| Mr. B. DAS. | *Members.* |
| Professor N. G. RANGA. | |
| Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E. | |
| Mr. S. SATYAMURTI. | |
| Maulvi Sir MOHAMMAD YAKUB, Kt. | |
| Bhai PARMA NAND. | |
| Dr. R. D. DALAL, C.I.E. | |
| Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E. | |
| Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. | |
| Mr. J. A. MACKEOWN, I.C.S., Joint Secretary, Department of Industries and Labour. | *Witnesses.* |
| Mr. A. S. BOKHARI, Controller of Broadcasting. | |
| Mr. R. A. HALFHIDE, M.B.E., Controller, Printing and Stationery. | |
| Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General. | |
| Mr. T. K. RAJAGOPALAN, Accountant-General, Central Revenues. | |

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

52. *Order of Business.*—The Committee requested that in future if a department was to be represented by more than one officer and desired

that the grants with which a particular officer was concerned should first be considered, information should be given in advance to the Committee regarding the order in which it was wished to deal with the grants.

53. *All-India Radio.*—In connection with the financial review given in the Commercial Appendix there was considerable discussion regarding the loss on radio publications. It was explained that the rates for advertisements in the *Indian Listener* had been nearly doubled since the end of 1935-36, and that the department had recently called for tenders and accepted a contract for printing the *Listener* in Delhi at greatly reduced rates for printing. It was further explained that their policy was to take only technical advertisements, since otherwise they would be in competition with the ordinary press. Some members of the Committee doubted the justification for this restriction, and it was agreed that the question whether additional revenue could be obtained from advertisements should be further considered.

54. *Grant no. 74-Stationery and Printing.*—The Committee noted that the deduction on account of probable savings (head G.-11) was stated to have been " only partially realised ". They considered that it would be more helpful if in such cases the Accountant-General would indicate the amount which had in fact been realised.

The fact that the supplementary demand submitted in connection with this Grant had proved to be unnecessary was noted as reinforcing the suggestion made at the previous meeting that departments should be reminded of the importance of examining the latest figures of actual expenditure before placing a supplementary demand before the Legislature.

55. *Calcutta Presses.*—There was some discussion in connection with the figures of expenditure on the various Presses given on page 218 of the Commercial Appendix. The Committee wished the Industries and Labour Department to investigate whether, in view of the transfer of most of the work to Delhi, it was now necessary to retain any press organisation at Calcutta. They presumed that in any case there would be a diminution of the cost of the Calcutta Press in subsequent years.

The Committee noted that no decision had yet been reached on the question of amalgamating the Hastings Street and Dharamtala Presses which was raised in the report on the accounts for 1934-35. They deprecated the delay and hoped that it would at least be possible to submit a report on this subject next year.

56. *Central Publication Branch.*—The Committee desired that the index of publications issued from time to time by this Branch should be supplied to the members of the Legislature. Certain members of the Committee were of opinion that all members of the Legislature should be entitled to obtain free of cost any of the publications shown in the index which they might require.

57. *Ecclesiastical.*—In connection with item 11 in the statement of action taken on previous recommendations (appendix I) it was stated that the report of the departmental committee had been considered, but that before reaching a decision on the subject Government considered it necessary to hold a census of entitled persons. The Committee deprecated the delay and hoped that the question would be settled at an early date

58. *Public Works.*—Item 15 in the statement of action taken on previous recommendations was first considered. It was explained that if the Central Government did not allow the Provincial Public Works Departments to execute some capital works, they might refuse to do the maintenance work in connection with outlying central buildings which could not be economically maintained by the Central Public Works Department. The Government of India would, however, do their best to persuade the Provinces to agree to let them use the Central Public Works Department in cases where this would be more economical for the Central Government.

The Chairman then read out a note on the general question of the control of works expenditure. This was briefly discussed, but it was decided that further consideration of the question should be postponed until the following afternoon.

The Committee adjourned at 5-15 p.m.

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**Proceedings of the twelfth meeting of the Public Accounts Committee held on Thursday, the 29th of July 1937, at 11 a.m.**

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PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

*Members.*

Mr. B. DAS.

Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.

Mr. S. SATYAMURTI.

Maulvi Sir MOHAMMAD YAKUB, Kt.

Bhai PARMA NAND.

Dr. R. D. DALAL, C.I.E.

Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.

Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA.

*Witnesses.*

Mr. S. N. ROY, C.I.E., I.C.S., Secretary, Industries and Labour Department.

Mr. F. TYMMS, C.I.E., M.C., Director of Civil Aviation.

Dr. C. W. B. NORMAND, Director-General of Observatories.

Sir JAMES PITKEATHLY, Kt., C.M.G., C.I.E., C.V.O., C.B.E., D.S.O., Chief Controller of Stores, Indian Stores Department.

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. T. K. RAJAGOPALAN, Accountant General, Central Revenues.

Mr. ISHWAR DAYAL, Audit Officer, Indian Stores Department.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

59. *Grant no. 63-Aviation.*—In connection with the additional expenditure under heads A.-1, A.-2 and A.-3 it was explained that additional posts had to be created in the course of the year owing to unforeseen increases in air services. During the year under report Imperial Airways had duplicated their services on one month's notice, and the services of the K. L. M. and Messrs. Tatas and Indian National Airways had also been duplicated.

It was also explained, in connection with the comment under head A.-4, that the contract made with Indian National Airways on account of the operation and maintenance of aircraft belonging to the Government of India would expire in December 1937, and thereafter different arrangements would be made. Consequently the payment to Indian National Airways on this account would cease after the current year.

60. *Grant no. 63-B.-Expenditure from the Fund for Development of Civil Aviation.*—It was explained that the large savings had been due to the fact that, owing to the circumstances in which the creation of the special fund was sanctioned, it had not been possible to work out fully the details of the various schemes before the submission of the supplementary estimate. Mr. Tymms added that the accounts for 1936-37 would also probably show considerable variations under this head. The Committee recommended that if this should prove to be the case the Finance Department should consider the desirability of making a lump cut in future estimates.

The Committee also deprecated the fact that it had not been possible to spend any portion of the provision of Rs. 1,20,000 made under head " B.—Meteorological ". They agreed that allowance must be made for the fact that this was the first year in which expenditure had been incurred from the special fund, but they hoped that in future years it would be possible to budget more accurately.

In connection with paragraph 3 of the " Important Comments " the Chairman explained that it had since been decided that the approval of the Legislature should be obtained for all new works of any magnitude which it was proposed to finance from the fund.

61. *Grant no. 49-Meteorology.*—The Committee noted that the variations under several heads of this Grant were due to the same circumstances as had caused variations in the Civil Aviation Grants.

62. *Indian Stores Department, London.*—In connection with item 12 in the statement of action taken on previous recommendations the Chief Controller of Stores stated that he had completed his report on the Indian Stores Department, London, and it would shortly be submitted for the orders of Government.

63. *Use of the Indian Stores Department by the Railways and the Defence Department.*—Mr. Satyamurti asked the Chief Controller of Stores whether he was satisfied that the Railways and the military authorities were buying as much as possible from the Indian Stores Department. Sir James Pitkeathly stated that so far as the Railways were concerned he was satisfied with the position. In the case of State Railways the turnover had increased from 278 lakhs in 1935-36 to 330 lakhs in 1936-37,

and in the case of Company-managed Railways from about 7 lakhs to over 28 lakhs. There had not been so large an increase in the case of the Defence Department but, as with the Railways, there was a standing arrangement that purchases would be made through the Stores Department in all cases where this could be proved to be advantageous. He did not consider it desirable to take over the purchase of foodstuffs from the Defence Department. The Committee hoped that Government would continue the policy of giving work in connection with both the Railways and the Army to the Indian Stores Department so far as circumstances permit.

64. *Government Test House.*—In connection with the income and expenditure account of the Government Test House published under Grant no. 70—"Indian Stores Department", a member of the Committee enquired whether the expenditure on establishment could not be reduced. The Chief Controller explained that in view of the nature of the work done at the Test House it could not be expected to show a profit, and he also stated that the accounts of the corresponding organisation in England showed that a similar proportion of the total expenditure was incurred on staff.

The Committee adjourned at 1-20 p.m.

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**Proceedings of the thirteenth meeting of the Public Accounts Committee held on Thursday, the 29th of July 1937, at 2-45 p.m.**

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PRESENT :

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| The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member. | *Chairman.* |
| Mr. B. DAS. | *Members.* |
| Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E. | |
| Mr. S. SATYAMURTI. | |
| Maulvi Sir MOHAMMAD YAKUB, Kt. | |
| Bhai PARMA NAND. | |
| Dr. R. D. DALAL, C.I.E. | |
| Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E. | |
| Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. | |
| Mr. J. A. MACKEOWN, I.C.S., Joint Secretary, Department of Industries and Labour. | *Witness.* |
| Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General. | |
| Mr. T. K. RAJAGOPALAN, Acccountant-General, Central Revenues. | |

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

65. *Grant no. 73—Civil Works.*—In connection with the prvoision shown under head A.-1 (1) (non-voted) the Committee considered that

on the evidence available there was no ostensible urgency to justify the incurring of the expenditure in question during the course of the year.

It was admitted that the saving under head A.-2 (1) was partly due to the fact that the Finance Department had included items in the budget without ascertaining from the Public Works Department how much of the total expenditure they would be able to incur during the financial year. The Committee deprecated this procedure, and hoped that in future the Finance and other Departments would invariably obtain the opinion of the technical Department before making budget provision for any works projects.

66. *Works expenditure outside the control of the Central Public Works Department.*—In connection with the items relating to Baluchistan it was explained that these works are carried out by the Military Engineering Service, and the Central Public Works Department have therefore nothing to do with the expenditure. The Committee suggested that it should be considered whether the Civil Works Grant should not in future be confined to works which are actually under the control of the Industries and Labour Department, other items being included in the Grants relating to the Departments or Administrations concerned.

67. *Qualifications of engineering staff.*—There was some discussion regarding the number and qualifications of the engineering officers at present employed in the Central Public Works Department. A majority of the Committee considered that Government should satisfy themselves afresh as regards the justification for the present numbers and qualifications of the officers concerned with the types of work (*e.g.,* Civil Aviation and Public Health) at present undertaken in the temporary P. W. D. Circles.

68. *Grants for expenditure on Road Development.*—It was explained that in view of the revised procedure which had recently been introduced the large variations noted in connection with the provision for this expenditure would not occur in future years.

69. *Establishment Charges.*—In connection with paragraph 9 of the "Important Comments" it was explained that the necessity for reappropriating funds to the sub-heads "Establishments" and "Tools and Plant" did not mean that extra estabilshment had actually been employed, but was due to a reduction in the works expenditure of other Departments, especially Civil Aviation, and the consequent reduction in the amount of establishment charges recoverable by the Public Works Department. The Committee desired that the Government of India should examine whether, in view of the curtailment of capital expenditure on civil aviation during the year under report, the staff employed in the Public Works Department in this connection had not been larger than was actually required.

70. *Disposal of Central Government building.*—It was stated that the Industries and Labour Department had now received an offer of Rs. 1,40,000 for the building mentioned in paragraph 11 of the "Important Comments".

71. *Government property in New Delhi.*—In connection with paragraph 12 of the "Important Comments" the Committee recommended, on the suggestion of the Auditor-General, that Government should examine

whether they have yet in existence fully adequate and properly systematised arrangements for the revenue and financial administration of Government lands and other properties in New Delhi, and should furnish the Committee with a report on the subject including a description of the arrangements in force or contemplated and the staff and machinery employed.

72. *Grant no. 97—Delhi Capital Outlay.*—The Committee suggested that if any further expenditure had to be incurred on New Delhi which is not of a clearly remunerative character it should be charged to revenue and not to capital. They further recommended that so long as the Delhi Capital Grant exists the Finance Department should consider the advisability of making a lump cut in the estimates on account of probable savings. Certain members of the Committee considered that the practice of imposing lump cuts should be applied to all works grants.

73. *Grants nos. 22 and 90—Irrigation.*—The Committee recommended that Government should consider whether these Grants could not be amalgamated in view of the fact that the net charge to capital under Grant no. 90 for 1935-36 was nil. It was suggested that other similar cases should also be investigated.

A few members of the Committee considered that the reason for the Ajmer-Merwara irrigation schemes being unremunerative was the exorbitant charges levied from the cultivators, and they desired that Government should examine the possibility of obtaining more revenue through a reduction in these charges.

74. *Control over works expenditure.*—The Committee then resumed the consideration of the note which had been circulated by the Chairman on the previous afternoon. Mr. Mackeown indicated that provided the proposed procedure was intended to apply only to major works it would probably be welcomed by the Industries and Labour Department. After some further discussion the Committee decided to postpone the formulation of their recommendations on the subject to a later meeting.

The Committee adjourned at 6 p.m.

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**Proceedings of the fourteenth meeting of the Public Accounts Committee held on Friday, the 30th of July 1937, at 11 a.m.**

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PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member. — *Chairman.*

Mr. B. DAS.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. — *Members.*

Lieutenant-Colonel A. E. B. PARSONS, C.B.E., D.S.O., Secretary, External Affairs Department.
Mr. V. NARAHARI RAO, C.I.E., Additional Deputy Secretary, Political Department, and Crown Finance Officer.
Mr. G. K. S. SARMA, Under Secretary, External Affairs Department.
Mr. E. C. PRICE, Finance Secretary, Government of the North-West Frontier Province.
} *Witnesses.*

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. T. K. RAJAGOPALAN, Acccountant-General, Central Revenues.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary

75. *Grant no. 31—Foreign and Political Department.*—There was some discussion regarding the large increase in expenditure on pay of officers during the course of the year, and some members of the Committee suggested that the Foreign and Political Department now appeared to be over-staffed. It was explained that the increase had been due to special work in connection with the new constitution, and that the Finance Department had accepted the necessity for the additional posts.

76. *Grant no. 56—Education.*—The Committee doubted whether the grants made to the Chiefs' Colleges were a legitimate charge on the revenues of the Central Government, and desired that the Government should examine this question.

77. *Grant no. 79—Baluchistan.*—The Committee noted that the total revenue obtained by the Central Government from Baluchistan amounted to less than Rs. 20 lakhs whereas the expenditure (incuding the cost of "frontier watch and ward") amounted to about Rs. 80 lakhs. Some members suggested that a special enquiry might be instituted to consider the possibility of increasing the revenue. The Foreign Secretary pointed out that in view of the nature of the country there was little scope for expansion in connection with most of the revenue heads. He added, however, that the possibility of increasing the land revenue was being considered, both in connection with the small area which was irrigated from the Sukkur Barrage and in connection with the impending resettlement of certain other areas.

In connection with the head "K.—Famine Relief" (Account XII) the Committee wished the Finance Department to examine whether the whole of this expenditure had in fact been incurred on famine relief, and whether it had been correctly classified as non-voted.

The "Important Comments" under this Grant led to a discussion regarding the distribution between civil and military of the expenditure incurred in connection with the Quetta earthquake. It was explained that in view of the special circumstances it had not been possible to obtain vouchers regarding the details of the expenditure incurred in the first instance by the military authorities, but the total amount had been divided

between civil and military in proportion to the numbers of civil and military personnel who had had to be evacuated. There was no reason to believe that the civil estimates had been charged with more than their fair share of the expenditure. The Committee accepted this explanation.

78. *Political.*—The Committee noted that the number of modifications in the original estimates under this Appropriation had been exceptionally high. It was explained that this was partly due to special circumstances, and that more accurate budgeting should be possible in future years.

A member of the Committee drew attention to the note recorded under the previous recommendation (item 9 in the statement printed as appendix I) " that the question of the incidence of Persian Gulf expenditure should be considered ". The Chairman stated that the question had recently been under consideration, and that he hoped that a satisfactory solution was in sight.

In connection with this Appropriation the Committee also considered the previous recommendation (item 9 in the statement) " that the question of the incidence of Persian Gulf expenditure should be considered ". The Chairman stated that the question had recently been under consideration, and that he hoped that a satisfactory solution was in sight.

With reference to paragraph 1 of the " Important Comments " the Committee wished the Finance Department to look into the situation in order to see whether the Government of India are sufficiently protected in such cases.

79. *Frontier Watch and Ward.*—The Committee noted that there had been a variation of no less than 47.5 per cent. between the budget provision and the actual expenditure on works. It was explained that this was mainly due to the fact that the Government of the North-West Frontier Province had originally proposed to finance the construction of a number of roads from the special fund of Rs. 25 lakhs for frontier expenditure. The Government of India had, however, decided that the fund must be reserved for a particular road of special importance and must not be frittered away on the construction of comparatively minor roads. A majority of the Committee deprecated the charging of the expenditure on the minor roads to revenue instead of to the fund as had been contemplated when the budget was framed.

80. *Unauthorised Funds.*—In connection with paragraph 9 of the " Important Comments " under " Frontier Watch and Ward " and item 10 in the statement of action taken on previous recommendations it was explained that all the unauthorised Khassadar and other funds which had been discovered had now been closed and the balances had been credited to Government. The audit authorities had not, however, been able to complete their audit in North and South Waziristan and at Bannu owing to the present military operations. The Auditor-General stated that adequate measures were now being taken to deal with such irregularities, but he would not be able to certify that he was completely satisfied with the position until he had had another two years experience of the results of the stricter audit control which was now being enforced.

The Committee adjourned at 1-45 p.m.

**Proceedings of the fifteenth meeting of the Public Accounts Committee held on Friday, the 30th of July 1937, at 3 p.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C. S. I., C.I.E., I.C.S., *Chairman*.. Finance Member.

*Members.*

Mr. B. DAS.

Professor N. G. RANGA.

Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.

Mr. S. SATYAMURTI.

Maulvi Sir MOHAMMAD YAKUB, Kt.

Bhai PARMA NAND.

Dr. R. D. DALAL, C.I.E.

Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.

Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA.

*Witnesses.*

Mr. G. H. SPENCE, C.S.I., C.I.E., I.C.S.. Secretary, Legislative Department.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. T. K. RAJAGOPALAN, Acccountant-General, Central Revenues.

81. *Grant no. 76—Miscellaneous.*—The Committee discussed the expenditure incurred in connection with the League of Nations. Mr. Spence explained that in 1925 India had paid 56 units out of a total of 937, and as a result of various reductions the proportion was now 49 units out of 935. There had, however, been a very much more substantial decrease in actual expenditure than would be suggested by these figures. This was due to the recent devaluation of the Swiss franc. As against Rs. 14,81,000 in 1935 and Rs. 13,93,000 in 1936 India's total contribution for 1937 would be Rs. 10,04,000.

82. *Frontier Watch and Ward.*—In connection with paragraph 10 of the "Important Comments" under this Appropriation the Auditor-General stated that his department must accept a part of the responsibility for the loss. The accounts and audit staff in Peshawar were not yet up to the normal standard. This was mainly due to the rule regarding local recruitment which had made it necessary to fill up the Comptroller's office with untrained and inexperienced personnel. Special measures were, however, being taken to deal with the situation, and it was hoped that accounting mistakes would in future be less frequent.

83. *Grant no. 87—High Commissioner's expenditure.*—A member of the Committee drew attention to the expenditure on audit establishment in

London shown under head G. of this Grant. The Auditor-General stated that he had no reason to believe that the establishment employed was excessive according to the system adopted. Under the new Government of India Act, however, he would have more control over such expenditure since any alterations in staff would have to be referred to the Government of India. He added that if officers of the Indian Audit and Accounts Service were posted to the establishment of the Auditor of Indian Home Accounts it would probably be more expensive than the existing arrangement.

84. *Grant no. 88—Capital Outlay on Security Printing and Grant no. 93—Currency Capital Outlay.*—It was agreed that the Finance Department and the Auditor-General should consider whether these Grants need be retained in future years.

85. *Grant no. 98—Interest Free Advances.*—A member of the Committee drew attention to the fact that supplementary demands had been submitted in connection with this Grant in three successive years. It was explained that the items relating to coinage accounts depended on the extent of the demand for new coin, which could not be foreseen, and the Auditor-General stated that in view of the nature of the expenditure he agreed with the controlling authority that the Grant was not susceptible of accurate estimation.

86. *Grant no. 99—Loans and Advances bearing Interest.*—It was explained that the scope of this Grant would be reduced in future years, since the Provincial Loans Fund had been closed and orders had been issued for the discontinuance of most of the loans and advances previously granted to Government servants.

87. *Functions of the Public Accounts Committee under the new constitution.*—Mr. Satyamurti asked whether under the new Government of India Act the expenditure incurred on the Political, External Affairs, Defence and Ecclesiastical Departments would cease to come before the Public Accounts Committee. It was explained that only the expenditure incurred in the Political Department, which amounted to a little over a crore, would be removed from the purview of the Committee. The position was clearly explained by sections 169 and 171 of the Government of India Act, 1935, which prescribe that the reports of the Auditor-General on the accounts of the Federation shall be laid before the Federal Legislature, and that he shall make a separate report to the Secretary of State with regard to the accounts relating to the discharge of the functions of the Crown in its relations with Indian States. So far as the Committee were concerned the expenditure incurred in the External Affairs, Defence and Ecclesiastical Departments would be treated in the same way as non-voted expenditure under the old constitution.

88. *Control over works expenditure.*—The Committee then resumed the consideration of the note on this subject which had been circulated by the Chairman. After some discussion they expressed general approval of the procedure suggested in the note, and decided to recommend that the Government of India should consider the suggestions contained in it. (The note as modified after discussion in the Committee is printed as appendix VI.)

The Committee adjourned at 5 p.m.

**Proceedings of the sixteenth meeting of the Public Accounts Committee held on Monday, the 2nd of August 1937, at 11 a.m.**

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PRESENT :

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| The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member. | *Chairman.* |
| Mr. B. DAS. | *Members.* |
| Professor N. G. RANGA. | |
| Sirdar JOGENDRA SINGH. | |
| Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E. | |
| Mr. S. SATYAMURTI. | |
| Maulvi Sir MOHAMMAD YAKUB, Kt. | |
| Bhai PARMA NAND. | |
| Dr. R D. DALAL, C.I.E. | |
| Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E. | |
| Khan Bahadur SHAIKH FAZL-I-HAQ PIRACHA. | |
| Mr. R. S. PURSSELL, C.I.E., O.B.E., Director-General, Posts and Telegraphs. | *Witnesses.* |
| Mr. GHULAM MOHAMMAD, Finance Officer, Posts and Telegraphs. | |
| Mr A. BROKENSHAW, Chief Engineer, Posts and Telegraphs. | |
| Mr. T. R. SADASIVAM, Deputy Director-General, (Finance) Posts and Telegraphs. | |
| Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General. | |
| Mr. B. NEHRU, Accountant-General, Posts and Telegraphs. | |
| Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary. | |

89. *Private Secretary to H. E. the Viceroy's Press.*—The Chairman read out a letter from the Joint Secretary, Industries and Labour Department, giving some information which had been promised at a previous meeting in connection with Grant No. 75-" Stationery and Printing M.—Private Secretary to His Excellency the Viceroy's Press ". It was explained in the letter that the Controller of Printing and Stationery at present exercises powers of inspection and advice in the case of this

Press but has no direct control over the staff, and that it was proposed that the Press should shortly be transferred to the control of the Political Department which would bear the cost. The Committee hoped that if this transfer were effected the Controller of Printing and Stationery would still be associated with the control of this Press and of the other Presses for which the Political Department are responsible. They wished to be informed whether the Controller thinks it advisable to lay down a specific programme of inspection in connection with such Presses.

90. *Finance Officer, Posts and Telegraphs.*—A member of the Committee drew attention to the fact that a post of Finance Officer, Posts and Telegraphs, had recently been created in place of the previous appointment of Financial Adviser. It was explained that this had been done with a view to securing more independent financial control. The Finance Officer is now solely an officer of the Finance Department subordinate to the Finance Member.

91. *Financial position of the Posts and Telegraphs Department.*—In reply to a question regarding the financial results of 1936-37 the Finance Officer stated that according to the latest figures available the profit for the year was now expected to amount to about Rs. 14 lakhs (including a windfall of about 3 lakhs on account of an adjustment which had not been expected in that year) as compared with Rs. 8 lakhs anticipated in the revised estimates.

92. *Haulage Charges.*—In connection with the statement made in paragraph 10 of the Audit Report regarding savings under Postal Expenses the Director-General explained that the Railways wished to enhance their previous rates for hauling postal vans by Rs. 7 lakhs, but this additional payment had not been made during the year under report because the negotiations had not been completed. The Committee hoped that this question would be settled as soon as possible, by arbitration if necessary.

93. *Posts and Telegraphs portion of Grant no. 43-Audit.*—The Committee considered that the details of the cost of Posts and Telegraphs Audit Offices need not be shown in the Appropriation Accounts of the Posts and Telegraphs Department since this expenditure is merely recovered from the Posts and Telegraphs Department and the details are given in full in connection with Demand no. " 43-Audit ".

94. *Suspense Accounts.*—The Committee also considered it unnecessary to include in the Appropriation Accounts items such as those shown under sub-heads F. V, F. VI, and F. VII of " Grant no. 23—Indian Posts and Telegraphs Department ". It was agreed that the Accountant-General should try to eliminate suspense accounts of this kind as far as possible from next year's Appropriation Accounts. The Committee further suggested that it might be preferable if some of the heads could be shown gross, with the suspense head figures given separately if necessary.

The Committee adjourned at 1-15 p.m.

**Proceedings of the seventeenth meeting of the Public Accounts Committee held on Monday, the 2nd of Adgust 1937, at 2-30 p.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

*Members.*

Mr. B. DAS.

Professor N. G. RANGA.

Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.

Mr. S. SATYAMURTI.

Maulvi Sir MOHAMMAD YAKUB, Kt.

Bhai PARMA NAND.

Dr. R. D. DALAL, C.I.E.

Khan Bahadur SHAIKH FAZL-I-HAQ PIRACHA

Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.

*Witnesses.*

Mr. R S. PURSSELL, C.I.E., O.B.E., Director-General, Posts and Telegraphs.

Mr. GHULAM MOHAMMAD, Finance Officer, Posts and Telegraphs.

Mr. A. BROKENSHAW, Chief Engineer, Posts and Telegraphs.

Mr. T. R. SADASIVAM, Deputy Director-General, (Finance) Posts and Telegraphs,

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. B. NEHRU, Accountant-General, Posts and Telegraphs.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

95. *Permissible variations between grant or appropriation and actual expenditure.*—The Committee briefly considered the memorandum on this subject (appendix VIII) which had been circulated by the Director-General. They agreed to the adoption of the procedure suggested in the memorandum, on the understanding that the question would be reconsidered as proposed after a period of two years.

96. *Expenditure on stationery and printing.*—The Committee considered that the explanations given under the sub-head " I.—Stationery and Printing " on page 97 of the Appropriation Accounts were inadequate, and they hoped that in future years fuller explanations would be provided in connection with variations of so large an amount.

97. *Effect of revised scales of pay.*—The Committee noted that the variations under sub-head J. II.-2, on page 98 of the Accounts and certain other sub-heads were stated to be due partly to the introduction of new scales of pay. They wished it to be recorded that the authorities con

cerned did not appear to have taken this fact sufficiently into consideration when framing their estimates.

98. *Subsidies and payments to Railways.*—The Committee noted that in the explanation relating to the reappropriation of Rs. 11,68,400 under sub-head J. IV. 5, on page 100 of the Accounts, the amount of saving due respectively to " Reduction under payments to air mail carriers " and " Lowering of the rates for the conveyance of mails " had not been stated. They considered that in connection with variations of large amounts some indication should be given of the approximate sum due to each of the suggested causes.

99. *Grant no. 91—Recoveries.*—The Committee noted that owing to the system of credits it was difficult to ascertain from the Accounts the amount actually spent on various capital works. This system also had the effect of increasing the apparent variations under the various heads. The Committee desired that the Posts and Telegraphs Department should consider, in consultation with the Auditor-General, the possibility of showing the capital expenditure gross and recording the recoveries or credits separately. They further suggested that it might be considered whether such recoveries or credits could not be shown as receipts. In any case they hoped that the authorities concerned would endeavour to devise means of presenting the Appropriation Accounts (and possibly also the Demands for Grants) in a simpler and more readily intelligible form.

100. *Reappropriations for new works.*—A member of the Committee drew attention to the large reappropriation under sub-head IV. 3 on page 122 of the Accounts. The Finance Officer explained that the savings under this head had been utilised, with the concurrence of the Standing Finance Committee, to finance some new remunerative works. The Committee agreed that if a proposal arises in the course of the year which is clearly remunerative it would be uneconomic to postpone it until provision can be made in the next year's budget.

101. *Expenditure on replacement of workshop plant and machinery.*—It was admitted that the large variations under sub-heads II. 3 and IV. 3 on pages 126 and 127 of the Accounts were due to inadequate provision for replacements which could not be postponed. The Committee considered that if the Department had taken sufficient account of past actuals in framing their estimates under these heads a large part of the supplementary appropriations would probably have been unnecessary.

102. *Excess Grant.*—In connection with paragraph 96 of the Audit Report the Committee agreed to recommend the voting of the excess of Rs. 2,12,734 under Grant no. 23. Certain members of the Committee, however, indicated that they might wish to take the opportunity of drawing the attention of the Legislature to the shortcomings of the Posts and Telegraphs Department in connection with the spending of their capital grants.

103. *Renewals Reserve Fund.*—There was some discussion regarding the annual contribution to the Renewals Reserve Fund which, as stated in paragraph 62 of the Audit Report, has been fixed at 25 lakhs per annum for a period of five years. Some members of the Committee suggested that this amount was excessive. The Chairman pointed out, however, that although the Department were not at present spending so much as Rs. 25 lakhs a year on replacements, it was probable that they would

require at least this amount a few years hence since there had recently been a large increase in types of assets (such as telephones) which have a comparatively short life.

104. *Loss on Telegraphs.*—In connection with the profit and loss statement given on page 25 of the Audit Report the Director-General stated that under the existing conditions the telegraph section could not be expected to pay. In the United Kingdom this section was, he understood, incurring a loss of about £800,000 a year. He further stated that the operative telegraph staff had been reduced during the last five years from 2,700 to less than 2,100, and that no further reduction was possible. Indeed it was now essential to resume recruitment, especially as there had recently been considerable complaints in the press with regard to the telegraph service. The Committee, however, wished to record their dismay at the continued loss incurred in connection with this branch of the Department, and they hoped that everything possible would be done to minimise the loss.

105. *Decentralisation of control over expenditure.*—In connection with paragraph 105 of the Report the Committee hoped that the scheme of decentralisation which had recently been introduced would not result in any relaxation of control over expenditure in the Directorate. They also hoped that the Department would bear in mind the need for economy when sanctioning the necessary accounting staff for the various Circles and would consider whether any corresponding reduction of staff could not be effected at the centre.

106. *Instances of defective control over expenditure.*—The Committee noted that a mere list of cases such as that given in paragraph 111 of the Report was of comparatively little value from their point of view. As in the case of other Audit Reports, they suggested that the Accountant-General might in future indicate in addition the items with which he was still dissatisfied after considering the explanations given by the departmental authorities.

The Committee adjourned at 5-40 p.m.

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**Proceedings of the eighteenth meeting of the Public Accounts Committee held on Tuesday, the 3rd of August 1937, at 11 a.m.**

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PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Sirdar JOGENDRA SINGH.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur SHAIKH FAZL-I-HAQ PIRACHA.

*Members.*

Mr. H. Dow, C.S.I., C.I.E., I.C.S., Secretary, Commerce Department.
Mr. M. SLADE, I.C.S., Joint Secretary. Commerce Department.
Mr. R. F. MUDIE, C.I.E., O.B.E., I.C.S., Joint Secretary, Home Department.
Mr. A. S. Hands, C.I.E., M.C., I.C.S., Deputy Secretary, Home Department.
} *Witnesses.*

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. T. K. RAJAGOPALAN, Accountant-General, Central Revenues.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary

107. *Grant no. 38—Commerce Department.*—There was some discussion regarding the expenditure incurred on additional officers. Mr. Dow explained that the extra staff had been required mainly in connection with various trade negotiations which had thrown a large amount of unusual work on the Commerce Department.

108. *Grant no. 46—Ports and Pilotage.*—The Committee noted that there had been a large modification in the original estimate under the head A. 4 (1) " Pay of Officers " (non-voted), and they considered that it should be possible to budget more accurately in connection with items of this kind. They recommended a study of past actuals under this head with a view to avoiding excessive provision in future budgets.

In connection with the explanation given under head B. 3 (non-voted) the Committee suggested that, except in cases of special urgency, the officers responsible for controlling grants for travelling allowance should try to restrict touring to what could be covered by the budget provision.

109. *Grant no. 47—Lighthouses and Lightships.*—The Committee desired that the authorities concerned should consider whether it is necessary to maintain a special fund for replacements and additions as well as a depreciation fund and a general reserve fund.

110. *Grant no. 76—Miscellaneous.*—In connection with head M of this grant, with which the Commerce Department were partly concerned, the Committee suggested that the Grant should if possible be rearranged in future years in order to bring together the items relating to each Department.

With reference to the " Important Comment " (page 294 of the Accounts) Mr. Dow explained that the non-official gentleman in question had served the Government of India for about six months without any salary, and it had therefore been decided that it would be ungracious to demand a refund of the overpayment in respect of travelling expenses, especially as this expenditure had been incurred in good faith and the gentleman had left India before the mistake was discovered.

111. *Grant no. 94—Capital outlay on Vizagapatam Harbour.*—Mr. Dow explained that although the Port was not yet paying any portion

of the interest due on the capital expenditure, it was still unable to balance its budget without a grant-in-aid from the Government of India, and so far as he could foresee this would continue to be the position for some years. If the Port were retained it would also be necessary to incur several items of additional capital expenditure. This led to a discussion on the question whether it would not be better to close down the Port altogether. It was agreed that before such a decision could be reached other interests (such as those of the Railways) would have to be considered, but the Committee desired that the whole question should be thoroughly investigated and that a comprehensive report on the subject should be submitted next year.

112. *Grant no. 95—Capital Outlay on Lighthouses and Lightships.*—Since the net amount required under this Grant was nil, the Committee desired that the possibility of eliminating it as a separate grant in future years should be considered along with similar proposals made in connection with other capital grants.

113. *Grant no. 65—Census.*—The Committee suggested that in future years, when the total amount required was as small as it was in the year under report, the authorities concerned might consider the advisability of including census expenditure in some other grant (*e.g.*, no. 76 Miscellaneous) instead of retaining a separate grant for this purpose.

114. *Grant no. 76—Miscellaneous.*—In connection with head D. 2. "Other Commissions and Committees" it was explained that at the time when the budget was framed it had not been definitely decided that a Delimitation Committee would be necessary. As regards the Secretariat Procedure Committee a majority of the Committee wished it to be recorded that they could see no sufficient reason for Government's decision not to publish the report, and that in the absence of the report they were unable to judge whether the expenditure incurred on the Committee was justifiable or not.

115. *Grant no. 80—Delhi.*—The comment under head A.-1 of Account VIII led to some discussion regarding the appointment of the Superintending Engineer, Health Services Division. The Committee desired that in connection with next year's Appropriation Accounts fuller information should be furnished by the Department concerned regarding the sanitary engineering staff employed in Delhi and regarding the distribution of its cost between the various authorities concerned.

The Committee suggested that the Government of India might consider the desirability of annexing to each of the Area Demands (such as those relating to Delhi and Ajmer-Merwara) a *pro forma* account showing the expenditure and receipts (of a provincial character) in the year in question.

In connection with paragraph 2 of the "Important Comments" under this Grant the representatives of the Department stated that they were unable to supply any additional information since the authority concerned was the Punjab High Court. The Committee considered that in future years efforts should be made to obtain any information required for the elucidation of the Accounts even if this involved a reference to an authority which was not under the control of the Government of India.

The Committee adjourned at 1-30 p.m.

**Proceedings of the nineteenth meeting of the Public Accounts Committee held on Tuesday, the 3rd of August 1937, at 3 p.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman*.

Mr. B. DAS.
Professor N. G. RANGA.
Sirdar JOGENDRA SINGH.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
BHAI PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA.
} *Members.*

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

116. *Expenditure on major works.*—The Committee considered a statement regarding expenditure on major works (appendix VII) which had been supplied by the Accountant-General, Central Revenues, in response to a request made at a previous meeting. The statement showed that there had been savings amounting in all to about 30 per cent. of the original budget estimates for such works. In view of these savings the Committee thought it desirable to investigate whether the staff employed in the Central Public Works Department is not based on a larger programme of capital works than is actually carried out. They also suggested that similar considerations might apply to expenditure on the purchase of stores. The Committee desired that a report on this subject should be submitted next year.

117. *Accounts of the Federal Railway Authority and the Political Department.*—Mr. Satyamurti drew attention to section 190 of the Government of India Act, 1935, which prescribes that the Federal Railway Authority " shall publish annually a report of their operations during the preceding year and a statement of accounts in a form approved by the Auditor-General ", and enquired whether an audit report would be published along with these accounts. The Auditor-General stated that no decision had yet been reached on this question, but that in view of his responsibility for the form of the accounts he assumed that the published accounts would include his audit certificate and report. He also stated that it had been decided to publish the accounts of the Crown Department, which are to be submitted to the Secretary of State under section 171 of the Act. The non-official members of the Committee recommended that the accounts and the relative audit reports of both the Federal Railway Authority and the Crown Department should be laid on the table of the Central Legislature.

118. *Date of publication of the Appropriation Accounts.*—In reply to a question asked by Mr. Satyamurti the Auditor-General stated that the question of earlier publication of the Appropriation Accounts had recently been under consideration, and the Provincial Governments had been addressed on the subject. The non-official members of the Committee recommended that the Government of India should in future publish the Accounts as soon as they are available.

119. *Report of the Military Accounts Committee.*—In connection with the report of the Military Accounts Committee it was suggested that in future any references given in the proceedings to the Appropriation Accounts or other documents should as far as necessary be complete in themselves. After a brief discussion the Committee approved the report.

120. The Committee expressed their appreciation of the great assistance which had been given to them by the Auditor-General throughout their meetings and also wished to convey their appreciation of the work done by Mr. Shearer as Secretary to the Committee.

The Committee adjoruned at 4-20 p.m.

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## REPORT OF THE MILITARY ACCOUNTS COMMITTEE.

We are appointed in pursuance of the recommendation made in paragraph 31 of the Report of the Public Accounts Committee on the Accounts of 1929-30 to make a preliminary examination of the Appropriation Accounts of the Defence Services and connected documents. We have been assisted in this work by the Auditor-General, the Defence Secretary, the Financial Adviser, Military Finance, and the Military Accountant-General. We are glad to express our satisfaction at the lucidity of the documents presented to us and at the businesslike manner in which our questions were answered. The results of our examination are, as usual, embodied in the proceedings of our meetings which we desire to be treated as a part of our report. The following paragraphs deal only with some of the more important points.

2. *Revision of Regulations.*—We are gratified to note that the immense task of revising the Army Regulations, to which the Committees of previous years have also referred, is now making solid progress. We are assured that next year's Committee will be able to report that the work is within sight of completion. Considerable progress also appears to have been made in the revision of the Equipment Regulations and Tables of the R. A. F. While in view of the special circumstances of this service such a degree of final standardisation as exists in regard to other services may not yet be possible, we consider it to be of the utmost importance that the accounting and audit authorities should be supplied with more up-to-date standards than apparently exist at present. We were also pleased to learn that the revision of rules relating to oil had been completed and that the second proviso to the Military Accountant-General's certificate will probably not appear in future.

3. *Compensation for inferior quarters.*—We were informed on general lines of the action which was being taken to reduce the liability of Government for paying military officers compensation for rent free quarters which are below the standard scale of accommodation. We consider that next year's Committee should be supplied with a more explicit account of

the system of zoning, and should be given some idea in the case of a typical unit of the amount of money involved.

4. *Provision for the purchase and sale of stores, equipment and animals.*—We noticed that considerable savings occurred in connection with this item during the year under report, and we suggest that the actuals of past years might repay examination by the Financial Adviser, Military Finance, at the time of framing the next budget.

5. *Departmental action against Government servants who have been acquitted by a court of law.*—We wish specially to bring to notice the harm which may be done to the public service and the danger to public funds if an order of acquittal by a court of law is necessarily taken as exempting a Government servant from suitable departmental action. We can conceive of cases where a lesser degree of proof than is required in a court of law would justify departmental punishment.

6. *Accelerated payment in March.*—We are not completely satisfied that the existing practice which results in exceptionally high payments during the month of March is free from danger, and we consider that a further report on this subject should be submitted next year. Meantime we suggest that suitable action should be taken by the authorities concerned in connection with the payments to be made in March 1938.

7. *Stocks maintained in Ordnance Factories.*—We were somewhat dismayed at the relatively large stocks carried by some of the Ordnance factories. The Secretary, Defence Department, however, gave it as his opinion that stocks of some types of stores were still inadequate. We are not prepared to make any definite recommendation on the subject, but we hope that the position will be carefully watched with a view to economy.

8. *Accounting Changes.*—We wish to reiterate a principle which has been accepted on previous occasions but which seems often to have been overlooked, *viz.*, that in order to avoid unnecessary variations between the estimates and the actuals, the accounting of expenditure should, unless there be legal objections, follow budget provision during the budget period even if such provision has been incorrectly made, and that any change which may be considered necessary should be introduced in the next year's budget.

9. *Comments made in the Audit Report and the Appropriation Accounts.*—While we wish the Director of Audit to continue for the present to exhibit in his report all instances where there has *prima facie* been a substantial failure in the control of expenditure, it would simplify the task of future Committees if he would indicate, in addition, after studying the explanations given by the administrative authorities, which of the cases he still considers to have been sufficiently justified. We also had occasion to observe that in some places a slightly fuller note in the Appropriation Accounts would have obviated the need for verbal explanations.

J. C. NIXON.
B. DAS.
S. SATYAMURTI.
SHER MOHAMMAD KHAN.
A. J. RAISMAN.

J. B. SHEARER, *Secretary.*

*7th August, 1937.*

**Proceedings of the first meeting of the Military Accounts Committee held on Monday, the 19th of July 1937, at 11 a.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman*.

*Members.*

Mr. B. DAS.

Mr. S. SATYAMURTI.

Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

*Witnesses.*

Mr. C. M. G. OGILVIE, C.B.E., I.C.S., Secretary, Defence Department.

Major-General G. H. ADDISON, C.B., C.M.G., D.S.O., Financial Adviser, Military Finance.

Mr. V. NATESAN, Deputy Financial Adviser, Military Finance.

Mr. M. R. COBURN, O.B.E., Military Accountant-General.

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. K. R. S. RAU, Director of Audit, Defence Services.

The Committee first considered the military items in the statement showing action taken or proposed to be taken on recommendations made in previous years.

2. *Item 17—Revision of Army Regulations.*—With reference to the report submitted on this subject (appendix IX) the Secretary, Defence Department, stated that more rapid progress was now being made, and that he hoped that the revision of the basic regulations would be completed in 1½ to 2 years. Additional staff had been engaged for the work, but it had been possible to arrange that this should involve practically no increase in total expenditure. It was also explained that revised orders had been issued with a view to reducing the number of correction slips to the regulations, and that any corrections with which the audit authorities were concerned would in future be submitted to them before issue. The Committee agreed that it would be satisfactory if the work could be completed within the period now stated. It was decided, however, that the item should remain in the list of items outstanding, and that a further report should be submitted next year. The Committee particularly desired that the report should show whether the audit authorities were satisfied with the revised regulations.

3. *Item 18—Scheme for the training of Public Works Department Accountants in work connected with the Military Engineer Services.*—It was noted that the report submitted by the Financial Adviser on this subject (appendix X) was somewhat pessimistic. The Auditor-General,

however, did not fully associate himself with the comments made in that report, and the Committee agreed that it was too early to reach any definite conclusions regarding the value of the scheme. They wished a further report on the subject to be submitted next year.

4. *Item 22—Overstocking of R. A. F. stores and Mechanical Transport spare parts.*—Since certain points were not clearly explained in the note on this item (appendix XI) it was decided that a representative of the Royal Air Force should be asked to appear before the Committee at the next meeting.

5. *Item 24—Payment to military officers of compensation for inferior quarters.*—It was explained in connection with the note (appendix XII) that the provision of quarters for military officers was almost a condition of service. Every military officer regarded the provision of such quarters or an allowance in lieu of quarters as a part of his pay. The problem was therefore one of considerable difficulty. The Financial Adviser explained that officers had now been divided into three zones for the purpose of the allocation of quarters, and it was hoped that this would reduce the expenditure involved. The Committee wished to have further information regarding the zoning system. They also wished to be given some indication of the actual expenditure involved in the payment of this compensation. The Financial Adviser stated that the compilation of complete figures would involve a disproportionate amount of labour, but he agreed to work it out for a small unit such as a station and to make a rough calculation on this basis.

*Report of the Director of Audit, Defence Services.*

6. *Paragraph 3—Accuracy of budgeting.*—It was explained that in connection with the purchase of animals the estimates were based on the actual number of animals required, but it frequently happened that this number could not be obtained. The Committee recommended that in view of the repeated savings in previous years the possibility of making a lump cut under this head in future budgets should be considered.

As regards the Indian Army Ordnance Corps, it was explained that the excess in 1935-36 was due to a book transaction, and that there was a corresponding saving elsewhere. In view of this explanation the Committee agreed that no further action was required.

7. *Paragraph 5—Control of expenditure.*—The Director of Audit, Defence Services, agreed that the inclusion of items in this paragraph did not necessarily mean that the variations had not been satisfactorily explained. The Committee considered that in future years the report should also indicate which of the items, if any, had not been explained to the satisfaction of the audit authorities.

8. *Paragraph 7—Reserves in Defence Estimates.*—The Committee were informed that the provision of Rs. 7 lakhs on account of "Special expenditure for expansion of Territorial Force" would not in future appear under this head since it had been decided that such expenditure should be budgeted for in the ordinary way. The removal of this item would reduce the total provision for Reserves to about Rs. 13 lakhs in a total budget of about Rs. 45 crores. The Auditor-General stated that he considered the position to be satisfactory, and the Committee agreed that no further action was required.

9. *Paragraphs 10, 11 and 13—Financial irregularities.*—The Committee agreed that no further action was required with regard to the items mentioned in these paragraphs.

10. *Paragraph 12—Loss of stores in an arsenal.*—It was explained that revised orders had been issued by the Master-General of the Ordnance, under which articles of clothing would be checked by number as well as by weight. It was considered that these revised orders should prevent the possibility of a recurrence of a fraud of this type. The Committee wished to be informed in next year's report whether the audit authorities were satisfied with the working of the new system.

11. *Paragraph 14—Short recovery of rent, water and electricity charges.*—The Committee agreed that considerable progress had been made as compared with previous years. They wished, however, to draw the attention of the authorities concerned to the statement made in paragraph 19 of the report to the effect that specific cases brought to notice seemed to indicate that in many cases loss could be avoided by a stricter observance of the regulations by executive officers.

In connection with this paragraph the Committee agreed that in order to avoid confusion with the Test Audit the Military Accounts Department should in future be referred to as " Accounts " and not as " Audit ".

12. *Paragraph 15—Loss of electric bulbs.*—The Committee noted that the Sub-Divisional Officer who was in charge of the Division where the fraud occurred had merely been passed over for promotion. The Financial Adviser explained that this officer had been acquitted by a court of law, and he had been advised by the legal authorities that after such an acquittal it would not be possible to inflict any severer form of departmental punishment. This led to a general discussion of the question whether departmental action could be taken against a Government servant who has been acquitted on a criminal charge. It was agreed that in cases where there was nothing against the Government servant apart from the specific charge which had been referred to the criminal court it was ordinarily impracticable to impose any departmental punishment, but that suitable departmental action could sometimes be taken in spite of the decision of the court if the conduct of the Government servant in question had been otherwise unsatisfactory.

13. The Committee considered that the wording of the following passages in the report were open to criticism :

(1) *Paragraph 17—Overpayments of pension.*—It was agreed that the note of foreboding sounded in the last sentence of this paragraph was inappropriate in a report of this kind and that audit comment should ordinarily be confined to the established facts.

(2) *Paragraph 26—Surveyors of Works.*—It was agreed that the second last sentence of this paragraph might convey a wrong impression. There was no reason to believe that the audit arrangements were in fact unsatisfactory.

(3) *Paragraph 28—Acceptance of tenders other than the lowest.*—The last sentence of this paragraph might also convey a wrong impression. The intention was understood to be that generally speaking there is now no tendency to accept without good reasons tenders other than the lowest.

14. *Paragraph 32—Disposal of surplus and obsolete stores.*—It was explained that the statement prepared by the Financial Adviser is a complete statement and is seen in its complete form by the audit authorities, but that the latter confine their examination to items which are *prima facie* unsatisfactory. The Committee desired that a further report on the subject should be supplied next year.

The Committee adjourned at 1-15 p.m.

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**Proceedings of the second meeting of the Military Accounts Committee held on Monday, the 19th of July 1937, at 2-30 p.m.**

PRESENT:

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

*Members.*

Mr. B. DAS.

Mr. S. SATYAMURTI.

Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

*Witnesses.*

Mr. C. M. G. OGILVIE, C.B.E., I.C.S., Secretary, Defence Department.

Major-General G. H. ADDISON, C.B., C.M.G., D.S.O., Financial Adviser, Military Finance.

Mr. V. NATESAN, Deputy Financial Adviser, Military Finance.

Mr. M. R. COBURN, O.B.E., Military Accountant-General.

Squadron Leader A. J. Cox, M.B.E., R.A.F.

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. K. R. S. RAU, Director of Audit, Defence Services.

15. The Committee continued the consideration of the report of the Director of Audit, Defence Services.

16. *Paragraph 30.—Stock verification.*—The Military Accountant-General explained, with reference to the last sentence of this paragraph, that until the end of financial year 1935-36 the Military Accounts Department used to carry out a test check of 5 per cent. of the stocks held on charge by fighting units. This test check was found to serve no useful purpose, partly because the local Audit Officer could not actually verify the stocks of many articles such as rifles and clothing in wear and also because in the case of rations the stocks were not and could not be worked out every day in the ration returns. It was accordingly decided that in future the Audit Officer need only see that a certificate was given to the effect that stock had been taken by the executive authorities in accordance with the orders on the subject, and that the test check by him might be discontinued.

17. *Paragraph 33.—Pro-forma account of expenditure on Programme Measures.*—It was explained that the changes in the estimated total cost of the programme were due almost entirely to changes in prices and not to the introduction of new items. The Financial Adviser also stated that according to present estimates the larger part of the balance of about Rs. 1½ crores in the Defence Reserve Fund would probably be exhausted by the end of the financial year 1938-39, and the Chairman explained that in the meantime the Government of India had the use of the balance which served to reduce the amount of Government borrowings. In view of these explanations the Committee agreed that it was not necessary to alter the existing arrangements.

18. *Overstocking of R. A. F. stores.*—At this stage the Committee resumed the consideration of item 22 in the statement of action taken on previous recommendations. Squadron Leader A. J. Cox, the officer in charge of the special work in connection with the revision of the Equipment Regulations and Tables, gave a statement of the position. He explained that the Equipment Regulations had now been completed, and that he hoped to complete the Equipment Tables before the end of the current financial year. The audit authorities would be consulted with regard to all items with which they were concerned. It would probably be impracticable to reach the degree of standardisation which had been attained in some other Services, partly because the Air Force was a comparatively new and rapidly developing service, and partly because its requirements in respect of stores and spare parts were dependent, to a considerable extent, on orders issued (mainly in the interests of safety) by authorities in England. After the Regulations and Tables had been issued, however, audit would be able to exercise a much more efficient check than had hitherto been possible. The Committee agreed that it would be satisfactory if the work could be completed within the period contemplated ; but they wished to be supplied with a further report on the subject next year, and they hoped that that report would show the results of the first review of stocks held against the stock limits which were now being prescribed.

As regards motor transport spare parts, the Financial Adviser explained that when motor transport was first introduced the authorities concerned tended to underestimate the life of the vehicles. This was now being remedied in the light of experience, and he was satisfied that the expenditure now incurred on repairs and spare parts actually resulted in economy since it enabled purchases of new vehicles to be postponed.

19. The remaining paragraphs in the report of the Director of Audit, Defence Services, were briefly considered and it was agreed that no special action was rquired.

*Appropriation Accounts.*

20. *Audit Certificate.*—The Committee considered that the first proviso to this certificate was somewhat misleading since it did not clearly indicate that the " accounts " check had in fact been conducted over the greater part of the field, and that the cases in which the state of Equipment Regulations and Tables prevented an effective check were comparatively few. It was suggested that the drafting of the proviso should be reconsidered in connection with next year's report.

The Military Accountant-General explained that the second proviso would probably not appear in future reports since the revision of the rules relating to the issue of oil had now been completed.

The Auditor-General stated that the third proviso need not have been included at all since the fund in question is not one which the Military Accounts Department or Test Audit are required to audit, although the Military Accounts Department may in some cases undertake the audit of such funds at the request of the military authorities concerned.

21. *Statement of items of expenditure for which higher sanction was necessary.*—It was suggested that some of these items indicated serious delay in the passing of orders. The Financial Adviser, however, pointed out that this might be due to cases being detected by audit a long time after they actually occurred. The Auditor-General stated that he was satisfied with the position, and the Committee agreed that no special action was necessary.

22. *Paragraph 48—Indian Army Ordnance Corps.*—It was explained that the transfer of funds to other heads to meet expenditure on the repair of optical instruments was probably due to the decision that work in connection with such instruments should be done in military workshops instead of the Mathematical Instruments Office at Calcutta. The Committee considered that explanations of this kind should be given in the comments, since otherwise it might be suspected that funds were provided merely because they happened to be available and not because the item in question was unavoidable or specially urgent.

23. *Paragraph 54—Cantonments.*—It was noted that this increase was due to a change of accounting procedure introduced by the audit authorities during the course of the year. The Auditor-General agreed that such changes should ordinarily be introduced only at the beginning of a new financial year. The Committee considered that in order to reduce the number of avoidable variations in the estimates this general rule should be brought to the notice of all the authorities concerned.

24. *Paragraph 93—Expenditure in England on the purchase and sale of stores, equipment and animals.*—The Committee considered that the provision made for this item should be further examined, and that if it were found that similar savings had occurred in previous years a reduction should be made in the appropriations included in future budgets.

25. *Paragraph 113—Contribution towards the cost of landing grounds on the Singapore Air Route.*—In connection with this item there was some discussion regarding the general procedure of the military authorities in providing funds for unforeseen expenditure which has to be met during the course of the year. It was explained that they do not follow the practice adopted in connection with most of the Civil Demands of re-appropriating funds from a specific item to a specific item, but that the total amount of savings available is first calculated and the Financial Adviser then issues an omnibus order sanctioning a series of reappropriations from these savings.

26. *Paragraph 136 and Appendix K.—Variations between original appropriations and expenditure during the year.*—Further information was given with regard to some of the items included in the appendix. The Committee were satisfied except with regard to item 27 where the explanation given was considered to be inadequate.

The Committee adjourned at 5 p.m.

**Proceedings of the third meeting of the Military Accounts Committee held on Tuesday, the 20th of July 1937, at 11 a.m.**

PRESENT:

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

*Members.*

Mr. B. DAS.

Mr. S. SATYAMURTI.

Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

*Witnesses.*

Mr. C. M. G. OGILVIE, C.B.E., I.C.S., Secretary, Defence Department.

Major-General G. H. ADDISON, C.B., C.M.G., D.S.O., Financial Adviser, Military Finance.

Mr. V. NATESAN, Deputy Financial Adviser, Military Finance.

Mr. M. R. COBURN, O.B.E., Military Accountant-General.

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. K. R. S. RAU, Director of Audit, Defence Services.

27. The Committee continued the examination of the Appropriation Accounts and considered the items shown in Appendix K—Part B—Variations between original appropriations and expenditure in respect of works completed during the year. The Committee were not entirely satisfied with some of the explanations given for these variations, but it was agreed that there had been a considerable improvement in the standard of estimating for military works during recent years, and that the engineers were not responsible for some of the remaining variations, which were due to orders issued by the administrative authorities.

28. *Accelerated payment of bills in March.*—The Committee noted that the figures given in paragraph 138 of the report indicated that there was still a marked tendency for payments in March to be exceptionally high and payments in April to be exceptionally low. The Auditor-General stated in this connection that he had recently received a report to the effect that bills to the extent of about Rs. 2½ lakhs had been paid without pre-audit during the month of March in one of the Military Commands. This suggested that in spite of the orders which had already been issued on the subject the rush of payments during March was still resulting in some slackening of audit control. The Financial Adviser and the Military Accountant-General considered that it would be impossible to avoid some increase of work in the Accounts Offices during March, especially as the end of the financial year happened to coincide with the end of the cold weather during which the greater part of the expenditure was bound to be incurred. It was agreed, however, that this rush of work should not

be allowed to result in any relaxation of control. The Committee wished to have a further report on this question next year, and hoped that in the meantime measures would be taken to prevent a recurrence, in March 1938, of cases such as those mentioned by the Auditor-General.

29. *Paragraph 141—Writing down of the value of stores.*—The Chairman drew attention to the statement that " the increase under losses was due to the writing down of the value of stores to their market value ", and enquired whether the money involved became available for other purposes. The Auditor-General undertook to investigate the accounting arrangements in connection with such transactions.

30. *Paragraph 147—Stores purchases.*—It was agreed that the Chief Controller of Stores, when he appeared before the Public Accounts Committee, should be asked whether he is satisfied that the military authorities are now making as large a proportion of their purchases through his organisation as can reasonably be expected.

31. *Appendices.*—It was agreed, on the suggestion of the Auditor-General, that the more logical order for the Appendices would be D, A, C, B, and that this re-arrangement should be carried out in future reports.

In connection with Appendix F (Disposals Organisation) it was suggested that particulars of surplus stores which had been written off or remained unsold should also be shown. The Financial Adviser explained that this would be impracticable, and the Auditor-General stated that he had no reason to believe that there was in fact an unnecessary accumulation of surplus stores. It was agreed that definite figures need not be given but that the Defence Department should investigate the question and that their conclusions should be stated in next year's report with an explanation of the method by which the conclusions had been reached.

*Commercial Appendix.*

32. *Dairy Farms.*—In connection with the statement made in paragraph 7 of the Financial Adviser's review that the dairy farms are expected on the whole to be self-supporting but not a source of profit, the question was raised whether these farms should not try to make a profit at least in respect of their sales to the public. It was explained that such sales constitute an almost insignificant fraction of the total, and that the farms had in fact made a small profit of 3.4 per cent. in 1935-36 as compared with 2.03 per cent. in 1934-35. The Committee agreed that in these circumstances it was unnecessary to reconsider the existing policy.

33. *Medical Stores.*—The question was raised whether these Stores should not be used only to meet the requirements of the army. It was explained, however, that this would result in a large increase in the total loss. The Auditor-General stated that the only Provincial Government which had tried to purchase medical stores in the open market was the Government of Madras, and they had come back to the Medical Stores Depots after a comparatively short period. On the other hand, there had been no complaint from the trade with regard to undercutting of prices. The conclusion which appeared to follow from this was that the Department was being efficiently run and that the prices were being fixed at about the right level. The Committee agreed that no special action was required.

34. *Mechanisation of cost accounting.*—In connection with paragraph 32 of the Review a member of the Committee pointed out that the Railway Department had not found mechanised accounting to be entirely successful. The Financial Adviser, however, stated that its value in the Military Accounts Offices had been definitely established, and that the only experimental element now was the application of the method to new types of accounts. Considerable savings in money had already been realised, and there was also a great saving of time.

35. *Loss of fodder in grass farms.*—The Committee noted that the Director of Audit, Defence Services, in paragraph 2 of his report, remarked that the increase in losses in two of the Circles would seem to call for remedial action. The Secretary, Defence Department, explained that the average loss was less than 1 per cent., and that cases where the loss had been abnormally high were being further investigated. In view of this explanation the Committee did not consider it necessary to make any recommendation on the subject.

36. *Stock position in Army Factories.*—A member of the Committee drew attention to the fact that the stocks at certain factories were considerably in excess of the suggested limits of three months' consumption in the case of local supplies and six months' in the case of supplies obtained from abroad. The Secretary, Defence Department, stated that in his opinion the supplies were not on the whole in excess of requirements, and that in the case of certain types of stores which were not obtainable in India a six months' supply was definitely inadequate.

*Secretary of State's Accounts.*

37. The Committee noted that the first paragraph of the Auditor's report on the military accounts of the Secretary of State indicated that there might be some inadequacy in the method of charging the War Office with the pay of the officers serving with a lent unit. They hoped that a further report would be given on this question next year.

38. The remainder of the Secretary of State's accounts and the accounts of the High Commissioner for India were briefly considered, and it was agreed that they did not call for any special action.

39. The Committee agreed that the accounts submitted to them this year maintained the high standard of previous years.

The Committee adjourned at 1-15 p.m.

**APPEN**

*Statement showing action taken or proposed to be taken on recommendations,*
PART I.—Civil, Military and

| Serial No. | Year of Report. | Paragraph of Report or Proceedings. | Recommendations or suggestions. |
|---|---|---|---|
| | | | *Civil (Auditor General).* |
| 1 | 1934-35 | 15 R. .. 36 P. | That the process of accounting of the expenditure of the Road Development Fund should be examined and the result of the investigations made available to the Committee next year. |
| | | | *Civil (Finance).* |
| 2 | 1934-35 | 11 R. .. 3 P. | That Government should consider whether when special funds are set up in future from revenue surpluses they should not be constituted by a vote for a specific amount. |
| 3 | 1934-35 | 6 P. .. | That the Finance Department should consider the question of amalgamating the sub-heads A1(1) —Interest on Permanent Debt, and A1(2)—Reserve Provision for service of new loan under Grant no. 25—Interest on Ordinary Debt. |
| 4 | 1934-35 | 6 P. .. | That the question of giving the Financial Representative on the New Delhi Municipality special powers, *e.g.*, to call for records having a financial bearing, and to make reports direct to the Chief Commissioner, Delhi, should be considered and a report made to the Committee in due course. |
| 5 | 1934-35 | 17 R. .. 6 P. | That refunds should strictly be treated as deductions from revenue instead of as expenditure and the practice of including them in the Demands for Grants and Appropriation Accounts should be discontinued from 1st April 1937. |
| 6 | 1934-35 | 24 P. .. | That in the course of a year new projects should be sanctioned only on grounds of real urgency or because they produced economy. |
| 7 | 1934-35 | 47 P. .. | That the Government of India should consider the whole policy of giving house building, motor car and other advances to Government servants. |
| | | | *Civil (Education, Health and Lands).* |
| 8 | 1934-35 | 13 P. .. | That the possibility of increasing the income and decreasing the expenditure of the Karnal Farm should be considered. |

## DIX I.

*etc., previously made by Public Accounts Committee.*

Posts and Telegraphs.

| Action taken or proposed to be taken. |
|---|
| On an examination of the existing procedure the Auditor-General has decided to include in future a suitable note under Grant no. 73-Civil Works, in the Appropriation Accounts (Civil), bringing together and explaining in one place the various transactions connected with the Road Development account which now appear under several distinct sub-heads so that the scope and objects of the expenditure will be easily comprehensible. He considers that no other change is necessary. The question of settling the complete programme of works at the beginning of the year, instead of dealing with it in two instalments as at present, is under consideration. |
| Noted. |
| The change has been introduced in the Demands for Grants for 1937-38. |
| The Financial Representative has been empowered to call for any papers having a financial significance, and to make representations either to the President of the Committee or to the Chief Commissioner. |
| The change has been introduced from 1st April 1937. |
| Noted. |
| The Government of India have decided to discontinue the grant of these advances. |
| Noted. |

| Serial No. | Year of Report. | Paragraph of Report or Proceedings. | Recommendations or suggestions. |
|---|---|---|---|
| | | | *Civil (Foreign and Political).* |
| 9 | 1929-30<br>1934-35 | 114 P. ..<br>27 P. | That the question of the incidence of Persian Gulf Expenditure should be considered. |
| 10 | 1932-33<br>1933-34<br>1934-35 | 14 R. ..<br>16 R.<br>13 R.<br>26 P. | That the Khassadar and other irregular excluded funds in the North West Frontier Province be closed down under proper audit within two to three months. |
| | | | *Civil (Industries and Labour).* |
| 11 | 1926-27<br>1928-29<br>1929-30<br>1933-34<br>1934-35 | 25 R. ..<br>91 P.<br>118 P.<br>36 P.<br>20 P. | That the Government of India should consider the question of allocation of ecclesiastical expenditure between Civil and Defence Departments. |
| 12 | 1932-33<br>1933-34<br>1934-35 | 31 P. ..<br>14 R.<br>23 P. | That in view of the large drop in value of stores purchased from the India Stores Department, London, the question of amalgamating it with the Indian Stores Department should be considered. |
| 13 | 1934-35 | 18 P. .. | That the question of the abolition of the Hastings Street Press and transferring its work to the Dharamtala Press be examined and a report made to the Committee in due course. |
| 14 | 1934-35 | 22 P. .. | That the desirability of scrapping Avro X be considered if there was to be no increase in its use for Government purposes. |
| 15 | 1934-35 | 49 P. .. | That the Government of India consider the advisability of utilising the services of the Central Public Works Department more freely for the Posts and Telegraphs Department and other Departments as well. |
| | | | *Civil (Commerce).* |
| 16 | 1934-35 | 32 P. .. | That the existing procedure of transferring at the end of the year the excess of receipts over expenditure to the general reserve fund of Lighthouses and Lightships by a vote be examined in consultation with the Auditor General. |

| Action taken or proposed to be taken. |
| --- |
| The matter is under consideration. |
| All the Khassadar and other irregular funds have been closed and their past transactions are being audited by the Comptroller, North West Frontier Province. |
| A Committee was appointed by the Government of India to investigate the question. Their report is under consideration. |
| Sir James Pitkeathly has investigated this question and the Government of India are awaiting his report. |
| The question of the amalgamation of the Hastings Street Press with the Dharamtala Press is already under examination, and the Controller of Printing has been asked to prepare the necessary estimates and submit them to the Government of India. |
| It has been decided that the aeroplane should be given to the Aeronautical Training Centre, Delhi. |
| It does not appear to be practicable to make any radical change in the existing procedure since in many cases it would be both inconvenient and expensive to substitute the Central for the Provincial Public Works Department. The Central Government will however retain liberty to negotiate with a Provincial Government with a view to obtaining their agreement for the central execution of particular works when circumstances make this desirable. |
| The excess of receipts over expenditure of the Lighthouses and Lightships Department, as worked out from its commercial accounts, is transferred under rule 42 of the Lighthouse Accounting Rules each year to the General Reserve Fund—Lighthouses and Lightships—by debit to the minor head "Contribution to the General Reserve Fund" under the major head "27 (1) Lighthouses and Lightships". Thus it is through this head "Contribution to the General Reserve Fund", that a certain portion of the increased revenue taken to a receipt head of account is appropriated to the General Reserve. The Auditor-General is of opinion that more principles of accounts and expenditure control would be broken by avoiding the present arrangement, anomalous though it may seem, than are infringed by having a technical excess over grant. He also observes that a formal excess is inevitable with an improving commercial position. |

| Serial No. | Year of Report. | Paragraph of Report or Proceedings. | Recommendations or suggestions. |
|---|---|---|---|
| | | | *Military.* |
| 17 | 1930-31<br>1931-32<br>1932-33<br>1933-34<br>1934-35 | 1 R. Military<br>3 R. Accounts<br>2 P. Committee.<br>4 R.<br>3 R.<br>2 P. | That the revision of the Army Regulations be completed as soon as possible. |
| 18 | 1932-33<br>1933-34 | 33 P. Military<br>11 P. Accounts Committee. | That a report be made to the Committee after 2 years as to the success or otherwise of the scheme under which trained Public Works Department Accountants are taken for the Military Engineer Services. |
| 19 | 1934-35 | 5 R. Military<br>6 P. Accounts<br>25 P. Committee. | That the appendices A and F to the Appropriation Accounts of the Defence Services be discontinued in future. |
| 20 | 1934-35 | 2 R. Military<br>10 P. Accounts Committee. | That the Financial Adviser, Military Finance, should, in consultation with the Auditor-General, examine the question of the control of expenditure relating to the Military Engineer Services so as to conform expenditure more closely to the original programme as specified in the budget and report the result to the Committee next year. They should also investigate whether a specific provision in the reserve for the regrant of lapses would not lessen the rush of expenditure in the last quarter of the year. |
| 21 | 1934-35 | 8 P. Military Accounts Committee. | That an exhortation be made for closer estimating to the various spending authorities. |
| 22 | 1934-35 | 18 P. Military<br>19 P. Accounts Committee. | That the position regarding the overstocking of the R. A. F. Stores and Mechanical Transport Spares be investigated and a report submitted to the Committee next year. |
| 23 | 1934-35 | 20 P. Military Accounts Committee. | That the Director of Audit, Defence Services, report on the question of the non-recovery or short-recovery of rent, water and electrical charges, etc., rather more specifically next year. |
| 24 | 1934-35 | 21 P. Military Accounts Committee. | That the question of the payment of lodging allowance to military officers be investigated and a report submitted next year. |
| 25 | 1934-35 | 4 R. Military<br>24 P. Accounts Committee. | That in the budget and appropriation accounts each individual item of transfer to and from the Defence Reserve Fund should be shown separately to facilitate appropriation audit. |
| | | | *Posts and Telegraphs.* |
| 26 | 1934-35 | 50 P. .. | That the question of a lack of co-ordination between the Posts and Telegraphs and Printing Departments in effecting corresponding adjustments be investigated. |

| Action taken or proposed to be taken. |
| --- |
| A memorandum showing the progress made has been submitted to the Committee (appendix IX). |
| A report has been submitted to the Committee (appendix X). |
| The recommendation has been adopted in the Appropriation Accounts for 1935-36. |
| The question has been dealt with in the Critical Review of M. E. S. expenditure *vide* paragraphs 134 to 136 and 138 of the Appropriation Accounts of Defence Services for 1935-36. Provision has been made in the Budget for 1937-38 for the re-grant of amounts surrendered, so far as they are known. |
| The Committee's recommendation has been brought to the notice of the estimating authorities. |
| A report has been submitted to the Committee (appendix XI). |
| See paragraph 14 of the Audit Report, Defence Services, 1937. |
| A report has been submitted to the Committee (appendix XII). |
| The transfer from the Defence Reserve Fund to the Budget has been shown in the Budget for 1937-38 under the relevant heads. The question of showing such transfers in the Appropriation Accounts is still under examination. |
| The question has been examined by the Departments concerned and it is hoped that better results will be achieved in future. |

# APPENDIX II.

## Statement comparing expenditure with grants for 1935-36.

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| PART I.—CIVIL. | Rs. | Rs. | Rs. | Rs. |
| A.—EXPENDITURE CHARGED TO REVENUE. | | | | |
| 16. Customs— | | | | |
| Voted .. .. .. | 78,81,000 | 77,97,854 | 83,146 | .. |
| *Non-voted* .. .. | *37,81,700* | *37,62,988* | *18,712* | .. |
| 17. Taxes on Income— | | | | |
| Voted .. .. .. | 88,41,000 | 87,74,744 | 66,256 | .. |
| *Non-voted* .. .. | *1,87,127* | *1,88,151* | .. | *1,024* |
| 18. Salt— | | | | |
| Voted .. .. | 74,80,900 | 74,63,486 | 17,414 | .. |
| *Non-voted* .. | *44,46,745* | *44,47,110* | .. | *365* |
| 19. Opium— | | | | |
| Voted .. .. | 34,23,000 | 33,05,414 | 1,17,586 | .. |
| *Non-voted* .. | *1,59,260* | *1,59,467* | .. | *207* |
| 19-A. Excise— | | | | |
| Voted .. .. | 4,84,000 | 4,83,842 | 158 | |
| *Non-voted* .. | *2,15,500* | *2,13,295* | *2,205* | |
| 20. Stamps— | | | | |
| Voted .. .. | 18,42,000 | 16,92,162 | 1,49,838 | |
| *Non-voted* .. | *33,700* | *31,463* | *2,237* | |
| 21. Forest— | | | | |
| Voted .. .. .. | 5,13,000 | 5,00,108 | 12,892 | |
| *Non-voted* .. .. | *1,45,000* | *1,42,611* | *2,389* | |
| 22. Irrigation, etc.—Charged to Revenue— | | | | |
| Voted .. .. .. | 3,95,000 | 3,40,630 | 54,370 | .. |
| *Non-voted* .. .. .. | *3,08,000* | *2,89,883* | *18,117* | .. |
| 25. Interest on Ordinary Debt, etc.— | | | | |
| Voted .. .. .. | 42,39,000 | 41,67,826 | 71,174 | .. |
| *Non-voted* .. .. | *1,62,63,000* | *1,62,37,577* | *25,423* | .. |
| 26. Interest on Miscellaneous Obligations— | | | | |
| Voted .. .. .. | 66,28,000 | 66,78,358 | .. | 50,358 |
| *Non-voted* .. .. | *10,85,70,000* | *10,79,01,013* | *6,68,987* | .. |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| | Rs. | Rs. | Rs. | Rs. |
| PART I.—CIVIL. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE—(continued). | | | | |
| 27. Staff, Household and Allowances of the Governor-General— | | | | |
| Voted .. .. .. | 4,60,000 | 4,43,087 | 16,913 | .. |
| *Non-voted* .. .. | *9,51,974* | *9,53,310* | .. | *1,336* |
| 28. Executive Council— | | | | |
| Voted .. .. .. | 90,000 | 1,00,381 | .. | 10,381 |
| *Non-voted* .. .. | *4,77,400* | *4,77,498* | .. | *98* |
| 29. Council of State— | | | | |
| Voted .. .. .. | 1,34,000 | 1,26,493 | 7,507 | .. |
| *Non-voted* .. .. | *6,000* | *4,917* | *1,083* | .. |
| 30. Legislative Assembly and Legislative Assembly Department— | | | | |
| Voted .. .. .. | 7,25,000 | 7,38,556 | .. | 13,556 |
| *Non-voted* .. .. | *81,000* | *56,308* | *24,692* | .. |
| 31. Foreign and Political Department— | | | | |
| Voted .. .. .. | 9,33,000 | 9,09,072 | 23,928 | .. |
| *Non-voted* .. .. | *2,76,000* | *2,77,215* | .. | *1,215* |
| 32. Home Department— | | | | |
| Voted .. .. .. | 6,79,900 | 6,66,041 | 13,859 | .. |
| *Non-voted* .. .. | *11,75,584* | *11,72,849* | *2,735* | .. |
| 33. Public Service Commission— | | | | |
| Voted .. .. .. | 1,79,000 | 1,79,605 | .. | 605 |
| *Non-voted* .. .. .. | *2,06,557* | *2,06,388* | *169* | .. |
| 34. Legislative Department— | | | | |
| Voted .. .. .. | 3,10,000 | 3,08,216 | 1,784 | .. |
| *Non-voted* .. .. | *1,97,800* | *1,97,309* | *491* | .. |
| 35. Department of Education, Health and Lands— | | | | |
| Voted .. .. | 6,05,000 | 5,53,706 | 51,294 | .. |
| *Non-voted* .. | *1,55,285* | *1,55,819* | .. | *534* |
| 36. Finance Department— | | | | |
| Voted .. .. .. | 9,91,000 | 9,88,194 | 2,806 | .. |
| *Non-voted* .. .. | *3,34,467* | *3,34,239* | *228* | .. |
| 38. Commerce Department— | | | | |
| Voted .. .. .. | 3,95,000 | 3,92,405 | 2,595 | .. |
| *Non-voted* .. .. | *1,24,100* | *1,24,379* | .. | *279* |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| PART I—CIVIL. | Rs. | Rs. | Rs. | Rs. |
| A.—EXPENDITURE CHARGED TO REVENUE—(continued). | | | | |
| 39. Defence Department— | | | | |
| Voted .. .. .. | 4,31,000 | 4,11,232 | 19,768 | .. |
| *Non-voted* .. .. | *92,594* | *92,300* | *294* | .. |
| 40. Department of Industries and Labour— | | | | |
| Voted .. .. .. | 4,84,000 | 4,72,819 | 11,181 | .. |
| *Non-voted* .. .. | *1,29,540* | *1,29,491* | *49* | .. |
| 41. Central Board of Revenue— | | | | |
| Voted .. .. .. | 2,08,000 | 2,07,902 | 98 | .. |
| *Non-voted* .. .. | *1,46,400* | *1,44,923* | *1,477* | .. |
| 42. Payments to Provincial Governments, etc.— | | | | |
| Voted .. .. .. | 1,56,000 | 1,55,404 | 596 | .. |
| *Non-voted* .. .. | *66,370* | *66,206* | *164* | .. |
| 43. Audit— | | | | |
| Voted .. .. .. | 96,91,000 | 96,13,039 | 77,961 | .. |
| *Non-voted* .. .. | *3,43,000* | *3,46,475* | .. | *3,475* |
| 44. Administration of Justice— | | | | |
| Voted .. .. .. | 55,000 | 54,641 | 359 | .. |
| 45. Police— | | | | |
| Voted .. .. .. | 2,19,000 | 1,75,201 | 43,799 | .. |
| *Non-voted* .. .. | *82,019* | *78,030* | *3,989* | .. |
| 46. Ports and Pilotage— | | | | |
| Voted .. .. .. | 11,52,000 | 11,51,781 | 219 | .. |
| *Non-voted* .. .. | *9,06,200* | *9,04,146* | *2,054* | .. |
| 47. Lighthouses and Lightships— | | | | |
| Voted .. .. .. | 9,40,000 | 9,46,405 | .. | 6,405 |
| *Non-voted* .. .. | *20,216* | *20,216* | .. | .. |
| 48. Survey of India— | | | | |
| Voted .. .. .. | 21,11,000 | 19,21,817 | 1,89,183 | .. |
| *Non-voted* .. .. | *5,50,200* | *5,41,406* | *8,794* | .. |
| 49. Meteorology— | | | | |
| Voted .. .. .. | 18,81,000 | 17,09,680 | 1,71,320 | .. |
| *Non-voted* .. .. | *89,960* | *89,712* | *248* | .. |
| 50. Geological Survey— | | | | |
| Voted .. .. .. | 2,02,000 | 1,95,490 | 6,510 | .. |
| *Non-voted* .. | *2,03,430* | *2,01,147* | *2,283* | .. |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| | Rs. | Rs. | Rs. | Rs. |
| PART I.—CIVIL. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE—(continued). | | | | |
| 51. Botanical Survey— | | | | |
| Voted .. .. .. | 1,22,000 | 1,20,952 | 1,048 | |
| *Non-voted* .. .. | *31,703* | *28,909* | *2,794* | |
| 52. Zoological Survey— | | | | |
| Voted .. .. .. | 83,000 | 80,937 | 2,063 | |
| *Non-voted* .. .. | *47,000* | *46,990* | *10* | |
| 53. Archæology— | | | | |
| Voted .. .. .. | 9,48,000 | 9,47,594 | 406 | .. |
| *Non-voted* .. .. | *94,967* | *95,527* | .. | *560* |
| 54. Mines— | | | | |
| Voted .. .. .. | 1,24,000 | 1,24,815 | .. | 815 |
| *Non-voted* .. .. | *1,08,062* | *1,08,707* | .. | *645* |
| 55. Other Scientific Departments— | | | | |
| Voted .. .. .. | 2,55,000 | 2,54,980 | 20 | .. |
| 56. Education— | | | | |
| Voted .. .. .. | 6,11,000 | 6,04,058 | 6,942 | .. |
| *Non-voted* .. .. | *27,186* | *27,177* | *9* | .. |
| 57. Medical Services— | | | | |
| Voted .. .. | 6,22,000 | 6,24,714 | | 2,714 |
| *Non-voted* .. | *2,19,609* | *2,17,337* | | *6,728* |
| 58. Public Health— | | | | |
| Voted .. .. .. | 7,71,000 | 7,65,695 | 5,305 | .. |
| *Non-voted* .. .. | *1,63,970* | *1,63,484* | *486* | .. |
| 59. Agriculture— | | | | |
| Voted .. .. .. | 18,65,000 | 18,35,152 | 29,848 | .. |
| *Non-voted* .. .. | *61,174* | *56,332* | *4,842* | .. |
| 60. Imperial Council of Agricultural Research Department— | | | | |
| Voted .. .. .. | 9,17,000 | 9,16,868 | 132 | .. |
| *Non-voted* .. .. | *1,08,977* | *1,08,769* | *208* | .. |
| 60-A. Scheme for the Improvement of Agricultural Marketing in India— | | | | |
| Voted .. .. .. | 4,73,000 | 4,36,353 | 36,647 | .. |
| 61. Civil Veterinary Services— | | | | |
| Voted .. .. .. | 6,90,000 | 6,63,776 | 26,224 | .. |
| *Non-voted* .. .. | *43,200* | *43,056* | *144* | .. |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| | Rs. | Rs. | Rs. | Rs. |
| PART I.—CIVIL. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE—(continued). | | | | |
| 62. Industries— | | | | |
| Voted .. .. | 7,44,000 | 6,68,259 | 75,741 | .. |
| *Non-voted* .. .. | *3,240* | *3,189* | *51* | .. |
| 63 Aviation— | | | | |
| Voted .. .. .. | 16,55,000 | 16,13,166 | 41,834 | .. |
| *Non-voted* .. .. | *11,500* | *11,537* | .. | *37* |
| 63-B. Expenditure on the Development of Civil Aviation met from the Fund— | | | | |
| Voted .. .. .. | 1,000 | | 1,000 | .. |
| 64. Commercial Intelligence and Statistics— | | | | |
| Voted .. .. .. | 5,18,000 | 4,97,396 | 20,604 | .. |
| *Non-voted* .. .. | *63,400* | *63,003* | *397* | .. |
| 65. Census— | | | | |
| Voted .. .. .. | 1,000 | 1,644 | .. | 644 |
| *Non-voted* .. .. | *144* | *194* | .. | *50* |
| 66. Emigration—Internal— | | | | |
| Voted .. .. .. | 16,000 | 14,837 | 1,163 | .. |
| *Non-voted* .. .. | *2,400* | *2,401* | .. | *1* |
| 67. Emigration—External— | | | | |
| Voted .. .. .. | 1,91,000 | 2,02,464 | .. | 11,464 |
| *Non-voted* .. .. | *53,658* | *53,107* | *551* | .. |
| 68. Joint Stock Companies— | | | | |
| Voted .. .. .. | 1,29,000 | 1,16,651 | 12,349 | .. |
| *Non-voted* .. .. | *16,403* | *16,163* | *240* | .. |
| 69. Miscellaneous Departments— | | | | |
| Voted .. .. .. | 8,66,000 | 8,25,421 | 40,579 | .. |
| *Non-voted* .. .. | *25,032* | *24,914* | *118* | .. |
| 69-B. Expenditure on the Development of Broadcasting met from the Fund— | | | | |
| Voted .. .. .. | 1,000 | | 1,000 | |
| 70. Indian Stores Department— | | | | |
| Voted .. .. .. | 19,67,000 | 19,29,002 | 37,998 | .. |
| *Non-voted* .. .. | *1,47,000* | *1,47,615* | .. | *615* |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| | Rs. | Rs. | Rs. | Rs. |
| PART I.—CIVIL. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE—(continued). | | | | |
| 71. Currency— | | | | |
| Voted .. .. .. | 19,19,000 | 19,06,079 | 12,921 | .. |
| *Non-voted* .. .. | *70,700* | *72,437* | .. | *1,737* |
| 72. Mint— | | | | |
| Voted .. .. .. | 22,37,000 | 21,12,699 | 1,24,301 | |
| *Non-voted* .. .. | *76,500* | *76,281* | *219* | |
| 73. Civil Works— | | | | |
| Voted .. .. .. | 2,15,85,000 | 2,09,87,170 | 5,97,830 | .. |
| *Non-voted* .. .. | *15,34,000* | *15,34,603* | .. | *603* |
| 74. Superannuation Allowances and Pensions— | | | | |
| Voted .. .. .. | 1,13,55,000 | 97,60,566 | 15,94,434 | .. |
| *Non-voted* .. .. | *2,04,11,600* | *2,02,70,430* | *1,41,170* | .. |
| 75. Stationery and Printing— | | | | |
| Voted .. .. .. | 34,69,000 | 33,06,614 | 1,62,386 | .. |
| *Non-voted* .. .. | *47,464* | *47,463* | *1* | .. |
| 76. Miscellaneous— | | | | |
| Voted .. .. .. | 23,78,000 | 22,40,736 | 1,37,264 | .. |
| *Non-voted* .. .. | *27,72,325* | *28,16,618* | .. | *44,293* |
| 76-A. Expenditure on Retrenched personnel charged to Revenue— | | | | |
| Voted .. .. .. | 56,000 | 45,899 | 10,101 | .. |
| *Non-voted* .. .. | *10,940* | *10,160* | *780* | .. |
| 76-B. Miscellaneous Adjustments between the Central and Provincial Governments— | | | | |
| Voted .. .. .. | 2,12,14,000 | 2,04,76,170 | 7,37,830 | .. |
| *Non-voted* .. .. | *1,01,37,369* | *1,01,37,369* | .. | .. |
| 76-E. Transfer to the Fund for Sind and Orissa Buildings— | | | | |
| Voted .. .. .. | 45,00,000 | 45,00,000 | .. | .. |
| 76-F. Transfer to the Revenue Reserve Fund— | | | | |
| Voted .. .. .. | 1,97,00,000 | 1,84,09,026 | 12,90,974 | .. |
| 77. Refunds— | | | | |
| Voted .. .. .. | 1,45,75,000 | 1,53,43,038 | .. | 7,68,038 |
| *Non-voted* .. .. | *3,02,53,138* | *2,96,35,699* | *6,17,439* | .. |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| | Rs. | Rs. | Rs. | Rs. |
| PART I.—CIVIL. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE—(continued). | | | | |
| 79. Baluchistan— | | | | |
| Voted .. .. .. | 68,29,800 | 68,23,683 | 6,117 | |
| *Non-voted* .. .. | *44,74,700* | *44,54,886* | *19,814* | |
| 80. Delhi— | | | | |
| Voted .. .. .. | 44,69,000 | 44,79,718 | .. | 10,718 |
| *Non-voted* .. .. | *2,32,110* | *2,28,005* | *4,105* | .. |
| 81. Ajmer-Merwara— | | | | |
| Voted .. .. .. | 14,71,000 | 14,55,299 | 15,701 | .. |
| *Non-voted* .. .. | *1,47,995* | *1,49,066* | .. | *1,071* |
| 82. Andamans and Nicobar Islands— | | | | |
| Voted .. .. .. | 27,19,000 | 27,03,368 | 15,632 | .. |
| *Non-voted* .. .. | *2,17,750* | *2,18,037* | .. | *287* |
| 83. Rajputana— | | | | |
| Voted .. .. .. | 3,99,000 | 3,96,978 | 2,022 | |
| *Non-voted* .. .. | *7,36,130* | *7,33,772* | *2,358* | |
| 84. Central India— | | | | |
| Voted .. .. .. | 3,27,000 | 3,19,412 | 7,588 | .. |
| *Non-voted* .. .. | *6,13,945* | *6,16,672* | .. | *2,727* |
| 85. Hyderabad | | | | |
| Voted .. .. .. | 42,000 | 43,594 | | 1,594 |
| *Non-voted* .. .. | *5,36,526* | *5,37,957* | | *1,431* |
| 85-A. Aden— | | | | |
| Voted .. .. .. | 5,74,000 | 5,72,906 | 1,094 | .. |
| *Non-voted* .. .. | *3,59,801* | *3,57,911* | *1,890* | .. |
| 86. Expenditure in England—Secretary of State for India— | | | | |
| Voted .. .. .. | 22,63,000 | 22,21,902 | 41,098 | .. |
| *Non-voted* .. .. | *18,17,000* | *18,17,915* | .. | *915* |
| 87. Expenditure in England—High Commissioner for India— | | | | |
| Voted .. .. .. | 26,39,000 | 25,16,814 | 1,22,186 | .. |
| *Non-voted* .. .. | *32,91,000* | *32,76,998* | *14,002* | .. |
| *Ecclesiastical—* | | | | |
| *Non-voted* .. .. | *28,16,376* | *28,01,812* | *14,564* | |
| *Political—* | | | | |
| *Non-voted* .. .. | *1,23,63,010* | *1,21,86,954* | *1,76,056* | |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| PART I.—CIVIL. | Rs. | Rs. | Rs. | Rs. |
| A.—EXPENDITURE CHARGED TO REVENUE—(concluded). | | | | |
| *Frontier Watch and Ward—* | | | | |
| *Non-voted* .. .. | *1,94,08,226* | *1,93,41,892* | *66,334* | .. |
| *Territorial and Political Pensions—* | | | | |
| *Non-voted* .. .. | *30,99,000* | *30,63,991* | *35,009* | .. |
| *Bangalore—* | | | | |
| *Non-voted* .. | *14,67,074* | *14,61,739* | *5,335* | .. |
| *Western India States Agency—* | | | | |
| *Non-voted* .. .. | *18,02,771* | *17,93,472* | *9,299* | .. |
| Total—Expenditure charged to Revenue. | 46,41,92,803 | 45,68,00,387 | 83,39,941 | 9,47,525 |
| Total { Voted .. | 20,30,49,600 | 19,74,91,996 | 64,34,896 | 8,77,292 |
| Total { *Non-voted* .. | *26,11,43,203* | *25,93,08,391* | *19,05,045* | *70,259* |
| B.—EXPENDITURE CHARGED TO CAPITAL. | | | | |
| 88. Capital Outlay on Security Printing— | | | | |
| Voted .. .. .. | 1,000 | —90,247 | 91,247 | .. |
| 89. Forest Capital Outlay— | | | | |
| Voted .. .. .. | 1,000 | .. | 1,000 | .. |
| 90. Irrigation Works (Not charged to Revenue)— | | | | |
| Voted .. .. .. | 1,000 | | 1,000 | |
| 92-A. Capital Outlay on Schemes of Agricultural Improvement and Research— | | | | .. |
| Voted .. .. .. | 27,65,000 | 20,80,878 | 6,84,122 | |
| 93. Currency Capital Outlay— | | | | |
| Voted .. .. .. | 1,000 | —76,589 | 77,589 | .. |
| *Non-voted* .. .. | *5,00,00,000* | *5,18,99,269* | .. | *18,99,269* |
| 94. Capital Outlay on Vizagapatam Port— | | | | |
| Voted .. .. | 12,50,000 | 5,47,860 | 7,02,140 | |
| *Non-voted* .. | *—32,000* | *—32,271* | *271* | |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| PART I.—CIVIL. | Rs. | Rs. | Rs. | Rs. |
| B.—EXPENDITURE CHARGED TO CAPITAL—(continued). | | | | |
| 95. Capital Outlay on Lighthouses and Lightships (Not charged to Revenue)— | | | | |
| Voted .. .. | 1,000 | | 1,000 | |
| 95-A. Capital Outlay connected with the institution of the provinces of Orissa and Sind— | | | | |
| Voted .. .. .. | 20,00,000 | | 20,00,000 | |
| 96. Commuted Value of Pensions— | | | | |
| Voted .. .. .. | 22,26,000 | 21,33,526 | 92,474 | |
| *Non-voted* .. .. | *25,94,400* | *25,77,363* | *17,037* | |
| 96-A. Expenditure on Retrenched personnel charged to Capital— | | | | |
| Voted .. .. | 1,000 | —2,22,289 | 2,23,289 | |
| *Non-voted* .. .. | *—40,000* | *—40,103* | *103* | |
| 97. Delhi Capital Outlay— | | | | |
| Voted .. .. .. | 52,45,000 | 37,76,928 | 14,68,072 | .. |
| TOTAL—Expenditure charged to Capital .. .. .. | 6,60,14,400 | 6,25,54,325 | 53,59,344 | 18,99,269 |
| TOTAL { Voted .. | 1,34,92,000 | 81,50,067 | 53,41,933 | .. |
| TOTAL { *Non-voted* .. | *5,25,22,400* | *5,44,04,258* | *17,411* | *18,99,269* |
| C.—DISBURSEMENTS OF LOANS AND ADVANCES. | | | | |
| 98. Interest Free Advances— | | | | |
| Voted .. .. .. | 82,18,000 | 84,87,613 | | 2,69,613 |
| 99. Loans and Advances bearing interest— | | | | |
| Voted .. .. | 11,00,72,000 | 9,94,28,089 | 1,06,43,911 | |
| TOTAL—Disbursements of Loans and Advances— | | | | |
| (Voted) .. | 11,82,90,000 | 10,79,15,702 | 1,06,43,911 | 2,69,613 |
| TOTAL—Civil .. .. | 64,84,97,203 | 62,72,70,414 | 2,43,43,196 | 31,16,407 |
| TOTAL { Voted .. | 33,48,31,600 | 31,35,57,765 | 2,24,20,740 | 11,46,906 |
| TOTAL { *Non-voted* .. | *31,36,65,603* | *31,37,12,649* | *19,22,456* | *19,69,592* |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| | Rs. | Rs. | Rs. | Rs. |
| PART II.—POSTS AND TELEGRAPHS. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE. | | | | |
| 23. Indian Posts and Telegraphs Department— | | | | |
| Voted .. .. | 10,55,95,000 | 10,58,07,734 | .. | 2,12,734 |
| *Non-voted* .. | *95,35,000* | *95,17,595* | *17,405* | .. |
| B.—EXPENDITURE CHARGED TO CAPITAL. | | | | |
| 91. Capital Outlay on Indian Posts and Telegraphs Department— (Not charged to Revenue)— | | | | |
| Voted .. .. .. | 55,06,000 | 39,20,647 | 15,85,353 | .. |
| *Non-voted* .. .. | *1,000* | *3,491* | .. | *2,491* |
| TOTAL—Posts and Telegraphs .. | 12,06,37,000 | 11,92,49,467 | 16,02,758 | 2,15,225 |
| TOTAL Voted .. | 11,11,01,000 | 10,97,28,381 | 15,85,353 | 2,12,734 |
| TOTAL *Non-voted* .. | *95,36,000* | *95,21,086* | *17,405* | *2,491* |
| PART III.—RAILWAYS. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE— | | | | |
| 1. Revenue—Railway Board— | | | | |
| Voted .. .. .. | 8,54,000 | 8,67,928 | .. | 13,928 |
| *Non-voted* .. .. | *3,98,000* | *3,97,192* | *808* | .. |
| 2. Revenue—Audit— | | | | |
| Voted .. .. .. | 14,63,000 | 14,38,386 | 24,614 | .. |
| *Non-voted* .. .. | *2,62,000* | *2,59,602* | *2,398* | .. |
| 3. Revenue—Miscellaneous Expenditure— | | | | |
| Voted .. .. | 12,49,990 | 10,85,103 | 1,64,887 | |
| *Non-voted* .. | *14,11,000* | *13,84,022* | *26,978* | |
| 4. Revenue—Refunds— | | | | |
| Voted .. .. .. | 12,00,000 | 13,88,639 | | 1,88,639 |
| 5. Revenue—Payments to Indian States and Companies— | | | | |
| Voted .. .. .. | 3,46,25,000 | 3,40,20,478 | 6,04,522 | .. |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| PART III.—RAILWAYS. | Rs. | Rs. | Rs. | Rs. |
| A.—EXPENDITURE CHARGED TO REVENUE—(concluded). | | | | |
| 6-A. Revenue—Working Expenses—Maintenance of Structural Works— | | | | |
| Voted .. .. .. | 8,65,24,900 | 8,60,92,831 | 4,32,069 | .. |
| *Non-voted* .. .. | *33,09,000* | *33,59,876* | .. | *50,876* |
| 6-B. Revenue—Working Expenses—Maintenance and Supply of Locomotive Power— | | | | |
| Voted .. .. .. | 16,92,60,000 | 16,68,16,518 | 24,43,482 | .. |
| *Non-voted* .. .. | *14,44,000* | *14,32,000* | *12,000* | .. |
| 6-C. Revenue—Working Expenses—Maintenance of Carriage and Wagon Stock— | | | | |
| Voted .. .. .. | 6,19,50,000 | 6,23,36,138 | .. | 3,86,138 |
| *Non-voted* .. .. | *8,56,000* | *8,50,410* | *5,590* | .. |
| 6-D. Revenue—Working Expenses—Maintenance of Ferry Steamers and Harbours— | | | | |
| Voted .. .. .. | 28,70,000 | 28,57,079 | 12,921 | .. |
| *Non-voted* .. .. | *29,000* | *26,482* | *2,518* | .. |
| 6-E. Revenue—Working Expenses—Expenses of Traffic Department— | | | | |
| Voted .. .. .. | 10,74,19,700 | 10,67,51,659 | 6,68,041 | .. |
| *Non-voted* .. .. | *18,31,000* | *18,15,686* | *15,314* | .. |
| 6-F. Revenue—Working Expenses—Expenses of General Departments— | | | | |
| Voted .. .. .. | 4,73,40,000 | 4,65,17,949 | 8,22,051 | .. |
| *Non-voted* .. .. | *22,74,000* | *22,71,682* | *2,318* | .. |
| 6-G. Revenue—Working Expenses—Miscellaneous Expenses— | | | | |
| Voted .. .. .. | 4,18,00,000 | 4,14,09,144 | 3,90,856 | .. |
| *Non-voted* .. .. | *12,31,000* | *12,08,541* | *22,459* | .. |
| 6-H. Revenue—Working Expenses—Electric Service Department— | | | | |
| Voted .. .. .. | 1,22,75,000 | 1,16,77,796 | 5,97,204 | .. |
| *Non-voted* .. .. | *1,07,000* | *1,06,207* | *793* | .. |
| 7. Revenue—Appropriation to Depreciation Reserve Fund— | | | | |
| Voted .. .. .. | 13,28,00,000 | 13,24,96,472 | 3,03,528 | |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| | Rs. | Rs. | Rs. | Rs. |
| PART III.—RAILWAYS. | | | | |
| A.—EXPENDITURE CHARGED TO REVENUE—(concluded). | | | | |
| 8. Revenue—Interest Charges— | | | | |
| Voted .. .. .. | 2,78,000 | 2,72,886 | 5,114 | .. |
| *Non-voted* .. .. | *31,34,52,000* | *31,36,26,768* | .. | *1,74,768* |
| 9. Temporary withdrawals from Depreciation Reserve Fund— | | | | |
| Voted .. .. .. | 4,53,59,000 | 3,99,39,883 | 54,19,117 | |
| Total—Railway Expenditure charged to Revenue .. .. .. | 1,07,38,72,590 | 1,06,27,07,357 | 1,19,79,582 | 8,14,349 |
| Total { Voted .. | 74,72,68,590 | 73,59,68,889 | 1,18,88,406 | 5,88,705 |
| *Non-voted* .. | *32,66,04,000* | *32,67,38,468* | *91,176* | *2,25,644* |
| B.—EXPENDITURE CHARGED TO CAPITAL. | | | | |
| 11. Capital—New Construction— | | | | |
| Voted .. .. .. | 26,00,000 | 29,01,375 | .. | 3,01,375 |
| *Non-voted* .. .. | *5,000* | *4,652* | *348* | .. |
| 12. Open Line Works— | | | | |
| Voted .. .. | 14,72,50,000 | 11,46,43,862 | 3,26,06,138 | .. |
| *Non-voted* .. | *3,20,000* | *2,25,152* | *94,848* | .. |
| Total—Railways—Expenditure charged to Capital .. .. | 15,01,75,000 | 11,77,75,041 | 3,27,01,334 | 3,01,375 |
| Total { Voted .. | 14,98,50,000 | 11,75,45,237 | 3,26,06,138 | 3,01,375 |
| *Non-voted* .. | *3,25,000* | *2,29,804* | *95,196* | |
| Total—Railways .. | 1,22,40,47,590 | 1,18,04,82,398 | 4,46,80,916 | 11,15,724 |
| Total { Voted .. | 89,71,18,590 | 85,35,14,126 | 4,44,94,544 | 8,90,080 |
| *Non-voted* .. | *32,69,29,000* | *32,69,68,272* | *1,86,372* | *2,25,644* |

| Number and name of Grant or Appropriation. | Final Grant or Appropriation. | Expenditure. | Expenditure as compared with Grant or Appropriation. | |
|---|---|---|---|---|
| | | | Less than granted. | More than granted. |
| PART IV.—DEFENCE SERVICES.* | Rs. | Rs. | Rs. | Rs. |
| A.—EXPENDITURE CHARGED TO REVENUE— | | | | |
| *Defence Services—Effective—India—Non-voted* .. .. | *35,46,15,000* | *35,38,05,000* | *8,10,000* | |
| *Defence Services—Effective—England—Non-voted* .. .. | *6,00,37,000* | *5,99,30,000* | *1,07,000* | |
| *Defence Services—Non-effective—India—Non-voted* .. .. | *3,64,55,000* | *3,65,23,000* | | *68,000* |
| *Defence Services—Non-effective—England—Non-voted* .. | *5,07,54,000* | *5,06,56,000* | *98,000* | |
| *Defence Reserve Fund—Non-voted* .. | *—10,56,000* | *9,39,000* | | *19,95,000* |
| Total—Defence Services—*Non-voted* | *50,08,05,000* | *50,18,53,000* | *10,15,000* | *20,63,000* |
| Grand Total .. | 2,49,39,86,793 | 2,42,88,55,279 | 7,16,41,870 | 65,10,356 |
| Total { Voted .. | 1,34,30,51,190 | 1,27,68,00,272 | 6,85,00,637 | 22,49,719 |
| Total { *Non-voted* .. | *1,15,09,35,603* | *1,15,20,55,007* | *31,41,233* | *42,60,637* |

* The figures are *gross*.

## APPENDIX III.

**Letter from the Auditor-General of India, to the Secretary to the Government of India, Finance Department, no. 127-Rep.|118-36, dated the 29th of April 1937.**

SUBJECT :—*Appropriation Accounts (Civil), 1935-36 and the Audit Report, 1937.*

SIR,

With reference to paragraph 13 (2) of the Government of India (Commencement and Transitory Provisions) Order, 1936, and paragraph 13 of the Government of India, Finance Department, letter No. D.|29-Ref.|37, dated the 8th January 1937, I have the honour to transmit herewith two copies of the Appropriation Accounts of the Central Government (Civil) for the year 1935-36 and the Audit Report, 1937, together

with two copies of the Commercial Appendix to these documents, prepared by the Accountant General, Central Revenues, for submission to the Public Accounts Committee and for necessary action by the Governor General in Council.

2. Two copies of the accounts of receipts and disbursements of the Secretary of State and the High Commissioner for India, on behalf of the Central Government, under the heads other than those relating to Military Services, for the year 1935-36, together with two copies of the relevant Appropriation Accounts, and the reports thereon, prepared by the Auditor of Indian Home Accounts, are also forwarded.

3. The Appropriation Accounts and the Audit Report of the Accountant General, Central Revenues, together with the Appendix containing Commercial Accounts, have, as usual, been examined in detail under my instructions and I find them generally to be in order. I have no supplementary comments of my own to add at this stage.

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LETTER FROM THE AUDITOR-GENERAL, TO THE FINANCE DEPARTMENT, GOVERNMENT OF INDIA, NO. T. 238-REP.|12-37, DATED THE 27TH MAY 1937.

SUBJECT :—*Appropriation Accounts (Posts and Telegraphs Department), 1935-36 and the Audit Report, 1937.*

With reference to paragraph 13 (1) (*i*) of the Government of India (Audit and Accounts) Order, 1936, and paragraph 13 (2) of the Government of India (Commencement and Transitory Provisions) Order, 1936, and paragraph 13 of the Government of India, Finance Department letter No. D.|29-Ref.|37, dated the 8th January 1937, I have the honour to transmit herewith two copies of the Appropriation Accounts of the Posts and Telegraphs Department for the year 1935-36 and the Audit Report, 1937, issued by the Accountant General, Posts and Telegraphs, for submission to the Committee on Public Accounts, and for necessary action by the Governor General in Council.

2. The Appropriation Accounts and the Audit Report have, as usual, been subjected to a detailed examination in my office and I have satisfied myself that they are generally in order. I have no supplementary comments of my own to add.

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LETTER FROM THE AUDITOR-GENERAL, TO THE FINANCE DEPARTMENT, GOVERNMENT OF INDIA, NO. T. 243-REP.|11-37, DATED THE 28TH MAY 1937.

SUBJECT :—*Appropriation Accounts (Defence Services), 1935-36 and the Audit Report, 1937.*

I have the honour to forward herewith for necessary action two copies of the Appropriation Accounts of the Defence Services for the year 1935-36 prepared by the Financial Adviser, Military Finance, together with two copies of the Audit Report, 1937, prepared by the Director of Audit, Defence Services.

2. I also transmit herewith two copies of the accounts of receipts and disbursements of the Secretary of State and the High Commissioner for

India on account of Defence Services for the year 1935-36, together with two copies of the relevant Appropriation Accounts, and the Reports thereon prepared by the Auditor of Indian Home Accounts.

3. It is understood that these documents will, according to the normal procedure, be subjected to a preliminary examination by the Military Accounts Committee before being presented to the Public Accounts Committee.

4. The Appropriation Accounts and the Audit Report have, as usual, been subjected to a detailed examination in my office, and I have satisfied myself that they are generally in order. It has been my practice to direct attention to specific topics or paragraphs in the Appropriation Accounts and the Audit Report, but unless I have supplementary comment to make which I consider to be important I propose no longer to do so. Both Accounts and Report have now assumed a form and scope well adapted for the purpose for which they are prepared, and it seems no longer necessary that the Defence Department should be given guidance in the preparation of material for the sessions of the Military Accounts and Public Accounts Committees which is not afforded to other departments. On the present occasion I have no supplementary comment to add.

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LETTER FROM THE AUDITOR-GENERAL, TO THE FINANCE DEPARTMENT, GOVERNMENT OF INDIA, NO. T. 694-REP.|11-37, DATED THE 19TH JULY 1937.

SUBJECT :—*Appropriation Accounts (Defence Services), 1935-36 and the Audit Report, 1937.*

In continuation of my letter No. T. 243-Rep.|11-37, dated the 28th May 1937, forwarding copies of the Accounts and Report mentioned above, I have the honour to forward herewith for necessary action two copies of the Commercial Appendix to the Appropriation Accounts of the Defence Services for the year 1935-36 and the Report thereon of the Director of Audit, Defence Services.

2. The Commercial Appendix was not received by me until the 14th July 1937. I have thus not been able to forward the Appendix with my comments to Government in sufficient time before the meetings of the Military Accounts Committee. I trust that it will be possible in future to avoid such delay in the submission of the Appendix.

3. There is nothing in the Financial Adviser's review or in the report of the Director of Audit, Defence Services, which I desire to qualify and the results of the examination of these commercial accounts may be regarded as satisfactory.

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## APPENDIX IV.

### Mathematical Instrument Office, Survey of India.

At the meeting of the Public Accounts Committee held on the 23rd July 1936 it was reported that Government was investigating the following two points :—

(*a*) possibility of charging a portion of the cost of the Mathematical Instrument Office to Survey parties and recovering a part of the expenditure from Local Governments to whom the Survey of India renders service,

(*b*) the extent to which the Indian Stores Department could use the Mathematical Instrument Office.

2. The result of these investigations is given below :—

(*a*) Every Department that makes use of the Mathematical Instrument Office pays its share of the cost of that office in the shape of overheads charged on the direct cost of the work done ; in the case of Survey parties the transactions are *pro-forma* only since no payments are actually made.

(*b*) The Indian Stores Department is not at present equipped with technical staff competent to handle, with the same efficiency as the Mathematical Instrument Office, the purchase and inspection of instruments of precision which, before being issued for use, often require calibration, adjustment and repair of damage sustained in transit. In addition, the maintenance of the Mathematical Instrument Office is essential for the purpose of local manufacture and repair of instruments. It makes for considerable economies by taking back unserviceable or surplus instruments from Government Departments and issuing them to other Departments after necessary adjustments. None of these functions can possibly be taken over by the Indian Stores Department. All stores, the purchase of which is arranged by the Indian Stores Department, are delivered by suppliers direct to indenting Departments and the Stores Department is not so constituted as to receive and stock the materials and arrange for their issue after any adjustments or repairs. To equip the Stores Department for the purchase of mathematical instruments will not therefore be in line with the organisation of that Department and it will involve a duplication of effort and consequently of additional and unnecessary expenditure.

3. During the discussion in the Public Accounts Committee it was suggested that the staff of the Test House, Alipore, had inadequate occupation and that it should be amalgamated with the Mathematical Instrument Office. The correct position is that the present staff of the Test House is more than fully occupied with its legitimate work and the institution is steadily growing with development of industrial activities in the country. The suggestion for the amalgamation of the two organisations has been carefully considered in consultation with the Chief Controller of Stores and the Surveyor General. The Mathematical Instrument Office is a depot for the supply, repair and adjustment of optical, scientific and mathematical instruments and the manufacture of special apparatus for the use of Government departments and consists of a series of small workshops, which are equipped with a wide range of high quality precision machine tools and are staffed to carry out high precision work in connection with the repairing and maintenance of geodetic survey instruments and apparatus for Survey and other technical Departments. Since this office carries out highly specialised and skilled instrument repair and production work, its staff consists of skilled instrument makers, fitters and skilled machine hands, and the officers are experts in the production of components of high precision instruments and apparatus and the testing and adjustment of optical and other types of surveying instruments. The Test House, on the other hand, is equipped and staffed, to

undertake industrial testing and standardisation of technical materials and stores and deals with the analysis of chemicals, minerals, metals, soaps, etc., and the physical testing of metals, stone, cement, textiles, wires, and rubber and rubber canvas accessories, etc. It carries out the testing of electric batteries and accumulators, fans, etc., and undertakes the calibration but not the repair of electrical indicating instruments. Work connected with maintenance and repairs to plant, the preparation of metal test pieces for tests, and the construction of small equipment and apparatus for the various laboratories is carried out in a small workshop of the Test House. Its capacity is very limited and it confines itself to general engineering work of ordinary workshop standard. It is not really equipped to undertake precision work of any kind.

4. From what is stated above it is clear that there is neither any similarity in the work of the two organisations, nor any overlapping or duplication of work. The Test House is neither equipped nor staffed to undertake work connected with apparatus and instruments of high precision. It is therefore not considered practicable to amalgamate the two organisations.

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## APPENDIX V.

**Demi-official letter from the Finance Secretary to the Heads of other Departments of the Government of India, no. D.-1950-B., dated the 11th of March 1937.**

The Public Accounts Committee at its last meetings suggested that the Finance Department should attempt to instil into the spending departments of the Government of India some of the more general precepts arising out of the recent considerations of that Committee. My intention was to do something of this sort at the budget conference of Secretaries but I inadvertently omitted to do so. I propose to repair the position in this letter and I would request you to bring these matters to the notice of officers in your department and in the departments under your administrative control.

2. The main criticisms of the Public Accounts Committee in recent years have been directed to

(*a*) insufficient current control over the expenditure of a year leading to unjustified supplementaries (*i.e.*, unjustified in the sense that provision ought to have awaited the next regular budget), unnecessary supplementaries (*i.e.*, unwarranted by the eventual actuals), unspent and unsurrendered appropriations ;

(*b*) the too ready diversion to other purposes of sums provided for in an original budget, but subsequently found to be unnecessary or excessive for the purpose ;

(*c*) inaccurate budgeting.

3. Many of these points hang together. There is plenty of evidence in the Finance Department that all these matters are left much too much to the care of subordinates and that officers do not themselves regard this sort of thing as worthy of their time or attention. There is evidence that departments do not surrender savings because they fear that this

may result in the cutting down of their next year's budget allotment. There is evidence that when fresh (but not technically "new") items of expenditure arise in the course of a year, departments are prone to admit their inevitability (and often the consequential inevitability of a supplementary) much too readily. The Public Accounts Committee has got the impression (which the accounts not infrequently indicate) that the existence of likely savings in a current allotment (particularly in allotments for works) is deliberately seized as an opportunity to introduce fresh items of expenditure which ought to wait till next year.

4. The process of controlling expenditure is not to adapt the appropriations to the expenditure, but the expenditure to the appropriations, and any *considerable* re-appropriation from one sub-head to another must always raise suspicions in the minds of the members of the Public Accounts Committee. That fresh expendiutre is unquestionably unavoidable, or imperatively necessary, or that it will produce consequential economies or that it is essential for preserving the revenue or the public safety are reasonable justifications for introducing fresh expenditure during the course of a year, but even so the Public Accounts Committee will ordinarily require to be satisfied that the requirement could not have been foreseen and provided for in the budget. Even in such circumstances too, especially if a supplementary is involved, the Public Accounts Committee would often want to know why something else could not be dropped out in order to make room for this emergent need. The process of re-appropriation is not designed merely to repair omissions of foresight.

All this applies as much to non-votable matters as to votable.

5. The revised estimate, in our experience, too often merely repeats the budget figure of the year to inspire confidence that it is a genuine re-estimation of requirements in the light of the knowledge to date. It seems doubtful if the controlling officer usually troubles to ascertain what is the real position in regard to outstanding liabilities, or whether he obtains definite information of the intention of creditors in respect of the presentation of their claims, or whether he is explicitly aware of the usual sorts of adjustments against his allotments which take place after the close of the year. A frequent remark in the appropriation accounts is that an adjustment took place after the 31st March, as though this completely exonerates the controlling officer.

6. I attach to this letter certain extracts from the manual of one of the departments which you may find of use.

Practically all of what I have said above is contained in this Department Office Memorandum no. D.-3516-B., dated the 9th October 1935, but I repeat that these processes are not such as should be left to be conducted wholly by subordinates. The pulse of the expenditure of a department is not an unimportant manner of judging of the efficiency of its administration.

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4. Probably the most valuable single aid to estimating the future is the course of past actuals unless there have been violent changes due to expansion or retrenchment. This does not mean a slavish repetition of

the actuals of the past year, either for the revised of the current year or for the budget of the next. The last year may have had abnormal features in it and the figures of a previous year may be a safer guide. There may be discoverable in a series of past actuals a regular process of increase or decrease which may seem likely on the whole to continue in the present and in the next year, and this should not be overlooked. Any reasonably certain special and calculable abnormal features of the current and next year should be separately taken into account, but to estimating officers abnormal features often seem more abnormal at close quarters than when viewed in a proper perspective, and it must not be overlooked that the figures of the past also cover generally a regular proportion of unique features of their particular years.

5. Estimating both for budget and revised can occasionally be done by calculation or by determining actual commitments, but in normal circumstances the usual manner is by the help of past actuals. It may in future be found advisable if possible to have five past years' figures available, for among those two or even three years' figures will often be found to be quite abnormal. In the ordinary course the more recent actuals are the more useful.

6. The making of a revised estimate for the current year should always precede an estimate of a future year. A revised estimate is framed in the light of—

(*a*) the actuals so far recorded in the current year ;

(*b*) the actuals for the same period of the past and previous years ;

(*c*) the 12 months' actuals of the past and previous years ;

(*d*) orders, already issued or contemplated, of appropriation or re-appropriation or sanction to expenditure ; and

(*e*) any other relevant facts.

* * * * * * *

8. A budget estimate for the next year is much more of the nature of an estimate than is the revised. It should be framed in the light of—

(*a*) the revised of the current year ;

(*b*) the 12 months' actuals of the last and previous years ;

(*c*) any recognisable regularity in past years' figures ; and

(*d*) any special features known to be, or likely to be, arising during the next year (but see the latter portion of paragraph 4).

Under several heads there is never any reason to do other than repeat the revised estimate of the current year.

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## APPENDIX VI.

### Note regarding works expenditure.

We have been led to examine afresh certain aspects of works expenditure. We do not depart from the position that the M. E. S., the P. W. D. and the Railway Department in respect of works expenditure should be required in general to conform to rules which are designed to assure the

same broad principles of Parliamentary financial control as other spending authorities ; that is to say, they must frame a definite programme of expenditure for the year as the basis of the Budget Estimate, and must conform to this as far as practicable. Ordinarily, a project should not be entered in the estimates until it has sufficiently advanced, that is to say, by the preparation of estimates and the obtaining of sanctions, etc., as to be ready to have money spent on it in the budget period. But owing to the special difficulties which exist in drawing up a stable works programme, possibly a year before it is to be carried out, we recognise that the foregoing requirements may have to be relaxed for good and concrete reasons in certain cases. We suggest that the Government may be allowed, in fact should be encouraged, to append to the Demands for Grants a further list of works in contemplation which may be substituted for works included in the budget if at the time of execution it is found that one or other of the latter, for some cogent reason, may or should be postponed or slowed down in favour of one or other of the former. This supplementary list should not ordinarily total more than about 25 per cent. of the budget list. It would naturally be regarded as having less sanctity than the primary list and departures from the latter should not be undertaken lightly. Apart from this, when in a really unforeseen emergency works obviously necessary (*e.g.*, for financial reasons, or for the purpose of protecting human life) though not included in the budget or in the supplementary list, are actually carried out and financed by postponing a work included in the budget and reappropriating the funds provided for it, it should be recognised by the Public Accounts Committee, if the reasons are valid, that this may be a proper and necessary proceeding not deserving adverse criticism. But otherwise than in a proved case of urgent necessity, the programme of works should not go outside the two lists referred to above. Of course, there may be occasions when it will be necessary to obtain extra funds by means of a supplementary grant to cover a new work.

In the case of the civil works grants when the budget has been sanctioned, the Finance Department proceed to place the appropriations with or without some reservation at the disposal of the I. and L. Department which then manage its detailed utilisation throughout the year. When in the course of this management, the I. and L. Department find that money cannot be usefully applied to the purpose for which it was allocated in the budget, as an exception to the ordinary "surrender" procedure they need not surrender these funds to the Finance Department. Amounts may be reappropriated by the I. and L. Department to some other approved work on the supplementary list, if that can be undertaken with advantage during the year or to some urgent and unforeseen project which may have to be carried out at once. In such cases the I. and L. Department should be the authority to decide between the competing claims of different administrative Departments and that Department should regard itself as responsible for ensuring that if, otherwise than through the procedure of a supplementary vote, a work not entered in either of the lists is undertaken during the year, there are cogent reasons against its execution being delayed till the following year. The Appropriation Accounts should record these reasons and also give any explanation unless the same is self-evident why the work could not have been foreseen at the stage of making the budget. We make these recommendations recognising that it is desirable that in each year the restricted

amount which may be available for works should be fully spent, both on economic grounds and in order to avoid later budgetary inconvenience. However, in saying this, the Committee does not wish to convey the impression that it is prepared to relax the financial powers of the legislature, and it will scrutinise the recorded reasons as hitherto very jealously.

If the Finance Department consider that there may be any further expedients which in a practical way will meet the special difficulties in the administration of works expenditure, while maintaining the sanctity of the principles of Parliamentary financial control, we shall be glad if those expedients together with the views here expressed may be referred for examination by the Auditor-General in consultation with the I. and L. Department and of course with the Finance Department also and put before us in due course.

## APPENDIX VII.

### Comparative Statement of Expenditure on Major Works (1936-36) (Figures in thousands of rupees).

| Demand. | Sub-head. | Budget provision (including supplementary demand and additional non-voted appropriation). | Actual expenditure. | Savings. | Excesses. |
|---|---|---|---|---|---|
| 22—Irrigation, etc. | C. 3 (1) .. .. | 88 | 57 | 31 | .. |
| 69B—Civil Aviation | A. 1 (1) .. .. | 16,01 | 10,80 | 5,21 | .. |
| | B. .. .. | 1,20 | .. | 1,20 | .. |
| 69B—Broadcasting | B .. .. | 80 | 76 | 4 | .. |
| 73—Civil Works .. | A. 1 (1) *Non-voted* .. | 33 | 33 | .. | .. |
| | A. 1 (1) Voted .. | 1,33 | 2,26 | .. | 93 |
| | A. 2 .. .. | 2,07 | 77 | 1,30 | .. |
| | A. 3 (1) *Non-voted* | 94 | 51 | 43 | .. |
| | A. 3 (1) Voted .. | 95 | 67 | 28 | .. |
| | B. 1 .. .. | 1 | 32 | .. | 31 |
| | B. 2 (1) .. .. | 30 | 22 | 8 | .. |
| | B. 3 (1) .. .. | 3,08 | 372 | .. | 64 |
| Political .. | J. 1 (1) *Non-voted* .. | 30 | 45 | .. | 15 |
| Frontier Watch and Ward. | C. 1 .. .. | 4,15 | 2,87 | 1,28 | .. |
| | C. 2 .. .. | 16,20 | 16,07 | 13 | .. |
| | C. 3 .. .. | 4,85 | 4,33 | 52 | .. |
| | C. 4 .. .. | 8,62 | 8,32 | 3 | .. |
| 92A—Capital Outlay on Agriculture. | A. 1 .. .. | 4,00 | 1,49 | ,51 | .. |
| | A. 2 .. .. | 23,20 | 17,79 | 5,41 | .. |
| 94—Vizagapatam Harbour. | C. .. .. | 2,54 | 11 | 2,43 | .. |
| | D. .. .. | 60 | 1,19 | .. | 59 |
| | E. .. .. | 8,09 | 3,74 | 4 35 | .. |
| | Carried over .. | 1,00,45 | 77,29 | 25,78 | 2,62 |

| Demand. | Sub-head. | Budget provision (including supplementary demand and additional non-voted appropriation). | Actual expenditure. | Savings. | Excesses. |
|---|---|---|---|---|---|
| | Brought forward .. | 1,00,45 | 77,29 | 25,78 | 2,62 |
| 07—Delhi Capital Outlay. | A 1 .. .. | 35 | 31 | 4 | .. |
| | A. 4 (1) .. .. | 20,47 | 15,07 | 5,40 | .. |
| | A. 5 (1) .. .. | 16,21 | 12,51 | 3,70 | .. |
| | A. 12 .. .. | 60 | 76 | .. | 16 |
| | A. 13 .. .. | 5,76 | 20 | 5,56 | .. |
| | Total .. | 1,43,84 | 1,06,14 | 40,48 | 2,78 |
| | Net saving .. | 37,70 | .. | .. | .. |

*Note.*—Since the above figures were compiled, it has been found on recheck that the particulars under Frontier Watch and Ward include 20,07 under Original Provision and 20,05 under actual expenditure, which should be taken under Repairs instead of under Original Major Works. Allowing for these, the correct totals would be as follows :—

| | | | | |
|---|---|---|---|---|
| | 1,23,77 | 86,09 | 40,46 | 2,78 |
| Net saving .. | 37,68 | .. | .. | .. |

## APPENDIX VIII.

**Memorandum regarding the fixing of percentages of variations between grant or appropriation and actual expenditure in the appropriation accounts of the Posts and Telegraphs Department below which explanations need not ordinarily be furnished.**

The principle followed in the matter of furnishing explanations between grant or appropriation for a sub-head and the actual expenditure under it for purpose of inclusion in the Appropriation Accounts is stated in paragraph 57 of Appendix 16 of the Audit Code (extract enclosed).

2. Hitherto, no formal agreement was reached, with the concurrence of the Committee on Public Accounts as required in the rule cited above, as to the limit below which variations need not be explained in the Appropriation Accounts. The procedure followed in this connection so far in the Posts and Telegraphs Department, was the outcome of an informal understanding between the Audit and Administrative authorities that differences less than Rs. 1,000 or 1 per cent. of the grant should not be explained—unless the difference, though less than 1 per cent. of the grant, was of some magnitude. The grant sanctioned for the Indian Posts and Telegraphs Department is distributed over thirteen separate controlling units, the major portion being divided between eight circles

into which the postal and telegraph administration of India is divided. The head of each of these Circles known as Postmaster-General has very large powers of appropriation and reappropriation and any small variation in any unit in each of these Circles tend to swell the grand total for the whole of India. The arrangement has accordingly caused much inconvenience in actual working and unnecessary correspondence and labour without producing any commensurate results. The necessity for the fixation of more convenient limits has been under careful examination for some time past.

3. After reviewing the whole position in consultation with the Accountant-General, Posts and Telegraphs, and the Finance Department it has been agreed that the following sliding scales in respect of all variations may be adopted for a period of two years, after which it may be further revised, if necessary, in the light of the experience gained :—

(A) Modifications of grants or appropriations. No explanation will be necessary :—

(*i*) In cases where the modifications (*i.e.*, addition to or deduction from the original grant) are less than Rs. 1,000.

(*ii*) If the modification is for Rs. 1,000 or more but is less than 15 per cent. of the original grant.

(B) Savings—

(*i*) No explanation will be necessary in cases where the variations are less than Rs. 1,000.

(*ii*) Explanations should be given—

| | | | | | |
|---|---|---|---|---|---|
| (*a*) If the saving is Rs. 1,000 or more | .. | and is also more than 10 per cent. of the final grant or appropriation. | | | |
| (*b*) If the saving is Rs. 5,000 or more | .. | ,, | ,, | 8% | ,, ,, |
| (*c*) If the saving is Rs. 10,000 or more | .. | ,, | ,, | 6% | ,, |
| (*d*) If the saving is Rs. 20,000 or more | .. | ,, | ,, | 5% | ,, ,, |

(C) Excesses—

(*i*) No explanation need be given if the excess is less than Rs. 1,000.

(*ii*) Explanation should be given if the excess is more than Rs. 1,000 and is also more than 1 per cent. of the final grant or appropriation.

This is always subject to the exception that if any important matter of principle is involved, the matter will always be brought to light.

4. The Auditor-General has been consulted and supports the above proposals. Approval of the Public Accounts Committee to their adoption with effect from the Appropriation Accounts for 1936-37 is requested.

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EXTRACT (PARAGRAPH 57) FROM APPENDIX 16, TO THE AUDIT CODE—INSTRUCTIONS FOR THE PREPARATION OF APPROPRIATION ACCOUNTS AND AUDIT REPORTS—SECOND EDITION REVISED.

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57. (*a*) It is unnecessary to explain the reasons for individual re-appropriations, withdrawals, surrenders or supplementary provisions unless—

(*i*) they are of appreciable size, or

(*ii*) the expectations with which they were made or obtained have fallen notably short of fulfilment.

(*b*) Trivial discrepancies between the final figure of the grant or appropriation for a sub-head and the actual expenditure under it need not be explained. If possible, an agreement should be reached with the Government and the Committee on Public Accounts, prescribing a money-limit, possibly modified by a percentage limit, below which discrepancies may be disregarded as trivial.

## APPENDIX IX.

**Note on the revision of the Army Regulations (Item 17 of the statement printed as Appendix I).**

Both the Rules and Instructions of "Regulations* for the Army in India" are now in the press for final copies to be struck off and distributed. "Regulations for Civilians paid from Defence Services Estimates" are in press for final proof which on receipt will be submitted to the India Office for the approval of the Secretary of State. It is expected that "Pay and Allowance Regulations" will be ready for the press by the middle of July.

In accordance with instructions received from the India Office the various regulations are to be divided into two parts, *viz.*, Rules by the Secretary of State and Regulations by the Governor General under those rules. The "Regulations for Civilians" have been prepared on those principles, and these principles will be followed in all future cases of revision. It is hoped to take the revision of "Passage Regulations, India" in hand very shortly.

## APPENDIX X.

**Note on the scheme for the employment of trained Public Works Department Accountants in the Military Engineer Services (Item 18 of statement printed as Appendix I).**

It is understood from paragraph 11 of the proceedings of the Military Accounts Committee published as an Annexure 1 to the report of the Public Accounts Committee on the accounts for 1933-34, that the intention of the Committee was to have a report on the success or otherwise of the scheme after it had been tried for two years.

The scheme was introduced in April 1936. From the reports received from the Controllers it is observed that no noticeable improvement has so far been effected in the Military Engineer Services accounts by the Public Works Department Accountants. It is, however, realised that the task of changing or improving an established accounting procedure is by no means an easy one, and it is therefore too early to say anything definite about the success or otherwise of the scheme. A further report on the subject will be submitted after the period of two years is over.

*Including a separate book of "Leave Rules".

## APPENDIX XI.

**Note regarding R. A. F. Stores and M. T. spare parts (Item 22 of the statement printed as Appendix I).**

(*R. A. F. stores.*)

With reference to the desire expressed by the Military Accounts Committee in paragraph 18 of their Report on the Accounts of 1934-35, it is not proposed to refer again to the improvements already introduced, as indicated in paragraph 2 of Annexure III of that report.

2. Further progress has been made in the matters mentioned below—

(1) *Equipment Tables.*—Certain preliminary work has been done and the compilation of the tables will follow the completion of the Equipment Regulations to which priority was given.

(2) *Provision Instructions.*—These have been completed and incorporated in the draft of the revised Equipment Regulations for the Air Forces in India instead of being made a separate publication.

(3) *Revision of Equipment (Stores) Regulations for the Air Forces in India.*—The revision is practically completed and the draft of the new edition will shortly be placed before the Defence Department for approval prior to publication. The D. A. D. S. and M. A. G. have been consulted in matters requiring their agreement or advice. Every effort has been made in the course of the revision to observe all rules of general applicability contained in Financial Regulations; Regulations for the Army in India; Store Accounting Instructions and other relevant publications, and where necessary cross references have been included in the new edition.

(4) *Review of Stock limits.*—This review has proved to be more involved, and has entailed far more work, than was originally visualised. Apart from a detailed examination of the existing stock limits, and their adequacy or otherwise in the light of recent appreciations of India's accepted Defence commitments, it has been necessary to investigate the problem of war wastage in considerable detail and its repercussions on equipment organisation and supply in times of emergency. Much of the basic work common to all categories of equipment has been completed.

(*a*) *General Equipment.*

The draft of the proposals has been completed and this together with an appreciation of the general factors requiring consideration has been circulated to R. A. F. units with a view to eliciting any helpful suggestions, before the final draft is placed before the Government of India.

(*b*) *Airframes and engines.*

The draft of the proposals is nearing completion but final consideration has yet to be given to certain matters including the formulae for

calculation of output of overhauled and repaired aircraft by repair units during emergencies.

(*c*) *Mechanical Transport.*

(*d*) *Explosives.*

(*e*) *Petrol, oil and lubricants.*

Some further progress has been made and with the completion of much of the basic work common to all categories, the draft of the proposals under these heads will be completed in a shorter time than was required in respect of (*a*) and (*b*) above.

*M. T. Spare Parts.*

In paragraph 66 of his report for 1935 (on the accounts for 1933-34) the D. A. D. S. drew particular attention to the disposal of large quantities of spares pertaining to two types of vehicles, *viz.*, Albion A|10 Type 3 ton lorries and Holt tractors and suggested that there was perhaps an overstocking of all mechanical transport spare parts. The D. A. D. S. made a comparison of the issues made in 1933-34 of spare parts pertaining to the types of vehicles concerned, with the balances left over on 31st March 1934 and as they were much in excess of 27 months' consumption—a figure which was held to constitute a working basis for the calculation of stocks at the time—he concluded that there was evidence of overstocking.

2. There are, however, obvious fallacies in a reckoning of this sort. In the first place the formula would be alright with an equipment or vehicle which does not change in type from year to year. This however is not the case with M. T. Type change but new types are not introduced and all old types discarded all at once. There is a gradual change over. With the reduction in the numbers of a certain type of vehicle in the service, issues of spare parts pertaining to that type are automatically reduced, and the closing balances are correspondingly increased in relation to the number of vehicles in the service. The issues at such a time do not therefore represent the true provisioning basis.

This is obvious in the two cases in question. The Albion A|10 vehicle was a vehicle of 1914—18 design. The number of this type on 31st March 1934 was 110 against an original establishment of 391. In regard to the stock of spares for the Holt Tractors, it may be mentioned that the Tractors formed part of Field Army units and their efficient maintenance is much more important than that of vehicles in back areas. These vehicles were of American manufacture, retained in the service long after their economic life for want of a suitable replacement. The vehicles were also commercially obsolete and it was therefore imperative that a sufficient stock of spares should be maintained.

3. Another factor that accounts for apparent excess stock is that stocks of spares for obsolescent types of vehicles are not put up for disposal until the whole fleet of vehicles concerned is thrown up. Stocks rendered surplus are eaten down by reducing future orders. It will be appreciated that when a vehicle has to be kept beyond the termination of its economic life the cost of maintenance must be heavy. Parts which are not subject to

early wear are usually expensive and it is these parts which have to be stocked in greater quantities when the vehicles are getting older. Obviously it is more economical to retain the excess stocks of the spares until the type of vehicle is completely thrown out of service than throw up the surpluses as soon as there is a reduction in the number of that vehicle.

4. A third factor which determines the size of the stock is the nature of the type of vehicles introduced into the service.

Prior to the introduction of the six-wheeled vehicle, much of the fleet was composed of war time or early post war vehicle. In the initial stage of mechanisation there was no reliable data for provisioning and no statisties to revise the rate of contribution for the M. T. Equalisation Fund and deemed essential. The stocks of spares for these were inflated, as the vehicles had completed a period of stress in Waziristan resulting in increased maintenance spares.

In deciding the stocks to be laid in for the six-wheeled vehicle, it was necessary to consider the fact that a new type of vehicle was being introduced in the service with a cross country performance far in advance of anything previously possible. Another equally important factor was that the vehicle was untried commercially. It was therefore decided that a sum equal to 12 per cent. of the capital cost of the vehicles would have to be provided for initial stocks of spare parts.

A comparison made in 1932 of the stocks of M. T. held in India with those held by certain transport firms in England revealed that the stocks were by no means excessive.

5. All Army vehicles, whether within or beyond their limit of economic life have to be maintained in such a state of mechanical efficiency as will enable them to take the field immediately on mobilization. This, it will be appreciated, means holding more stocks than any civil transport organisation would feel bound to hold.

6. With the recent development of mechanization, the following factors have operated to cut down stocks :—

(*a*) Standardisation of vehicles and the adoption of commercial types of vehicles for army requirements.

(*b*) Cutting down of initial stocks of spares in the case of new vehicles from 12 to 6 per cent. as a result of reduction in the period of supply and certain other reasons mentioned below.

(*c*) Developing of motor trade in the country through opening of agencies of the principal motor manufacturers of the United Kingdom and the setting up of the assembly plants of Ford and General Motors.

(*d*) Drawal of stores from firms' stocks against running and rate contracts.

(*e*) Introduction of the 'cellar' system of carrying stocks in cases of tyres and tubes of Messrs. Dunlops.

7. The results are reflected in the stocks of the M. T. :—

| | Number of M. T. vehicles in service. | Value of spare parts. (In lakhs). |
|---|---|---|
| 1931-32 .. .. .. .. | 4,458 | 69·17 |
| 1932-33 .. .. .. .. | 4,630 | 66·99 |
| 1933-34 .. .. .. .. | 4,687 | 50·49 |
| 1934-35 .. .. .. .. | 4,571 | 49·83 |
| 1935-36 .. .. .. .. | 4,823 | 45.48 |
| 1936-37 .. .. .. .. | 4,690 | 42·31 |

Taking advantage of the rate contracts concluded with Ford and General Motors, the stock per vehicle of Ford and General Motors has been reduced as low as Rs. 68 and Rs. 157 respectively.

8. It is expected that as the result of the findings of the " Standardisation Committee " assembled under the orders of the Q. M. G. in India further economies will be effected in vehicle provision and maintenance. There is a proposal to enter into rate contracts with the principal motor manufacturers in the United Kingdom ; when these contracts are concluded, the time taken to obtain spare parts imported from England will be considerably reduced. This will enable further reductions being made in the stock of M. T. spares.

9. During the past seven years the authorities have followed a policy of extending the life of vehicles wherever possible, and the necessity for maintaining a larger stock of spares as the vehicles grow older has already been explained. The extension of the vehicle life has enabled the authorities to revise the rate of contribution for the M.T. Equalisation Fund and to release for expenditure on other essential services, a sum of Rs. 44 lakhs out of the accumulated balances in the Fund.

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## APPENDIX XII.

### Note on the payment of compensation to Military Officers for inferior quarters (Item 24 in the statement printed as Appendix I).

In connection with the grant of compensation for inferior accommodation, the Military Finance Branch have made the following proposals :—

(*a*) That the grant of compensation for inferior quarters to military officers should be abolished and that in cases where the accommodation allotted is less than that authorised, the officers may be permitted to pay the assessed rent of the quarters and draw the lodging allowance to which they are entitled if more advantageous to them.

(*b*) That for the purpose of recovery of a reduced rate of rent or a portion of lodging allowance a building should not be declared wholly or partially uninhabitable for climatic reasons.

2. The Q. M. G.'s Branch have accepted the second proposal and have agreed to the view that the rule regarding compensation when a building is rendered wholly or partially uninhabitable was not intended to cover cases arising out of climatic considerations.

3. With regard to the first proposal, that Branch have stated that the principle of granting compensation for inferior accommodation is of long standing and that several classes of personnel other than officers have all along been eligible for it. That Branch also apprehended that the concession implied in the proposal of paying assessed rent if more favourable would, in practice, be nullified by the fact that assessed rent is seldom, if ever, cheaper than lodging allowance to officers. The objections of the Q. M. G.'s Branch have been considered by the M. F. Branch and the file is at present under consideration by the Q. M. G. in India.

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## APPENDIX XIII.

### Annual Certificates of the Quartermaster-General in India.

I certify that on 31st March 1937, the war reserves of stores authorised by the Government of India to be held at that date for the mobilization of the Army in India (less transport units in Northern Command, for which a separate certificate will be rendered) and detailed in the published War Equipment Tables, or provided for under specific sanctions, for the provision and maintenance of which I am responsible, were complete to the extent to which the quantities required have been calculated, with the exception of fluctuations normal to the maintenance of such reserves, or to shortage and deficiencies due to sanctioned alterations in such reserves, the adjustment of which is in hand, and with the exceptions shown in the attached annexure.

A. M. MOENS, *Lieut.-General,*
*Q. M. G.*

*26th May 1937.*

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### ANNEXURE TO CERTIFICATE, DATED 26TH MAY 1937.

*Vehicles.*

Deficiencies in the authorized numbers of M. T. vehicles to be held in mobilization reserve :—

(i) *Motor cycles, solo.*

| | |
|---|---|
| 4th Cav. Bde. Signal Troop .. | .. 4 |
| 2 Light Tank Coys. .. | .. 4 |
| 4th Field Brigade, R. A. .. | .. 14 |
| D. A. Us. and C. A. Us. .. | .. 33 |
| "A" and "B" Corps Signals | .. 8 |
| | 63 |

Orders for 63 Norton motor cycles, solo, have been placed and these are under delivery.

(*ii*) *Motor cars, class "D".*

| | |
|---|---|
| D. A. Us. and C. A. Us. .. .. | 2 |

Orders for 2 Austin, 7-h. p., 2 seater, motor cars, class "D" have been placed.

(*iii*) *Motor vans.*

| | |
|---|---|
| "A" and "B" Corps signals .. | 16 |

The deficiency will be made up by converting 16 Ford model "A" car chassis (which are being released by Commands on receipt of new staff cars) to standard van chassis and fitting them with van bodies.

(*iv*) *Lorry, 30-cwt., four-wheeled.*

| | |
|---|---|
| Indianization Indian Signal Corps 1937-38 ; 4th Divl. Signals .. .. | 1 |

The deficiency will be met by necessary adjustment, consequent on the release of three 30-cwt. four-wheeled lorries by 13th Heavy Battery, R. A.

(*v*) *Lorries, 30-cwt., six-wheeled.*

| | |
|---|---|
| (*a*) Indianization, Indian Signal Corps, 1936-37 .. .. .. | 4 |
| (*b*) Mechanization of Draught Cable Sacs., Corp Signs. .. .. .. | 4 |
| (*c*) R. H. A. Battery, Risalpur | 3 |
| (*d*) Indianization, Indian Signal Corps, 1937-38 .. .. .. | 4 |
| | 15 |

(*a*) and (*b*) The deficiency will be met by building eight Q. M. G. type bodies and fitting them to type 16 tractor chasses which will be released by the 4th Field Brigade, R. A. on receipt of new Morris CD|SW type tractors.

(*c*) The deficiency will be made good from the type 15 lorries which will become surplus to the establishment of the 4th Field Brigade, R. A. when the new Morris CD|SW type tractors are received.

(*d*) The deficiency will be met by readjustment, when the 30-cwt., four-wheeled lorries on charge of the 13th Heavy Battery, R. A. are

released and the Morris " SW " type, class " E " car chasses become surplus consequent on replacement by motor cars and vans.

(*vi*) *Trailer, water tank, 110 gallons.*

Peshawar Dist. Signals .. .. 1

Orders for 1 water tank trailer have been placed.

(*vii*) *Lorries, derrick, 30-cwt., six-wheeled* .. 4

The deficiency will be made good by converting four type 16 chasses to derrick lorries ; the work is already in hand.

(*viii*) *Lorries, disinfector* .. .. 4

The deficiency will not be made good, until a suitable vehicle is evolved.

*Mobilization equipment of Supply Units.*

The existing mobilization equipment of Supply units is at present being re-distributed to complete Supply Units (less P. O. L. Sections) of the new organization to scale as far as it is possible to do so. A statement of case for the provision of funds to complete all Supply Units was submitted to the Mobilization Committee. In their meeting no. 3 of 1937, they agreed that the provision of war equipment for P. O. L. Sections was of primary importance and should be proceeded with at once. A statement of case for the provision of funds for this purpose has been submitted to P. S. Os.

The allotment of funds to complete other Supply Units to scale in accordance with the published W. E. Ts. is under examination at Army Headquarters.

I certify that on 31st March 1937, the war reserves of stores authorized by the Government of India to be held at that date for the mobilization of R. I. A. S. C. (Transport) units in Northern Command and detailed in the published War Equipment Tables, or provided for under specific sanctions, for the provision and maintenance of which I am responsible, were complete to the extent to which the quantities required have been calculated, with the exception of fluctuations normal to the maintenance of such reserves, or to shortage and deficiencies due to sanctioned alterations in such reserves, the adjustment of which is in hand.

2. This certificate is provisional in the case of the units in Rawalpindi and Waziristan Districts, as a considerable amount of equipment from these Districts is in use in the field, and is consequently not at present accounted for. Modifications to the certificate in respect of units in these two Districts will, if necessary, be submitted at the conclusion of the Operations.

A. M. MOENS, *Lieut.-General,*

*Q. M. G.*

*3rd June 1937.*

## APPENDIX XIV.

### Annual Certificate of the Master-General of the Ordnance in India.

I certify that on 31st March 1937 :—

1. The mobilization equipment and clothing authorised to be held for the mobilization of the Army in India and detailed in published War Eqipment Tables was complete to the extent to which the quantities have been provided with the following exceptions :—

(*a*) Fluctuations due to the normal maintenance of such equipment.

(*b*) Deficiencies due to a fire in Quetta Arsenal on the 30th March 1937 when a considerable amount of mobilization equipment was destroyed.

(*c*) Deficiencies due to the utilization of mobilization equipment for the Waziristan Operations, 1937. These deficiencies are temporary in character and will be automatically rectified on demobilization.

2. War Maintenance Reserves detailed in published W. M. R. Statements, and which have been provided, were complete with the exception of fluctuations normal to the maintenance and turn-over of such reserves and with the following exceptions :—

(*a*) In a total of 642 items the war maintenance reserves had to be drawn on to carry out peace time maintenance. Of these 611 items were in connection with the Waziristan Operations, and 22 were caused by shortage of peace time working stocks. Steps were in all cases taken to place orders to complete the deficiencies created.

(*b*) The stocks of 18-pdr. ammunition which are held do not cover the requirements of Royal Horse Artillery Batteries : these are temporarily armed with 18-pdr. equipments, whilst their new 3.7″ equipments are being manufactured.

(*c*) A shortage in reserve of 640 miles of D8 Single Cable has not been made up as an increase in the scale of wireless sets may render this unnecessary.

3. Materials and semi or fully manufactured articles, including tools and machinery which have been set aside in Ordnance Factories, or provided for them from specially allotted funds, as reserves to enable expansion after mobilization to be carried out according to programme, were complete with the exception of quantities temporarily withdrawn to meet urgent maintenance requirements ; all such withdrawls were covered by stores on order.

R. K. HEZLET, *Major-General,*

*Officiating Master-General of the Ordnance in India.*

*28th May, 1937.*

## Report of the Public Accounts Committee.

### PART II.—RAILWAY ACCOUNTS.

*Financial results of the year.*—The following table compares the original and revised estimates with the actual expenditure incurred during the year under report :—

(Lakhs of rupees.)

| | Budget. | Revised | Actuals. |
|---|---|---|---|
| (1) Traffic receipts (less refunds) | 93,50 | 90,00 | 90,65 |
| (2) Miscellaneous receipts .. | 2,02 | 2,11 | 2,13 |
| (3) Working expenses .. .. | 64,43 | 64,01 | 64,12 |
| (4) Miscellaneous expenditure .. | 1,30 | 1,27 | 1,26 |
| (5) Interest charges .. .. .. | 31,69 | 31,37 | 31,39 |
| (6) Surplus (+) or Deficit (—) .. | —1,90 | —4,54 | —3,99 |
| (7) Contribution to general revenues .. | .. | .. | |
| (8) Payments to (+) or withdrawals from (—) Reserve .. .. .. .. | .. | .. | .. |
| (9) Loans from Depreciation Fund .. .. | 1,90 | 4,54 | 3,99 |

It was thus necessary to meet a deficit of 3,99 lakhs, as compared with 5,06 lakhs in the previous year, by a loan from the depreciation fund, and the Railways were again unable to make any contribution to general revenues.

2. *Excesses over voted grants.*—There were four excesses over voted grants as compared with six in the previous year :—

| | Final Grant. | Actual expenditure. | Excess. |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| 1. Revenue—Railway Board | 8,54,000 | 8,67,928 | 31,928 |
| 4. Revenue—Refunds .. .. .. | 12,00,000 | 13,88,639 | 1,88,639 |
| 6-C. Revenue—Working Expenses—Maintenance of carriage and wagon stock .. | 6,19,50,000 | 623,36,138 | 3,86,138 |
| 11. Capital—New construction .. | 26,00,000 | 29,01,375 | 3,01,375 |

Brief explanations of these excesses are given below :

*Demand No. 1.*—The excess was mainly due to an adjustment after the close of the year in respect of care-taking and departmental charges for office accommodation relating to the years 1930-31 to 1932-33.

*Demand No. 4.*—It is not possible to budget accurately for refunds. The excess occurred mainly on the North-Western Railway and was partly the result of an increase in traffic booked to Afghanistan.

*Demand No. 6-C.*—The excess represents less than 1 per cent. of the total grant. It was due to increased expenditure during the latter part of the year on repairs to coaching and goods vehicles and on the overhauling of old stock.

*Demand no. 11.*—It was found possible towards the close of the year to proceed more rapidly than had been anticipated with the construction of a bridge on the Assam-Bengal Railway.

We recommend that the necessary excess grants be voted by the Legislative Assembly.

3. *Irregular reappropriations and special items of expenditure.*—Rule 52 (2) of the Indian Legislative Rules requires us to bring to the notice of the Assembly every reappropriation from one grant to another, every reappropriation within a grant which is not made in accordance with the rules prescribed by the Finance Department, and any items of expenditure which the Finance Department may request us to bring specially to notice. We have no items to report under any of these heads.

4. *Minutes of Proceedings.*—We append the minutes of our proceedings which we desire, as usual, to be regarded as a part of our report. In the following paragraphs we shall refer only to some of the more important questions considered in the course of our discussions.

5. *Accuracy of budgeting and control of expenditure.*—The accounts of the year show a total saving of Rs. 57·46 lakhs or ·56 per cent. under revenue expenditure (exclusive of withdrawals from the depreciation fund) and a saving of Rs. 3·24 lakhs or 21·57 per cent. under capital expenditure. This compares as follows with the results achieved in the four preceding years :—

(Lakhs of Rupees.)

| Year. | Final grant and appropriation. | Savings (—) or Excess (+) | Percentage of column (3) to column (2) |
|---|---|---|---|
| *Expenditure charged to revenue (excluding appropriations to and from the depreciation fund).* | | | |
| 1931-32 .. .. .. .. | 1,01,38 | —4,24 | 4·18 |
| 1932-33 .. .. .. | 97,36 | —37 | ·38 |
| 1933-34 .. .. | 96,81 | —4 | ·04 |
| 1934-35 .. .. .. | 1,02,48 | +5 | ·05 |
| 1935-36 .. .. .. .. | 1,02,85 | —57 | ·56 |
| *Expenditure charged to capital and depreciation fund.* | | | |
| 1931-32 .. .. .. .. | 29,18 | —4,95 | 16·96 |
| 1932-33 .. .. .. .. | 19,55 | —2,66 | 13·60 |
| 1933-34 .. .. .. .. | 17,34 | —3,03 | 17·42 |
| 1934-35 .. .. .. .. | 19,25 | —4,84 | 25·14 |
| 1935-36 .. .. .. .. | 15,02 | —3,24 | 21·57 |

The position appears to be satisfactory so far as revenue expenditure is concerned, but there is still considerable room for improvement in connection with capital grants. We hope that the Railway Board in their discussions with the Agents of the various Railways will emphasise the importance of more accurate budgeting. We also wish to draw attention to our recommendation that lump cuts should be more freely applied in cases where past actuals indicate repeated savings under a particular head.

As in the case of the Civil Appropriation Accounts, we observed that a considerable number of variations were due to accounting changes made during the course of the year, and we wish to draw attention to what we have said in this connection in part I of our report.

6. *Explanations given in the Appropriation Accounts and in the Railway Audit Report.*—In some cases it might have been unnecessary to obtain further information verbally from the witnesses if the explanations given in the Appropriation Accounts had been more illuminating. We hope that the administrative and accounting authorities will collaborate in attempting to secure an improvement in this respect in future years.

It would also be useful from our point of view if in connection with the lists of questionable reappropriations, etc., the Director of Railway Audit would in future indicate in addition which of the items he still regards as unsatisfactory after considering the explanations of the administrative authorities.

7. *Revision of Railway Codes.*—We attach considerable importance to this work and we were gratified to learn that satisfactory progress is now being made. We hope that it will be possible to complete the revision of all the Codes before the meetings of next year's Committee.

8. *Capital at charge of Railways.*—We discussed at some length the reduction of Rs. 8·31 crores in the capital at charge of the Railways on account of the application of the current statutory rate of exchange to yet unliquidated liabilities which had previously been converted at the rates in force at the time when they were undertaken. Some of us consider that even if this decision was in accordance with correct accounting principles the burden of the interest charges in respect of the amount in question should not in present circumstances have been transferred from the Railways to the general taxpayer.

9. *Saloons maintained for the use of railway officers.*—We find it somewhat difficult to believe that it is really necessary to maintain as many saloons for the use of railway officers as exist at present. We attach considerable importance to our recommendation that the possibility of reducing the number of such saloons should be further investigated, and that pending the completion of the enquiry no further expenditure should be incurred on renewals.

10. *Free passes for railway officials.*—We were informed that since the general retrenchment the issue of free passes to railway officials had been restricted to a considerable extent. As, however, no recent information is available regarding the number of passes actually issued, we consider it desirable that a census should be taken as soon as this can conveniently be done, and we hope that the results of the census will be reported as early as possible.

11. *Regrouping or amalgamation of Railways.*—In response to a request made by our predecessors an interesting note was supplied to us on this subject (appendix VIII). However, we think that before final decisions can be arrived at, still further information will be required. On the information available to us we are inclined to favour amalgamation in principle provided that it offers financial advantages or at least means no financial deterioration.

12. *Encouragement of third class passenger traffic.*—We were gratified to learn that this matter is receiving the constant attention of the railway authorities. We hope that our suggestion with regard to the use of Indian languages

in connection with railway time-tables and notices will receive attention, and that the Railway Board will not relax their efforts to improve the amenities provided for third class passengers.

13. *Financial position of the Railways.*—After we had completed our detailed examination of the Appropriation Accounts and connected documents the Chief Commissioner was good enough to give us a statement (appendix XIII) regarding the financial position of the Railways. We note with satisfaction that the figures for 1936-37 represent an improvement of about Rs. 5¼ crores over those of the year under report, and that the figures so far available for the current financial year indicate a still further increase in railway revenues. We hope, however, that the Railway Board will not lose sight of the need for effecting all possible economies, and that they will continue their efforts to achieve a satisfactory solution of the problem of road-rail competition.

14. *Wedgwood Committee's Report.*—We also discussed at our final meeting the report recently submitted by the Wedgwood Committee, which was appointed as a result of a recommendation made by last year's Public Accounts Committee. We feel considerable disappointment at the conclusions reached by the Committee with regard to the financial prospects of the Railways, and we find difficulty in reconciling these conclusions with the information which was supplied to us regarding the continued improvement in railway revenues. A majority of us dissent strongly from certain of the proposals made by the Committee, and have appended a minute (pages 273—280) expressing our views and recommending that Government should take no action on the more important proposals until the report has been considered by the Legislature.

15. *Acknowledgments.*—We wish to thank the Auditor-General for the very great assistance which we have received from him throughout our proceedings. We also wish to place on record our appreciation of the efficient service rendered to us by Mr. Shearer as Secretary to the Committee.

J. C. NIXON.
B. DAS.
N. G. RANGA.
JOGENDRA SINGH.
SHER MOHAMMAD KHAN.
S. SATYAMURTI.
MOHAMMAD YAKUB.
BHAI PARMA NAND.
R. D. DALAL.
ABDUL HAMID.
FAZL-I-HAQ PIRACHA.

J. B. SHEARER,
*Secretary.*

*7th August 1937.*

**Proceedings of the first meeting of the Public Accounts Committee held on Wednesday, the 21st of July 1937, at 2-30 p.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member. — *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Sirdar JOGENDRA SINGH.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. — *Members.*

The Hon'ble Sir GUTHRIE RUSSELL, K.C.I.E., Chief Commissioner of Railways.
Mr. B. M. STAIG, C.S.I., I.C.S., Financial Commissioner, Railways.
Mr. T. S. SANKARA AIYAR, Director of Finance.
Mr. H. CARTER NORBURY, Controller of Railway Accounts. — *Witnesses.*

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.
Mr. B. N. MITRA, Director of Railway Audit.
Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

The Committee first considered the statement showing action taken or proposed to be taken on previous recommendations.

2. *Lump cuts made in the estimates by the Railway Board.*—The Chief Commissioner stated that in connection with these cuts the Railway Board discriminated between Railways, making larger cuts in the case of those whose estimates have been found to be less accurate. The Committee agreed that such

discrimination was desirable and desired to have further information regarding the working and results of this system. The Financial Commissioner agreed to consider what further information on the subject could usefully be supplied.

3. *Review of the Appropriation Accounts.*—At this stage a member of the Committee drew attention to the fact that the Review of the Appropriation Accounts, which in previous years had been issued in the name of the Financial Commissioner, was now issued in the name of the Chief Commissioner of Railways. It was explained that this year's Review had in fact been written, as in the past, by the Financial Commissioner and had been subsequently accepted by the Chief Commissioner. There was therefore no real change of procedure, and it could be assumed that while the Railway Board had made themselves formally responsible for the publication it still represented the views of the Financial Commissioner. It had been considered desirable on the other hand that the officer who was mainly responsible for the spending of the money should accept responsibility for the Review, and the Auditor-General had agreed that this procedure was correct in principle.

4. *Delay in the submission of completion reports.*—The Chief Commissioner stated that on the average there had been a distinct improvement in this respect. The Committee, however, desired to receive a further report next year with regard to the effect of the orders recently issued (appendix III).

5. *Revision of Railway Codes.*—The Financial Commissioner stated that Mr. K. C. Srinivasan, the officer who had been placed on special duty for the purpose of revising these Codes, was making good progress and hoped to complete most of the Codes before the end of the current calendar year. The Committee agreed that this was satisfactory but wished to have a further report on the subject next year.

6. *Recommendations made by the Pope Committee.*—It was explained that the report on this subject had not been included in the Review because it was considered that the Review should as far as possible be confined to questions directly connected with the Appropriation Accounts. The report had however been submitted separately (appendix IV). The Committee presumed that such reports would continue to be submitted for the present.

7. The consideration of some other items in the statement was postponed since the Committee had not had time to study the explanatory memoranda issued by the Railway Board.

*Comments of the Auditor-General on the Appropriation Accounts (Appendix II).*

8. *Capital at charge of Railways.*—Paragraph 4 of the Auditor-General's letter was the subject of considerable discussion. It was explained that the reduction of 8·31 crores in the capital at charge of the Railways was due to the application of the current statutory rate of exchange to liabilities which had previously been converted at the rates in force at the time when they were undertaken. The Auditor-General stated that he had been satisfied that this writing down was in accordance with correct accounting principles, and it was mentioned that the liabilities charged to general revenues had been similarly written down when the present rate of exchange was fixed. Mr. Satyamutri, however, argued that it was not justifiable in present circumstances to transfer from the Railways to the general taxpayer the interest

charges on the amount in question. When a vote was taken five members supported this view, three did not wish to express any opinion and two (apart from the Chairman) supported the Auditor-General's decision.

9. *Allocation of expenditure on rolling stock.*—The Financial Commissioner explained that the convention on this subject had been accepted by all the Railways except the B. B. & C. I. The question had recently been referred to the Secretary of State, and the Railway Board were doing everything possible to reach a settlement.

*Chief Commissioner's Review of the Appropriation Accounts.*

10. In connection with the figures given in paragraphs 3 and 15 of the Review, the Chairman suggested that the revised estimates as such should not be shown in this connection, and that it should be considered whether it would not be more appropriate to give the final appropriation less surrenders. The Auditor-General agreed to consider this question.

11. *Paragraph 16.*—The Committee agreed to recommend an excess vote under " Maintenance of carriage and wagon stock ".

12. *Paragrpah 17.*—A member of the Committee drew attention to the fact that on the Madras and Southern Mahratta Railway an excess of 2½ lakhs had occurred partly because no provision had been made through oversight for renewals and replacement of assets of worklines for which no depreciation fund is maintained. The Committee desired it to be examined whether it was a fact, and if so whether it was correct, that no depreciation fund could or should be maintained for these lines.

13. *Paragraph 19.*—The Committee noted that a variation of 2½ lakhs was stated to be due to a change in classification made in the course of the year. The Financial Commissioner stated that in this particular case there had been a mistake in the framing of the budget. It was agreed, however, that even in such cases it would, unless in any case the Auditor-General thought otherwise, be preferable to account for the expenditure against the wrong appropriation during the year in question and to make the necessary change in the budget of the following year. The Committee desired that this principle should be brought to the notice of all accounting officers concerned.

14. *Paragrpah 26.*—The Committee agreed to recommend the necessary excess vote under " Railway Board ".

15. *Paragraph 38—Depreciation Reserve Fund.*—The Chief Commissioner stated that the expenditure from the fund had not in any year exceeded the amount allocated to it. Mr. Satyamurti suggested that this might be due to the fact that the Railway Board were not spending enough on repairs and renewals, and that in the interest of safety increased expenditure might be desirable. It was explained that a special staff of Government Inspectors was employed in order to ensure that the necessary standards of safety were maintained, and these Inspectors had never reported that lines or rolling stock were unsafe although in some cases they had reported that less essential items such as fencing had not been maintained up to the usual level.

16. *Paragraph 41.*—The Committee agreed to recommend the necessary excess grant under " Refunds ".

17. *Paragraph 45 and Annexure B.*—The Committee considered that fuller explanations should be given with regard to the items included in these lists. It would be preferable to have a full explanation of a number of selected items in addition to the list itself.

18. *Annexures C. and D.*—There was considerable discussion regarding the comparative figures given in these annexures. In connection with the Eastern Bengal Railway the Committee noted with regret that the increase in the operating ratio appeared to be due not so much to a fall in traffic as to an increase in working expenses.

The Committee adjourned at 5 p.m.

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**Proceedings of the second meeting of the Public Accounts Committee held on Thursday, the 22nd of July 1937, at 10-45 a.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Sirdar JOGENDRA SINGH.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA.
} *Members.*

19. The Committee met a quarter of an hour before the usual time in order to consider, before the arrival of the witnesses, the question whether the verbatim record of the evidence should continue to be published as in previous years, or whether the printed record should be confined to the report and the summary of the proceedings. After some discussion it was agreed that the existing practice of publishing the evidence should be continued for the present, but that the question might be reconsidered on the inception of the Federation.

20. The following were also present during the remainder of the proceedings :—

*Witnesses.*

The Hon'ble Sir GUTHRIE RUSSELL, K.C.I.E., Chief Commissioner of Railways.

Mr. B. M. STAIG, C.S.I., I.C.S., Financial Commissioner, Railways.

Mr. T. S. SANKARA AIYAR, Director of Finance.

Mr. H. CARTER NORBURY, Controller of Railway Accounts.

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. B. N. MITRA, Director of Railway Audit.

Mr. A. J. RAISMAN, C.I.E, I.C.S., Finance Secretary.

21. *Annexure B in the Chief Commissioner's Review.*—The Financial Commissioner gave some further information regarding items 22 and 23 in this annexure, but it was admitted that the mistakes had been due to inadvertance on the part of the budgeting authorities. The Committee considered that the wrong provision of so large a sum as Rs. 11 lakhs could not be passed over, and they wished to have a further report regarding any remedial or disciplinary action which might be taken in this connection.

22. The Committee then considered the remaining items in the statement showing action taken or proposed to be taken on previous recommendations.

23. *Instructions issued by the Railway Department regarding auction sales.*—In connection with the memorandum which had been circulated on this subject (appendix V) it was explained that the Railway Board had only agreed to the continuance of the existing practice on the Bengal-Nagpur Railway, and that they had not yet reached final conclusions with regard to the Eastern Bengal and East Indian Railways. The Committee wished to be supplied with a further report next year with regard to these Railways.

24. *Comparison of pre-war and post-war working expenses.*—A member of the Committee suggested that the statements supplied with the note on this subject (appendix VI) indicated a disproportionate increase in the cost of superior staff. The Chief Commissioner explained that the number of railway officers of all classes had necessarily increased because of the increase in milage and the introduction of new activities, such as the workshops at Tatanagar. He also stated that in contrast with most other countries there had been no increase since the war in the salaries of the most highly paid officers. It was agreed that the question whether any reduction in the higher salaries was possible should be further considered at a later stage.

25. *Action taken on the Pope Committee's reports.*—In connection with the report on this subject (appendix IV) a member of the Committee raised the question of the manufacture of locomotives in India. The Chief Commissioner stated that he had intended to circulate a note on the subject to the members of the Standing Finance Committee for Railways but that in view of the recent debate in the Assembly it had been decided that further discussion in a Committee of the Legislature would be inappropriate.

As regards ticketless travel the Chief Commissioner stated that the Railway Board had thought of the possibility of introducing vestibules in all railway carriages and of fencing the railway stations, but the cost of either of these schemes was found to be prohibitive. In the meantime efforts were being made to reduce the possibility of evasion by increasing the ticket collecting staff.

26. *Saloons maintained for the use of Railway Officers.*—According to the figures supplied to the Committee (appendix VII) the average for all State Railways in India is at present about one saloon for every two gazetted railway officers. It was explained that the Railway Board did not automatically sanction renewals of saloons and were trying to reduce the number to the minimum required for efficient working. The Committee considered that on the evidence available the existing number of saloons appeared to be excessive, and they desired that a special enquiry should be undertaken to see whether the number could not be reduced and that a report on the subject should be submitted next year. They also recommended that pending the completion of the enquiry no further expenditure should be incurred on renewals.

27. *Regrouping or amalgamation of Railways.*—In connection with the note which had been circulated on this subject (appendix VIII) it was explained that there was already a large degree of co-ordination between the different Railways in the matter of rolling stock and the running of through services. It was also stated that the Railway Board were considering the possibility of further co-ordination of workshop and repair facilities. The Committee considered that the material supplied in the note was not sufficient to enable a definite decision to be reached on the general question of the advantages of amalgamation. They were, however, in favour of amalgamation in principle, provided that it did not result in actual loss, and they hoped that the question would be more fully investigated before any orders were passed on the recommendations made on the subject in the Wedgwood Committee's report.

28. *Electrification of Madras suburban lines on the South Indian Railway.*—The Committee noted that there were still some points of difference between the Railway Board and the Director of Railway Audit in connection with the calculation of the financial results of this scheme (appendix IX). They hoped that these differences would soon be settled, and that an agreed statement would be presented next year. On the evidence available the Committee considered that the traffic in Madras was probably insufficient to justify the scheme, and that it was doubtful whether it should ever have been undertaken.

29. *Electrification of Railways in Bombay.*—The Committee noted that the position with regard to this item (appendix X) was on the whole satisfactory, and they did not consider it necessary to make any special recommendation on the subject.

30. *Encouragement of third class passenger traffic.*—In connection with the note which had been circulated on this subject (appendix XI) a member of the Committee suggested that the notices which were exhibited at railway stations inviting passengers to make complaints should be printed in Indian languages as well as in English. It was also suggested that efforts might be made to produce more convenient and intelligible railway time tables, and that these should

also be printed in Indian languages. The Chief Commissioner agreed to consider these points. On the whole the Committee were satisfied that the Railway Board were now giving the necessary attention to this question, and they expressed the hope that there would be no relaxation in the efforts which were being made to find new methods of attracting such traffic.

31. *Free passes for Railway Officials.*—The Committee were supplied with information (appendix XII) regarding the number of passes issued in the financial year 1932-33. The Chief Commissioner stated that no census had been conducted since that year, but that certain orders had recently been issued which should result in a reduction in the number of passes. The Committee suggested that it would be useful if a census of this kind could be taken every five years. They recommended that a census should be taken in 1937-38 if possible, or if that were not possible in 1938-39, and that the results should be reported in due course, with the number of the officials concerned in each class.

The Committee adjourned at 1-20 p.m.

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**Proceedings of the third meeting of the Public Accounts Committee held on Thursday, the 22nd of July 1937, at 2-30 p.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member, — *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Sirdar JOGENDRA SINGH.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. — *Members.*

The Hon'ble Sir GUTHRIE RUSSELL, K.C.I.E., Chief Commissioner of Railways.
Mr. B. M. STAIG, C.S.I., I.C.S., Financial Commissioner, Railways.
Mr. T. S. SANKARA AIYAR, Director of Finance.
Mr. H. CARTER NORBURY, Controller of Railway Accounts. — *Witnesses.*

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. B. N. MITRA, Director of Railway Audit.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

32. *Dismantling of Aden Railway*.—With reference to paragraph 51 of the Review the Chief Commissioner explained the reasons for the debit on account of the dismantling of the Aden Railway. He stated that the first portion of the Railway which was 7 miles long was built in 1916, and a further 21¾ miles were added in 1919-20. This extension did not pay, and in 1929 the Railway was closed down and orders were issued that it should be dismantled. The Government of India then suggested that the War Office should accept a debit for half the cost of dismantlement. An agreement had, however, been reached in 1926 by which various claims made by the Government of India against His Majesty's Government and *vice versa* in respect of war liabilities had been cancelled out. It was held that the expenditure in connection with the Aden Railway was covered by this agreement, and that in consequence the claim against the War Office could not be sustained.

*Railway Audit Report.*

33. *Paragraph 8—Defective reappropriations.*—The Committee considered that reappropriations which *prima facie* seemed to the Director of Railway Audit to indicate defective control should be more fully examined so that the Director might be able to express a definite opinion on the question whether the control was in fact defective or not.

34. *Paragraph 12—Estimating under Suspense Heads.*—It was agreed that the Administration and the Director of Railway Audit should undertake a further examination of the case relating to the Bombay, Baroda and Central India Railway and should use this case as a basis for the consideration of the general question whether it was possible to secure more accurate budgeting under suspense heads. The Committee desired that the results of this enquiry, both into the specific case and into the more general question, should be stated in next year's Audit Report.

35. *Paragraph 15—Excesses over Grants.*—The Committee considered that the Railway Board should bring to the notice of the Administrations concerned the comments made by the Director of Railway Audit with regard to the apparent deterioration of control over expenditure on the Bengal Nagpur and East Indian Railways.

36. *Paragraph 19—Delay in the submission of a second revised estimate.*—In reply to a suggestion that the Railway Board should have taken disciplinary action against the officials concerned in this case, the Chief Commissioner explained that since the case related to a Company-managed Railway the Railway Board could only censure the Administration and could not take action against individual officers. The Committee agreed that the Government of India were justified in expressing serious disapproval of the way in which the case had been handled, and they expressed the hope that the Railway Board would in future be able to exercise sufficient control over cases of this kind to prevent a recurrence of so serious a departure from the normal

procedure in connection with the submission of estimates and the execution of works.

37. *Paragraph 21.—Delay in calling for fresh tenders.*—The Committee wished it to be recorded that although they appreciated the fact that the delay was partly due to the investigation by the Railway Board of the possibility of securing more favourable rates by working the colliery departmentally, they must deprecate the length of time taken to reach a decision and the consequent loss of money. They also deprecated the fact that the original contract made in 1931 had been given out otherwise than by open tender.

38. *Paragraph 24.—Defective agreements.*—The Committee considered that the Railway Board had acted more leniently than was reasonable in dealing with the officer who had been held to have failed in his duty in connection with this case.

39. *Paragraph 27.—Failure to recover rent for buildings.*—The Committee suggested that the Railway Board in conveying their displeasure to the Administration concerned with an irregularity of this kind should also indicate that it seemed desirable to take suitable action against the persons who had been responsible.

*Appropriation Accounts.*

40. *Page 9.*—In connection with the comment with regard to the first item on this page the Committee considered that the corresponding figures of previous years should be examined in order to see whether there had been systematic underspending.

41. *Page 23.*—The Committee considered that the explanations given in connection with the item relating to the South Indian Railway were inadequate. They recommended that the Accounting Officers and the Audit Officers concerned should try to reach an agreement regarding the reasonable limits of variation for expenditure of this kind, and that thereafter items which exceeded those limits should be fully examined and explained. The object should be to attempt to forestall questions which the Committee would inevitably put.

42. *Page 31.*—In connection with the figures relating to the Eastern Bengal Railway (voted) the Committee considered that, so far as it was possible to judge from the information available, the greater part of the excess over the original allotment appeared to be due to works which either should have been foreseen at the time when the budget was prepared or should not have been undertaken during the course of the year.

This comment appeared to be applicable also to the item relating to the East Indian Railway on the following page.

43. *Page 33.*—The Committee considered that the explanation given in respect of the variation in column 4 under North Western Railway (voted) was inadequate, and that this was another example of the type of case on which they wished to be supplied with fuller information in future.

44. *Page 40.*—In connection with the item relating to the East Indian Railway (voted) the Committee considered that it should be ascertained

whether when a particular Railway frames revised estimates which involve adjustments with other Railways these revised adjustments are normally intimated to the other Railways concerned.

This comment appeared to be applicable also to the item relating to the Madras and Southern Mahratta Railway on page 43.

45. *Page 41.*—The Committee considered that the note on the variation in column 4 of the item relating to the Bengal Nagpur Railway did not sufficiently explain why the savings in question could not have been foreseen at the time when the revised estimates were prepared.

The Committee adjourned at 5-15 p.m.

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**Proceedings of the fourth meeting of the Public Accounts Committee held on Friday, the 23rd of July 1937, at 11 a.m.**

PRESENT :

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member. — *Chairman.*

Mr. B. DAS.
Professor N. G. RANGA.
Sirdar JOGENDRA SINGH.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. — *Members.*

The Hon'ble Sir GUTHRIE RUSSELL, K.C.I.E., Chief Commissioner of Railways.
Mr. B. M. STAIG, C.S.I., I.C.S., Financial Commissioner, Railways.
Mr. T. S. SANKARA AIYAR, Dir ctor of Finance.
Mr. H. CARTER NORBURY, Controller of Railway Accounts. — *Witnesses.*

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S. Auditor-General.

Mr. B. N. MITRA, Director of Railway Audit.

46. The Committee continued their examination of the Appropriation Accounts of Railways in India.

47. *Page 49.*—In connection with the notes on this page regarding over-payments to staff, a member of the Committee asked for an explanation of

the principles governing the waiving of recoveries in such cases. The Auditor-General stated that in the case of underpayments there was a time limit of three years, and after the expiry of that period the person concerned could not enforce his claim against Government. This time limit did not apply to claims made by Government in respect of overpayments but the practice was to treat Government servants with reasonable equity in such matters. The question of recovery depended on a variety of circumstances such as the amount involved, the *bona fides* or *mala fides* of the officer drawing the excess, and the degree of responsibility attributable to Government.

48. *Page 57.*—A member of the Committee drew attention to the fact that Rs. 48,000 of the saving in the provision for the Bombay, Baroda and Central India Railway was stated to be due to " non-filling up of vacancies ". In order to test the validity of similar explanations given throughout the report the Committee desired that this item should be investigated, and that it should be reported next year whether the savings in question could not have been anticipated at the time when the budget was prepared.

49. *Page 60.*—The Committee desired that it should be considered whether the present method of budgeting for contributions to the depreciation fund on account of capital at charge could not be modified in order to ensure that there should be no changes in such provision during the course of the year. They also suggested that it would be advantageous if a similar change could be introduced in connection with budget provision for interest. The Auditor-General agreed to investigate this point in consultation with the Railway Board.

50. *Page 66.*—The Chief Commissioner explained that the additional expenditure on the construction of the Megna Bridge was in fact satisfactory, since it meant that the engineers had been able to make better progress with the work than had been anticipated. The Committee agreed that no action was necessary at present in connection with this item, but they wished to reconsider the question whether there had in fact been under provision for the work in the light of the figures which would be available next year.

51. *Page 67.*—In connection with the comment at the bottom of this page the Committee noted that it was not clear why the construction of the Karaikudi-Melur-Madura Railway had been postponed, and it was also not clear why the postponement had not been foreseen. The Committee wished it to be recorded that this was another example of the inadequacy of the explanations from their point of view.

52. *Grants 11 and 12.*—The Committee considered that in connection with Grants 11 and 12, which relate to capital expenditure on " new construction " and " open line works " respectively, the Railway Board should indicate in their Review the total amounts of the increases and decreases, as compared with the budget provision, in the Grants as a whole.

The Committee also wished it to be considered whether the figures given under " Capital " and " Depreciation Reserve Fund " in connection with various items in these Grants could not be amalgamated, since the explanations dealt with the two heads together.

53. *The position of the Financial Commissioner, Railways.*—At this stage a member of the Committee raised the question of the position of the Financial Commissioner, Railways, *vis-à-vis* the Finance Department. It was suggested that it might be preferable from the point of view of financial control if he were not a member of the Railway Board. The Financial Commissioner stated, however, that there were considerable advantages in his being a member of the Board, and the Auditor-General agreed that the existing arrangement had been found to be the most satisfactory. The Chairman explained that in practice the relation between the Finance Member and the Financial Commissioner was identical with the relation between him and the Financial Adviser, Military Finance.

54. *Grant No. 12.*—The large variations from the budget estimates for various items in this Grant gave rise to a general discussion regarding the control of the Railway Board over estimates for capital expenditure. It was explained that this was one of the main questions which the Chief Commissioner and the Financial Commissioner would discuss with the Agents of the various Railways during their ensuing tour. The Committee expressed the hope that the Railway Board in their contacts with the Agents would draw their attention to the items in the Accounts for 1935-36 where departures from the budget programme appeared to be inexcusable, and that the Railway Board would in future try to assure themselves that money provided in the budget for capital works is in fact likely to be spent during the year. The Financial Commissioner admitted in this connection that in the case of some Railways there appeared to be a tendency to inflate the budget in order to have savings available for unforeseen works. It was agreed that the Agents should be required to budget more accurately.

55. *Page 88.*—A member of the Committee drew attention to the fact that according to Note 2 on this page no verification of stock was done in the case of State Railway collieries during the year under review. The Committee hoped that if there were no arrangements for the verification of this stock such arrangements would now be made.

56. *Appendix A (i).*—The Committee noted that there had been considerable delay in the settlement of some of the items included in this appendix. They recommended that the Railway Board should make efforts to clear these items as soon as possible and to prevent any similar accumulation in future.

*Capital statements, balance sheets, and profit and loss accounts of Railways, etc.*

57. The Committee briefly considered some of the capital statements included in this compilation. They presumed that when the Railway Board scrutinise expenditure proposals submitted by the various Railways they take into account the financial position of the Railway concerned, and deal more critically with proposals submitted by the less profitable Railways.

58. *Tatanagar Workshops.*—In connection with the accounts of the Tatanagar workshops the Chief Commissioner stated that these workshops were not working to full capacity in the year under report, but that they had done so in the past and would do so in the current year. It was also explained that the increase in output was not due to the introduction of new types of work

but to an increased demand for particular kinds of underframes which the workshops were at present equipped to produce. Some members of the Committee wished to recommend that the workshops should be adapted to enable them to undertake other types of work which are at present given to private firms. Other members considered that it would not be justifiable to withdraw all orders from the private firms, since Government had to some extent encouraged the growth of the private wagon industry. It was agreed, however, that the Tatanagar workshops should if possible be given as much work as their present capacity and equipment permit them to undertake.

*Balance sheets of railway collieries, etc.*

59. In connection with this compilation the Chief Commissioner stated that the railway collieries were now working to full capacity since it had been decided that the railways should this year take as much coal from these collieries as they could produce.

The Committee adjourned at 1-15 p.m.

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**Proceedings of the fifth meeting of the Public Accounts Committee held on Friday, the 23rd of July 1937, at 2-30 p.m.**

PRESENT :

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| The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., Finance Member. | *Chairman.* |
| Mr. B. DAS.<br>Professor N. G. RANGA.<br>Sardar JOGENDRA SINGH.<br>Captain Sardar Sir Sher MOHAMMAD KHAN, Kt., C.I.E., M.B.E.<br>Mr. S. SATYAMURTI.<br>Maulvi Sir MOHAMMAD YAKUB, Kt.<br>Bhai PARMA NAND.<br>Dr. R. D. DALAL, C.I.E.<br>Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.<br>Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA. | *Members.* |
| The Hon'ble Sir GUTHRIE RUSSELL, K.C.I.E., Chief Commissioner of Railways.<br>Mr. B. M. STAIG, C.S.I., I.C.S., Financial Commissioner, Railways.<br>Mr. T. S. SANKARA AIYAR, Director of Finance.<br>Mr. H. CARTER NORBURY, Controller of Railway Accounts. | *Witnesses.* |

Sir ERNEST BURDON, K.C.I.E., C.S.I., I.C.S., Auditor-General.

Mr. B. N. MITRA, Director of Railway Audit.

Mr. A. J. RAISMAN, C.I.E., I.C.S., Finance Secretary.

60. *Scope of the Review of the Appropriation Accounts.*—Mr. Satyamurti drew attention to the fact that a number of items which had appeared in previous years had been omitted from this year's Review. The Chairman stated that the items in question had been omitted either because they were peculiar to the years in which they appeared or because they had been considered irrelevant to the functions of the Committee. The Auditor-General further explained that the exclusion of the irrelevant items from the Review was in accordance with the changes which he proposed to make in the Appropriation Accounts under the new Government of India Act. These Accounts would in future be confined to their proper subject, on the analogy of the accounts presented to the House of Commons. There would also however, be a new compilation which would be known as the "Finance Accounts". This compilation would contain a summary of all the receipts and disbursements of the year followed by a considerable amount of detail in regard to revenue, capital, debt, deposit and remittance transactions and would include comments of the Audit Department on the financial position. The two publications would thus give the Legislature a more comprehensive statements of the public accounts than had previously been provided. Some members of the Committee, however, still considered it desirable that the Review should contain a few paragraphs giving general comments on the financial position of the Railways.

61. At this stage the Auditor-General and the Director of Railway Audit left the meeting. The Committee expressed their appreciation of the assistance which they had received from these officers during their consideration of the Railway Accounts.

62. *General financial position of Railways.*—At the request of the Committee the Chief Commissioner then made a statement regarding the financial position of the Railways. He pointed out that the figures for 1936-37 in fact represented an improvement of Rs. 5½ crores over those of the previous year (appendix XIII), and that the immediate aim recorded in the proceedings of last year's Public Accounts Committee had therefore been achieved. He further stated that up to the 10th of July the receipts for the current financial year showed an improvement of about two crores over the corresponding figures for last year, and working expenses for April and May were actually one lakh less than the figures of the corresponding months of 1936-37. It was probable, however, that there would be some increase in expenditure later in the year owing to increased traffic and the rise in prices.

63. *Road-rail competition.*—The Committee then discussed the road-rail question. The Chief Commissioner stated that the running of motor transport by the Railways without a monopoly would not under existing conditions be a business proposition, and that it would be impossible to obtain a monopoly without the consent of the Provincial Governments. He further pointed

out that the system adopted by some Railways in the United Kingdom of subsidising private motor companies would not be practicable in India since there were at present practically no motor companies which were reliable enough to provide a suitable investment for the Railways. Some members of the Committee considered that motor transport could only be efficiently run by the State, and that the question of securing a monopoly should be further considered even if it meant compensating the Provinces. Other members, however, stated that they would be satisfied if motor vehicles could be made to observe reasonable standards of comfort and safety. The Chief Commissioner agreed that if such standards could be enforced the Railway should be able to hold their own against road competition.

64. *Economies.*—Some members of the Committee wished the question of a cut in the salaries of railway officials to be further considered. In this connection the Chief Commissioner pointed out that it would not be possible to enforce the cut in the case of officers appointed by the Secretary of State except through an act of the British Parliament, and if such officers were immune it would not be fair to impose a cut in other cases. As regards minor economies the Chief Commissioner stated that he hoped to achieve an early saving of about half a crore from the measures which were in contemplation, and this saving might rise to a crore after a few years.

65. *Coupon tickets.*—Professor Ranga suggested that the Railways might attract more traffic if they were to issue coupon tickets to members of the general public on the analogy of those which are at present issued to commercial travellers. The Chief Commissioner was doubtful whether it would be possible to prevent serious abuses of this privilege even if a photograph of the owner were pasted on the ticket. He agreed, however, to consider the suggestion.

66. *Wedgwood Committee's report.*—The Committee then discussed several points arising out of the Wedgwood Committee's report, but it was agreed that no record should be kept of this part of the proceedings. After the general discussion the witnesses left the meeting. Mr. Satyamurti then moved the following resolution :—

> " The Public Accounts Committee recommends to the Government that no action should be taken by them, by way of implementing the recommendations of the Wedgwood Committee, until this Committee and the Standing Finance Committee on Railways have examined and pronounced their opinion on them, and until the Legislative Assembly has considered the Report and the opinion of these two Committees, and made its recommendations thereon."

It was agreed that this question should be further considered at an additional meeting to be held on the 7th of August.

The Committee adjourned at 5 p.m.

**Proceedings of an additional meeting of the Public Accounts Committee held on Saturday, the 7th of August 1937, at 2-30 p.m.**

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PRESENT:

The Hon'ble Mr. J. C. NIXON, C.S.I., C.I.E., I.C.S., *Chairman.*
Finance Member.

Mr. B. DAS.
Professor N. G. RANGA.
Sirdar JOGENDRA SINGH.
Captain Sardar Sir SHER MOHAMMAD KHAN, Kt., C.I.E., M.B.E.
Mr. S. SATYAMURTI.
Maulvi Sir MOHAMMAD YAKUB, Kt.
Bhai PARMA NAND.
Dr. R. D. DALAL, C.I.E.
Khan Bahadur Sir ABDUL HAMID, Kt., C.I.E., O.B.E.
Khan Bahadur Shaikh FAZL-I-HAQ PIRACHA.
*Members.*

67. *Wedgwood Committee's Report.*—In place of the resolution moved at the fifth meeting Mr. Satyamurti proposed the adoption of a draft minute containing series of recommendations relating to the proposals made by the Wedgwood Committee. After some discussion a majority of the members of the Committee expressed their agreement with these recommendations, subject to certain amendments, and the Committee decided that the minute as amended should be printed as an annexure to their report.

68. The non-official members of the Committee wished to place on record their appreciation of the courtesy and spirit of accommodation shown by the Hon'ble Mr. J. C. Nixon as Chairman throughout the meetings.

The Committee adjourned at 4-15 p. m.

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**Minute approved by a majority of the Committee.**

(*Vide* paragraph 14 of the Report and paragraph 67 of the Proceedings).

1. We recommend to the Government that they should take no action on any proposals in the Wedgwood Committee's report involving questions of policy or on proposals involving further expenditure or on proposals recommending the creation of fresh posts or the appointment of Europeans thereto, before the Indian Legislature has had an opportunity of considering the whole report and pronouncing its opinion on the recommendations therein.

2. We are of opinion that several of the recommendations of the Wedgwood Committee are wholly outside the terms of reference thereto, which were :—

> " to examine the position of Indian state-owned railways and to suggest such measures as may, otherwise than at the expense of the general budget,

(i) secure an improvement in net earnings due regard being paid to the question of establishing such effective co-ordination between road and rail transport as will safeguard public investment in railways while providing adequate services by both means of transport; and

(ii) at a reasonably early date place railway finances on a sound and remunerative basis";

and besides are even against the provisions of the Government of India Act, 1935, and we therefore recommend to the Government that they should not consider those recommendations which are outside the terms of reference to the Committee, as the Committee was not qualified to enter into those questions, and did not have all relevant matters before it.

3. We particularly recommend to the Government that they should not accept or take any action on the following specific recommendations of the Railway Enquiry Committee:—

(1) (a) that experienced European Supervisors are still required for the railway workshops, and that the salaries offered and the prospect of continuous employment must be such as to induce the best men to offer themselves (paragraph 50);

(b) that for the present it is desirable that the Principal of the Jamalpur School should continue to be a European of experience (page 38); and

(c) that the direct recruitment of properly qualified young men of European domicile (for the gazetted posts in the Mechanical Engineering Department) should be continued to fill 25 per cent. of the appointments (page 38).

We dissent and while approving of the principle of securing the maximum efficiency in the working of this Department, strongly deprecate the introduction of racialism.

(2) The Railway Enquiry Committee (paragraph 70) do not recommend any alteration in the London Office of the Central Publicity Bureau.

We suggest to the Government that they should examine the need for the continuance of the office, and the possibility and the desirability of transferring its functions to the High Commissioner's office, with a view to economy.

(3) The Railway Enquiry Committee (paragraph 78) recommend that the appointment of Traffic Member of the Railway Board be made permanent.

We consider that no strong case for this appointment has been made out, and request the Government not to agree to it, without further consideration.

(4) The Railway Enquiry Committee (paragraph 79) say that they consider "the new scales of pay may prove insufficient to attract the right type of recruit in certain grades. If this should prove to be the case, the scales should be revised."

We consider that this recommendation is wholly outside the terms of reference to the Railway Enquiry Committee, and that this will weaken the financial situation of the railways further.

(5) The Railway Enquiry Committee (paragraph 80) recommend that the Accounts Officers of the State-managed Railways should be held responsible to the Agents.

We do not agree and prefer the present agreed arrangement to continue until the Federal Railway Authority reviews the position.

(6) The Railway Enquiry Committee (paragraph 81) recommend that each Agent should have a Deputy with expert staff to deal with establishment matters.

We consider this would be unnecessary expenditure.

(7) The Railway Enquiry Committee (paragraph 83) recommend that, until the Federal Railway Authority is set up the function of higher audit should be confined to matters of major importance.

We do not agree and prefer the existing agreed arrangement to continue until the Federal Railway Authority reviews the position.

(8) The Railway Enquiry Committee (paragraph 99) recommend that the Statistical Officer should be re-instated in the Railway Board's office and that the statistical organization of some railways should be strengthened.

We see no immediate need for this.

(9) The Railway Enquiry Committee (paragraphs 115 and 116) recommend the appointment on each administration of a Commercial Manager of a status equal to that of other heads of departments, having under him a Rates and Fares Branch, a Traffic Department Branch, and a Research Branch. The Railway Enquiry Committee say incidentally (page 70) that it may be admitted that there is also a shortage of men (in India) trained in the tradition of a live and energetic commercial department. In these circumstances, such men must perhaps be imported and active steps taken to train others to work under their guidance and ultimately to fill their places.

We are of opinion that, while there is need for the development of the commercial departments of the railways, there is no need to create new additional posts for the purpose and there is much less need for importing any people from outside India for this purpose.

(10) The Railway Enquiry Committee [paragraph 116 (*g*)] say that they are convinced that special steps must be taken to select and train commercial staff; the desirability of appointing senior men at the outset from Great Britain should be considered.

We totally dissent from the latter part of this recommendation.

(11) The Railway Enquiry Committee (paragraphs 122 and 123) say that individual rates should continue to be readily adjustable to meet varying conditions, but they cannot recommend any general reduction in charges.

Until this question is far more carefully studied and its effects on railway receipts properly assessed, we recommend to the Government that they should not accept the proposition that there can be no general reduction in charges.

(12) The Railway Enquiry Committee (paragraphs 136-138) say that, until road and rail transport are both regulated as public services, co-ordination of transport is unattainable.

We recommend to Government that the whole question of transport —rail, road, inland waterways and coastal—should be considered together and co-ordinated on an all-India basis, as we are of opinion that any piecemeal action in the matter may make things worse.

(13) The Railway Enquiry Committee (paragraph 176) deprecate any wholesale reduction of fares to meet road competition.

We request the Government not to accept this recommendation without a further and more careful study of the effects of reduction of fares on traffic and revenue.

(14) The Railway Enquiry Committee (paragraph 189) consider that a general reduction of rates to meet road competition would involve the railways in a heavy loss of revenue.

We recommend to the Government to pursue this matter further by means of a proper and careful study of the data and of the experience available, and not to come to any decision merely on the basis of this recommendation.

(15) The Railway Enquiry Committee (paragraph 192) recommend that "the Railway Board should appoint a Press Liaison Officer with adequate staff to constitute a Railway Information Office. Both journalistic talent and a knowledge of Indian vernaculars will be required. As a first approach we recommend that a young and enterprising journalist from Great Britain be invited to take over the task of organizing the Railway Information Office for the Railway Board." They admit that the establishment of this organization will cost money, but, add "it is in our opinion the foundation for any attempt to work up a good press, and a good press is an essential feature of our proposals at this juncture".

We deprecate any further expenditure on this account. In any case we strongly dissent from the recommendation that a Britisher should be imported for this purpose from Great Britain.

(16) The Railway Enquiry Committee (paragraph 197) state that they consider that the amalgamation of Railways, if carried out too far, will result in unwieldy administration.

We are of opinion that the railway systems in India can easily be reduced to six or four, and recommend that this should be done as early as possible, provided it involves no financial deterioration.

(17) The Railway Enquiry Committee (paragraphs 198-200) recommend that any further exercise by Government of their option to take over company-managed railways should be deferred until the end of 1945, to give the Federal Railway Authority an opportunity of consolidating its position.

We are strongly of opinion that this recommendation is wholly outside the terms of reference to the Committee, is against the declared policy of the Indian Legislature, and should not be considered or accepted by the Government.

(18) The Railway Enquiry Committee (paragraph 201) consider that no amalgamation of railways is desirable at the present time.

We suggest that the earliest opportunity should be taken to amalgamate railways, provided this involves no financial deterioration.

(19) The Railway Enquiry Committee (paragraphs 202-204) consider that the policy of short options is unsound, and recommend that the Government should extend the contracts to dates as far ahead as practicable.

We look upon this recommendation with great disfavour, and consider that it is intended more to help the railway companies than the taxpayer or the country. We therefore, recommend to the Government to reject this recommendation altogether.

(20) The Railway Enquiry Committee (paragraph 206) urge the need for an adequate depreciation fund and consider that a normal balance of 30 crores would not be excessive.

Without pronouncing any final opinion on this matter, we would recommend to the Government to consider this question with the help of real financial and railway experts in the country, and fix the depreciation fund on proper basis, which we consider should be a renewals and replacement fund. We refer the Government to the Public Accounts Committee's recommendation in this matter last year, which was accepted by the Government.

(21) The Railway Enquiry Committee (paragraphs 210-211) urge the importance of building up a general reserve fund to serve as an equalisation fund for the payment of interest charges in bad years, and from which monies can be appropriated for the amortisation of capital.

We do not want the Government to reject this recommendation off-hand. We are in favour of a general reserve fund to serve as an equalisation fund for the payment of interest charges in bad years, after meeting the obligations mentioned in paragraph (23) below. We are not, however, in favour of monies being drawn from this fund for the amortisation of capital. The reserve fund should be confined merely for the purposes of the equalisation fund, mentioned above.

(22) The Railway Enquiry Committee (paragraph 212) say: "Looking to the future, we do not think that railways, after providing for depreciation, are likely over a period of years to earn more net revenue than will serve to meet their interest charges."

We recommend to the Government to reject this recommendation.

(23) The Railway Enquiry Committee (paragraph 213) also consider that the railways should no longer be looked to as a possible source of revenues for the relief of general taxation, but that every endeavour should be directed towards enabling the railways to maintain full solvency.

We are genuinely alarmed at these recommendations. We derive consolation from the fact that the Railway Enquiry Committee were not appointed and were not competent to pronounce any opinion on this question.

We would like to invite the attention of the Government to paragraphs 30-31 of the Niemeyer report, particularly to the following sentences :—

> "I recommend therefore, that the initial prescribed period under section 138(2)(*a*) being five years, the prescribed sum which during that period the Centre may in any year retain out of the assigned 50 per cent. shall be the whole, or such sum as is necessary to bring the proceeds of the 50 per cent. share accruing to the Centre (of the income-tax) together with any general budget receipts from the railways up to 13 crores..... The position of the railways is frankly disquieting. It is not enough to contemplate that in five years' time the railways may merely cease to be in deficit. Such a result would also tend to prejudice or delay the relief which the provinces are entitled to expect. I believe that both the early establishment of effective co-ordination between the various modes of transport and the thorough going overhaul of railway expenditure in itself are vital elements in the whole provincial problem."

(24) The Railway Enquiry Committee (paragraph 215) state that, in view of the importance of the interests at stake, political interference in the affairs of the Federal Railway Authority must be avoided, and the utmost care should be exercised in the selection of its President and Members.

This is again clearly outside their terms of reference. Moreover, the Railway Enquiry Committee do not evidently know that this matter had been dealt with in section 182 of the Government of India Act, 1935, and the eighth schedule thereto. The qualifications are prescribed there, and there was no need for the Railway Enquiry Committee to go further into the matter.

We connot pass over without notice, the following sentences in the Railway Enquiry Committee's report on this matter :—

> "In our view the President of the Railway authority should be a businessman of high standing and of wide experience. It is, we consider, immaterial that he should have any specialised railway experience or intimate knowledge of the peculiar conditions of India. It is more important that he should bring the whole energy of a fresh and vigorous mind to bear upon the problems which will confront the Federal Railway Authority."

We consider this a special pleading for non-Indians and, request the Government to reject this recommendation.

(25) The Railway Enquiry Committee (paragraph 216) state that, "while political interference is the high road to bankruptcy, administrative interference leads to stagnation, and is almost equally to be deplored." They add : "The history of the State management of railways during the past ten years may supply a warning as to the necessity of giving the new authority a free hand to manage its own affairs."

We would like to draw the attention of the Government to paragraph 22 of the report of the Railway Enquiry Committee where they say :

> " Our general survey of the Indian State-owned railways from 1924 to 1936 shows that their financial results are better than those of other comparable railway systems, whilst their operating statistics indicate that there has been a substantial advance in efficiency and economy of management since the depression began in 1930."

Having stated this, the Railway Enquiry Committee (paragraphs 216-217) say, " as we do not expect any surplus to be available for general revenues, the Government should in future confine its interest in railways to that of a debenture holder ".

We consider that this recommendation upsets all previous policy of the Government and of the Legislature in respect of railways, and therefore request the Government to reject this recommendation.

(26) The Railway Enquiry Committee (paragraph 218) conclude that the Federal Railway Authority should aim at establishing themselves in a position which will enable them to raise capital in the open market.

This is against the provisions of the Government of India Act, 1935, and also against such control as may still be exercised by the Legislature over the Federal Railway Authority under the Government of India Act, 1935. This recommendation, if accepted, will introduce an unhealthy element of competition in the loan market, as against Provincial Governments, Public Corporations and Local Bodies.

Section 186(4) of the Government of India Act, 1935, provides :—

> " The Federation may provide any moneys whether on revenue account or capital account, for the purposes of the Railway Authority, but where any moneys are so provided, the provision thereof shall be deemed to be expenditure and shall accordingly be shown as such in the estimates of expenditure laid before the Chambers of the Legislature."

This provision, along with the provision in sub-section (2) of section 193 of the Act, gives some power to the Legislature to control the railway policy and expenditure in this country. If the Railway Enquiry Committee's report be accepted by the Government and the Federal Railway Authority be allowed to raise loans in the open market, that Authority will become a complete '*imperium in imperio*' wholly irresponsible to the Legislature or even to the Government. We therefore recommend that this recommendation also should be rejected.

(27) The Railway Enquiry Committee (paragraph 220) recommend that the Railway Authority should delegate wide powers to the Railway Board.

We do not agree. At any rate, we would leave this to the Federal Railway Authority to consider and decide.

(28) The Railway Enquiry Committee (paragraph 221) recommend that the head office of the Authority and of the Railway Board should be at Calcutta.

We totally dissent and recommend that the head office of the Authority and of the Railway Board should be at the same place as the headquarters of the Government of India.

(29) The Railway Enquiry Committee (paragraph 222) recommend that the title of the Agent should be replaced by that of the General Manager.

We do not object, provided that the change of title will not mean increase in their emoluments and therefore in expenditure, nor mean any more powers being given to them, inconsistent with the efficient and economic management of Railways.

(30) The Railway Enquiry Committee say (paragraph 198) :—

> "We should feel bound to urge a radical reconsideration of the whole question of State management and a fresh examination of the possibility of creating privately managed companies, with Boards of Management domiciled in India."

We dissent, and consider this recommendation beyond their terms of reference, and request the Government not to accept it.

# APPENDICES.

## APPENDIX I.

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**Statement showing action taken or proposed to be taken on recommendations, etc., previously made by the Public Accounts Committee**

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**PART II.—Railways.**

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*ent showing action taken or proposed to be taken on recommendations, etc.,*

PART II.—

| Year of Report. | Paragraph of Report or Proceedings. | Recommendations or suggestions. |
|---|---|---|
| 1934-35 | 7 R. .. .. 3 P. | That lump cuts made in estimates by the Railway Board should be allocated as far as possible to heads where they were practicable and within the control of Railways with a view to avoid undesirable variations. |
| 1934-35 | 9 R. .. .. 2 P. | That with a view to making the Railways solvent on a strict accounting basis the services of an expert in Railway management should be obtained and that the Report of the inquiry should be published and opportunity given for discussion in the Legislature. |
| 1934-35 | 10 R. .. .. 5 P. | That the Financial Commissioner, Railways, should arrange to give in his Review an explanation of the total excesses after excluding the unanticipated credits. |
| 1934-35 | 10 R. .. .. | That the Railway Board should issue instructions that the submission of the completion reports should not be unnecessarily delayed. |
| 1933-34 | 14 R. .. .. | That the Railway Board should immediately take up the revision of the Railway Codes and complete it before the new statutory Railway Authority comes into existence. |
| 1934-35 | 10 R. .. .. 13 P. | That the Railway Board should be relieved of its obligation not to sell slack coal. |
| 1933-34 1934-35 | 13 R. .. .. 8 P. | That a report on the working of the instructions issued by the Railway Department regarding auction sales on the different railways should be submitted to the Committee annually. |
| 1934-35 | 9 P. .. .. | That a statement be submitted to the Committee showing a comparison between the pre-war and post-war expenses of Railways divided into certain main heads. |
| 1934-35 | 12 P. .. .. | That a statement showing the progress made with reference to the various recommendations made by the Pope Committee be added in the Financial Commissioner's annual Review. |
| 1934-35 | 12 P. .. .. | That a statement showing the number of saloons maintained, their capital cost, depreciation and maintenance, the classes of officers entitled to their use, distinguishing saloons maintained by Railways for their own purposes from the rest, should be submitted to the Committee next year. |
| 1934-35 | 14 P. .. .. | That an up to date review of the possibilities of economy by regrouping of railways or amalgamation of the different railways be given to the Committee next year. |
| 1934-35 | 17 P. .. .. | That, in future, an additional column showing the final appropriations for each Railway should be shown in the Financial Commissioner's Review. |

*previously made by the Public Accounts Committee.*

RAILWAYS.

| Action taken or proposed to be taken. |
|---|
| This has been done in dealing with the estimates for 1937-38. |
| The expert Committee has since made its investigations and submitted its report. |
| This has been done in the Review on the Accounts of 1935-36. |
| The necessary instructions have been issued and copies have been sent to the members of the Committee (appendix III). |
| An officer has been placed on special duty since 22nd July 1936 and it is hoped that the revision of the codes will be completed by about the end of 1937. |
| The obligation has since been removed. |
| The necessary report will be furnished to the Committee after the close of every year. |
| A statement has been supplied to the Committee (appendix VI). |
| It has been decided that such information should not find a place in the Review, but should be given to the Committee as a separate memorandum. The memorandum has been supplied to the Committee (appendix IV). |
| A statement has been supplied to the Committee (appendix VII). |
| A note on this subject has been supplied to the Committee (appendix VIII). |
| This has been done. |

## APPENDIX II.

LETTER FROM THE AUDITOR GENERAL, TO THE FINANCE DEPARTMENT, GOVERNMENT OF INDIA, NO. T.-468-REP./22-37, DATED THE 24TH JUNE 1937.

SUBJECT :—*Appropriation Accounts (Railways), 1935-36, and the Audit Report, 1937.*

With reference to paragraph 13(1)(i) and (iii) of the Government of India (Audit and Accounts) Order, 1936, and paragraph 13(2) of the Government of India (Commencement and Transitory Provisions) Order, 1936, and paragraph 13 of the Government of India, Finance Department letter No. D./29-Ref./37, dated the 8th January 1937, I have the honour to transmit herewith two copies of the Appropriation Accounts of Railways in India for the year 1935-36, Parts I and II, issued by the Chief Commissioner of Railways, together with two copies of the Audit Report, prepared by the Director of Railway Audit, for necessary action by the Governor General in Council.

2. I have the honour also to transmit herewith two copies each of the Capital Statement, Balance Sheets, and Profit and Loss Accounts of Railways in India, and of the Balance Sheets of Railway Collieries and Statements of all in costs of coal for 1935-36.

3. The Appropriation Accounts and the Audit Report have, as usual, been subjected to a detailed examination in my office and I have satisfied myself that they are generally in order.

4. *Capital at charge of Railways.*—During the year 1935-36 there has been a reduction in the Railway capital at charge due to the application of the current statutory rate of exchange in converting the sterling liabilities, *vide* paragraphs 47 *et seq.* of the Chief Commissioner's review. It is not however correct to say, as has been stated in paragraph 48 of the Review, that the rate of exchange which prevailed when the liabilities were undertaken is irrelevant : for the rupee equivalent given by the application of that rate of exchange represents the actual amount expended on the assets in possession of Railways. But as these sterling liabilities would now have to be met by payments at the current statutory rate of exchange and as for various reasons there is admittedly an element of overcapitalisation in the Railway Capital Account, I have agreed to the basis of conversion being altered and to the consequent reduction amounting to Rs. 8·31 crores in the capital at charge, which is specially brought to notice. The recorded capital at charge of Railways was further reduced by a sum of Rs. 54 lakhs, representing the difference between the rupee equivalent at the current rate of exchange and the rupee equivalent previously included in the Railway accounts of the £3½ millions debenture stock of the East Indian Railway discharged during the year 1935-36.

5. *Allocation of expenditure on Rolling Stock.*—I have drawn attention in the last three successive years to the unsettled question of the allocation of expenditure on rolling stock on company-managed Railways which is again mentioned in paragraph 16 of the Railway Audit Report. The continued delay in determining the 'Rolling Stock Convention' results in great inconvenience as, in the absence of an agreed basis of allocation, audit of accounts cannot be completed and financial results cannot be finally certified.

6. *Certification of the accounts of company-managed Railways.*—In view of the considerable amount of expenditure on stock and on works which could not be allocated finally between capital and revenue in the accounts of a particular company-managed Railway because of the absence of an agreed basis of allocation I contemplated qualifying the audit certificate on the accounts of that railway. Such qualification was deprecated by the administrative authorities mainly because of the disquieting effect it might have on the shareholders of the company. In the end I accepted the argument that as the contract provided for the correction, in the accounts of a later year, of figures previously certified on a basis subsequently found to be erroneous, I would be justified in giving a certificate qualified only by reference to the articles of the contract which provide for subsequent correction. It was agreed, on the other hand, necessarily, that an auditor could not be expected to give a certificate which is clear in terms when the facts actually require some form of qualification.

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## APPENDIX III.

LETTER FROM THE GOVERNMENT OF INDIA, RAILWAY DEPARTMENT (RAILWAY BOARD), TO THE AGENTS, ASSAM BENGAL RAILWAY; BENGAL NAGPUR RAILWAY; BOMBAY, BARODA AND CENTRAL INDIA RAILWAY; BENGAL AND NORTH WESTERN RAILWAY; EASTERN BENGAL RAILWAY; EAST INDIAN RAILWAY; GREAT INDIAN PENINSULA RAILWAY; NORTH WESTERN RAILWAY; MADRAS AND SOUTHERN MAHRATTA RAILWAY; ROHILKUND AND KUMAON RAILWAY; SOUTH INDIAN RAILWAY, AND H. E. H. THE NIZAM'S STATE RAILWAY; AND THE MANAGER, JODHPUR RAILWAY, NO. 144-W., DATED THE 10TH APRIL 1937.

SUBJECT :—*Completion Reports.*

In continuation of this office circular letter No. 1444-W., dated the 10th February 1936, on the subject noted above, I am directed to say that the attention of the Public Accounts Committee was drawn to a number of instances of works expenditure held under audit objection for want of sanction pending the submission of completion reports. They view with grave concern the dilatoriness in preparing the completion reports and have requested Government to remedy the present unsatisfactory state of affairs in this regard.

2. On an examination of the question, the Railway Board understand that the main cause of delay in the preparation of completion reports is with respect to the adjustment of credits for released materials as the present practice is to wait for their actual disposal before closing the accounts of the works. To avoid delay, the Railway Board desire that the works concerned should be afforded credit on the value of released materials on the basis of estimates by the Stores Department, in consultation with the Engineer Officers.

3. In this connection, I am also to invite your attention to paragraph 305 of the State Railway Code for the Engineering Department, and to suggest that the procedure outlined in that paragraph should be adopted when there is a dispute between the contractor and the railway That is, if the

contractor's claim is not finally settled within a reasonable time, whatever the railway considers as legitimately due to the contractor should be adjusted by debit to the work and credit to 'Deposits' and the account of the work finally closed. When the contractor is subsequently paid finally and the amount paid to him differs from that in credit in Deposits, necessary adjustments should be made by opening the accounts of the work and preparing a revised completion report. The Railway Board trust that the adoption of this procedure will result in completion reports being submitted much earlier than is the case at present.

## APPENDIX IV.

### Action taken on the Pope Committee's Report.

To ascertain whether further economies were possible on Indian Railways, the services of Mr. Pope of the London, Midland and Scottish Railway were first obtained during the winter of 1932-33. In accordance with his recommendations, Job Analysis was undertaken by Railways. The analysis covered a wide variety of Railway operation, including such diverse matters as administrative organisation, intensive use of locomotives, reduction in charges, saving in shed maintenance, painting of structures, improved routing of traffic, better utilization of scrap and methods for increasing earnings and many others. The following table shows the economies effected on each of the more important Railways and the expenditure on the organisation engaged on the analysis for the three years ending 1935-36 :—

| Railways. | 1933-34. | | 1934-35. | | 1935-36. | | Totals. | |
|---|---|---|---|---|---|---|---|---|
| | Cost of Job analysis organisation. | Savings effected. | Cost of Job analysis organisation. | Savings effected. | Cost of Job analysis organisation. | Savings effected. | Cost. | Savings. |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| East Indian .. .. .. | 77,691 | 7,01,128 | 92,884 | 18,14,544 | 1,13,541 | 5,82,459 | 2,84,116 | 30,98,131 |
| Great Indian Peninsula .. .. | 56,680 | 4,15,000 | 64,000 | 2,04,246 | 53,574 | 2,04,859 | 1,74,254 | 8,24,105 |
| North Western .. .. .. | 32,000 | 12,66,749 | 46,006 | 12,37,376 | 56,729 | 7,22,202 | 1,34,735 | 32,26,327 |
| Eastern Bengal .. .. .. | 63,000 | 2,14,864 | 65,995 | 1,29,508 | 26,134 | 41,600 | 1,55,129 | 3,85,972 |
| Bombay, Baroda and Central India .. | 58,789 | 3,52,862 | 35,300 | 11,41,596 | 3,643 | 2,25,682 | 97,732 | 17,20,140 |
| Madras and Southern Mahratta .. | 8,750 | 45,220 | 17,632 | 1,14,000 | 4,920 | 2,56,000 | 31,302 | 4,15,220 |
| South Indian .. .. .. | 19,580 | 27,400 | 2,180 | 25,000 | 221 | 8,463 | 21,981 | 60,863 |
| Burma .. .. .. .. | 7,500 | 25,871 | 26,615 | 73,352 | .. | 77,591 | 34,115 | 1,76,814 |
| Assam Bengal .. .. .. | 12,825 | 1,31,755 | 8,208 | 12,659 | 1,490 | * | 22,523 | 1,44,414 |
| Bengal Nagpur .. .. .. | .. | .. | .. | .. | 17,575 | 13,68,493 | 17,575 | 13,68,493 |
| Totals .. | 3,36,815 | 31,80,849 | 3,58,820 | 47,52,281 | 2,77,827 | 34,87,349 | 9,73,462 | 1,14,20,479 |

*Figures not available.

The matter continues to receive the attention of the Railways. Figures for 1936-37 are not yet available.

2. Details of the action taken on some of the more important recommendations are given below.

3. *Intensive use of locomotives.*—In their first report the Pope Committee emphasised the importance of the more intensive use of locomotives, and in their second report they detailed the points upon which they considered a co-ordinated attack should be made.

Several years prior to the issue of the first report of the Pope Committee, intensive use of locomotives was attempted by several Railways in this country but these early efforts generally proved unsuccessful owing to locomotives extensively employed rapidly deteriorating into a state of dis-repair.

Such failures were due to inadequate preparation both in respect of the provision of repair facilities and the modification of locomotives to make them suitable for intensive use, and it is upon the removal of such deficiencies that the attention of the Railway Board and Railway Administrations has been and still is being concentrated. Until such essential preliminary work is complete, the progress made towards increased utilisation must necessarily be slow but that such work is beginning to bear fruit is supported by the following figures showing the average passenger engine miles per day per passenger engine in use for the four State-managed Railways :—

| Year. | Eastern Bengal Railway. | East Indian Railway. | Great Indian Peninsula Railway. | North Western Railway. |
|---|---|---|---|---|
| 1933-34 .. .. .. | 123 | 140 | 193 | 117 |
| 1934-35 .. .. .. | 147 | 141 | 197 | 122 |
| 1935-36 .. .. .. | 144 | 145 | 202 | 135 |

In pursuance of the Board's policy to obtain increased locomotive utilisation the rolling stock programmes submitted by Railways are now scrutinised in much greater detail and the purchase of locomotives sanctioned only when it is clear to the Board that all avenues have been explored to obtain the utmost use out of the existing number under existing conditions. Side by side with this, proposals for the elimination of obsolete stock, as recommended by the Pope Committee, form an almost regular feature of the rolling stock programmes presented to the Standing Finance Committee for Railways. The result of this policy, in respect to both purchase and elimination, is closely reflected in the following figures for the four State-managed Railways showing the locomotive stocks during 1934-35 and the stocks that will exist at the close of 1938-39 inclusive of the proposals sanctioned by the Standing Finance Committee for that year :—

| | 1933-34. | 1938-39. |
|---|---|---|
| Eastern Bengal Railway .. .. .. .. | 311 | 294 |
| East Indian Railway .. .. .. .. | 1,613 | 1,529 |
| Great Indian Peninsula Railway .. .. .. .. | 938 | 729 |
| North Western Railway .. .. .. .. | 1,284 | 1,133 |
| Total | 4,146 | 3,685 |

In this connection it may also be mentioned that there is at present no reason to suppose that the volume of traffic during 1938-39 will be less than the traffic carried during 1928-29 when the locomotive stock of the four Railways concerned stood at 4,297. In other words, as a result of improved locomotive utilisation the Board expect to be able to handle equivalent traffic with 612 less locomotives. The purchase price of these 612 locomotives which either have been or will be scrapped without replacement was approximately Rs. 3 crores.

4. *Intensive use of Coaching Stock.*—The recommendations made under this item were accepted by the Board, and Railway Administrations were instructed to give their attention to the careful planning of coaching stock movement with a view to obtaining more intensive usage. The remarks made under locomotives above apply *mutatis mutandis* to coaching stock and the reductions effected are illustrated by the following figures for 1933-34 and 1938-39 expressed in terms of four-wheeled units.:—

| | 1933-34. | 1938-39. |
|---|---|---|
| Eastern Bengal Railway .. .. .. .. | 1,563 | 1,557 |
| East Indian Railway .. .. .. .. .. | 4,824 | 4,673 |
| Great Indian Peninsula Railway .. .. .. .. | 2,496 | 2,155 |
| North Western Railway .. .. .. .. | 4,683 | 4,316 |
| Total .. | 13,566 | 12,701 |

Recently the Railway Board have taken up the connected question of pooling of Mela Stock between railways and this is now under reference to the Indian Railway Conference Association.

5. *Intensive use of machinery and plant.*—The Railway Board are of opinion that a comprehensive survey of machinery and plant in railway workshops would be premature until standardisation in accounting methods has been introduced. A draft scheme for this has been prepared and is under consideration.

They also consider that the subject is closely allied to the question of the concentration of manufacturing operations and that this investigation should be undertaken after the completion of the re-modelling of Jamalpur shops, when the question of concentrating manufacture at one or more convenient centres could be taken up. State-managed Railways have accordingly been informed that this question would be investigated by the Railway Board in due course.

6. *Uneconomical Wagons.*—The Committee suggested that every wagon passing through a Transportation Workshop or Sick Line should have, stencilled upon the end panels, coded particulars in " points " of the repairs done to the wagon. The Indian Railway Conference Association to whom the matter was referred for their views felt that the scheme was impracticable, and emphasised the necessity of avoiding any scheme likely to cause any delay to wagons through Train Examining Stations. The proposal therefore was not pursued further. An alternative scheme has, however, since been introduced which will enable the incidence of wagon repairs to be obtained with greater accuracy

in a shorter time. This scheme has been applied only at selected stations and workshops and will be applied only as long as is necessary to obtain the desired information. The data derived from this investigation will disclose the component parts which are most subject to damage and deterioration and most costly to maintain in all types of wagons. Such information should be of the greatest value both from the point of view of design of new wagons and to elimination of undesirable features in existing wagons.

There are also a number of wagons in service which are from 20 to 25 years old and structurally defective either in respect of their underframes or bodies for operation under present day traffic conditions. The reconditioning of 1,000 such Bengal Nagpur Railway wagons has recently been successfully completed and the reconditioning of 1,800 similar East Indian Railway wagons is now in hand. The possibility of reconditioning a further batch of Bengal Nagpur Railway wagons is also now under examination.

7. *Combining resources between Railways.*—(*i*) The Eastern Bengal and East Indian Railway presses have been amalgamated.

(*ii*) The question of the amalgamation of certain workshops and the closing down of others was investigated by the Railway Board and the Railway Administrations concerned. As a result of the investigation, the Board came to the conclusion that the economy that might accrue would not outweigh the administrative disadvantages and difficulties arising from such amalgamations.

On the other hand much has been done during recent years to concentrate the resources on individual railways. The following measures taken on the Great Indian Peninsula Railway are quoted as examples, and similar instances could be quoted in respect to other railways :—

(*i*) closure of locomotive repair shops at Jhansi, Bhusaval, Igatpuri and Lonavla and the concentration of all locomotive repairs in Parel workshops ;

(*ii*) closure of carriage and wagon repair shops at Bhusaval and concentration of all carriage and wagon repairs at Matunga and Jhansi ;

(*iii*) concentration of all carriage building work at Matunga instead of sub-dividing the work between Matunga and Jhansi as hitherto ; and

(*iv*) closure of foundaries at Matunga and Jhansi and concentration of all foundary work at Parel.

(*iii*) The Operating Committee of the Indian Railway Conference Association, to whom the Pope Committee's suggestion about neutral repairs was referred, did not recommend the renewal of experiments with neutral repairs. The Board concurred in this view. The Railway Administrations concerned were, however, asked to investigate the possibilities of introducing 'single control' of coaching stock at junction stations where coaching-stock is interchanged. Most of these Railways undertook to introduce this system at certain junctions but the Bengal Nagpur Railway were averse to its adoption and the South Indian Railway desired to await the results of the experiments that were being made on other Railways. These two Railways have recently been asked to give the system a trial and to intimate the results after it has been in operation for a year.

8. Other important recommendations of the Pope Committee related to—

(*i*) Ticketless travel;

(*ii*) Measures for speedy handling of "smalls" and economical handling of transhipment traffic at break of gauge stations;

(*iii*) Measures to increase revenue.

The nature of these recommendations does not permit of the action taken on them being reduced to terms of money or to a statistical figure either in respect of economies effected or of increased earnings. All recommendations, however, were carefully examined by the Railway Board and by railways with a view to their adoption in cases where this was found practicable. The action taken on these recommendations is briefly narrated below.

9. *Ticketless travel.*—The Committee recommended that the law should be altered so that effective steps can be taken against persons who now take advantage of the laxity of the existing law with respect to travelling without tickets. The Public Accounts Committee are doubtless aware that, in the last session of the Legislative Assembly, a bill was introduced for this purpose and that it has been referred to a Select Committee for consideration.

10. *Measures for speedy handling of "smalls" traffic.*—The Committee recommended, with a view to each railway evolving the method best suited to local conditions, that railways should exchange information about their methods. This was done and the different systems in force throughout India have been examined by each Railway with a view to adopting the method best suited to their own conditions.

11. *Speedy and economical handling of traffic transhipped at break of gauge stations.*—The Committee put forward the following suggestions for the consideration of railways in order to expedite the handling of transhipment traffic at break of gauge stations and also to secure economy:—

(*a*) The use of containers;

(*b*) The use of mechanical appliances;

(*c*) Definitely organised handling by man power.

The Committee recognised that there was nothing novel in what they had to say in their recommendations on the subject, but wished to emphasise that, to produce economy and efficiency, organised methods are essential, and recommended that the Railway Board should address railways in the matter. This was done, and railways overhauled their practice in the light of the Committee's observations. Generally, it was considered that the existing methods conformed largely to the recommendations of the Pope Committee.

The use of containers has not generally been found practicable. The demand for this method of transport from the public is limited and to provide containers merely to facilitate transhipment is not a practical proposition.

The employment of mechanical appliances (other than cranes) is found not suitable for Indian conditions which are dissimilar to conditions in other countries where expensive labour can be displaced by the use of machines.

The recommendations with regard to organised man-power are, in fact, already in vogue in our transhipment sheds.

The delays and expense consequent on break of gauge transhipment have long been a matter of investigation by Indian Railways which have more

experience of such conditions than most other countries, and whilst, as admitted by the Pope Committee, there is nothing novel in their remarks on the subject, their observations have been carefully considered by railways.

12. *Measure for increasing earnings.*—The recommendation of the Committee fell under the following heads :—

(*i*) Organisation.
(*ii*) Salesmanship.
(*iii*) Advertising and Publicity.
(*iv*) Rates and Fares.

(i) *Organisation.*—The Committee emphasised the need of a strong Commercial Department free to devote full time to matters concerning the development of traffic.

The necessity for this has for many years past been recognised by Indian Railways, and all the State Railways except the Eastern Bengal Railway and the three Company-managed Railways, Bengal Nagpur, Madras and Southern Mahratta and South Indian Railways, have now separate commercial departments.

(ii) *Salemanship.*—The views of the Committee were commended to Railways who already recognise the importance of personal canvassing, and steps were taken by Railways to instil ideas of salesmanship in the staff. In the selection of Station Masters also, Railways have been increasingly stressing the need for commercial qualifications.

(iii) *Advertising and Publicity.*—As a means to increase earnings, the Pope Committee were of opinion that greater attention should be paid to advertising and publicity. It was not found possible to accept the recommendation that the Central Publicity Bureau should undertake the examination of the import and export trade of India and of other countries with which India is in competition in world markets, it being considered that individual railways themselves are in the best position to keep in touch with the import and export markets and traders.

Other recommendations of the Committee concerned the use of the cinema for advertising purposes, assistance to traders to find markets, co-operation with Municipalities and Hotel Associations at pleasure resorts or pilgrimage centres, organisation of pilgrimages and co-operation with educational bodies. All these suggestions have received and are receiving attention, though they are not quite new to railway administrations.

The question of bringing to the notice of the public the facilities offered by railways, both in respect to goods and passengers, was recently considered by the Indian Railway Conference Association and the whole subject will be re-examined in view of the recommendations of the Indian Railway Enquiry Committee.

(iv) *Rates and Fares.*—The following suggestions were made by the Committee for adjusting rates and fares to meet various conditions of traffic :—

(*a*) Where rates and fares cannot be economically reduced, the conditions of operating cost must be examined in order to ascertain what action might be taken, *e.g.*, to provide light units to admit of greater frequency of movement;

(*b*) Railways would risk very little by bringing the tapering effect of their passenger fares considerably nearer to the average lead in the third and intermediate classes ;

(*c*) Low rates quoted to develop a specific industry should be capable of enhancement after development is completed ;

(*d*) Inter-railway competition may be reduced permitting of an enhancement in rates ;

(*e*) The question of freight rates for export traffic should be examined co-operatively by Railway Administrations.

Railways have been already taking action regularly on the above lines and the views of the Committee indicated in (*a*) and (*c*) above were specially commended to Railways.

As regards (*b*), the Board did not accept the statement that there was little risk by bringing the tapering effect of passenger fares nearer to the averge lead. Railways have, however, been asked to make a periodical examination in this respect.

As regards (*d*), the matter was discussed with the Agents, Class I Railways, and the necessity of taking concerted action was recognised by them. In actual practice, Railways do give prior advice of reductions in rates fares and conditions which may have the tendency of affecting adversely other Railways and in cases of dispute, settlement is arrived at by discussion between the Railways concerned.

As regards (*e*), the Secretary, Indian Railway Conference Association, was asked to have the suggestions considered by the Conference Association. The Conference found that any tendency to quote unduly low rates was due more to direct competition with coastal steamers rather than with inter-railway competition for export traffic. As regards this competition, the Conference recommended to Railways that, should there be a tendency for Railways to cut rates to secure traffic to ports in which they are particularly interested, they should co-operate in endeavouring to maintain a reasonable standard of rates.

## APPENDIX V.

### Working of the instructions issued by the Railway Board regarding auction sales on different Railways.

As desired by the Public Accounts Committee, instructions were issued to Railway Administrations in Railway Board's letter No. 2326-F./IV, dated the 20th November 1935 (*vide* annexure to appendix I to the Report for 1934-35) to the effect :—

(*i*) that proper care should be exercised to select auctioneers of financial standing ;

(*ii*) that the auctioned material should not be allowed to be removed until the full amount had been received from the auctioneers ; and

(*iii*) that the arrangements with the auctioneers should be signed by duly authorised persons.

After considering these instructions on 20th July 1936 the Committee desired that a report on the working of these instructions should be presented to them annually.

2. The reports on the working of the instructions during 1936-37 received from the Railway Administrations show that the conditions (*i*) and (*iii*) are followed by the Railway Administrations. As regards the second condition, all Railway Administrations except the Bengal Nagpur, Eastern Bengal and East Indian Railways, have taken necessary steps to implement it. In the case of the East Indian and Eastern Bengal Railways it was pointed out by the auctioneers and the Controllers of Stores of those Railways that it was not practicable to adopt the hard and fast rule that the railways should in no circumstances deliver the auctioned material until the full value had been received from the auctioneers. The auctioneers were also not prepared to revise their agreements or to increase their security deposits sufficiently to cover the maximum value of the goods sold at an auction, but they were agreeable to adopt an insurance scheme through some Fidelity or Guarantee Bond to guard against loss to Government in the realisation of the amount of sale proceeds of auctioned material to the extent of Rs. 3 lakhs. On the recommendation of the Agents, and after very careful examination, the Railway Board were satisfied with the proposed insurance scheme and accordingly approved it. The Railway Administrations have, however, reported that no Insurance Company is prepared to undertake risk against insolvency, and the question is again under further examination by the Railway Administrations concerned. So far as the Bengal Nagpur Railway is concerned, it was pointed out that, in order to safeguard the interest of the Railway, the agreement provides a clause under which the auctioneers were required to furnish a security deposit of Rs. 1 lakh in G. P. Notes whereas the outstandings due from them to the Railway rarely, if ever, exceeded Rs. 75,000. In view of this the Railway Board agreed to the existing practice being continued. The Railway Administration has since informed the Board that the security deposit has been increased by Rs. 5,000 raising the total security deposit to Rs. 1,05,000 in G. P. Notes.

## APPENDIX VI.

### Comparison of pre-war and post-war working expenses under certain main heads.

At its meeting held in July 1936 the Public Accounts Committee desired to have a statement comparing pre-war and post-war working expenses of Indian Railways, classified under certain main heads, such as wages, salaries, cost of material, interest and depreciation.

2. A statement giving the available information for each railway is attached, together with an abstract giving the totals for all railways. Wherever separate information is not available, the column concerned is blank.

3. It will be observed from these statements that the expenditure on account of wages and salaries (in thousands of rupees) for the years 1913-14, 1923-24 and 1935-36 was as follows:—

| | 1913-14. | 1923-24. | 1935-36. |
|---|---|---|---|
| Gazetted staff .. .. .. .. | 13,055 | 22,880 | 27,676 |
| Upper subordinates .. .. .. | 17,758 | 48,868 | 32,526 |
| Lower subordinates .. .. .. | 73,615 | 149,399 | 200,314 |
| Labourers .. .. .. .. | 14,674 | 31,309 | 39,830 |
| Inferior servants .. .. .. .. | 6,098 | 13,274 | 13,906 |

The categories of employees shown above were those in respect of which railways were asked to supply information. But the basis of classifying and designating subordinate and inferior servants is not uniform throughout the various administrations, and some of them have been unable to quote separate figures under some of the categories. No very great degree of accuracy should therefore be held to attach to the separate figures under the last four categories, but it is considered that, taken together, the totals are sufficiently accurate so as not to be misleading for the purpose in view.

4. In considering the above figures, the following facts regarding changes made in the scales of pay from time to time may be of interest.

Time scales of pay were introduced in 1908 for the service now known as the Indian Railway Service of Engineers.

The scales of pay for other superior railway services were revised in 1911 but they were graded and not time scales.

Owing to the conditions arising from the war and the high cost of living, the scales of pay were further revised and time scales of pay, which were more expensive, were introduced in almost all departments in 1919 and 1920.

As a result of recommendations made by the Lee Commission, scales of pay were further revised with effect from 1st April 1924 to the extent that in addition to basic pay or in lieu of rupee overseas pay officers of non-Asiatic domicile were given sterling overseas pay.

The scales of pay for superior railway officers appointed after 15th July 1931 were revised and reduced in 1933, because it was considered that the scales of pay then in force were excessive.

5. When the superior services' scales of pay were raised owing to the high cost of living arising from the war, Agents of State-managed Railways generally introduced time scales of pay for subordinates between 1917 and 1921 with the Railway Board's sanction.

The scales of pay for the lower paid staff, which included inferior servants and labourers, were revised further during the years 1929 and 1931, resulting in further increase of expenditure. Detailed information in respect of these has already been given in the Railway Board's reports for the years 1930-31 and 1931-32.

6. The increase of wages granted during days of plenty has increased railway working expenses by somewhere in the neighbourhood of Rs. 50 lakhs per annum, as mentioned by Chief Commissioner in paragraph 20 of his speech presenting the Railway Budget for 1936-37 in the Council of State.

*Statement showing a comparison between pre-war and*

| Railways. | Years. | Staff. | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Gazetted Staff. | | Upper Subordinates. | | Lower Subordinates. | | Labourers. | |
| | | No. | Cost. | No. | Cost. | No. | Cost. | No. | Cost. |
| | | | Rs. | | Rs. | | Rs. | | Rs. |
| A. B. .. .. | 1913-14 | 51 | 4,12 | 81 | 2,27 | 2,097 | 852 | 1,146 | 1,90 |
| | 1923-24 | 59 | 7,80 | 97 | 3,68 | 2,593 | 17,72 | 1,874 | 4,13 |
| | 1935-36 | 71 | 10,02 | 121 | 4,53 | 3,392 | 25,13 | 2,392 | 9,22 |
| B. N. .. .. | 1913-14 | 120 | 14,16 | 39,855 | 85,95 | | | .. | |
| | 1923-24 | 178 | 26,82 | 62,011* | 1,97,07* | .. | .. | | .. |
| | 1935-36 | 194 | 30,19 | (a) 844 | 14,46 | (b) 64,263 | 2,67,15 | | |
| B. B. and C. I. .. | 1913-14 | 136 | 14,88 | 156 | 7,59 | 59,620 | 1,42,17 | | |
| | 1923-24 | 182 | 26,55 | 1,015 | 44,99 | 73,180 | (c) 3,40,43 | | |
| | 1935-36 | 172 | 30,66 | 942 | 49,29 | 63,801 | 3,40,56 | .. | .. |
| E. B. .. .. | 1913-14 | 117 | 9,89 | 248 | 9,08 | 7,961 | 38,16 | 26,630 | 25,33 |
| | 1923-24 | 131 | 18,20 | 542 | 24,24 | 8,610 | 74,62 | 26,412 | 78,18 |
| | 1935-36 | 124 | 22,30 | 484 | 22,90 | 9,124 | 95,34 | 29,984 | 91,66 |
| E. I. .. .. | 1913-14 | 276 | 24,94 | 683 | 26,03 | 18,062 | 1,08,49 | 86,462 | 74,11 |
| | 1923-24 | 320 | 42,09 | 2,010 | 91,16 | 20,448 | 1,55,43 | 100,748 | 1,33,17 |
| | 1935-36 | 299 | 49,83 | 1,675 | 81,91 | 33,831 | 2,30,67 | 69,354 | 1,89,74 |
| G. I.P. .. | 1913-14 | 178 | 15,69 | (a) 312 | 13,30 | 100,286 | 1,74,62 | | |
| | 1923-24 | 230 | 31,53 | (a) 1,007 | 51,11 | 92,392 | (b) 3,38,41 | .. | .. |
| | 1935-36 | 213 | 38,44 | (a) 1,270 | 56,59 | 82,058 | 3,49,98 | † | .. |
| M. S. M. .. | 1913-14 | 119 | 11,09 | 113 | 3,90 | 7,294 | 40,09 | 21,509 | 23,75 |
| | 1923-24 | 146 | 17,65 | 227 | 9,29 | 7,825 | 61,48 | (c) 23,040 | 39,29 |
| | 1935-36 | 139 | 20,17 | 227 | 11,78 | 8,695 | 76,10 | (c) 24,602 | 50,72 |
| N. W. .. .. | 1913-14 | 226 | 20,49 | 1,026 | 23,07 | (f) 93,877 | 1,69,33 | (c) .. | .. |
| | 1923-24 | 278 | 36,10 | 1,137 | 52,03 | (f) 101,678 | 4,14,56 | .. | .. |
| | 1935-36 | 271 | 44,32 | 1,326 | 63,87 | (f) 103,622 | 5,08,91 | .. | .. |

* Include upper subordinates, lower subordinates, labourers and inferior servants.

† The number of labourers in 1935-36 was 13,950.

(a) Subordinates drawing Rs. 250 p.m. and above.

(b) Includes subordinates drawing less than Rs. 250 p.m., labourers and inferior servants.

*post-war railway expenditure divided over certain sub-heads.*

(In thousands of rupees.)

| Inferior Servants. | | Total. | | Salaries. | Wages. | Cost of materials. | Interest. | Depreciation. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|
| No. | Cost. | No. | Cost. | | | | | | |
| | Rs. | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| 6,698 | 7,69 | 10,073 | 24,50 | 6,39 | 18,11 | 15,62 | 49,09 | Not available. | |
| 8,159 | 12,19 | 12,782 | 45,51 | 11,48 | 34,03 | 34,06 | 69,33 | ,, | |
| 10,744 | 16,67 | 16,720 | 65,57 | 14,55 | 51,02 | 53,88 | 91,63 | .. | |
| .. | | 39,975 | 1,00,11 | 32,74 | 67,37 | 69,32 | 1,36,87 | 59,76 | |
| | .. | 62,189 | 2,33,89 | 74,36 | 1,49,53 | 1,87,95 | 2,16,27 | 92,40 | |
| .. | .. | 65,301 | 3,11,80 | 95,57 | 2,16,23 | 2,02,72 | 2,74,89 | 1,29,10 | |
| .. | .. | 59,912 | 1,64,64 | | .. | 1,55,75 | 1,65,10 | 25,77 | |
| .. | | 74,377 | 4,11,97 | .. | | 2,65,22 | 2,19,68 | 74,60 | |
| .. | .. | 64,915 | 4,20,51 | .. | .. | 1,65,06 | 2,78,19 | 79,73 | |
| 9,719 | 12,03 | 44,675 | 94,49 | 57,13 | 37,36 | 2,37,24 | 1,25,75 | 16,69 | |
| 11,296 | 23,97 | 46,991 | 2,19,21 | 1,17,06 | 1,02,15 | 2,94,81 | 1,62,26 | 43,38 | |
| 9,863 | 23,70 | 49,579 | 2,55,90 | 1,40,54 | 1,15,36 | 1,80,49 | 1,96,73 | 85,17 | |
| 23,616 | 24,33 | 129,099 | 2,57,90 | 79,54 | 1,78,36 | 2,09,86 | 4,43,05 | .. | |
| 27,127 | 66,90 | 150,653 | 4,88,75 | 1,54,02 | 3,34,73 | 3,95,74 | 5,20,06 | 1,80,00 | |
| 19,799 | 54,59 | 125,158 | 6,06,74 (d) | 1,75,44 | 4,31,30 | 1,99,97 | 5,94,38 | 2,40,18 | |
| .. | .. | 100,776 | 2,15,98 (d) | .. | | 2,67,94 | 3,47,72 | 67,69 | |
| .. | | 93,629 | 4,63,96 (d) | | | 4,49,56 | 4,25,82 | 90,01 | |
| .. | .. | 83,541 (g) | 4,81,85 (g) | .. | .. | 2,38,61 | 4,32,09 | 2,02,09 | |
| | | 29,035 (g) | 78,83 (g) | .. | | Not available. | 1,82,18 | 52,63 | |
| .. | | 31,238 (g) | 1,27,71 (g) | .. | | 1,59,22 | 2,09,01 | 63,37 | |
| | | 33,662 | 1,58,77 | .. | | 1,22,54 | 2,29,93 | 92,00 | |
| .. | | 95,129 | 2,12,89 | .. | | | 3,16,05 | .. | |
| .. | | 103,093 | 5,02,69 | .. | | .. | 4,31,81 | 1,60,88 | |
| .. | .. | 105,219 | 6,17,10 | .. | | 4,13,67 | 5,91,38 | 1,94,64 | |

(c) Includes subordinates drawing less than Rs. 30 p.m. or on scales of pay terminating under Rs. 30 p.m., labourers and inferior servants.

(d) Totals include the cost of Provident Fund bonus. Gratuities shown separately.

(e) Figures include inferior servants also.

*Statement showing a comparison between*

| Railways. | Years. | Staff. | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Gazetted Staff. | | Upper Subordinates. | | Lower Subordinates. | | Labourers. | |
| | | No. | Cost. | No. | Cost. | No. | Cost. | No. | Cost. |
| | | | Rs. | | Rs. | | Rs. | | Rs. |
| S. I. .. .. | 1913-14 | 81 | 79,12 | 81 | 1,97 | 5,208 | 38,50 | 6,870 | 5,44 |
| | 1923-24 | 89 | 11,63 | 190 | 8,28 | 5,790 | 65,12 | 9,382 | 28,91 |
| | 1935-36 | 128 | 17,00 | 265 | 11,69 | 9,236 | 74,70 | 6,314 | 24,59 |
| B. & N. W. .. | 1913-14 | 71 | 5,78 | 152 | 3,48 | 3,276 | 11,51 | 10,319 | 10,98 |
| | 1923-24 | 78 | 7,86 | 190 | 5,49 | 3,774 | 21,58 | 11,830 | 19,32 |
| | 1935-36 | 75 | 11,85 | 276 | 6,75 | 4,881 | 29,15 | 17,088 | 22,69 (e) |
| R. & K. .. | 1913-14 | 24 | 1,60 | 38 | 89 | 881 | 2,96 | 4,065 | 5,23 (e) |
| | 1923-24 | 22 | 2,57 | 44 | 1,34 | 937 | 4,64 | 4,530 | 10,10 (e) |
| | 1935-36 | 16 | 1,98 | 51 | 1,49 | 965 | 5,45 | 4,556 | 9,68 |

(f) Figures include lower subordinates, labourers and inferior servants.
(g) (i) The total number of staff as shown in Railway Administration Report for 1913-14 (Volume II) is 43,739 and the cost is Rs. 1,02,45,000 (Volume I of the Report for 1920-21).

(ii) The total number of staff as shown in the Railway Administration Report for 1923-24 (Volume II) is 49,598 and the cost of staff is Rs. 1,88,40,742.

*Statement showing a comparison between*

| Years. | Staff. | | | | | |
|---|---|---|---|---|---|---|
| | Gazetted Staff. | | Upper Subordinates. | | Lower Subordinates. | |
| | No. | Cost. | No. | Cost. | No. | Cost. |
| | | Rs. | | Rs. | | Rs. |
| 1913-14 .. .. | 1,399 | 1,30,55 | §42,745 | §1,77,53 | 298,562 | 7,36,15 |
| 1923-24 .. .. .. | 1,713 | 2,28,80 | §68,471 | §4,88,68 | 317,227 | 14,93,99 |
| 1935-36 .. .. .. | 1,720 | 2,76,76 | 7,680 | 3,25,26 | 383,868 | 20,03,14 |

* Includes 1,057 on account of Provident Fund bonus and
† Includes 4,291 on account of Provident Fund bonus and
‡ Includes 3,684 on account of Provident Fund bonus and
§ Includes in the case of B. N. Railway upper subordinates

*pre-war and post-war railway expenditure.*

(In thousands of rupees.)

| Inferior Servants. | | Total. | | Salaries. | Wages. | Cost of materials. | Interest. | Depreciation. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|
| No. | Cost. | No. | Cost. | | | | | | |
| | Rs. | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| 14,556 | 13,03 | 26,796 | 66,85 | 61,41 | 5,44 | 63,21 | 64,48 | 31,12 | |
| 15,234 | 23,95 | 30,686 | 1,37,89 | 1,08,98 | 28,91 | 1,26,23 | 96,22 | 37,05 | |
| 20,092 | 36,26 | 36,035 | 1,64,24 | 1,39,65 | 24,59 | 96,89 | 1,75,81 | 44,20 | |
| 4,110 | 3,90 | 17,928 | 35,65 | | .. | | .. | .. | |
| 5,862 | 5,73 | 21,734 | 59,98 | | | | | .. | |
| 4,888 | 7,84 | 27,208 | 78,28 | | .. | .. | | | The head Depreciation is not operated on. |
| .. | | 50,08 | 10,68 | | .. | .. | | | |
| | | 55,33 | 18,65 | | | .. | | .. | |
| | | 55,88 | 18,60 | | | .. | | .. | Do. |

(iii) The total number of staff as shown in the Railway Administration Report for 1935-36 (Volume II) is 49,699 and the cost of staff is Rs. 2,59,69,792.

The figures appearing in the statement exclude B.-11. C-11 Shed and T. × R. Staff (B. 111. C. 111) and Electrical Workshops.

*pre-war and post-war railway expenditure.*

(In thousands of rupees.)

| Labourers. | | Inferior Servants. | | Total. | | Salaries. | Wages. | Cost of materials. | Interest. |
|---|---|---|---|---|---|---|---|---|---|
| No. | Cost. | No. | Cost. | No. | Cost. | | | | |
| | Rs. | | Rs. | | Rs. | Rs. | Rs. | Rs. | Rs. |
| 157,001 | 1,46,74 | 58,699 | 60,98 | 558,406 | 12,62,52* | 2,37,21 | 3,06,64 | 10,18,94 | 18,30,29 |
| 177,816 | 3,13,09 | 67,678 | 1,32,74 | 632,905 | 27,00,21† | 4,65,90 | 6,49,35 | 19,03,79 | 23,50,48 |
| 154,290 | 2,98,30 | 65,386 | 1,39,06 | 612,926 | 31,79,36‡ | 5,65,75 | 8,38,50 | 16,71,83 | 28,64,53 |

gratuity not included under individual categories.
gratuity not included under individual categories.
gratuity not included under individual categories.
lower subordinates labourers and inferior servants.

## APPENDIX VII.

*Railway Saloons reserved for the use of Railway Officers and other Government Departments.*

The Public Accounts Committee at their meeting held on 21st July, 1936, desired to be furnished with a statement showing the number of saloons maintained, their capital cost, depreciation and maintenance, the classes of officers entitled to their use, distinguishing saloons maintained by railways for their own purposes from the rest. Statements detailing this information, except in regard to maintenance and depreciation, are attached. The life limit fixed for saloons is 40 years, and as this figure is almost invariably worked to, 2½% of the capital cost may be regarded for all practical purposes, as an accurate assessment of the annual depreciation. Separate figures relative to annual maintenance charges are not available. Experience indicates that these charges approximate 4% of the capital cost in the case of saloons reserved for high officials owing to their infrequent use, and 5% in the case of other saloons.

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### BENGAL NAGPUR RAILWAY (BROAD GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie (inspection) | 1006 | 22,239 | Chief Mechanical Engineer, Kharagpur. | |
| 2 | Do. .. | 1007 | 22,239 | Chief Engineer, Santragachi. | |
| 3 | Do. .. | 2 | 30,636 | Transportation Manager and Commercial Traffic Manager, Santragachi. | |
| 4 | Do. .. | 1005 | 19,411 | Superintendents, Loco and Carriage and Wagon Departments, Kharagpur. | |
| 5 | Do. .. | 1 | 25,315 | Superintendents, Headquarters, Gardon Reach, Calcutta. | |
| 6 | Four-wheeled inspection carriages. | 590 | 12,052 | Pooled between District Officers stationed at Kharagpur including Superintendent of Government Railway Police. | |
| 7 | Do. .. | 7 | 13,667 | | |
| 8 | Do. .. | 442 | 12,276 | | |
| 9 | Do. .. | 444 | 24,255 | | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 10 | Four-wheeled inspection carriages. | 578 | 24,255 | | |
| 11 | Do. .. | 595 | *17,568 | | |
| 12 | Do. .. | 8 | 11,806 | | |
| 13 | Do. .. | 304 | 12,206 | Inspection carriage (Observation), Kharagpur. | |
| 14 | Do. .. | 414 | 24,255 | Pooled between Superintendent, Way and Works, D. C. O., D. L. O. & R. C. O., Chakardharpur. | |
| 15 | Do. .. | 386 | 12,052 | | |
| 16 | Do. .. | 188 | 12,962 | Pooled between T. C. M. D. L. S., D. C. O., D. E., M. O. & Mining Engineer, Adra. District Electrical Suprintendent, Adra. | |
| 17 | Do. .. | 823 | 18,461 | | |
| 18 | Do. .. | 1001 | 15,601 | | |
| 19 | Do. .. | 1002 | 12,239 | | |
| 20 | Do. .. | 308 | 12,276 | | |
| 21 | Do. .. | 588 | 12,052 | | |
| 22 | Do. .. | 577 | 24,255 | | |
| 23 | Do. .. | 568 | 13,696 | | |
| 24 | Do. .. | 587 | 12,052 | | |
| 25 | Do. .. | 12 | 7,802 | S. D. O., Signals, Adra. | |
| 26 | Do. .. | 827 | 13,461 | Assistant Engineer, Signals, Purulia. | |
| 27 | Do. .. | 9 | 12,338 | District Transportation Officer, Bilaspur. | |
| 28 | Do. .. | 593 | *17,568 | District Loco and Carriage Superintendent, Bilaspur. | |
| 29 | Do. .. | 189 | 14,632 | District Engineer, Bilaspur. | |
| 30 | Do. .. | 594 | *17,568 | Medical Officer, Bilaspur. | |
| 31 | Do. .. | 463 | 17,545 | District Engineer, Nagpur. | |
| 32 | Do. .. | 522 | 14,139 | District Commercial Officer, Nagpur. | |
| 33 | Do. .. | 591 | *17,568 | District Engineer, Titilagarh. | |

*Expenditure not yet final.

| Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|
| | | Rs. | | |
| Four-wheeled inspection carriages. | 838 | 11,302 | District Transportation Officer, Waltair. | |
| Do. .. | 592 | *17,568 | District Commercial Officer, Waltair. | |
| Do. .. | 303 | 13,696 | Assistant Transportation Officer, Khurda Road. | |
| Do. .. | 589 | 12,052 | District Loco and Carriage Superintendent, Khurda Road. | |
| Do. .. | 473 | 13,190 | District Engineer, Cuttack. | |
| Do. .. | 4 | 14,465 | Officer in charge, T. T. Dis., Santragachi. | |
| Do. .. | 500 | 24,255 | Pooled between District Officers, Assistant Officers, and Office Assistant Coaching, stationed at Headquarters, Santragachi. | |
| Do. .. | 570 | 12,276 | | |
| Do. .. | 472 | 12,621 | | |
| Do. .. | 573 | 12,276 | | |
| Do. .. | 596 | *17,568 | | |
| Do. .. | 469 | 24,255 | | |
| Do. .. | 89 | 8,792 | | |
| Do. .. | 829 | 8,593 | | |
| Do. .. | 449 | 11,312 | | |
| Do. .. | 392 | 12,387 | Sleeper Passing Officers, Eastern Group. | |
| Do. .. | 466 | 24,255 | | |
| | Total .. | 7,96,305 | | |

*Expenditure not yet final.

## BOMBAY, BARODA AND CENTRAL INDIA RAILWAY (BROAD GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Officer's saloon four-wheeled. | 2 | 33,392 | | |
| 2 | Do. .. | 3 | 33,392 | | |
| 3 | Do. .. | 8 | 14,618 | | |
| 4 | Do. .. | 9 | 14,618 | | |
| 5 | Do. .. | 12 | 13,228 | | |
| 6 | Do. .. | 13 | 13,238 | | |
| 7 | Do. .. | 14 | 13,238 | | |
| 8 | Do. .. | 15 | 20,467 | | |
| 9 | Do. .. | 16 | 20,467 | | |
| 10 | Do. .. | 17 | 27,786 | | |
| 11 | Do. .. | 18 | 28,859 | Officers of District Rank | These 22 four-wheeled saloons are shared by 34 officers. |
| 12 | Do. .. | 3451 | 16,125 | | |
| 13 | Do. .. | 3452 | 16,125 | | |
| 14 | Do. .. | 3453 | 14,023 | | |
| 15 | Do. .. | 3454 | 14,023 | | |
| 16 | Do. .. | 3455 | 31,030 | | |
| 17 | Do. .. | 3456 | 31,030 | | |
| 18 | Do. .. | 3457 | 31,296 | | |
| 19 | Do. .. | 3458 | 31,296 | | |
| 20 | Do. .. | 3459 | 31,296 | | |
| 21 | Saloon six-wheeled | 7 | 18,118 | | |
| 22 | Do. .. | 21 | 15,451 | | |
| 23 | Saloon bogie .. | 5 | 58,242 | Administrative Officers | These 5 bogie saloons are shared by 23 officers. |
| 24 | Do. .. | 10 | 20,925 | | |
| 25 | Do. .. | 22 | 20,925 | | |
| 26 | Do. .. | 23 | 20,925 | | |
| 27 | Do. .. | 25 | 34,117 | | |
| 28 | Do. .. | 24 | 20,931 | Senior Government Inspector of Railways. | |
| | | Total .. | 6,59,181 | | |

## EASTERN BENGAL RAILWAY (BROAD GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie .. | 1 | 27,338 | Head of Department. | |
| 2 | Four-wheeler .. | 149 | 17,115 | District Officer (pooled). | |
| 3 | Bogie .. | 1265 | 86,463 | Agent. | |
| 4 | Do. .. | 1407 | 22,961 | Head of Department. | |
| 5 | Do. .. | 1408 | 17,778 | Head of Department (pooled). | |
| 6 | Do. .. | 1409 | 17,778 | Do. | |
| 7 | Do. .. | 1410 | 21,177 | Government Inspector of Railways. | |
| 8 | Four-wheeler .. | 2 | 11,000 | District Officer (pooled). | |
| 9 | Do. .. | 3 | 19,810 | District Officer. | |
| 10 | Do. .. | 4 | 6,100 | Assistant Officer (pooled). | |
| 11 | Do. .. | 5 | 6,250 | Do. | |
| 12 | Do. .. | 6 | 9,710 | District Officer (pooled). | |
| 13 | Do. .. | 7 | 11,294 | District Officer. | |
| 14 | Do. .. | 10 | * | District Officer (pooled). | |
| 15 | Do. .. | 11 | 19,811 | Assistant Officer. | |
| 16 | Do. .. | 12 | * | Assistant Officer (pooled). | |
| 17 | Do. .. | 13 | 4,550 | †Malariologist. | |
| 18 | Do. .. | 15 | 9,710 | Assistant Officer. | |
| 19 | Do. .. | 16 | 9,710 | District Officer. | |
| 20 | Do. .. | 32 | 9,710 | District Officer (pooled). | |
| 21 | Do. .. | 124 | * | Assistant Officer (pooled). | |
| 22 | Do. .. | 147 | 17,255 | District Officer. | |
| 23 | Do. .. | 148 | 17,255 | Do. | |
| 24 | Bogie .. | 1252 | 47,589 | Head of Departments. | |
| 25 | Four-wheeler .. | 1254 | 18,032 | District Officer (pooled). | |
| 26 | Do. .. | 1255 | 18,032 | Assistant Officer. | |

* Not available.

† Converted from smoking saloon to malariologist's.

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 27 | Four-wheeler .. | 1256 | 16,558 | District Officer. | |
| 28 | Do. .. | 1257 | 16,558 | Assistant Officer. | |
| 29 | Do. .. | 1258 | 16,558 | Do. | |
| 30 | Do. .. | 1259 | 18,902 | District Officer. | |
| 31 | Do. .. | 1260 | 18,902 | Do. | |
| 32 | Do. .. | 1261 | 18,902 | Assistant Officer. | |
| 33 | Do. .. | 1262 | 18,902 | District Officer. | |
| 34 | Do. .. | 1263 | 18,902 | Do. | |
| 35 | Do. .. | 1264 | 18,902 | District Officer (pooled). | |
| 36 | Do. .. | 1411 | 10,450 | Inspection Car. | |
| 37 | Do. .. | 1412 | 12,300 | District Officer. | |
| 38 | Do. .. | 1266 | *22,000 | Do. | |
| 39 | Do. .. | 1267 | *22,000 | Do. | |
| 40 | Do. .. | 1413 | 12,300 | Do. | |
| 41 | Do. .. | 1419 | 15,222 | Do. | |
| 42 | Do. .. | 1420 | 15,222 | Assistant Officer. | |
| 43 | Do. .. | 1268 | *22,000 | Do. | |
| 44 | Do. .. | 1269 | *22,000 | District Officer. | |
| | | Total ..† | 7,63,008 | | |

* Anticipated approximate cost only—completion report not yet submitted.

† Excluding three carriages, capital costs of which are not known.

## EAST INDIAN RAILWAY (BROAD GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie (reserved).. | 2945 | 67,912 | Agent. | |
| 2 | Do. .. | 2000 | 19,278 | Deputy Agent. | |
| 3 | Do. .. | 4908 | 41,005 | Chief Electrical Engineer. | |
| 4 | Six-wheeler (reserved). | 1901 | 11,449 | Chief Auditor .. | Running as a replaced stock vehicle. |
| 5 | Bogie (reserved).. | 5141 | 27,302 | Chief Accounts Officer and Controller of Stores. | |
| 6 | Do. .. | 4885 | 32,341 | Divisional Superintendent, Moradabad. | |
| 7 | Do. .. | 4884 | 32,341 | Divisional Superintendent, Allahabad. | |
| 8 | Do. .. | 1995 | 36,069 | Chief Medical Officer and Chief Commercial Manager. | |
| 9 | Do. .. | 4868 | 31,863 | Chief Engineer. | |
| 10 | Do. .. | 4869 | 17,058 | Deputy Head of Department's Pool. | |
| 11 | Do. .. | 4870 | 23,068 | Chief Mechanical Engineer. | |
| 12 | Do. .. | 4871 | 23,068 | Divisional Superintendent, Lucknow. | |
| 13 | Do. .. | 4886 | 32,341 | Divisional Superintendent, Howrah. | |
| 14 | Do. .. | 4894 | 27,440 | Divisional Superintendent, Asansol. | |
| 15 | Do. .. | 4888 | 32,341 | Divisional Superintendent, Dinapore. | |
| 16 | Do. .. | 4907 | 41,005 | Deputy Head of Department's Pool. | |
| 17 | Do. .. | 4889 | 32,341 | Do. | |
| 18 | Do. .. | 4887 | 32,341 | Do. | |
| 19 | Do. .. | 5080 | 29,591 | Directors of Railway Board. | |
| 20 | Do. .. | 5081 | 40,000 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 21 | Bogie (reserved).. | 5082 | 32,452 | Chief Mining Engineer, Railway Board. | |
| 22 | Do. .. | 4893 | 26,423 | Senior Government Inspector of Railways. | |
| 23 | Do. .. | 2420 | 13,538 | Under Chief Operating Superintendent's order. | |
| 24 | Four-wheeler (reserved). | 3644 | 19,933 | Do. | |
| 25 | Do. .. | 1949 | 10,814 | Do. | |
| 26 | Do. .. | 4956 | 13,621 | Do. | |
| 27 | Do. .. | 3189 | 20,372 | Do. | |
| 28 | Do. .. | 1945 | 9,197 | Do. | |
| 29 | Do. .. | 2772 | 8,112 | Assistant Superintendent, Way and Works, Roorkee. | |
| 30 | Do. .. | 3357 | 19,249 | District Medical Officer, Dhanbad. | |
| 31 | Do. .. | 3645 | 19,933 | Under Chief Operating Superintendent's order. | |
| 32 | Do. .. | 4904 | 12,960 | Do. | |
| 33 | Do. .. | 4902 | 10,080 | Assistant Superintendent, Way and Works, Howrah. | |
| 34 | Do. .. | 1929 | 9,248 | Coal Area Superintendent, Dhanbad. | |
| 35 | Do. .. | 4906 | 6,314 | Under Chief Operating Superintendent's order. | |
| 36 | Do. .. | 4955 | 21,963 | Do. | |
| 37 | Do. .. | 2019 | 14,259 | Inspection carriage. | |
| 38 | Do. .. | 4890 | 7,662 | Do. | |
| 39 | Do. .. | 1912 | 8,506 | Under orders of Divisional Superintendent, Howrah. | |
| 40 | Do. .. | 3355 | 21,640 | Do. | |
| 41 | Do. .. | 2998 | 16,992 | Do. | |
| 42 | Do. .. | 1923 | 8,880 | Do. | |
| 43 | Do. .. | 2020 | 6,937 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 44 | Four-wheeler (reserved). | 2989 | 9,005 | Under orders of Divisional Superintendent, Howrah. | |
| 45 | Do. .. | 1964 | 20,946 | Do. | |
| 46 | Do. .. | 2840 | 6,682 | Assistant Superintendent, Way and Works, Rampurhaut. | |
| 47 | Do. .. | 2014 | 6,594 | Assistant Superintendent, Way and Works, Sahibganj. | |
| 48 | Do. .. | 2837 | 9,005 | District Medical Officer, Jamalpur. | |
| 49 | Do. .. | 1922 | 8,880 | Assistant Superintendent, Way and Works, Burdwan. | |
| 50 | Do. .. | 2800 | 8,732 | Assistant Superintendent, Way and Works, Ondal. | |
| 51 | Do. .. | 1936 | 7,979 | Assistant Superintendent, Way and Works, Madhupur. | |
| 52 | Do. .. | 2910 | 13,312 | Assistant Superintendent, Way and Works, Partabgarh. | |
| 53 | Do. .. | 1939 | 7,979 | Assistant Signal Engineer and Assistant Superintendent, Way and Works, Asansol. | |
| 54 | Do. .. | 3190 | 20,372 | Under orders of the Divisional Superintendent, Asansol. | |
| 55 | Do. .. | 3029 | 17,494 | Do | |
| 56 | Do. .. | 1767 | 8,774 | Do. | |
| 57 | Do. .. | 1915 | 8,506 | Do. | |
| 58 | Do. .. | 1946 | 8,168 | Do. | |
| 59 | Do. .. | 2016 | 9,320 | Do. | |
| 60 | Do. .. | 1925 | 8,880 | Do. | |
| 61 | Do. .. | 3030 | 16,197 | Do. | |
| 62 | Do. .. | 1914 | 8,506 | Assistant Superintendent, Way and Works, Barkakhana. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 63 | Four-wheeler (reserved). | 3646 | 19,933 | Assistant Superintendent, Way and Works, Gujhandi. | |
| 64 | Do. .. | 3031 | 17,492 | District Electrical Engineer, Dhanbad. | |
| 65 | Do. .. | 2478 | 6,398 | Under orders of the Divisional Superintendent, Dinapur. | |
| 66 | Do. .. | 1938 | 7,979 | Do. | |
| 67 | Do. .. | 1933 | 7,979 | Do. | |
| 68 | Do. .. | 2838 | 9,005 | Do. | |
| 69 | Do. .. | 1931 | 9,248 | Do. | |
| 70 | Do. .. | 1950 | 7,814 | Do. | |
| 71 | Do. .. | 1934 | 7,979 | Do. | |
| 72 | Do. .. | 1928 | 9,248 | Do. | |
| 73 | Do. .. | 1961 | 7,543 | Do. .. | Running as a replaced stock vehicle. |
| 74 | Do. .. | 3191 | 19,397 | Assistant Superintendent, Way and Works, Moghalsarai. | |
| 75 | Do. .. | 1911 | 8,506 | Do. & D. M. O., Gaya. | |
| 76 | Do. .. | 1941 | 7,979 | Do. Dehri-on-Sone. | |
| 77 | Do. .. | 3356 | 19,249 | Do. Patna Junction. | |
| 78 | Do. .. | 1940 | 20,946 | Do. Dinapore. | |
| 79 | Do. .. | 1918 | 8,506 | Under orders of the Divisional Superintendent, Allahabad. | |
| 80 | Do. .. | 1944 | 9,197 | Do. | |
| 81 | Do. .. | 1948 | 7,814 | Do. | |
| 82 | Do. .. | 3192 | 19,397 | Do. | |
| 83 | Do. .. | 1926 | 8,860 | Do. | |
| 84 | Do. .. | 2997 | 17,184 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 85 | Four-wheeler (reserved). | 2999 | 16,187 | Under orders of the Divisional Superintendent, Allahabad. | |
| 86 | Do. .. | 1916 | 8,506 | District Medical Officer, Tundla. | |
| 87 | Do. .. | 1937 | 7,979 | Assistant Superintendent, Way and Works, Aligarh. | |
| 88 | Do. .. | 1963 | 7,543 | Do. Allahabad. | |
| 89 | Do. .. | 1942 | 7,979 | Do. Etawah. | |
| 90 | Do. .. | 1962 | 7,543 | Do. Cawnpore .. | Running as a replaced stock vehicle. |
| 91 | Do. .. | 1754 | 16,187 | Assitant Signal Engineer, Allahabad. | |
| 92 | Do. .. | 4872 | 12,960 | Electrical Engineer, Lucknow. | |
| 93 | Do. .. | 4881 | 12,860 | Assistant Signal Engineer, Lucknow. | |
| 94 | Do. .. | 4912 | 12,960 | Under orders of the Divisional Superintendent, Lucknow. | |
| 95 | Do. .. | 4877 | 12,960 | Do. | |
| 96 | Do. .. | 4875 | 12,960 | Do. | |
| 97 | Do. .. | 4879 | 12,960 | Do. | |
| 98 | Do. .. | 4882 | 9,084 | Do. | |
| 99 | Do. .. | 4910 | 8,589 | Do. | |
| 100 | Do. .. | 4957 | 13,621 | Do. | |
| 101 | Do. .. | 4911 | 12,840 | Assistant Superintendent, W. & W. Rai-Barely. | |
| 102 | Do. .. | 2476 | 6,898 | Do. Fyzabad. | |
| 103 | Do. .. | 4873 | 12,960 | Chief Operating Superintendent, Pool. | |
| 104 | Do. .. | 1932 | 8,846 | Under orders of the Divisional Superintendent, Moradabad. | |
| 105 | Do. .. | 3354 | 21,640 | Do. | |
| 106 | Do. .. | 4883 | 11,921 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 107 | Four-wheeler (reserved). | 4874 | 12,960 | Under orders of the Divisional Superintendent, Moradabad. | |
| 108 | Do. .. | 3643 | 19,933 | Do. | |
| 109 | Do. .. | 4876 | 12,960 | Do. | |
| 110 | Do. .. | 1921 | 8,791 | Do. | |
| 111 | Do. .. | 2773 | 8,112 | District Medical Officer, Moradabad. | |
| 112 | Do. .. | 4901 | 8,428 | District Medical Officer, Bareilly. | |
| 113 | Do. | 4898 | 12,840 | District Medical Officer, Moradabad. | |
| 114 | Do. .. | 4954 | 21,963 | District Medical Officer, Hardoi. | |
| 115 | Do. .. | 2017 | 9,320 | Assistant Superintendent, Signals, Moradabad. | |
| | Total | .. | 18,03,783 | | |

## GREAT INDIAN PENINSULA RAILWAY (BROAD GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie .. | 2482 | 45,894 | Dynamometer Staff Car. | |
| 2 | Do. .. | 2485 | 58,102 | P. M. and H. O. | |
| 3 | Do. .. | 2493 | 27,655 | C. E. | |
| 4 | Do. .. | 2494 | 39,379 | D. S. Bhusawal | |
| 5 | Do. .. | 2495 | 26,545 | D. S. Jhansi. | |
| 6 | Do. .. | 2497 | 6,970 | Deputy C. E. Bridges. | |
| 7 | Do. .. | 2498 | 6,970 | D. S. Sholapur. | |
| 8 | Do. .. | 2499 | 22,641 | D. S. Jubbulpore. | |
| 9 | Do. .. | 2579 | 95,858 | Agent. | |
| 10 | Four-wheeled .. | 2302 | 8,952 | D. V. E. Jhansi. | |
| 11 | Do. .. | 2303 | 8,952 | D. V. T. M., Sholapur. | |
| 12 | Do. .. | 2304 | 8,952 | D. V. E. Poona. | |
| 13 | Do. .. | 2305 | 8,952 | Senior Assistant Bhusawal Division. | |
| 14 | Do. .. | 2306 | 8,952 | Bridge Engineer. | |
| 15 | Do. .. | 2307 | 8,952 | D. V. E. Nagpur. | |
| 16 | Do. .. | 2309 | 8,952 | D. V. E. Jubbulpore | |
| 17 | Do. .. | 2310 | 8,952 | D. V. E. Bhusawal | |
| 18 | Do. .. | 2315 | 27,819 | Assistant S. and I. Engineer, I. G. P. | |
| 19 | Do. .. | 2316 | 27,819 | D. V. E. Bombay. | |
| 20 | Do. .. | 2317 | 27,819 | Senior A. T. S. Jhansi Division. | |
| 21 | Do. .. | 2318 | 27,819 | D. V. T. M. Nagpur. | |
| 22 | Do. . | 2319 | 27,819 | Pool for Senior Officers BB. | |
| 23 | Do. .. | 2320 | 26,607 | Senior A. T. S. Jubbulpore Division. | |
| 24 | Do. .. | 2323 | 4,493 | Pool for Junior Officers BB. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 25 | Four-wheeled .. | 2336 | 19,341 | R. E. Manmad. | |
| 26 | Do. .. | 2337 | 19,341 | R. E. MBA. | |
| 27 | Do. .. | 2338 | 7,228 | Assistant S. and I. Engineer Jhansi. | |
| 28 | Do. .. | 2339 | 7,228 | R. E. Bhusawal. | |
| 29 | Do. .. | 2340 | 7,228 | Pool SUR Division. | |
| 30 | Do. .. | 2341 | 7,228 | R. E. SBD. | |
| 31 | Do. .. | 2342 | 7,228 | Assistant S. and I. Engineer JBP. | |
| 32 | Do. .. | 2343 | 7,228 | R. E. Akola. | |
| 33 | Do. .. | 2344 | 7,228 | Assistant Engineer (Bridges). | |
| 34 | Do. .. | 2345 | 7,228 | R. E. Knw. | |
| 35 | Do. .. | 2346 | 19,729 | Jhansi Division Pool. | |
| 36 | Do. .. | 2347 | 19,729 | R. E. DD. | |
| 37 | Do. .. | 2348 | 19,729 | Pool for Junior officers BB. | |
| 38 | Do. .. | 2349 | 19,729 | Pool for Junior officers BB. | |
| 39 | Do. .. | 2350 | 19,729 | Pool for Bal. Division. | |
| 40 | Do. .. | 2358 | 17,569 | Pool Jbp. Division. | |
| 41 | Do. .. | 2359 | 17,569 | Pool Bal. Division. | |
| 42 | Do. .. | 2360 | 17,569 | Pool Jhs. Division. | |
| 43 | Do. .. | 2361 | 17,569 | Pool Jbp. Division. | |
| 44 | Do. .. | 2362 | 17,569 | R. E. Nagpur. | |
| 45 | Do. .. | 2363 | 17,569 | Pool Sur. Division. | |
| 46 | Do. .. | 2364 | 21,683 | Pool Jbp. Division. | |
| 47 | Do. .. | 2365 | 21,683 | Pool Jhs. Division. | |
| 48 | Do. .. | 2366 | 21,683 | Pool for Junior Officers BB. | |
| 49 | Do. .. | 2367 | 21,683 | Do. do. | |
| 50 | Do. .. | 2368 | 21,683 | Do. do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 51 | Four-wheeled .. | 2369 | 21,683 | Pool for Junior officers BB. | |
| 52 | Do. .. | 2426 | 22,758 | R. E. Lonavla. | |
| 53 | Do. .. | 2427 | 22,758 | Pool Jhs. Division. | |
| 54 | Do. .. | 2428 | 22,758 | Pool Bsl. Division. | |
| 55 | Do. .. | 2429 | 22,758 | R. E. Betul. | |
| 56 | Do. .. | 2430 | 22,758 | Pool Bsl. Division. | |
| 57 | Do. .. | 2431 | 22,758 | Coal Superintendent. | |
| 58 | Do. .. | 2432 | 22,758 | R. E. Guna. | |
| 59 | Do. .. | 2433 | 22,758 | Pool Jhs. Division. | |
| 60 | Do. .. | 2434 | 22,758 | Pool Sur. Division. | |
| 61 | Do. .. | 2435 | 22,758 | Pool Jhs. Division. | |
| 62 | Do. .. | 2436 | 22,758 | R. E. Saugor. | |
| 63 | Do. .. | 2437 | 22,758 | Pool BSL. Division. | |
| 64 | Do. .. | 2438 | 22,758 | R. E. Bina. | |
| 65 | Do. .. | 2439 | 15,037 | Pool Bsl. Division. | |
| 66 | Do. .. | 2440 | 13,941 | Pool for Junior Officers BB. | |
| 67 | Do. .. | 2441 | 14,690 | Pool Sur. Division. | |
| 68 | Do. .. | 2442 | 14,164 | Pool D. M. C. Nagpur. | |
| 69 | Do. .. | 2443 | 14,164 | R. E. Igp. | |
| 70 | Do. .. | 2444 | 13,871 | R. E. Bhopal. | |
| 71 | Do. .. | 2445 | 14,164 | Pool Jbp. Division. | |
| 72 | Do. .. | 2446 | 14,690 | R. E. Sholapur. | |
| 73 | Do. .. | 2447 | 14,055 | R. E. Jhansi. | |
| 74 | Do. .. | 2448 | 14,055 | R. E. Satna. | |
| 75 | Do. .. | 2449 | 13,941 | R. E. VRR. | |
| 76 | Do. .. | 2450 | 8,880 | Pool for Senior Officers BB. | |
| 77 | Do. .. | 2457 | 10,280 | Do. do | |
| 78 | Do. .. | 2462 | 13,665 | Do. do | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 79 | Four-wheeled .. | 2465 | 10,523 | Pool Bal. Division. | |
| 80 | Do. .. | 2469 | 24,601 | D. V. T. M. Jhansi. | |
| 81 | Do. .. | 2470 | 21,601 | Pool for Senior Officers BB. | |
| 82 | Do. .. | 2471 | 21,601 | D. V. T. M. Jubbulpore. | |
| 83 | Do. .. | 2484 | 21,130 | Ambulance and Surgery Car. | |
| | SUPERNUMERARY STOCK. | | | | |
| 84 | Bogie (four-wheeled). | 6138 | 24,105 | Pool. | |
| 85 | Do. .. | 2301 | 7,870 | D. V. E. Jhansi. | |
| 86 | Do. .. | 2313 | 6,987 | Pool Jhs. Division. | |
| 87 | Do. .. | 2314 | 7,601 | R. E. JBP. | |
| 88 | Do. .. | 2324 | 4,400 | A. T. S. 'D' Lonavla. | |
| 89 | Do. .. | 2327 | 4,003 | Pool Jhs. Division. | |
| 90 | Do. .. | 2332 | 4,003 | Do. do. | |
| 91 | Do. .. | 2454 | 8,000 | Pool for Junior Officers BB. | |
| 92 | Do. .. | 2460 | 8,000 | Pool Bal. Division. | |
| 93 | Do. .. | 2461 | 8,000 | Pool Jhs. | |
| 94 | Do. .. | 6011 | 10,523 | Pool Jhs. Division. | |
| 95 | Do. .. | 6013 | 6,840 | D. M. O. Igp. | |
| 96 | Do. .. | 6129 | 6,087 | R. E. Agra Cantt. | |
| 97 | Do. .. | 6140 | 6,087 | Pool Bal. Division. | |
| 98 | Do. .. | 6148 | 7,454 | Instructor Car BB. | |
| 99 | Do. .. | 6167 | 7,163 | Pool for Junior Officers BB. | |
| 100 | Do. .. | 6254 | 6,275 | Do. do. | |
| 101 | Do. .. | 6260 | 6,275 | Pool Jhs. Division. | |
| 102 | Do. .. | 6270 | 7,454 | Do. | |
| 103 | Do .. | 6271 | 7,454 | A. T. Ss. 'D' Kalyan. | |
| | Total | .. | 17,41,856 | | |

## MADRAS AND SOUTHERN MAHRATTA RAILWAY (BROAD GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie .. | RA 5 .. | 24,990 | Agent. | |
| 2 | Do. .. | RA 7 .. | 62,815 | Heads of Departments and Deputies at Headquarters. | |
| 3 | Do. .. | RA 8 .. | 50,121 | S. G. I. of Railways. | |
| 4 | Do. .. | CE 6 .. | 82,225 | Heads of Departments and Deputies at Headquarters. | |
| 5 | Six-wheeled .. | ERA 13 | 10,488 | | |
| 6 | Do. .. | ERA 15 | 20,045 | | |
| 7 | Do. .. | ERA 17 | 22,873 | | |
| 8 | Do. .. | ERA 18 | 22,873 | | |
| | ENGINEERING DEPARTMENT. | | | | |
| 9 | Six-wheeled .. | ERB 46 | 28,220 | District Engineer, Rayapuram. | |
| 10 | Do. .. | ERB 16 | 18,684 | District Engineer, Bezwada. | |
| 11 | Do. .. | ERB 20 | 26,410 | District Engineer, Godavari. | |
| 12 | Four-wheeled .. | ERB 69 | 28,360 | District Engineer, Gooty. | |
| 13 | Do. .. | ERB 19 | 26,410 | (Assistant Signal Engineer, Madras.<br>Bridge Engineer, Madras. | |
| | OPERATING DEPARTMENT. | | | | |
| 14 | Six-wheeled .. | ERB 14 | 21,425 | District Transportation Superintendent Traffic, Bezwada. | |
| 15 | Do. .. | ERB 21 | 26,410 | District Transportation Superintendent Traffic, Rayapuram. | |
| 16 | Do. .. | ERB 45 | 28,220 | District Transportation Superintendent Power, Rayapuram. | |
| 17 | Do. .. | ERB 47 | 28,220 | District Transportation Superintendent Power, Bezwada. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | | ELECTRICAL DEPARTMENT. | | | |
| 18 | Four-wheeled .. | ERB 44 | 9,333 | District Electrical Engineer, Perambur. | |
| | | MEDICAL DEPARTMENT. | | | |
| 19 | Four-wheeled .. | EBRL 43 | 9,333 | District Medical Officer, Bezwada. | |
| | | RELIEF CARRIAGES. | | | |
| 20 | Four-wheeled .. | EBR 22 | 30,427 | .... | |
| 21 | Do. .. | EBR 28 | 19,497 | .... | |
| 22 | Do. .. | EBR 40 | 24,317 | .... | |
| 23 | Do. .. | EBR 42 | 9,333 | .... | |
| 24 | Do. .. | EBR 51 | 10,488 | .... | |
| 25 | Do. .. | EBR 52 | 10,488 | .... | |
| 26 | Do. .. | ERD 38 | 9,776 | .... | |
| | Total | .. | 6,61,781 | | |

## NORTH WESTERN RAILWAY (BROAD GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Saloon Bogie .. | 22 | 70,701 | Members of the Railway Board. | |
| 2 | Administrative .. | 23 | 70,701 | | |
| 3 | Do. .. | 24 | 29,591 | Directors of the Railway Board. | |
| 4 | Do. .. | 25 | 70,701 | Financial Commissioner of Railways. | |
| 5 | Do. .. | 51 | 20,951 | Director of Railway Claims Accounts. | |
| 6 | Do. .. | 108 | 1,03,070 | Chief Commissioner of Railways. | |
| 7 | Do. .. | 114 | 57,331 | Senior Government Inspector of Railways Circle No. 4. | |
| 8 | Do. .. | 36 | 13,500 | Divisional Officers including Junior Scale Officers. | |
| 9 | Do. .. | 37 | 15,000 | Do. | |
| 10 | Do. .. | 41 | 37,367 | Administrative Officers. | |
| 11 | Do. .. | 42 | 20,000 | Do. | |
| 12 | Do. .. | 43 | 37,367 | Do. | |
| 13 | Do. .. | 48 | 15,000 | Divisional Officer. | |
| 14 | Do. .. | 49 | 23,510 | Administrative Officer. | |
| 15 | Do. .. | 50 | 24,890 | Divisional Officers including Junior Scale Officers. | |
| 16 | Inspection Saloon Bogie. | 52 | 32,687 | General Pool. | |
| 17 | Saloon Bogie (Administrative). | 101 | 26,454 | Administrative Officers. | |
| 18 | Do. .. | 102 | 26,454 | Do. | |
| 19 | Do. .. | 103 | 26,454 | Do. | |
| 20 | Do. .. | 104 | 24,258 | Do. | |
| 21 | Do. .. | 105 | 24,258 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 22 | Saloon Bogie (Administrative). | 106 | 24,258 | Administrative Officers. | |
| 23 | Do. .. | 109 | 53,720 | Do. | |
| 24 | Do. .. | 110 | 53,720 | Do. | |
| 25 | Do. .. | 111 | 53,720 | Do. | |
| 26 | Do. .. | 112 | 53,720 | Do. | |
| 27 | Do. .. | 113 | 53,720 | Do. | |
| 28 | Do. .. | 115 | 55,000 | Agent. | |
| 29 | Do. .. | 116 | 33,701 | Administrative Officer. | |
| 30 | Do. .. | 117 | 33,701 | Do. | |
| 31 | Do. .. | 122 | 36,854 | Administrative Officers. | |
| 32 | Do. .. | 123 | 16,500 | Do. | |
| 33 | Do. .. | 124 | 36,854 | Administrative Officer. | |
| 34 | Saloon four-wheeled (Senior Assistant) | 125 | 12,000 | Divisional Officers including Junior Scale Officers. | |
| 35 | Do. .. | 126 | 12,000 | Do. | |
| 36 | Do. .. | 127 | 12,000 | Do. | |
| 37 | Do. .. | 128 | 25,316 | Do. | |
| 38 | Do. .. | 129 | 25,316 | Do. | |
| 39 | Do. .. | 132 | 25,316 | Do. | |
| 40 | Do. .. | 44 | 12,000 | Do. | |
| 41 | Do. .. | 45 | 12,000 | Do. | |
| 42 | Do. .. | 53 | 12,000 | Do. | |
| 43 | Do. .. | 54 | 15,165 | Do. | |
| 44 | Do. .. | 56 | 15,165 | Do. | |
| 45 | Do. .. | 59 | 15,165 | Do. | |
| 46 | Do. .. | 68 | 12,000 | Do. | |
| 47 | Do. .. | 70 | 12,000 | Do. | |
| 48 | Do. .. | 73 | 14,198 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 49 | Saloon four-wheeled (Senior Assistant) | 74 | 14,198 | Divisional Officers including Junior Scale Officers. | |
| 50 | Do. .. | 76 | 14,198 | Do. | |
| 51 | Do. .. | 77 | 12,780 | Do. | |
| 52 | Do. .. | 78 | 12,780 | Do. | |
| 53 | Do. .. | 79 | 12,780 | Do. | |
| 54 | Do. .. | 80 | 12,780 | Do. | |
| 55 | Do. .. | 133 | 12,000 | Do. | |
| 56 | Do. .. | 134 | 12,000 | Do. | |
| 57 | Do. .. | 136 | 25,316 | Do. | |
| 58 | Do. .. | 137 | 25,316 | Do. | |
| 59 | Do. .. | 138 | 12,000 | Do. | |
| 60 | Do. .. | 139 | 14,091 | Do. | |
| 61 | Do. .. | 140 | 14,091 | Do. | |
| 62 | Do. .. | 141 | 25,316 | Do. | |
| 63 | Do. .. | 142 | Completion report still awaited. | Divisional Officers. | |
| 64 | Do. .. | 143 | | | |
| 65 | Do. .. | 145 | 12,780 | Divisional Officers including Junior Scale Officers. | |
| 66 | Do. .. | 146 | 12,780 | Do. | |
| 67 | Do. .. | 147 | 15,165 | Do. | |
| 68 | Do. .. | 148 | 15,165 | Do. | |
| 69 | Do. .. | 149 | 15,165 | Do. | |
| 70 | Do. .. | 150 | 15,618 | Do. | |
| 71 | Do. .. | 151 | 15,618 | Do. | |
| 72 | Do. .. | 152 | 15,618 | Do. | |
| 73 | Do. .. | 153 | 15,618 | Do. | |
| 74 | Do. .. | 154 | 15,618 | Do. | |
| 75 | Do. .. | 155 | 18,584 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 76 | Saloon four-wheeled (Senior Assistant) | 156 | 18,584 | Divisional Officers including Scale Officers. | |
| 77 | Do. .. | 157 | 18,584 | Do. | |
| 78 | Do. .. | 158 | 18,584 | Do. | |
| 79 | Do. .. | 159 | 23,047 | Do | |
| 80 | Do. .. | 160 | 23,047 | Do. | |
| 81 | Do. .. | 161 | 23,047 | Do. | |
| 82 | Do. .. | 162 | 23,047 | Do. | |
| 83 | Do. .. | 163 | 23,047 | Do. | |
| 84 | Do. .. | 164 | 23,047 | Do. | |
| 85 | Do. .. | 165 | | | |
| 86 | Do. .. | 166 | | | |
| 87 | Do. .. | 167 | | | |
| 88 | Do. .. | 168 | | | |
| 89 | Do. .. | 169 | Completion report still awaited. | Do. | |
| 90 | Do. .. | 170 | | | |
| 91 | Do. .. | 171 | | | |
| 92 | Do. .. | 172 | | | |
| 93 | Saloon four-wheeled (Junior Assistant) | 187 | 11,000 | Junior Scale Officers. | |
| 94 | Do. .. | 189 | 23,529 | Sub-Divisional Officer. | |
| 95 | Do. .. | 190 | 23,529 | Junior Scale Officers. | |
| 96 | Do. .. | 191 | 23,529 | Sub-Divisional Officer. | |
| 97 | Do. .. | 192 | 24,861 | Junior Scale Officers. | |
| 98 | Do. .. | 193 | 11,000 | Do. | |
| 99 | Do. .. | 196 | 24,861 | Sub-Divisional Officer. | |
| 100 | Do. .. | 205 | 24,861 | Do. | |
| 101 | Do. .. | 212 | 24,861 | Do. | |
| 102 | Do. .. | 214 | 26,603 | Junior Scale Officers. | |
| 103 | Do. .. | 215 | 26,603 | Sub-Divisional Officer. | |
| 104 | Do. .. | 216 | 26,603 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 105 | Saloon four-wheeled (Junior Assistant). | 217 | 26,603 | Divisional Officers and Junior Scale Officers. | |
| 106 | Do. .. | 218 | 26,603 | Sub-Divisional Officer. | |
| 107 | Do. .. | 219 | 26,603 | Do. | |
| 108 | Do. .. | 220 | 26,603 | Do. | |
| 109 | Do. .. | 221 | 26,603 | Do. | |
| 110 | Do. .. | 222 | 26,603 | Junior Scale Officers. | |
| 111 | Do. .. | 223 | 26,603 | Sub-Divisional Officer. | |
| 112 | Do. .. | 224 | 26,603 | Do. | |
| 113 | Do. .. | 225 | 26,603 | Junior Scale Officers. | |
| 114 | Do. .. | 226 | 26 603 | Sub-Divisional Officer. | |
| 115 | Do. .. | 227 | 26,603 | Do. | |
| 116 | Do. .. | 228 | 26,603 | Do. | |
| 117 | Do. .. | 229 | 26,603 | Divisional Officers and Junior Scale Officers. | |
| 118 | Do. .. | 230 | 26,603 | Sub-Divisional Officer. | |
| 119 | Do. .. | 233 | 27,562 | Junior Scale Officers. | |
| 120 | Do. .. | 234 | 27,562 | Do. | |
| 121 | Do. .. | 235 | 27,562 | Sub-Divisional Officer. | |
| 122 | Do. .. | 236 | 27,562 | Do. | |
| 123 | Do. .. | 237 | 27,562 | Do. | |
| 124 | Do. .. | 238 | 27,562 | Junior Scale Officers. | |
| 125 | Do. .. | 239 | 27,562 | Sub-Divisional Officer. | |
| 126 | Do. .. | 240 | 27,562 | Do. | |
| 127 | Do. .. | 241 | 24,861 | Do. | |
| 128 | Do. .. | 242 | 24,861 | Junior Scale Officers. | |
| 129 | Do. .. | 243 | 24,861 | Sub-Divisional Officer. | |
| 130 | Do. .. | 244 | 24 861 | Do. | |
| 131 | Do. .. | 245 | 24,861 | Do. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 132 | Saloon five-wheeled (Junior Assistant). | 246 | 24,861 | Sub-Divisional Officer. | |
| 133 | Do. .. | 247 | 24,861 | Do. | |
| 134 | Do. .. | 248 | 24,861 | Do. | |
| 135 | Do. .. | 249 | 24,861 | Do. | |
| 136 | Do. .. | 250 | 24,861 | Do. | |
| 137 | Do. .. | 251 | 24,861 | Do. | |
| 138 | Do. .. | 252 | 24,861 | Junior Scale Officer. | |
| 139 | Do. .. | 253 | 24,861 | Sub-Divisional Officer. | |
| 140 | Do. .. | 254 | 24,861 | Do. | |
| 141 | Do. .. | 255 | 24,861 | Do. | |
| 142 | Do. .. | 256 | 24,861 | Do. | |
| 143 | Do. .. | 199 | 23,529 | Do. | |
| 144 | Do. .. | 257 | Completion report still awaited. | Do. | |
| 145 | Do. .. | 258 | Do. | Do. | |
| 146 | Do. .. | 259 | Do. | Divisional Officer. | |
| 147 | Do. .. | 260 | Do. | Sub-Divisional Officer. | |
| 148 | .... | 261 | Do. | Do. | |
| 149 | Tourist Car Bogie | 86 | 46,875 | Administrative Officer. | |
| 150 | Do. .. | 87 | 22,579 | Divisional Superintendent, Multan. | |
| | Totals .. | .. | 34,44,300* | | |

* Excluding cost of 15 four-wheeled saloons, completion reports of which are still awaited.

## SOUTH INDIAN RAILWAY (BROAD GAUGE).

*nt showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|
| | | Rs. | | |
| Bogie .. | R.A. 1 | 60,325 | Agent. | |
| Do. .. | R.B. 3 .. | 37,538 | Spare under Agent's orders. | |
| Six wheeled .. | E.R.B. 472 | 7,841 | Spare under C. T. S.'s orders | Replaced carriage. |
| Do. .. | E.R.B. 473 | 10,335 | Do. | |
| Do. .. | E.R.B. 474 | 8,000 | District Traffic Superintendent. | |
| Do. .. | E.R.B. 475 | 8,979 | District Engineer. | |
| Do. .. | E.R.B. 476 | 8,979 | Assistant Traffic Superintendent. | |
| Do. .. | E.R.B. 478 | 18,415 | District Engineer. | |
| Do. .. | E.R.B. 479 | 18,415 | Do. | |
| Do. .. | E.R.B. 479-R | 7,735 | District Mechanical Engineer. | Replaced carriage. |
| Do. .. | E.R.B. 480 | 7,356 | Assistant Engineer. | |
| Total .. | .. | 1,93,913 | | |

## ASSAM BENGAL RALWAY (METRE GAUGE).

*ent showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Description of saloon. | Numbers of saloons. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|
| | | Rs. | | |
| Reserved Carriages 1st class, bogie. | 4 | 1,24,608 | Agent, Traffic Manager, Chief Engineer and Locomotive and Carriage Superintendent. | |
| Reserved Carriages, four-wheeler. | 28 | 4,10,017 | Junior Officers. | |
| Reserved Carriages Inspection Carriage "A", four-wheeler. | 29 | 2,71,360 | | |
| Reserved Carriages "B", four-wheeler. | 14 | 61,369 | | |
| Total .. | 75 | 8,67,354 | | |

## BENGAL AND NORTH-WESTERN RAILWAY.

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Six-wheeled .. | 3 | 8,085 | Chief Engineer. | |
| 2 | Do. .. | 4 | 8,085 | Loco. and Traffic District Officers. | |
| 3 | Do. .. | 5 | 8,085 | Do. | |
| 4 | Do. .. | 6 | 8,085 | Traffic Manager. | |
| 5 | Bogie .. .. | 7 | 13,178 | Agent. | |
| 6 | Do. .. | 8 | 11,968 | Resident Engineer. | |
| 7 | Four-wheeled .. | 11 | 4,375 | Signal Engineer. | |
| 8 | Do. .. | 12 | 4,375 | Loco. and Traffic District Officers. | |
| 9 | Six-wheeled .. | 13 | 8,132 | Resident Engineer. | |
| 10 | Do. .. | 14 | 4,375 | Do. | |
| 11 | Do. .. | 15 | 4,375 | Loco. and Traffic District Officers. | |
| 12 | Do. .. | 21 | 4,375 | Assistant Auditors. | |
| 13 | Do. .. | 22 | 4,375 | District Loco. Superintendent. | |
| 14 | Bogie .. | 23 | 10,696 | Loco. and Carriage Superintendent. | |
| 15 | Six-wheeled .. | 26 | 8,053 | Medical Officers. | |
| | Total .. | .. | 1,10,017 | | |

## BOMBAY, BARODA AND CENTRAL INDIA RAILWAY (METRE GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Officer's carriage (bogie). | 24 | 41,197 | Administrative Officers .. | These four saloons are shared by six officers. |
| 2 | Do. .. | 26 | 15,800 | | |
| 3 | Do. .. | 30 | 21,535 | | |
| 4 | Tourist car (bogie) | 9 | 15,746 | | |
| 5 | Officer's carriage (bogie). | 27 | 15,800 | Senior Government Inspector of Railways. | |
| 6 | Do. .. | 18 | 10,000 | | |
| 7 | Officer's carriage (four-wheeled). | 28 | 9,800 | | |
| 8 | Do. .. | 33 | 10,016 | | |
| 9 | Do. .. | 34 | 9,407 | | |
| 10 | Do. .. | 35 | 9,407 | | |
| 11 | Do. .. | 36 | 10,213 | | |
| 12 | Do. .. | 37 | 10,213 | | |
| 13 | Do. .. | 38 | 10,990 | | |
| 14 | Do. .. | 112 | 7,000 | | |
| 15 | Do. .. | 114 | 7,000 | | |
| 16 | Do. .. | 201 | 7,000 | Officers of district rank .. | These 21 saloons are shared by 22 officers. |
| 17 | Do. .. | 202 | 9,800 | | |
| 18 | Do. .. | 203 | 9,800 | | |
| 19 | Do. .. | 204 | 9,800 | | |
| 20 | Do. .. | 205 | 9,800 | | |
| 21 | Do. .. | 207 | 9,800 | | |
| 22 | Do. .. | 208 | 9,800 | | |
| 23 | Do. .. | 210 | 9,800 | | |
| 24 | Do. .. | 211 | 9,800 | | |
| 25 | Special saloon .. | 16 | 6,200 | | |
| 26 | Family first .. | 59 | 15,526 | | |
| | Total .. | .. | 3,11,250 | | |

## EASTERN BENGAL RAILWAY (METRE GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie .. .. | 737 | 16,680 | Government Inspector of Railways. | |
| 2 | Do. .. | 744 | 30,582 | Railway Board. | |
| 3 | Six-wheelers .. | 3 | .. | Assistant Officer. | |
| 4 | Four-wheelers .. | 9 | | Assistant Officer .. | (Purchased from B. & N.-W. Railway.) |
| 5 | Six-wheelers .. | 16 | | Inspection Saloon. | |
| 6 | Four-wheelers .. | 17 | | Assistant Officer (pooled). | |
| 7 | Bogie .. .. | 22 | | Head of Department (pooled). | |
| 8 | Six-wheelers .. | 738 | 11,129 | Assistant Officer. | |
| 9 | Four-wheelers .. | 739 | 11,129 | District Officer. | |
| 10 | Six-wheelers .. | 740 | 11,129 | Assistant Officer. | |
| 11 | Do. .. | 741 | 11,129 | District Officer. | |
| 12 | Do. .. | 742 | 9,641 | Assistant Officer. | |
| 13 | Bogie .. .. | 743 | 9,402 | Head of Department (pooled). | |
| 14 | Four-wheelers .. | 745 | .. | District Officer. | |
| 15 | Six-wheelers .. | 746 | 11,413 | Assistant Officer. | |
| 16 | Do. .. | 747 | 11,413 | District Officer. | |
| 17 | Do. .. | 748 | 11,413 | Do. | |
| 18 | Do. .. | 750 | .. | Do. | |
| 19 | Bogie .. .. | 1342 | .. | Head of Department (pooled). | |
| 20 | Four-wheelers .. | 2003 | .. | District Officer. | |
| 21 | Bogie .. .. | 2004 | 31,090 | Agent. | |
| 22 | Six-wheelers .. | 2005 | 12,142 | District Officers. | |
| 23 | Do. .. | 2006 | 12,142 | District Officer. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 24 | Six-wheelers .. | 2008 | 12,589 | District Officer. | |
| 25 | Do. .. | 2009 | 11,880 | Assistant Officer. | |
| 26 | Do. .. | 2010 | 11,880 | District Officer. | |
| 27 | Do. .. | 2012 | 13,046 | Assistant Officer. | |
| 28 | Do. .. | 2013 | 13,046 | Do. | |
| 29 | Bogie .. .. | 2016 | 27,873 | District Officer (pooled). | |
| 30 | Do. .. .. | 2017 | 27,873 | Do. | |
| 31 | Six-wheelers .. | 2078 | 17,134 | Assistant Officer. | |
| 32 | Do. .. | 2079 | 17,134 | District Officer (pooled). | |
| 33 | Do. .. | 2080 | 17,134 | Do. | |
| 34 | Four-wheelers .. | 2081 | 20,000* | Assistant Officer. | |
| 35 | Do. .. | 2082 | 20,000* | District Officer. | |
| | Total .. | .. | 4,10,023 | | |

*Anticipated approximate cost only, completion report not yet submitted.

## MADRAS AND SOUTHERN MAHRATTA RAILWAY (METRE GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie R. W. .. | 812 | 56,187 | Agent. | |
| 2 | Do. .. | 800 | 19,530 | Pooled among Heads of Departments and Deputies. | |
| 3 | Do. .. | 813 | 36,573 | | |
| 4 | Do. .. | 801* | 17,499 | | |
| 5 | Do. .. | 802 | 19,257 | | |
| 6 | Do. .. | 803* | 8,949 | | |
| 7 | Do. .. | 805 | 13,718 | | |
| 8 | Do. .. | 804 | 20,784 | Senior Government Inspector of Railways. | |
| | ENGINEERING DEPARTMENT. | | | | |
| 9 | Four-wheeled Saloon | ERI 9580 | 18,269 | District Engineer, Mormugao. | |
| 10 | Do. .. | ,, 967 | 17,752 | District Engineer, Guntakal. | |
| 11 | Do. .. | ,, 958 | 16,310 | District Engineer, Bangalore City. | |
| 12 | Do. .. | ,, 959 | 16,310 | District Engineer, Belgaum. | |
| 13 | Do. .. | ,, 957 | 16,310 | District Engineer, Hubli. | |
| 14 | Do. .. | ,, 8002 | 15,060 | District Engineer, Bellary. | |
| 15 | Do. .. | ,, 6154 | 13,834 | District Engineer, Gooty (Stabled at Renigunta). | |
| 16 | Do. .. | ,, 1404 | 10,350 | District Engineer, and Assistant Engineer, Bezwada. | |
| 17 | Do. .. | ,, 1401 | 10,350 | Assistant Engineer, Hubli. | |
| 18 | Do. | ,, 942 | 13,366 | Assistant Engineer, Guntoor. | |
| 19 | Do. .. | ,, 1403 | 10,350 | Assistant Engineer, Guntakal. | |

* Replaced carriages.

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 20 | Four-wheeled Saloon | ERB 960 | 17,319 | Assistant Engineer, Poona. | |
| 21 | Do. .. | ,, 1650 | 6,139 | Assistant Engineer, Arsikere. | |
| 22 | Do. .. | ,, 1402 | 10,350 | Assistant Engineer, Gadag. | |
| 23 | Do. .. | ,, 954 | 12,107 | Assistant Engineer, Pakala. | |
| 24 | Do. .. | ,, 1646 | 6,046 | Assistant Engineer, Bangalore. | |
| 25 | Do. .. | ,, 951 | 13,366 | Assistant Engineer, Belgaum. | |
| 26 | Do. .. | ,, 961 | 17,319 | Assistant Signal Engineer, Hubli, and Bridge Engineer. | |
| | | OPERATING DEPARTMENT | | | |
| 27 | Do .. | ,, 965 | 16,730 | District Transportation Superintendent Traffic, Bangalore. | |
| 28 | Do. .. | ,, 963 | 16,436 | District Transportation Superintendent Traffic, Guntakal. | |
| 29 | Do. .. | ,, 964 | 14,244 | District Transportation Superintendent Traffic, Hubli. | |
| 30 | Do. .. | ,, 6153 | 13,834 | District Transportation Superintendent Traffic, Pakala. | |
| 31 | Do. .. | ,, 966 | 16,730 | District Transport Superintendent Power, Hubli. | |
| 32 | Do. .. | ,, 962 | 16,436 | District Transportation Power, Guntakal. | |
| 33 | Do. .. | ,, 836 | 15,837 | District Transportation Power, Bangalore. | |
| | | ELECTRICAL DEPARTMENT. | | | |
| 34 | Do. | ,, 6151 | 13,834 | District Electrical Engineer, Hubli. | |
| 35 | Do. | ERB 921 | 6,306 | Chief Electrician. | |
| | | MEDICAL DEPARTMENT. | | | |
| 36 | Do. .. | ERB 837 | 15,837 | District Medical Officer, Guntakal. | |
| 37 | Do. .. | ,, 943 | 13,726 | District Medical Officer, Hubli. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | | RELIEF CARRIAGES. | | | |
| 38 | Four-wheeled Saloon | ERB 947 | 13,726 | | |
| 39 | Do. .. | ,, 1405 | 10,350 | | |
| 40 | Do. .. | ,, 1406* | 10,350 | | |
| 41 | Do. .. | ,, 952 | 13,726 | | |
| 42 | Do. .. | ,, 953 | 13,726 | | |
| 43 | Do. .. | ,, 955 | 12,107 | | |
| 44 | Do. .. | ,, 956 | 16,210 | | |
| 45 | Do. .. | ,, 1644 | 9,600 | | |
| 46 | Do. .. | ,, 1645 | 9,600 | | |
| 47 | Do. .. | ,, 8001 | 15,060 | | |
| 48 | Do. .. | ,, 8004 | 13,088 | | |
| 49 | Do. .. | ,, 806* | 2,937 | | |
| | Total .. | .. | 7,33,934 | | |

* Replaced carriages.

## ROHILKUND AND KUMAON RAILWAY (METRE GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Six-wheeed .. | 1 | 11,545 | Deputy Agent. | |
| 2 | Do. .. | 2 | 11,242 | Traffic Superintendent. | |
| 3 | Bogie Carriage .. | 3 | 13,865 | Senior Governmnt Inspector. | |
| 4 | Four-wheeled carriage. | 9 | 5,500 | Assistant Officers. | |
| 5 | Six-wheeled carriage. | 10 | 6,764 | District Locomotive and Carriage Superintendent. | |
| 6 | Four-wheeled carriage. | 11 | 5,335 | Assistant Officers. | |
| 7 | Do. .. | 12 | 10,502 | Assistant Engineer. | |
| 8 | Do. .. | 19 | 6,198 | Assistant Officers. | |
| 9 | Do. .. | 71 | 6,861 | Do. | |
| 10 | Six-wheeled carriage. | 214 | 7,246 | Resident Engineer. | |
| 11 | Four-wheeled carriage. | 292 | 4,782 | Assistant Engineer. | |
| | Total .. | .. | 89,840 | | |

## SOUTH INDIAN RAILWAY (METRE GAUGE).

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Bogie .. | B. I. A. | 36,003 | Agent. | |
| 2 | Do. .. | B. I. C. | 36,003 | Chief Commercial Superintendent. | |
| 3 | Do. .. | B. I. T. | 36,003 | Chief Transportation Superintendent. | |
| 4 | Do. .. | B. I. M. | 36,003 | Chief Mechanical Engineer. | |
| 5 | Do. .. | B. I. E. 1 | 19,000 | Spare under Agent's order. | |
| 6 | Do. .. | B. I. E. 2 | 33,390 | Chief Engineer. | |
| 7 | Do. .. | B. A. | 11,938 | Chief Medical Officer. | |
| 8 | Do. .. | B. I. 1 | 11,955 | District Engineer. | |
| 9 | Do. .. | B. I. 2 | 11,955 | Spare under CTS orders. | |
| 10 | Do. .. | B. I. 3 | 16,618 | District Traffic Superintendent. | |
| 11 | Do. .. | B. I. 4 | 16,618 | District Engineer. | |
| 12 | Do. .. | B. I. 5 | 12,195 | Do. | |
| 13 | Do. .. | B. I. 6 | 12,195 | District Mechanical Engineer. | |
| 14 | Do. .. | B. I. 7 | 12,195 | District Engineer. | |
| 15 | Do. .. | B. I. 8 | 11,955 | District Mechanical Engineer. | |
| 16 | Do. .. | B. I. 9 | 14,074 | District Engineer. | |
| 17 | Do. .. | B. I. 10 | 16,481 | District Traffic Superintendent. | |
| 18 | Do. .. | B. I. 11 | 12,016 | Do. | |
| 19 | Do. .. | B. I. 12 | 18,854 | Signal and Telegraph Engineer (Deputy). | |
| 20 | Do. .. | B. I. 14 | 14,074 | District Traffic Superintendent. | |
| 21 | Do. .. | B. I. 15 | 16,280 | Spare for District Officers for relief purposes. | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 22 | Bogie .. .. | B. I. G. | 18,509 | S. G. I. of Railways. | |
| 23 | Four-wheeled .. | F. S. 36 | 4,390 | District Engineer .. | Replaced Carriage. |
| 24 | Do. .. | F. 5 | 4,792 | Assistant Engineer .. | |
| 25 | Do. .. | F. 7 | 4,792 | Do. | |
| 26 | Do. .. | F. 9 | 4,792 | Spare. | |
| 27 | Do. .. | I. C. 1 | 1,729 | District Engineer. | |
| 28 | Do. .. | I. C. 3 | 3,252 | Assistant Engineer. | |
| 29 | Do. .. | I. C. 4 | 5,738 | Do. | |
| 30 | Do. .. | I. C. 5 | 5,738 | Do. | |
| 31 | Do. .. | I. C. 7 | 5,738 | Do. | |
| 32 | Do. .. | I. C. 8 | 5,738 | Do. | |
| 33 | Do. .. | I. C. 9 | 5,738 | Do. | |
| 34 | Do. .. | I. C. 10 | 5,738 | Do. .. | Replaced Carriage. |
| 35 | Do. .. | I. T. 13 | 3,467 | Do. | |
| 36 | Do. .. | I. T. 11 | 5,115 | Do. (Spare). | |
| | Total .. | .. | 4,93,071 | | |

## JODHPUR STATE RAILWAY (METRE GAUGE).

*Statement showing particulars of saloon reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| 1 | Officer's Carriage Bogie. | 40 | 13,009 | Chief Engineer. | |
| 2 | Do. | 41 | 13,961 | Manager and Chief Traffic Manager. | |
| 3 | Do. | 42 | 27,672 | Locomotive and Carriage Superintendent and Auditor. | |
| 4 | Officer's Carriage four-wheeled. | 60 | 8,507 | Assistant Auditor. | |
| 5 | Do. | 61 | 10,267 | Assistant Traffic Superintendent. | |
| 6 | Do. | 62 | 6,826 | Assistant Engineer. | |
| 7 | Do. | 63 | 5,061 | Assistant Traffic Superintendent. | |
| 8 | Do. | 64 | 5,988 | Assistant Engineer. | |
| 9 | Do. | 65 | 6,223 | Assistant Locomotive Superintendent. | |
| 10 | Do. | 66 | 16,423 | Executive Engineer. | |
| 11 | Do. | 67 | 20,842 | District Locomotive Superintendent. | |
| 12 | Do. | 68 | 15,873 | Assistant Engineer. | |
| 13 | Do. | 69 | 16,223 | Do. | |
| 14 | Do. | 70 | 16,317 | Assistant Traffic Superintendent. | |
| 15 | Do. | 71 | 16,635 | Spare. | |
| | Total .. | .. | 1,99,827 | | |

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | BENGAL NAGPUR RAILWAY (NARROW GAUGE). | | | | |
| 1 | Bogie .. | G. C. 28 | 15,581 | Observation carriage. | |
| 2 | Do. .. | G. C. 2 | 16,972 | D T. S., A. L. C. S., and D. E., N. I. R. and M. C. B.S.P. and Administrative Officers. | |
| 3 | Do. .. | G. C. 3 | 16,972 | | |
| 4 | Do. .. | 004 | 13,769 | | |
| 5 | Do. .. | 005 | 13,769 | | |
| 6 | Do. .. | 006 | 15,039 | | |
| 7 | Do. .. | G. C. 1 | 16,972 | District Officers ADA. | |
| 8 | Do. .. | P. R. 10 | 15,904 | | |
| 9 | Four-wheelers .. | 001326 | 7,131 | Assistant Engineers and Inspectors of Satpura District. | |
| 10 | Do. .. | 001327 | 7,131 | | |
| 11 | Do. .. | 001328 | 7,131 | | |
| 12 | Do. .. | 001329 | 7,131 | | |
| 13 | Do. .. | 001330 | 7,131 | | |
| 14 | Do. .. | 001332 | 7,131 | | |
| 15 | Do. .. | 001335 | 7,131 | | |
| 16 | Do. .. | 001336 | 7,131 | | |
| 17 | Do. .. | 001337 | 7,131 | | |
| 18 | Do. .. | 001338 | 7,131 | | |
| | Total .. | .. | 1,96,266 | | |
| | GREAT INDIAN PENINSULA RAILWAY (NARROW GAUGE). | | | | |
| 1 | Bogie .. .. | 54 | 15,286 | Transportation Officers, Bhusawal Division and Resident Engineer, Yeotmal. | |

*Statement showing particulars of saloons reserved exclusively for use of Railway Officers.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | NORTH-WESTERN RAILWAY (NARROW GAUGE). | | | | |
| | *Kangra Valley Section.* | | | | |
| 1 | Bogie .. .. | 9 | 27,829 | Administrative Officer, Executive Officers and Assitants. | |
| 2 | Do. .. .. | 16 | 14,757 | Sub-divisional Officer, Palampur. | |
| | *Kalabagh Bannu Section.* | | | | |
| 3 | Bogie .. .. | 8 | 14,205 | Administrative Officer, Executive Officers and Assistants. | |
| | *Kohat Thal Section.* | | | | |
| 4 | 4 wheeled .. | 21 | 6,323 | | |
| | *Zhob Valley Section.* | | | | |
| 5 | Bogie .. .. | 7 | 12,667 | Administrative Officer, Executive Officers and Assistants. | |
| | Total .. | .. | 75,781 | | |
| | SOUTH INDIAN RAILWAY (NARROW GAUGE). | | | | |
| 1 | Bogie .. .. | I. C. I. | 7,627 | All officers. | |

*Statement showing particulars of saloons maintained by Railways for use of other departments and Provincial Governments.*

ASSAM BENGAL RAILWAY (METRE GUAGE).

| | | | | |
|---|---|---|---|---|
| 1 | Reserved bogie saloon. | 3748 | 40,852 | H. E. the Governor of Assam. |
| 2 | Reserved first class four-wheeler. | 937 | 14,982* | Superintendent of Railway Police, Assam. |
| | | | 55,834 | |

*Cost borne by Assam Government.

*Statement showing particulars of saloons maintained by Railways for use of other departments and Local Governments.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | BOMBAY, BARODA AND CENTRAL INDIA RAILWAY (METRE GAUGE). | | | | |
| 1 | Saloon Bogie .. | 1 | 20,250* | Viceregal train. | |
| 2 | Do. .. | 2 | 20,250* | | |
| 3 | Staff Car Bogie .. | 3 | 13,055 | | |
| 4 | Do. .. | 4 | 13,055 | | |
| 5 | Dining Car Bogie | 5 | 20,006* | | |
| 6 | Staff Car Bogie .. | 6 | 20,006* | | |
| 7 | Kitchen Car Bogie | 1571 | 11,819* | | |
| 8 | Officers' Carriage Bogie. | 17 | 9,945 | Hon'ble the Resident for Rajputana. | |
| 9 | Officers' Carriage four-wheeled. | 206 | 9,307 | Superintendent of Government Railway Police (Indore). | |
| 10 | Do. | 22 | 2,810 | Railway Magistrate, Ajmer. | |
| | | | 1,40,503 | | |
| | EASTERN BENGAL RAILWAY (METRE GAUGE). | | | | |
| 1 | Bogie .. .. | 1 | 23,918 | H. E the Governor of Bengal. | Not taken over by railway under new rules. |
| 2 | Do. .. .. | 4 | 70,154 | | |
| 3 | Six-wheeler .. | 2007 | 12,589 | Superintendent, Railway Police, Saidpur. | |
| | | | 1,06,661 | | |

*These figures do not include cost of additions paid for by Government on which percentage of maintenance is also levied.

*Statement showing particulars of saloons maintained by Railways for use of other Departments and Provincial Governments.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | MADRAS AND SOUTHERN MAHRATTA RAILWAY (METRE GAUGE). | | | | |
| 1 | Four-wheeled .. | E. C. E. 6152 | 13,834 | Superintendent of Police, Poona. | Cost borne by Bombay Government. |
| | SOUTH INDIAN RAILWAY (METRE GAUGE). | | | | |
| 1 | Bogie .. .. | B. I. P. | 17,654 | Superintendent, Government Railway Police. | Capital cost borne by local Government. |
| | BENGAL NAGPUR RAILWAY (BROAD GAUGE). | | | | |
| 1 | RA—Bogie .. | 1004 | 34,808 | His Excellency the Governor of the C. P. and Berar, Nagpur. | |
| 2 | Do.* .. | 5316 | 69,554 | His Excellency the Governor of Orissa. | |
| 3 | E. R. B. .. | 413 | 24,250 | Superintendent, G. R. Police, Raipur. | |
| | Total .. | | 1,28,612 | | |
| | BOMBAY, BARODA AND CENTRAL INDIA RAILWAY (BROAD GAUGE). | | | | |
| 1 | Six-wheeled .. | 11 | 19,381 | Superintendent, Government Railway Police. | |
| 2 | Bogie .. | 35 | 28,116 | Resident for Central India. | |
| | Total .. | | 47,497 | | |

* This is E. I. Railway tourist car temporarily placed at the disposal of H. E. the Governor of Orissa and maintained by B. N. Railway.

*Statement showing particulars of saloons maintained by Railways for use of other departments and Provincial Governments.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | EASTERN BENGAL RAILWAY (BROAD GAUGE). | | | | |
| 1 | Bogie .. | 1230 | 1,24,432 | H. E. the Governor of Bengal. | Not taken over by Railway under new rules. |
| 2 | Bogie .. | 1231 | | | |
| 3 | Four-wheeler .. | 1414 | 12,836 | Superintendent, Government Railway Police. | |
| | Total .. | | 1,37,268 | | |
| | EAST INDIAN RAILWAY (BROAD GAUGE). | | | | |
| 1 | Bogie reserved .. | 4899 | 20,531 | H. E. the Governor of the U. P. | |
| 2 | Do. .. | 4900 | 20,531 | Do. | |
| 3 | Do. .. | 1404 | 3,124 | Staff of H. E. the Governor of the U. P. | |
| 4 | Do. .. | 4966 | 82,573 | H. E. the Governor of Bihar. | |
| 5 | Do. .. | 4967 | 78,411 | Do. | |
| 6 | Do. .. | 4918 | 45,162 | G. O. C., Eastern Circle, Lucknow. | |
| | Total .. | .. | 2,50,332 | | |
| 7 | Four-wheeler reserved. | 1930 | 11,923 | Superintendent, Government Railway Police, Howrah. | |
| 8 | Do. .. | 1927 | 11,438 | Superintendent, Government Railway Police, Agra. | |
| 9 | Do. .. | 4880 | 11,921 | Superintendent, Government Railway Police, Lucknow. | |
| | Total .. | .. | 35,282 | | |
| | Grand Total .. | .. | 2,85,614 | | |

*Statement showing particulars of saloons maintained by Railways for the use of other departments and Provincial Governments.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | GREAT INDIAN PENINSULA RAILWAY (BROAD GAUGE). | | | | |
| 1 | Bogie .. | 2489 | 77,017 | H. E. the Governor of Bombay. | |
| 2 | Do. .. | 2490 | 58,762 | H. E. the Governor of Bombay's dining and sleeping car. | |
| 3 | Do. .. | 2491 | 78,550 | H. E. the Governor of Bombay (double gauge). | |
| 4 | Do. .. | 2492 | 82,372 | H. E. the Governor of Bombay, dining car (double gauge). | |
| 5 | Do. .. | 2488 | 34,919 | G. O. C. Southern Command. | |
| | Total .. | | 331,162 | | |
| 6 | Four-wheeled .. | 2321 | 27,607 | Superintendent, Government Railway Police, Hbd. | |
| 7 | Do. .. | 2456 | 13,685 | Superintendent, Government Railway Police, Poona. | |
| | Total .. | | 41,292 | | |
| | Grand Total .. | | 3,72,912 | | |
| | MADRAS AND SOUTHERN MAHRATTA RAILWAY (BROAD GAUGE). | | | | |
| 1 | Bogie .. | WCR 1 | 30,773 | H. E. the Governor of Madras. | |
| 2 | Do. .. | 2 | 69,138 | Do. | |
| 3 | Do. .. | CR 3 | 81,889 | H. E. the Governor of Madras, dining saloon. | |
| | Total .. | | 1,81,800 | | |
| 4 | Six-wheeled .. | ECE 23 | 33,929 | Superintendent, Government Railway Police. | Cost borne by Madras Government. |
| | Grand Total .. | .. | 2,15,729 | | |

*Statement showing particulars of saloons maintained by Railways for use of other departments and Provincial Governments.*

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | NORTH-WESTERN RAILWAY (BROAD GAUGE). | | | | |
| 1 | Saloon Bogie .. | 1 | | | |
| 2 | Do. .. | 2 | | | |
| 3 | Do. .. | 3 | | | |
| 4 | Do. .. | 4 | | | |
| 5 | Do. .. | 5 | | | |
| 6 | Do. .. | 6 | 2,95,358 | His Excellency the Viceroy's Special. | |
| 7 | Do. .. | 7 | | | |
| 8 | Do. .. | 8 | | | |
| 9 | Do. .. | 9 | | | |
| 10 | Do. .. | 10 | | | |
| 11 | Do. .. | 11 | | | |
| 12 | Do. .. | 12 | 65,150 | His Excellency the Governor of the Punjab. | |
| 13 | Do. .. | 13 | | | |
| 14 | Do. .. | 14 | 24,803 | His Excellency the Governor of the N. W. F. P. | |
| 15 | Do. .. | 15 | 46,916 | Agent to Governor-General, Baluchistan. | |
| 16 | Do. .. | 16 | 1,44,877 | His Excellency the Commander-in-Chief. | |
| 17 | Do. .. | 17 | | | |
| 18 | Do. .. | 18 | 19,602 | G. O. C., Northern Command. | |
| 19 | Do. .. | 19 | 53,780 | G. O. C., Western Command. | |
| 20 | Do. .. | 20 | 26,423 | Officers of Defence Department. | |
| 21 | Do. .. | 21 | 32,656 | | |
| 22 | Do. .. | 26 | 45,071 | Chief of the General Staff. | |
| 23 | Do. .. | 27 | 3,10,898 | Members of the Viceroy's Executive Council. | |
| 24 | Do. .. | 28 | | | |
| 25 | Do. .. | 29 | | | |
| 26 | Do. .. | 30 | | | |

| Serial No. | Description of saloon. | Individual number of saloon. | Capital cost. | Class of officers entitled to the use of the saloon. | Remarks. |
|---|---|---|---|---|---|
| | | | Rs. | | |
| | NORTH-WESTERN RAILWAY (BROAD GAUGE). | | | | |
| 27 | Saloon Bogie .. | 31 | 26,521 | Resident for Punjab States. | |
| 28 | Do. .. | 32 | 28,729 | Officers of the Defence Department. | |
| | Total .. | | 11,19,784 | | |
| 29 | Do. .. | 197 | 27,743 | Assistant Inspector General of Railway Police. | |
| 30 | Saloon Bogie four-wheeled. | 173 | Completion report awaited. | Deputy Superintendent, Railway Police, N. W. F. P. | |
| 31 | Do. .. | 198 | 14,198 | S. D. O., Government Railway Police. | |
| | Total .. | | 41,941 | | |
| | Grand total .. | .. | 11,61,725 | | |

## APPENDIX VIII.

### Possibilities of economy by amalgamation of railways in India.

The Public Accounts Committee, while examining the Accounts of 1934-35, expressed a desire that the Railway Board should examine the possibilities of making a saving in the administration and operation of railways owned by the State by a judicious amalgamation of the various systems on the analogy of the amalgamation carried out in Great Britain about 15 years ago.

2. The Railways of Great Britain have been amalgamated into four great systems. The composition of these four systems is as follows :—

*The Great Western Railway.*

(*a*) Original undertaking ;

(*b*) Taff Valley Railway ;

(*c*) A few minor administrations.

*London, Midland and Scottish.*

(*a*) London and North Western ;
(*b*) Midland ;
(*c*) Lancashire and Yorkshire ;
(*d*) Caledonian ;
(*e*) Glasgow and South-Western ;
(*f*) Highland ;
(*g*) A considerable number of minor administrations.

*London and North-Eastern.*

(*a*) The Great Northern ;
(*b*) North Eastern ;
(*c*) Great Eastern ;
(*d*) Great Central ;
(*e*) North British ;
(*f*) Great North of Scotland ;
(*g*) A considerable number of minor administrations.

*The Southern Railway.*

(*a*) South-Eastern and Chatham ;
(*b*) London, Brighton and South Coast ;
(*c*) London and South-Western ;
(*d*) A few minor administrations.

It is interesting to note that the route mileage of the railways in Great Britain is very nearly the same as the route mileage of broad-gauge State-owned systems and systems worked by the State in India. Other things being equal, it would appear that, it having been found possible to amalgamate the vast number of railway systems in Great Britain into four administrations there is considerable room for a reduction of the number of railway systems in India. Further, it should not be forgotten that amalgamations have been successfully achieved in the past. For example, the present North-Western Railway system comprised the original Sind-Punjab and Delhi Railway, the Indus Valley State Railway ; the Punjab Northern Railway, the Southern Punjab Railway, the Delhi-Ambala-Kalka Railway, etc. ; the Great Indian Peninsula Railway comprises the old G. I. P. Railway undertaking and the Indian Midland Railway ; the East Indian Railway comprises the old East Indian Railway and the Oudh and Rohilkhund State Railway ; the Madras and Southern Mahratta Railway comprises the Southern Mahratta Railway and part of the old Madras Railway ; the present South Indian Railway comprises the old South Indian Railway and a portion of the Madras Railway. There are other examples but these will suffice to show that the possibilities of amalgamation have not been lost sight of in the past.

3. The question now before us is :—can we further reduce the number of systems and, by so doing, effect a saving in administration and operating expenses ? Attached to this memorandum will be found a map (not printed) showing a scheme for three broad gauge systems, one combined broad gauge

and metre gauge system, and two metre gauge systems, a total of six against the existing ten systems. The mileage of each of these amalgamated systems would be as follows :—

| | Route miles. |
|---|---|
| *Broad Gauge*— | |
| North-Western Railway .. .. .. .. .. | 7,091 |
| East Indian Railway .. .. .. .. .. | 7,110 |
| Great Indian Peninsula Railway .. .. .. .. | 6,826 |
| Southern Railway .. .. .. .. .. .. | 6,137 |
| *Metre Gauge*— | |
| Great Eastern Railway .. .. .. .. .. | 3,078 |
| Great Western Railway .. .. .. .. .. | 4,437 |

The mileage of the four systems in Great Britain are as follows :—

| | Route miles. |
|---|---|
| Great Western Railway .. .. .. .. .. | 3,793 |
| London, Midland and Scottish .. .. .. .. | 6,941 |
| London and North-Eastern .. .. .. .. .. | 6,901 |
| Southern Railway .. .. .. .. .. .. | 2,167 |

4. When the bill for the amalgamation of the systems in Great Britain was placed before Parliament, many advantages were claimed for the scheme. The main ones may be said to have been as follows :—

(*a*) the elimination of uneconomical competition ;

(*b*) the consolidation of finances ;

(*c*) the pooling of rolling stock and equipment ;

(*d*) the co-ordination of workshop and repair facilities ;

(*e*) the running of through services on increased distances ;

(*f*) the centralisation of the purchase and stores organisation ;

(*g*) the unification of financial policy and of managerial control, with all that it stands for, such as standardisation of stock, the co-ordination of policy, the massing of advertisement and superior salesmanship of transportation.

Though there has undoubtedly been a considerable saving by amalgamations in Great Britain, the economies effected have fallen far short of anticipations. In regard to India, a great many of the advantages obtained by amalgamation have been obtained by State Railway ownership and State control, even although certain of the railways are Company-managed, though State-owned. We may examine in detail if the advantages claimed for amalgamation in Great Britain would be obtained in India.

5. *Elimination of uneconomical competition.*—This undoubtedly existed in the past, but now-a-days there is the closest co-operation between State-owned and State-managed Railways and Company-owned and Company-managed Railways. To take an example : two or three years ago, the B. B. and C. I. Railway had an opportunity of diverting a large portion of the G. I. P. Railway cotton traffic to the sea route *via* Surat. As soon, however,

as it was found out that the B. B. and C. I. Railway rating structure allowed this diversion, despite the fact that the diversion of traffic was greatly to the advantage of the B. B. and C. I. Railway, they adjusted their rates so that the traffic could be retained to the G. I. P. though it was a State-owned and State-managed system. Another example: all goods traffic over the G. I. P. and B. B. and C. I. routes between Bombay and Delhi is pooled. Many other similar examples could be quoted, but these may suffice to indicate the policy of co-ordination in regard to competitive traffic now adopted by the State-owned Railways in India.

6. *Consolidation of finances.*—All earnings may be said to go into a common pool, the Company-managed Railways drawing their share for cost of management and surplus profits, depending on the amount of money invested in the undertakings and in accordance with their contracts with the Secretary of State.

7. *Pooling of rolling stock and running of through services.*—The Broad gauge goods stock of Indian Railways has been pooled for the last 20 years. Roughly 120,000 out of 140,000 broad gauge wagons are in the wagon pool. Amalgamation will not change the position in any way whatsoever. No large saving can be expected on this account except possibly by the reduction of wagon-examining stations which would be brought about by a reduction in the number of junctions between railways. Efforts are being made to get savings in this respect even with the present distribution. Coaching stock is freely interchanged between railways; for example, Bombay, Baroda and Central India stock and North-Western stock run between Bombay and Peshawar; Great Indian Peninsula and Madras and Southern Mahratta Railway stock run between Bombay and Madras; East Indian Railway stock runs between Calcutta and Bombay, etc., etc. A proposal to pool mela stock so that it can be placed at the disposal of different railways when required, is at present under consideration. Amalgamation would not help greatly in this respect. As regards locomotives when one railway has a surplus, this is sent to another railway to avoid purchase of new locomotives. If we take the pooling of locomotives in the other sense, namely, intensive use of power, the distances run on each main line railway are sufficient to get the full advantages of pooling on each individual railway. In Great Britain the longest distances run by one locomotive are between London and Glasgow and London and Edinburgh, in each case a distance of almost exactly 400 miles. In India the same locomotive runs between Igatpuri and Itarsi, a distance of 379 miles. It cannot, therefore, be claimed that amalgamation of railways in India would show great savings in this respect.

8. *Coordination of workshop and repair facilities.*—Let us examine the possibilities of effecting economies on each of the proposed broad gauge systems:

The following are the existing workshops :—

North-Western Railway :—

Moghalpura.

Sukkur.

East Indian Railway :—

Jamalpur.

Lillooah.

Kanchrapara.

Lucknow.

Khargpur.

Ondal (a small shop for wagon repair).

Great Indian Peninsula Railway :—

Parel, G. I. P.

Parel, B. B. and C. I.

Matunga.

Dohad.

Jhansi.

Southern Railway :—

Perambur.

Trichinopoly (Golden Rock).

Hubli.

The amalgamated British railway systems have the following shops :—

Great Western.—

Swindon,

Wolverhampton,

Newport.

London, Midland and Scottish.—

Crewe,

Derby,

Horwich,

Earl's Town,

St. Rollox,

Wolverton,

Inverness.

London and North-Eastern :—

Stratford,

Doncaster,

Gateshead,

Cowlairs,

Aberdeen,

Gorton.

Southern.—

Ashford,

Eastleigh.

On a strict mileage basis it would not appear that the number of shops on the proposed new Indian systems would be excessive. But it has to be admitted

that the total rollong stock in Great Britain, locomotives, carriages and wagons, is very greatly in excess of the rolling stock of the railways of India. But against this are the enormous distances which have to be traversed in India. It is quite clear that there could be no reduction on the North-Western Railway : it would be an uneconomic proposition to haul all stock from, say, the Quetta or Karachi Divisions to Lahore for repairs when a shop is in existence at Sukkur. On the new East Indian Railway system it might be possible to close down one shop, say, Kanchrapara. On the Great Indian Peninsula Railway, it might be possible to concentrate carriage repairs at Matunga and wagon repairs at Parel, Bombay, Baroda and Central India for the Bombay, Baroda and Central India and southern divisions of the Great Indian Peninsula. It would, however, probably be necessary to retain Jhansi as a carriage and wagon shop for the northern divisions of the Great Indian Peninsula. The locomotive shops at Jhansi have already closed down and all work is concentrated in Parel. It would probably be necessary to retain Dohad for the Bombay, Baroda and Central India locomotives. It is interesting to note in passing that during the past 20 years the Great Indian Peninsula Railway have closed down the locomotive shops at Bhusaval, Igatpuri, Lonvala, and Jhansi, and the North-Western Railway have closed down Loco. shops at Karachi, Quetta, Multan, Rawalpindi, Kalka and Saharanpur.

9. On the Southern Railway it should be possible to close down Hubli, and concentrate metre gauge repairs at Trichinopoly and broad gauge repairs at Perambur. In assessing the value of the concentration of work at a small number of shops it has to be realised that the main saving is in administration. There will be no saving in cost of material and not a great deal of saving in the cost of labour. Savings can be best effected by concentrating the manufacture of certain articles in one shop, but this is a policy which can be adopted, and endeavours are being made to do so, quite independently of amalgamation. As an example of what has been done, all underframes are manufactured at Tatanagar which is under the administration of the East Indian Railway. Taking everything into consideration, it is not considered safe to allow more than a 5 per cent. saving in workshop costs as a result of amalgamation.

10. *Centralisation of purchase and stores organisation.*—So far as State-managed Railways are concerned, the great volume of stores common to all railways are already purchased through the Indian Stores Department and this policy is being extended year by year. Stores, such as rails, coaching underframes and wagons are purchased through the Railway Board. All coal for State Railways is purchased by the Railway Board and, though the Company-managed Railways make their own purchase, this is done after consultation with the Chief Mining Engineer with the Railway Board and there is the closest co-operation. It is not considered that very great advantages in this respect would come through amalgamation, but a 10 per cent. saving may perhaps be expected in the administration of the Stores Department.

11. *Unification of financial policy.*—In India the financial policy is laid down by the Railway Board. The powers of the company-managed Railways in this respect are very limited. The Railway Board have set up an organisation for standardisation of rolling stock and equipment. Amalgamation will not affect this in any way whatsoever.

12. It, therefore, appears quite clear that Indian Railways cannot expect the same saving as British Railways from amalgamations, and it is considered that, of the savings which can fairly be counted on, are a certain saving in administration, a certain saving in workshops and a certain saving in the stores purchase organisation. The details of savings on the administration side for a scheme as suggested above are as follows :—

| | Lakhs. |
|---|---|
| South Indian .. .. .. .. .. | 6 |
| Bombay, Baroda and Central India .. .. .. | 7 |
| Bengal Nagpur .. .. .. .. .. | 6 |
| Eastern Bengal .. .. .. .. .. | 4 |
| Bengal and North-Western .. .. .. .. | 5 |
| Total .. | 28 |
| or say roughly .. | 30 lakhs per annum |
| a 5% saving on workshops costs .. .. .. .. | 24 lakhs. |
| a 10% savings on stores staff costs .. .. .. .. | 6 lakhs. |
| Grand Total .. | 60 lakhs |

13. It must not be forgotten, however, that there is no guarantee that amalgamations, having met with success in Great Britain, will meet with the same success in India. The conditions differ very considerably. The railways in Great Britain are concentrated in an area less than the area of the Punjab. The railways of India are spread over a great continent, and the areas which it is proposed to serve by the amalgamated railway systems cover areas considerably in excess of the whole of Great Britain. The longest distance between any railway station and a railway headquarters in Great Britain is 600 miles. No big manufacturing centre is more than 450 miles from the headquarters of a railway. Glasgow the second largest city in Great Britain, is only 6½ hours journey from London. In India a 24 hours' journey is an everyday occurrence. This will indicate that control of large systems in India is considerably more difficult than in Great Britain.

14. The amalgamations proposed would entail an alteration of the whole rating structure of India which would probably mean the sacrifice of some revenue. Then again, there is the question of the different scales of pay on different units of the amalgamated railways. There would be agitation for the coordinating of these scales, naturally in the upward direction, which it might be difficult to resist. This would mean an increase in working expenses. The total cost of levelling up wages on the different system would be about Rs. 184 lakhs. It is, of course, not suggested that on amalgamation such a policy should be adopted, but it might be difficult to justify to labour organisations two persons on the same railway doing exactly the same work and with the same length of service drawing different rates of pay. These examples of the difficulties of amalgamation are recorded merely to show that the estimated economies through amalgamation might be largely wiped out as was the case in Great Britain.

15. It is not claimed that this note is an exhaustive examination of the subject of amalgamation. To get a reliable estimate would require a detailed

examination by a committee of officers of the different departments concerned and would be a lengthy procedure.

16. Actually at the moment amalgamation is not a live issue as the Wedgwood Committee point out in their recent Report, paragraphs 197 and 201 of which may be appropriately be quoted here.

"197. *Disadvantage of unwieldy administrations.*—We have considered whether we can in existing conditions make any recommendations as to the amalgamation of railway administrations.

It is clear that at the present time nothing can be done as regards the privately-managed railways. These have their contracts with Government which terminate at the option of Government as follows :—

| *Railway.* | *Date of expiry of contract.* |
|---|---|
| Assam Bengal .. .. .. | 31st December 1941 or at the end of any succeeding tenth year on 12 months previous notice. |
| Bombay, Baroda and Central India | 31st December 1941 or at the end of any succeeding fifth year, on 12 months previous notice. |
| Bengal and North-Western .. | 31st December 1942, on 12 months previous notice. |
| Madras and Southern Mahratta .. | 31st December 1945, on 12 months previous notice. |
| South Indian .. .. .. | 31st December 1945 or at the end of any succeeding fifth year, on 12 months previous notice. |
| Bengal Nagpur .. | 31st December 1950 or at the end of any succeeding fifth year, on 12 months previous notice. |

When the contracts terminate, but not before, the Government have the option of taking over each of these administrations, and can then consider whether they should combine them with any of the existing State-managed administrations.

"If it should be decided that the proper policy is for the Government in course of time to take over the whole of the railway administrations, we are of opinion that it would still be desirable for them to maintain separate state-managed administrations of reasonable dimensions. If the administrations are unduly extensive, headquarters supervision becomes too remote, and the machine as a whole becomes unwieldy. The *esprit de corps* of such overgrown concerns is weakened and they lose the individuality that comes from direct personal initiative at the top. We think there is also much to be said for preserving a measure of rivalry between different administrations, particularly at one centre. This tends to stimulate efficiency of service and progressive ideas of management.

"Acting on these principles we would suggest that the ultimate grouping might be as follows :—

| | |
|---|---|
| East Indian Railway .. .. .. .. | As at present. |
| Eastern Bengal and Assam Bengal Railways .. | To be combined in one group. |
| North-Western Railway .. .. .. | As at present. |
| Great Indian Peninsula Railway .. .. | As at present. |
| Bombay, Baroda and Central India Railway .. | As at present. |
| Madras and Southern Mahratta and South Indian Railways .. .. .. .. | To be combined in one group. |
| Bengal Nagpur Railway .. .. .. | As at present. |

If it is proposed to take over the Bengal and North-Western Railway, it would in our opinion be best to maintain its separate organisation as at present.

"201. *Amalgamation of Railway Administrations.*—We consider that no amalgamation of railways is desirable at the present time. Our reason for coming to this conclusion is that no amalgamation at present possible would fall in with the scheme of ultimate grouping already outlined (paragraph 197).

"We have considered in particular the arguments for and against the amalgamation of the Eastern Bengal Railway with the East Indian Railway. This would produce certain superficial economies, but we believe these would be effected at the expense of the proper management and supervision of the enlarged system. The East Indian Railway organisation is already in our opinion fully large enough for the conditions of economic management."

"We have suggested that at a later date the Eastern Bengal Railway could be amalgamated with the Assam Bengal Railway and that the two Railways would constitute a convenient unit for economical management ; but such an amalgamation for obvious reasons is not a possibility at the present time ".

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## APPENDIX IX.

### Financial results of the Madras Suburban electrification on the South Indian Railway.

Three statements are attached, giving the financial results for the years 1932-33 to 1936-37 of the Madras Suburban Electrification on the South Indian Railway. Statement A is based on the views of the Consulting Engineers in London of the South Indian Railway. Statement B has been prepared by the Agent, South Indian Railway under certain instructions issued by the Railway Board. Statement C has been prepared by the Agent, South Indian Railway, in consultation with the Statutory Audit Officer who has accepted the statement subject to a certain qualification.

2. The results according to the various statements may be summarised as follows :—

| Year. | Train miles (in lakhs). | Percentage of return according to the Ry. Administration's Consulting Engineers. | Percentage of return according to the Agent's statement prepared under Ry. Board's instructions. | Percentage of return tentatively accepted by the Statutory Audit subject to a qualification. |
|---|---|---|---|---|
| Estimate .. .. | Not available | 13·00 | | |
| 1932-33 .. .. | 6·77 | 8·64 | 5·79 | 4·98 |
| 1933-34 .. .. | 6·13 | 7·44 | 2·41 | 2·07 |
| 1934-35 .. .. | 3·01 | 10·53 | 4·23 | 3·79 |
| 1935-36 .. .. | 5·91 | 7·77 | 2·31 | 1·99 |
| 1936-37 .. .. | 6·11 | 8·57 | 2·73 | 2·39 |

3. There are some important points of difference in the bases on which the three statements have been prepared, especially between the statement of the Consulting Engineers and the other two statements. These points are still under discussion between the Railway Board and the Director of Railway Audit.

## STATEMENT A.

| Particulars. | 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. |
|---|---|---|---|---|---|
| Traffic in lakhs of train miles (steam) | 6·77 | 6·13 | 6·01 | 5·91 | 6·11 |
| | | Lakhs of Rupees. | | | |
| Gross outlay on electrification .. | 62·69 | 62·69 | 62·69 | 62·69 | 62·69 |
| If no Electrification, estimated extra steam outlay for increased traffic. | 39·01 | 39·01 | 39·01 | 39·01 | 39·01 |
| Cost of steam stock released because of Electrification. | 8·63 | 8·63 | 8·63 | 8·63 | 8·63 |
| Net outlay on electrification (Item 2—Item 3—Item 4). | 15·05 | 15·05 | 15·05 | 15·05 | 15·05 |
| Cost of steam working—working expenses exoluding depreciation. | 6·64 | 6·06 | 6·08 | 5·85 | 5·72 |
| Cost of electrical working—working expenses exoluding depreciation. | 4·89 | 4·49 | 4·00 | 4·24 | 3·98 |
| Gross savings in working expenses due to electrification (Item 6—Item 7). | 1·75 | 1·57 | 2·08 | 1·61 | 1·74 |
| Depreciation on gross outlay on electrification at 3 %(Item 2). | 1·88 | 1·88 | 1·88 | 1·88 | 1·88 |
| Depreciation on steam outlay avoided at 3% on Items 3 and 4. | 1·43 | 1·43 | 1·43 | 1·43 | 1·43 |
| Increase in annual depreciation charges due to electrification (Item 9—Item 10). | 0·45 | 0·45 | 0·45 | 0·45 | 0·45 |
| Net savings in working expenses due to electrification (Item 8—Item 11). | 1·30 | 1·12 | 1·63 | 1·16 | 1·29 |
| Percentage of net savings on net outlay. | 8·64 | 7·44 | 10·83 | 7·77 | 8·57 |

## STATEMENT 'B'.

| Particulars. | Estimate. | Actuals. | | | | |
|---|---|---|---|---|---|---|
| | | 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. |
| 1. Traffic in lakhs on train miles (steam) .. | | 6·77 | 6·13 | 6·01 | 5·91 | 6·11 |
| | | Lakhs of Rupees. | | | | |
| 2. Gross outlay on electrification .. | 47·36 | 62·69 | 72·85 | 73·09 | 73·57 | 73·69 |
| 3. If no electrification, estimated extra steam outlay for increased traffic. | 31·12 | 36·57 | 36·57 | 36·57 | 36·57 | 36·57 |
| 4. Cost of steam stock released because of electrification. | 7·21 | 6·76 | 6·76 | 6·76 | 6·76 | 6·76 |

## STATEMENT 'B'—*contd.*

| Particulars. | Estimate. | Actuals. 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. |
|---|---|---|---|---|---|---|
| | | Lakhs of Rupees. | | | | |
| 5. Net outlay on electrification (Item 2—Item 3—Item 4). | 9·03 | 19·36 | 29·52 | 29·76 | 30·24 | 30·36 |
| 6. Cost of steam working—Working expenses exluding depreciation. | 5·77 | 6·59 | 6·09 | 6·15 | 5·25 | 5·72 |
| 7. Cost of Electrical working—Working expenses exluding depreciation. | 4·31 | 4·89 | 4·49 | 4·00 | 4·24 | 3·98 |
| 8. Gross savings in working expenses due to electrification (Item 6—item 7). | 1·46 | 1·70 | 1·60 | 2·15 | 1·61 | 1·74 |
| 9. Depreciation on gross outlay on electrification at 3% (Item 2). | 1·42 | 1·88 | 2·19 | 2·19 | 2·21 | 2·21 |
| 10. Depreciation on steam outlay avoided at3 % on Items 3 and 4. | 1·15 | 1·30 | 1·30 | 1·30 | 1·30 | 1·30 |
| 11. Increase in annual depreciation charges due to electrification (Item 9. Item 10). | 0·27 | 0·58 | 0·89 | 0·89 | 0·91 | 0·91 |
| 12. Net savings in working expenses due to electrification (Item 8—Item 11). | 1·19 | 1·12 | 0·71 | 1·26 | 0·70 | 0·83 |
| 13. Percentage of gross savings without allowing for depreciation on gross outlay (Item 8 × 100/Item 2). | Percentage. 3·08 | Percentage. 2·71 | Percentage. 2·20 | Percentage. 2·94 | Percentage. 2·19 | Percentage. 2·36 |
| 13A. Percentage of gross savings (after allowing for depreciation on electric outlay) on gross outlay (Item 8—9×100/Item 2). | 0·08 | —0·29 | —0·81 | —0·05 | —0·82 | —0·64 |
| 14. Percentage of gross savings on net outlay (Item 8×100/Item 5). | 16·17 | 8·78 | 5·42 | 7·22 | 5·32 | 5·73 |
| 15. Percentage of net savings (after allowing for depreciation) on gross outlay (Item 12×100/Item 2). | 2·51 | 1·79 | 0·97 | 1·72 | 0·95 | 1·12 |
| 16. Percentage of net savings (after allowing for depreciation) on net outlay (Item 12×100/Item 5). | 13·18 | 5·79 | 2·41 | 4·23 | 2·31 | 2·73 |

## STATEMENT "C".

| | | | | | | |
|---|---|---|---|---|---|---|
| 1. Traffic in lakhs of train miles (steam) | .. | 6·77 | 6·13 | 6·01 | 5·91 | 6·11 |
| | | Lakhs of Rupees. | | | | |
| 2. Gross outlay on electrification .. | 47·36 | 62·69 | 72·85 | 73·09 | 73·57 | 73·69 |
| 3. If no electrification, estimated extra steam outlay for increased traffic. | 31·12 | 34·66 | 34·66 | 34·66 | 34·66 | 34·66 |
| 4. Cost of steam stock released because of electrification. | 7·21 | 6·76 | 6·76 | 6·76 | 6·76 | 6·76 |
| 5. Net outlay on electrification (Item 2—Item 3—Item 4). | 9·03 | 21·27 | 31·43 | 31·67 | 32·15 | 32·27 |
| 6. Cost of steam working—Working expenses exluding depreciation. | 5·77 | 6·59 | 6·09 | 6·15 | 5·25 | 5·72 |

STATEMENT 'C'—*contd.*

| Particulars. | Estimate. | Actuals. | | | | |
|---|---|---|---|---|---|---|
| | | 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. |
| 7. Cost of electrical working—Working expenses excluding depreciation. | 4·31 | 4·89 | 4·49 | 4·00 | 4·24 | 3·98 |
| 8. Gross savings in working expenses due to electrification (Item 6—Item 7). | 1·46 | 1·70 | 1·60 | 2·15 | 1·61 | 1·74 |
| 9. Depreciation on gross outlay on electrification at 3% (Item 2). | 1·42 | 1·88 | 2·19 | 2·19 | 2·21 | 2·21 |
| 10. Depreciation on steam outlay avoided at 3% on Items 3 and 4. | 1·15 | 1·24 | 1·24 | 1·24 | 1·24 | 1·24 |
| 11. Increase in annual depreciation charges due to electrification (Item 9—Item 10). | 0·27 | 0·64 | 0·95 | 0·95 | 0·97 | 0·97 |
| 12. Net savings in working expenses due to electrification (Item 8—Item 11). | 1·19 Percentage. | 1·06 Percentage. | 0·65 Percentage. | 1·20 Percentage. | 0·64 Percentage. | 0·77 Percentage. |
| 13. Percentage of gross savings without allowing for depreciation on gross outlay (Item 8×100/Item 2). | 3·08 | 2·71 | 2·20 | 2·94 | 2·19 | 2·36 |
| 13A. Percentage of gross savings (after allowing for depreciation on electric outlay) on gross outlay (Item 8—9×100/Item 2). | 0·08 | —0·29 | —0·81 | —0·95 | —0·82 | —0·64 |
| 14. Percentage of gross savings on net outlay (Item 8×100/Item 5). | 16·17 | 7·99 | 5·09 | 6·79 | 5·01 | 5·39 |
| 15. Percentage of net savings (after allowing for depreciation) on gross outlay (Item 12×100/Item 2). | 2·51 | 1·69 | 0·89 | 1·64 | 0·87 | 1·04 |
| 16. Percentage of net savings (after allowing for depreciation) on net outlay (Item 12×100/Item 5). | 13·13 | 4·98 | 2·07 | 3·79 | 1·99 | 2·39 |

## APPENDIX X.

### Financial results of the electrification of Railways in Bombay.

The attached statements which have been prepared in consultation between the Railway Administration and the Statutory Auditor concerned show the financial results of the electrifications scheme on the Great Indian Peninsula and Bombay, Baroda and Central India Railways for the years 1930-31 to 1936-37. These have been prepared on the same basis as the statements which were placed before the Public Accounts Committee in previous years. The figures for the Great Indian Peninsula Railway show the result of all the schemes in a consolidated form as they are interdependent. Those for the B. B. and C. I. Railway exclude the figures for 'Borivli-Virar' extension as this was opened for traffic only from September 1936.

2. The figures for the two railways are summarised below:—

| | *Great Indian Peninsula.* | | *Bombay, Baroda & Central India.* | |
|---|---|---|---|---|
| | Traffic in train miles. | Percentage of net savings on net outlay. | Traffic in train miles. | Percentage of net savings on net outlay. |
| | *Lakhs.* | | *Lakhs.* | |
| Estimate .. | 55·40 | 10·51 | 16·60 | 16·93 |
| 1930-31 .. | 42·50 | 4·80 | 14·28 | 10·35 |
| 1931-32 .. | 41·87 | 5·37 | 13·43 | 10·96 |
| 1932-33 .. | 31·21 | 5·23 | 12·56 | 11·62 |
| 1933-34 .. | 41·85 | 4·90 | 14·00 | 13·43 |
| 1934-35 .. | 41·80 | 4·42 | 14·07 | 15·54 |
| 1935-36 .. | 42·37 | 4·86 | 14·31 | 16·63 |
| 1936-37 .. | 42·65 | 5·33 | 14·64 | 18·95 |

3. The more favourable results obtained on the Bombay, Baroda and Central India Railway, as compared with the results on the Great Indian Peninsula Railway, are partly due to the fact that the gross capital expenditure in the former case has been reduced to a much larger extent proportionately by the credit for the steam stock released, and partly to the fact that only the suburban section of the B. B. and C. I. Railway has been electrified.

4. The percentages given above have been worked out after taking the net outlay as equivalent to the gross outlay reduced by the cost of steam stock released because of the electrification and also by the extra outlay that would have been required for increasing traffic if no electrification had been carried out. This last is, as pointed out in the previous memorandum, problematical. Increased traffic has not materialised to the extent anticipated, and it is possible that some part of the estimated saving should be neglected. If the whole of it is neglected, the percentages will be as follows:—

| | Great Indian Peninsula. | Bombay, Baroda and Central India. |
|---|---|---|
| 1930-31 .. .. | 3·12% | 3·18% |
| 1931-32 .. .. | 3·58% | 3·46% |
| 1932-33 .. .. | 3·49% | 3·77% |
| 1933-34 .. .. | 3·24% | 4·61% |
| 1934-35 .. .. | 2·87% | 5·58% |
| 1935-36 .. .. .. | 3·20% | 6·10% |
| 1936-37 .. .. .. | 3·58% | 7·34% |

5. As was pointed out last year, the real percentage of net savings for each railway probably lies between the figures in paragraphs 2 and 4 and, in all probability, nearer the former than the latter. In both cases it is reasonably certain that extra outlay would have been necessary in any case even if electrification had not been introduced, in order to improve the capacity of

the line, though it is not now possible to state with any degree of accuracy the number of additional steam locomotives which it would have been necessary to purchase immediately. In the case of the Bombay, Baroda and Central India Railway, for example, it would have been necessary in the absence of electrification to quadruple the line and the cost of this would have been so high as to be prohibitive. It has been estimated that, though the additional expenditure for additional steam stock would not all have been spent at once and some portion of it could have been deferred until the full increase in traffic was in sight, land for additional track facilities required for steam working would certainly have been required at once and the cost would not have been less than a crore of immediate expenditure and might have been considerably more. There would also have been a considerable expenditure necessary on the renewal of the existing stock. The estimate, therefore, of expenditure avoided by electrification is more likely to be an under than an over estimate.

*Financial results of Suburban Electrification of the Bombay, Baroda and Central India Railway.*

| No. | Particulars. | Estimates. | Actuals 1930-31. | Actuals 1931-32. | Actuals 1932-33. | Actuals 1933-34. | Actuals 1934-35. | Actuals 1935-36. | Actuals 1936-37. |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Traffic in lakhs of train miles (steam) .. .. | 16·60 | 14·28 | 13·43 | 12·56 | 14·00 | 14·07 | 14·31 | 14·64 |
| | | | | | Lakhs of Rupees. | | | | |
| 2 | Gross outlay on electrification .. .. | 204·28 | 202·90 | 202·90 | 202·90 | 202·90 | 202·90 | 202·90 | 202·90 |
| 3 | If no electrification, estimated extra steam outlay for increased traffic. | 72·00 | 72·00 | 72·00 | 72·00 | 72·00 | 72·00 | 72·00 | 72·00 |
| 4 | Cost of steam stock released because of electrification. | 50·00 | 68·79 | 68·79 | 68·79 | 68·79 | 68·79 | 68·79 | 68·79 |
| 5 | Net outlay on electrification (Item 2—Item 3—Item 4). | 82·28 | 62·11 | 62·11 | 62·11 | 62·11 | 62·11 | 62·11 | 62·11 |
| 6 | Cost of steam working—working expenses excluding depreciation. | 37·55 | 29·35 | 27·59 | 25·82 | 28·78 | 28.92 | 29·42 | 30·09 |
| 7 | Cost of electrical working—working expenses excluding depreciation. | 21·16 | 21·05 | 18·91 | 16·73 | 18·57 | 17·40 | 17·22 | 16·45 |
| 8 | Gross savings in working expenses due to electrification (Item 6—Item 7). | 16·39 | 8·30 | 8·68 | 9·09 | 10·21 | 11·52 | 12·20 | 13·64 |
| 9 | Depreciation on gross outlay on electrification at 3 per cent. (Item 2). | 6·12 | 6·09 | 6·09 | 6·09 | 6·09 | 6·09 | 6·09 | 6·09 |
| 10 | Depreciation on steam outlay avoided at 3 per cent. on items 3 and 4. | 3·66 | 4·22 | 4·22 | 4·22 | 4·22 | 4·22 | 4·22 | 4·22 |
| 11 | Increase in annual depreciation charges due to electrification (Item 9—Item 10). | 2·46 | 1·87 | 1·87 | 1·87 | 1·87 | 1·87 | 1·87 | 1·87 |
| 12 | Net savings in working expenses due to electrification (Item 8—Item 11). | 13·93 | 6·43 | 6·81 | 7·22 | 8·34 | 9·65 | 10·33 | 11·77 |

| No. | Particulars. | Estimates. | Actuals 1930-31. | Actuals 1931-32. | Actuals 1932-33. | Actuals 1933-34. | Actuals 1934-35. | Actuals 1935-36. | Actuals 1936-37. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Percentages. | | | | |
| 13 | Percentage of gross savings without allowing for depreciation on gross outlay $\left(\frac{\text{Item } 8 \times 100}{\text{Item } 2.}\right)$ | 8·02 | 4·09 | 4·28 | 4·48 | 5·03 | 5·68 | 6·01 | 6·72 |
| 13-A | Percentage of gross savings (after allowing for depreciation on electrical outlay) on gross outlay— $\left(\frac{\text{Item } 8-9 \times 100}{\text{Item } 2.}\right)$ | 5·03 | 1·09 | 1·28 | 1·48 | 2·03 | 2·68 | 3·01 | 3·72 |
| 14 | Percentage of gross savings on net outlay— $\left(\frac{\text{Item } 8 \times 100}{\text{Item } 5.}\right)$ | 19·92 | 13·36 | 13·97 | 14·63 | 16·44 | 18·55 | 19·64 | 21·96 |
| 15 | Percentage of net savings (after allowing for depreciation) on gross outlay— $\left(\frac{\text{Item } 12 \times 100}{\text{Item } 2.}\right)$ | 6·82 | 3·17 | 3·36 | 3·56 | 4·11 | 4·76 | 5·09 | 5·80 |
| 16 | Percentage of net savings (after allowing for depreciation ) on net outlay — $\left(\frac{\text{Item } 12 \times 100}{\text{Item } 5.}\right)$ | 16·93 | 10·35 | 10·96 | 11·62 | 13·43 | 15·54 | 16·63 | 18·25 |
| 17 | Percentage of net savings (after allowing for depreciation) on actual gross outlay (of 202·90) with traffic of 16·60 lakhs train miles. | 6·86 | 3·66 | 4·15 | 4·70 | 4·87 | 5·92 | 5·90 | 6·58 |

## STATEMENT 'A'.

*Financial Results of the Great Indian Peninsula Railway Electrification Schemes.*

| Particulars. | Estimate all Sections electrified Total Estimated. | 1930-31. | 1931-32. | 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. |
|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Traffic in lakhs of train miles (steam) .. .. | 55·40 | 42·50 | 41·87 | 41·21 | 41·85 | 41·80 | 42·37 | 42·65 |
| | | | | In lakhs of Rupees. | | | | |
| Gross outlay on electrification .. .. .. | 950·90 | 942·65 | 953·93 | 959·72 | 959·78 | 959·20 | 959·53 | 959·71 |
| If no electrification estimated extra steam outlay for increased traffic. | 175·93 | 175·93 | 175·93 | 175·93 | 175·93 | 175·93 | 175·93 | 175·93 |
| Cost of steam stock released because of electrification .. | 254·71 | 172·98 | 172·98 | 172·98 | 172·98 | 172·98 | 172·98 | 172·98 |
| Net outlay on electrification (Item 2—Item 3—Item 4) .. | 520·26 | 593·74 | 605·02 | 610·81 | 610·87 | 610·20 | 610·62 | 610·80 |
| Cost of steam working, *i.e.*, working expense exoluding depreciation. | 158·54 | 116·38 | 114·65 | 112·85 | 114·60 | 114·46 | 116·02 | 116·79 |
| Cost of electrical working, *i.e.*, working expenses exoluding deprecition. | 87·52 | 72·85 | 66·83 | 65·08 | 68·81 | 71·67 | 70·51 | 68·41 |
| Gross savings in working expenses due to electrification (Item 6—Item 7). | 71·02 | 43·53 | 47·82 | 47·77 | 45·79 | 42·79 | 45·51 | 48·38 |
| Depreciation on gross outlay on electrification .. .. | 27·20 | 23·82 | 24·12 | 24·66 | 24·67 | 24·65 | 24·66 | 24·66 |
| Depreciation on steam outlay avoided .. .. | 10·88 | 8·81 | 8·81 | 8·81 | 8·81 | 8·81 | 8·81 | 8·81 |
| Increase in annual depreciation due to electrification (Item 9—Item 10). | 16·32 | 15·01 | 15·31 | 15·85 | 15·86 | 15·84 | 15·85 | 15·85 |
| Net savings in working expenses due to electrification (Item 8—Item 11). | 54·70 | 28·52 | 32·51 | 31·92 | 29·93 | 26·95 | 29·66 | 32·53 |

| Particulars. | Estimate all Sections electrified Total Estimated. | 1930-31. | 1931-32. | 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. |
|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | | | Percentages. | | | | |
| Percentage of gross savings on gross outlay— $\left(\frac{\text{Item } 8 \times 100}{\text{Item } 2.}\right)$ | 7·47 | 4·62 | 5·01 | 4·98 | 4·77 | 4·46 | 4·74 | 5·04 |
| Percentage of gross savings including depreciation on electrical assets only— $\left(\frac{\text{Item } 3—9 \times 100}{\text{Item } 2.}\right)$ | 4·61 | 2·09 | 2·48 | 2·41 | 2·20 | 1·89 | 2·17 | 2·47 |
| Percentage of gross savings on net outlay— $\left(\frac{\text{Item } 8 \times 100}{\text{Item } 5.}\right)$ | 13·65 | 7·33 | 7·90 | 7·82 | 7·50 | 7·01 | 7·45 | 7·92 |
| Percentage of net savings on gross outlay— $\left(\frac{\text{Item } 12 \times 100}{\text{Item } 2.}\right)$ | 5·75 | 3·03 | 3·41 | 3·33 | 3·12 | 2·81 | 3·09 | 3·39 |
| Percentage of net savings on net outlay— $\left(\frac{\text{Item } 12 \times 100}{\text{Item } 5.}\right)$ | 10·51 | 4·80 | 5·37 | 5·23 | 4·90 | 4·42 | 4·86 | 5·33 |

## APPENDIX XI.

### Measures taken to encourage third class passenger traffic.

The Chief Commissioner, Railways, during the course of the discussion at the Public Accounts Committee meeting held on the 28th July 1936, agreed to consider the question of making some experiments, particularly by reduction in fares, with a view to developing third class traffic.

2. Railways do in fact recognise the importance of offering additional inducement to passengers by the grant of special facilities and low fares to stimulate traffic. Brief particulars of a few endeavours on the part of Railways in this direction during the last year are as follows :—

(*i*) During the Kurukshetra Solar Eclipse Fare improved arrangements were made for handling the traffic, costing approximately Rs. 69,000. Thirty-two special trains were run to Kurukshetra and forty-nine from Kurukshetra to various stations on the North Western Railway. The Agent mentioned that the profits in this case were more than wiped out by the cost of temporary arrangements which were necessitated for the convenience of passengers.

(*ii*) On the occasion of the United Provinces Industrial and Agricultural Exhibition held at Lucknow during December—February last, the East Indian Railway took the following measures—

(*a*) In co-operation with the exhibition authorities they introduced Rail-cum-Exhibition tickets for third class passengers. Under this arrangement week-end tickets, which are ordinarily issued on Fridays and Saturdays, were issued during the Exhibition period on every day of the week, available for the return journey from the date of issue up to midnight of the 7th day. Third class passengers could buy supplementary tickets at half rates entitling them to admission to the Exhibition grounds.

(*b*) A siding designated "Lucknow Industrial Area Exhibition Siding" was provided to serve the Exhibition grounds.

(*c*) Special trains were run from certain centres to Lucknow and back. 110 special trains were run between Cawnpore and Lucknow.

(*d*) A Booking Office and Information Bureau was opened in the Railway Pavilion situated in the Exhibition grounds.

(*e*) In co-operation with the Exhibition authorities railway fares were further reduced from certain important centres, *e.g.*, Benares Cantonment, Rai Barely, Allahabad, Cawnpore, etc., as follows :—

| Section | Ordinary weekend fares. | Reduced fares. |
|---|---|---|
| | Rs. A. | Rs. A. |
| Benares to Lucknow and back .. .. | 3 15 | 3 7 |
| Rai Barely to Lucknow and back .. .. | 1 3 | 0 15 |
| Allahabad to Lucknow and back .. .. | 2 13 | 2 7 |
| Cawnpore to Lucknow and back .. .. | 1 1 | 0 14 |

(*iii*) In connection with the recent Sri Ram Birthday Centenary celebrations in Calcutta in February and March, special concessions in fares were introduced both by the E. B. and E. I. Railways.

(*iv*) In connection with the recent Jamboree on the 30th January 1937 a boy scouts special train was successfully organised and run from Howrah to Delhi calling at the Lucknow Exhibition on the outward trip and at Agra on the return journey. The special train carried 800 boy scouts and yielded a return of 3·84 rupees per train mile : special catering arrangements were made by the Railway for the party.

(*v*) During the recent Coronation celebrations, four excursion specials were run from Burdwan in order to afford residents in the suburban areas an opportunity of witnessing the flood lighting and illuminations in Calcutta.

(*vi*) A new special weekend second and third class express service known as the "Flying Rani" has been inaugurated by the Bombay, Baroda and Central India Railway to carry Bombay citizens to and from the seaside resort of Surat. The third class return fare is only Rs. 3-13-0 as against the ordinary normal 3rd class fare by Mail or Express of Rs. 3-8-0 for the single journey. As adding further to its popularity, special tickets have been issued to ladies since May 1929, enabling them to travel at single fares for the return journey, instead of paying the normal 1-1/3 fare for this weekend train.

The journey is booked to be covered in four hours which, making allowance for the stoppages, would be equal to a non-stop speed of 54½ miles per hour.

(*vii*) During the last Christmas and Easter Holidays the Great Indian Peninsula, Madras and Southern Mahratta and South Indian Railways issued 'Travel as you like' and 'Zone' tickets for third class passengers at reduced lump sum fares, available for unlimited travel over the whole railway, or the zone, as the case may be, for a period of 15 days from the date of issue as detailed below.

3. *Great Indian Peninsula Railway.* (*i*) *Third Class Zone Tickets.*—For this purpose the Great Indian Peninsula Railway system (excluding narrow gauge sections) was divided into four zones each covering a mileage ranging between 910 and 990 miles. For travel over each zone the fare was Rs. 7-8-0 per head for adults and Rs. 4 for children as against about Rs. 15 which is the ordinary fare for the journey for the average entire mileage covered by each zone.

(*ii*) *Third Class Travel As You Like Tickets.*—These tickets were available over the whole railway (except narrow gauge sections) at Rs. 27-8-0 per head for adults and Rs. 15 for children.

4. *Madras and Southern Mahratta Railway.* (*i*) *Zone Tickets.*—The Madras and Southern Mahratta Railway system was divided into three sections, the total mileage of each of these being 1029, 938 and 972 miles.

The fare charged for each zone was Rs. 10 per head for adults and Rs. 5 for children, the single journey third class fare for an average of 990 miles being Rs. 18/13 by mail and Rs. 14/1 by ordinary train.

(*ii*) *Travel As You Like Tickets.*—These tickets were available over the whole Railway at Rs. 12-8-0 per head for adults and 6-4-0 for children.

5. *South Indian Railway. Third Class Travel As You Like Tickets.*—These tickets were available over the whole Railway at Rs. 12-8-0 per head for adults and Rs. 6-4-0 for children.

6. With a view to making an intensified effort in the matter dealt with in this note, the Board held a meeting of the Commercial Officers of State-managed Railways in January last, and the Railways were then instructed to examine the question of experimenting on their own systems and jointly in consultation with each other the possibility of running special trains for special occasions at experimental low fares. Considerable care had to be exercised in selecting suitable occasions which would ensure that the running of special trains at lower fares would not involve loss of revenue on ordinary traffic. If Railways can be assured that the special low fares would secure them new traffic, they would be prepared to consider the running of special trains at a low fare of one pie per mile per passenger in each direction.

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## APPENDIX XII.

### Number of free railway passes.

At the meeting of the Public Accounts Committee held on the 21st July, 1936, information was desired about the total number of free railway passes issued in a year.

2. In 1933, such information was obtained in respect to the Class I Railways for the financial year 1932-33. This is tabulated below :—

| | I Class. | II Class. | Inter Class. | III Class. |
|---|---|---|---|---|
| Number of passes .. .. | 16,653 | 1,39,405 | 3,59,063 | 9,52,050 |

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## APPENDIX XIII.

### Summary of the approximate financial results of Indian State-owned Railways in 1936-37.

Approximate figures of Railway Revenue and Expenditure for 1936-37 which are now available show a surplus of about 1,20 lakhs which is nearly 1,05 lakhs more than the Revised Estimates made in February last and is better by about 5¼ crores than the actuals for 1935-36.

Railway Revenues have been steadily improving since the beginning of the year 1936-37. The sign of improvement was evident in the last five or six weeks of the year 1935-36.

Gross Traffic Receipts of State-owned Railways for 1936-37 amounted to about 95½ crores or 4¼ crores more than the previous year.

Ordinary working expenses (excluding depreciation) amounted to about 50¼ crores or about 2/3rds of a crore less than in the previous year. The amount set apart for depreciation being 13·15 crores, was 10 lakhs less than in the previous year.

Net traffic receipts amounted to 32·10 crores or about 5½ crores more than in 1935-36.

Miscellaneous transactions resulted in a net expenditure of 9 lakhs against a net receipt of 88 lakhs in the previous year. This was mainly due to the treatment of credits for released materials as reduction of expenditure from the Depreciation Fund in 1936-37. In the previous year these were treated as miscellaneous receipts. The amount involved is 1·10 crores in 1935-36, and 1·09 crores in 1936-37.

The net revenue available for meeting interest charges was 32·01 crores or 4½ crores more than in 1935-36.

The total interest payable was 30·81 crores as against 31·39 crores in 1935-36, *i.e.*, nearly half a crore less.

There was a surplus of about 1¼ crores during 1936-37 as against a deficit of nearly 4 crores in 1935-36. But for the change in accounting procedure of credits for released materials on account of which there has been a reduction in miscellaneous receipts to the extent of a crore the surplus as compared with the figures for 1935-36 would have been a little over 2¼ crores.

The appropriation to depreciation fund was 13·15 crores and the amount withdrawn for renewals amounted to 7·88 crores (net including 1·09 crores for credits for released materials). The net accretion to the fund during the year was 5¼ crores. This amount together with the surplus of about 1¼ crores mentioned above increased the balances of the fund by 6½ crores.

The actual balance at credit of the fund now stands at 16 crores, and the nominal balance at about 46½ crores.

The total capital expenditure was just above 1/4th of a crore. The store balances have been reduced to 9⅛ crores from 9⅜ crores at the end of 1935-36.

At the end of 1936-37, the liabilities of Railways amounted to 61 crores of which 30¼ crores represent loans from depreciation fund and 30¾ crores unpaid contributions due to general revenues from 1931-32 to 1936-37.

The ratio of ordinary working expenses to gross traffic receipts was 52½%.

The ratio of total working expenses (including depreciation fund) was 66%.

These ratios are lower than those in the previous year.

The ratio of net revenue to the capital at charge was 4·06% against 3·47% in the previous year.

Taking all Class I Railways together goods earnings in 1936-37 were nearly 5 crores higher than in 1935-36. The increase was in all the main commodities, *viz.*, rice, grams, pulses, oil seeds, jutes, cotton, etc., on almost all

railways except Bengal Nagpur Railway, where there was a fall in goods earnings of 20 lakhs from manganese and iron ores owing to strike.

There was also an increase of more than ¼ crore under miscellaneous earnings.

This increase was partly set off by a decrease of about 12 lakhs in coaching earnings owing chiefly to the strike on the Bengal Nagpur Railway.

In crores.

| | 1935-36. | 1936-37. Revised estimates. | 1936-37. Latest approx. actuals. |
|---|---|---|---|
| Gross traffic receipts .. .. .. | 90·65 | 95·00 | 95·48 |
| Ordinary operating expenses .. .. | 50·87 | 50·75 | 50·23 |
| Depreciation .. .. .. .. | 13·25 | 13·15 | 13·15 |
| Net traffic receipts .. .. .. | 26·53 | 31·10 | 32·10 |
| Net miscellaneous receipts .. .. | ·87* | —·12 | —·09 |
| Total net revenue .. .. .. | 27·40 | 30·98 | 32·01 |
| Interest .. .. .. | 31·39 | 30·83 | 30·81 |
| Deficit (—) Surplus (+) .. .. .. | —3·99 | +·15 | +1·20 |

* Including 1,10 as miscellaneous receipts on account of credits for released materials.

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**Mr. S. Satyamurti** (Madras City : Non-Muhammadan Urban) : Sir, may I know when copies will be available for Honourable Members ?

**The Honourable Sir James Grigg** : I cannot answer that off-hand. The copies will be in the hands of Honourable Members as soon as possible.

**Mr. S. Satyamurti** : Sir, we should have it as soon as possible as on Friday next will come on the discussion of the Railway Enquiry Committee's Report.

**The Honourable Sir James Grigg** : I undertake that they will be available before that.

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## THE INDIAN COMPANIES (AMENDMENT) BILL.

**The Honourable Sir Nripendra Sircar** (Law Member) : Sir, I beg to move for leave to introduce a Bill further to amend the Indian Companes Act, 1913, for certain purposes.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill further to amend the Indian Companies Act, 1913, for certain purposes."

The motion was adopted.

**The Honourable Sir Nripendra Sircar** : Sir, I introduce the Bill.

## THE RULES AND REGULATIONS CONTINUANCE BILL.

**The Honourable Sir Thomas Stewart** (Member for Industries and Labour) : Sir, I beg to move for leave to introduce a Bill to provide for the continuance in force of certain rules and regulations.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill to provide for the continuance in force of certain rules and regulations."

The motion was adopted.

**The Honourable Sir Thomas Stewart** : Sir, I introduce the Bill.

## THE FEDERAL COURT BILL.

**Mr. R. F. Mudie** (Government of India : Nominated Official) : Sir, I beg to move for leave to introduce a Bill to empower the Federal Court to make rules for regulating the service of processes issued by the Court.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill to empower the Federal Court to make rules for regulating the service of processes issued by the Court."

The motion was adopted.

**Mr. R. F. Mudie** : Sir, I introduce the Bill.

## THE PETROLEUM (BERAR EXTENSION) BILL.

**The Honourable Sir Thomas Stewart** (Member for Industries and Labour) : Sir, I beg to move for leave to introduce a Bill to extend the Petroleum Act, 1934, to Berar.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill to extend the Petroleum Act, 1934, to Berar."

The motion was adopted.

**The Honourable Sir Thomas Stewart** : Sir, I introduce the Bill.

## THE INDIAN RAILWAYS (AMENDMENT) BILL.

**The Honourable Sir Saiyid Sultan Ahmad** (Member for Commerce and Railways) : Sir, I beg to move for leave to introduce a Bill further to amend the Indian Railways Act, 1890, for a certain purpose.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill further to amend the Indian Railways Act, 1890, for a certain purpose."

The motion was adopted.

**The Honourable Sir Saiyid Sultan Ahmad** : Sir, I introduce the Bill.

## THE IMPORT OF DRUGS BILL.

**Mr. M. S. A. Hydari** (Secretary, Department of Education, Health and Lands) : Sir, I beg to move for leave to introduce a Bill to regulate the import into British India of drugs and medicines.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill to regulate the import into British India of drugs and medicines."

The motion was adopted.

**Mr. M. S. A. Hydari** : Sir, I introduce the Bill.

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## THE WORKMEN'S COMPENSATION (AMENDMENT) BILL.

**The Honourable Sir Thomas Stewart** (Member for Industries and Labour) : Sir, I beg to move for leave to introduce a Bill further to amend the Workmen's Compensation Act, 1923, for certain purposes.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill further to amend the Workmen's Compensation Act, 1923, for certain purposes."

The motion was adopted.

**The Honourable Sir Thomas Stewart** : Sir, I introduce the Bill.

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## THE INDIAN NATURALIZATION (AMENDMENT) BILL.

**Mr. R. F. Mudie** (Government of India : Nominated Official) : Sir, I beg to move for leave to introduce a Bill further to amend the Indian Naturalization Act, 1926, for a certain purpose.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That leave be granted to introduce a Bill further to amend the Indian Naturalization Act, 1926, for a certain purpose."

The motion was adopted.

**Mr. R. F. Mudie** : Sir, I introduce the Bill.

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## THE MANOEUVRES FIELD FIRING AND ARTILLERY PRACTICE BILL.

**Mr. C. M. G. Ogilvie** (Defence Secretary) : Sir, I beg to move that Sardar Bahadur Captain Dalpat Singh, Khan Sahib Shaikh Fazl-i-Ilahi, Mr. F. E. James and myself be appointed to the Select Committee on the Bill to provide facilities for military manœuvres and for field firing and artillery practice in place of Captain Rao Bahadur Chaudhri Lal Chand, Mr. J. F. Sale, Mr. C. H. Witherington and Sir Richard Tottenham who have ceased to be Members of the Assembly.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

" That Sardar Bahadur Captain Dalpat Singh, Khan Sahib Shaikh Fazl-i-Ilahi, Mr. F. E. James and Mr. C. M. G. Ogilvie be appointed to the Select Committee on the Bill to provide facilities for military manœuvres and for field firing and artillery practice in place of Captain Rao Bahadur Chaudhri Lal Chand, Mr. J. F. Sale, Mr. C. H. Witherington and Sir Richard Tottenham who have ceased to be Members of the Assembly."

The motion was adopted.

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## ELECTION OF A MEMBER TO THE INDIAN RESEARCH FUND ASSOCIATION.

**Mr. M. S. A. Hydari** (Secretary, Department of Education, Health and Lands) : Sir, I beg to move :

" That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, one Member to sit on the Governing Body of the Indian Research Fund Association, *vice* Dr. N. B. Khare, who has ceased to be a Member of the Assembly."

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

" That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, one Member to sit on the Governing Body of the Indian Research Fund Association, *vice* Dr. N. B. Khare, who has ceased to be a Member of the Assembly."

The motion was adopted.

**Mr. President** (The Honourable Sir Abdur Rahim) : I have to inform Honourable Members that for the purpose of election of a Member to the Governing Body of the Indian Research Fund Association the Notice Office will be open to receive nominations upto 12 noon on Thursday, the 26th August, 1937, and that the election, if necessary, will be held on Monday, the 30th August. The election which will be conducted in accordance with the principle of proportional representation by means of the single transferable vote will, as usual, be held in the Secretary's Room between the hours of 10-30 A.M. and 1 P.M.

The Assembly then adjourned for Lunch till Thirty-Five Minutes Past Two of the Clock.

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The Assembly re-assembled after Lunch at Thirty-Five Minutes Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

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## RSOLUTION *RE.* AMENDMENTS TO THE INDIAN LEGISLATIVE RULES.

**The Honourable Sir Nripendra Sircar** (Leader of the House) : Sir, I beg to move :

" That this Assembly recommends to the Governor General in Council that the following amendments be made in the Indian Legislative Rules, namely :

(1) To rule 6 the following proviso shall be added, namely :

' Provided that where the President has given his consent to the moving of a motion for the purpose of discussing a question of privilege, the Governor General in Council shall, unless the motion is prohibited under

the operation of sub-rule (2) of rule 12A or is disallowed by the Governor General under sub-rule (4) of rule 12A, as soon as may be, allot for the discussion of such motion so much time on a day or days not allotted for the business of non-official members as may appear to him to be sufficient, and such motion shall be open to discussion within the time so allotted but at no other time.'

(2) After rule 12 the following rule shall be inserted, namely :

'12A. (1) Subject to the provisions of sub-rules (2), (3) and (4) a motion for the purpose of discussing a question of privilege may be moved with the consent of the President.

(2) No such motion shall be moved if it concerns a matter on which a Resolution could not be moved and no such motion shall be moved save with the consent of the Governor General in his discretion if it concerns a matter on which a Resolution could not save with such consent be moved.

(3) The decision of the Governor General in his discretion on the point whether any such motion is or is not within the restrictions imposed by sub-rule (2) of rule 23 shall be final.

(4) The Governor General may at any time notwithstanding the consent of the President or before such consent has been given disallow any such motion or any part of such motion on the ground that it cannot be moved without detriment to the public interest, and if he does so no further discussion of the motion or part thereof as the case may be shall take place.' ''

I may remind Honourable Members—and there are some who were not in this Assembly in February—that on a previous occasion the question of the privilege was raised by my Honourable friend, Sardar Sant Singh. He wanted to discuss the question on the merits and I do not propose to go into the details. Certain difficulties were pointed out by me as regards the rules which stood in the way of my Honourable friend following the procedure which is followed in the House of Commons, namely, of bringing up a privilege motion for discussing the breach of privilege in the House at any time and so on. Those matters were very carefully considered by our President and he gave a ruling on the 27th February which, again, is not material now except for one purpose, namely, showing the origin of this Resolution. What the President said was :

'' The Assembly and the Government may perhaps consider whether the Rules and Standing Orders, especially rules 12A and 6, should not be suitably amended so that such difficulties as exist at present and have been emphasised by the Honourable the Law Member in the way of raising a question of privilege may be removed.''

It is because our rules did not permit of a privilege motion to be brought up even with the consent of the President that this hint was given by the President and it is in pursuance of that that this Resolution is being moved.

Now, Honourable Members will see that the idea of paragraph (1) of this Resolution is that we are adding a proviso to rule 6, namely, provided that (I need not read the whole proviso which I have read out to the House just now)....with the consent of the President on the moving of a motion and certain other conditions which are indicated in paragraph 1, such motion may be discussed, so that in future it may not be said that rule 6 and rule 12-A will stand in the way.

Then, I come to paragraph 2. These are powers which under the Government of India Act and under the present rules framed thereunder

[Sir N. N. Sircar.]

the Governor General possesses in respect of disallowing discussion or disallowing motion on the grounds stated in paragraphs 2, 3 and 4 of the Resolution. Sir, I have received notice of a very large number of amendments—some are from my friend, Mr. Satyamurti, and others are from Mr. Ananthasayanam Ayyangar. I could spot the name without reading the amendments by their length and some amendments are from Sardar Sant Singh. It is not proper that I should discuss the amendments before they have been moved. I think it is in fairness to the House and also that there may be no misunderstanding and for no other purpose that I ought to make the position of the Government clear in this matter. It is this. If, as a result of the carrying of the amendments, the situation is reached under which the Governor General will be deprived of his powers of disallowing the motion on the grounds with which you are familiar, then it is hardly possible that the Governor General in Council will be in a position to accept that situation. As in duty bound, we have got also to place this Resolution before the other House also to consult opinion of the two Legislatures. This is the first stage when this House is being asked to give its opinion. That is the position. It may well be that some of the Honourable Members will have to consider which of the two evils they consider the greater—I am talking of Honourable Members who feel like what has been expressed in the amendments. According to them it is an evil to let the Governor General have the powers which are indicated by these sub-paragraphs. I believe in their opinion it is equally an evil that rule 6 and rule 12-A should not be amended so as to enable a motion for discussing the breach of the privilege of the House to be raised in the House. These are according to them the two evils, and no doubt Honourable Members will think as to which is the greater evil. I have very little to say now and even later on I shall have to say very little.

Sir, I move.

**Mr. President** (The Honourable Sir Abdur Rahim) : Resolution moved :

"That this Assembly recommends to the Governor General in Council that the following amendments be made in the Indian Legislative Rules, namely :

(1) To rule 6 the following proviso shall be added, namely :

'Provided that where the President has given his consent to the moving of a motion for the purpose of discussing a question of privilege, the Governor General in Council shall, unless the motion is prohibited under the operation of sub-rule (2) of rule 12A or is disallowed by the Governor General under sub-rule (4) of rule 12A, as soon as may be, allot for the discussion of such motion so much time on a day or days not allotted for the business of non-official members as may appear to him to be sufficient, and such motion shall be open to discussion within the time so allotted but at no other time.'

(2) After rule 12 the following rule shall be inserted, namely :

'12A. (1) Subject to the provisions of sub-rules (2), (3) and (4) a motion for the purpose of discussing a question of privilege may be moved with the consent of the President.

(2) No such motion shall be moved if it concerns a matter on which a Resolution could not be moved and no such motion shall be moved save with the consent of the Governor General in his discretion if it concerns a matter on which a Resolution could not save with such consent be moved.

(3) The decision of the Governor General in his discretion on the point whether any such motion is or is not within the restrictions imposed by sub-rule (2) of rule 23 shall be final.

(4) The Governor General may at any time notwithstanding the consent of the President or before such consent has been given disallow any such motion or any part of such motion on the ground that it cannot be moved without detriment to the public interest, and if he does so no further discussion of the motion or part thereof as the case may be shall take place.' ''

**Sardar Sant Singh** (West Punjab : Sikh) : Sir, I beg to move :

" That in paragraph 1 of the Resolution, for the proposed proviso to Rule 6, the following be substituted :

' Provided that when the President has given his consent to the moving of a motion for the purpose of discussing a question of privilege, such motion shall have precedence over the day's business on which such motion is moved '.''

Sir, I need not take the House through the history which led to the framing of these new Rules in the Legislative Assembly Rules. Briefly it was on 10th February, 1932, that I put a question when the Ordinances were issued by the Government of India whether those Ordinances had in any way affected the privileges of this House. The Honourable the President called for the opinion of the then Law Member who gave it that the privileges of the House were not affected by the issue of the Ordinances. Then again the question cropped up in 1936 when security was demanded from the newspaper *Abudhya* in Allahabad for publishing translation of the verbatim speech made by my Honourable friend, Pandit Krishna Kanta Malaviya, in this House. On that occasion, I first gave notice of an adjournment motion which was disallowed by the Governor General. Later on I gave notice of another adjournment motion on the basis of the privileges of the House having been broken. On that occasion too my motion was disallowed on two grounds, firstly, that the matter was not urgent and secondly, that privilege motions could not form the subject matter of an adjournment motion. Later on I gave notice of another motion taking my clue from the practice of the House of Commons that such motions of privilege could be discussed on the floor of the House and that the business of the House could be interrupted for that purpose. You were pleased to permit me to put forward my reasons for the motion. Ultimately, Sir, you gave a ruling that such a motion could not be taken up under the existing rules and you suggested that Rule 6 and Rule 12-A should be amended suitably to give facilities for such motions being brought forward. The Government have taken up that suggestion and has brought forward this motion. In order to appreciate the position of my amendment, I want to submit for the consideration of the House two things. My motion deals with two matters, firstly, my motion aims at eliminating the Governor General's power of interference and secondly, provides that the motions of privileges should be taken up immediately and should be given precedence over the day's business. In order to appreciate fully the position why I want these two facts to be taken note of, I would just, for the information of the House, read the practice which prevails in the House of Commons. In the House of Commons at the commencement of every Parliament, the Speaker makes a motion in these words :

" In the name and on behalf of the Commons to lay claim by humble petition to the ancient and undoubted rights and privileges, particularly that the persons, their estates and servants may be free from arrest and of molestation, that they may enjoy

[Sardar Sant Singh.]

liberty of speech in all their debates, that they may have access to His Majesty's Royal Person whenever occasion shall require and that all the proceedings may receive from His Majesty the most favourable construction."

This motion comes from the Chair, to which the Lord Chancellor replies that :

"His Majesty most readily confirms all the rights and privileges which have ever been granted to or conferred upon the Commons by His Majesty or any of his Royal predecessors."

Now, from this you will please notice that the privileges are claimed by the Speaker of the House of Commons. The privileges that are enjoyed by this House, limited as these are, have really been conferred either by the Government of India Act or are inherent in the institution itself of which the Honourable the President is the sole guardian and the protector. Now, those privileges which are conferred by the Government of India Act cannot be enlarged and I would respectfully submit cannot be restricted by the Governor General. Therefore, I submit that as regards those privileges whose limits are defined by the Government of India Act, even the Honourable the President cannot permit them to be exceeded. That is why when I say in my amendment that when the President has given his consent to the moving of a motion, I do not forget the limitations under which this House works. It naturally follows that these privileges cannot be restricted by any legislative rule framed for the guidance of the House. Therefore, I am perfectly justified when I say that the proposed rule giving power to the Governor General in Council to allow or disallow discussion of a privilege motion makes a serious inroad upon the privileges of this House, and I do not want such inroads to be made.

Secondly, there are these privileges which are inherent in the institution itself. These privileges in their very nature do not transgress the limits of what is called public interest or any other interest. The discussion of a motion of privilege is purely a domestic matter concerning the House alone. Breach of privileges does not affect the opposition side or Government side alone, but affects the House as a whole, and, as such, I will appeal to the Honourable Members on all sides of this House that they should constitute themselves as the guardians of such privileges and they should themselves defend the rights, which belong to them. Nobody can deny that privileges are essential to the dignity and power of any representative House. Without such privileges as freedom of speech, freedom from arrest and others as defined in Government of India Act, this House loses its usefulness and cannot claim any dignity in the eyes of the public. Here I should like to quote from May's Parliamentary Practice in which the second principle which I tried to enunciate just now has been clearly laid down. On page 71 it is stated thus :

"But whatever may have been the origin and cause of this custom, and however great the concession to the Crown may appear, the privileges of the Commons are nevertheless independent of the Crown ;"

This may be noted. This is an essential condition of these privileges, and it has been stated further :

"and are enjoyed irrespectively of their petition."

Therefore, Sir, I think I have made out a clear case for Government to consider whether the Governor General can appear in the picture or should appear in the picture relating to this motion.

In order to further illustrate my point, I will refer to the conflict between the Crown and both Houses of Parliament on the question under discussion. In that conflict both the Houses maintained their dignity and power and have never allowed the judiciary or the Crown to interfere in any way. I will quote a few cases on this point. It has been laid down that the Lords will not suffer any persons, whether officers of the House or others, to be molested for executing their orders, or the orders of a committee, and will protect them from actions. In pursuance of this policy when,

"The House was informed that an action had commenced against Mr. Hesse, a justice of the peace for Westminster, who had acted under the orders of the House in suppressing a riot at the doors of the House, in Palace-yard; and Biggs, the plaintiff, and Aylett, his attorney, were ordered to attend, and were imprisoned."

The plaintiff and the attorney who brought the case against Hesse were committed for contempt of the House. Again,

"On the complaint of Aldern, a constable, on 26th June, 1788, that having under an order of the house, refused Mr. Hyde admittance to Westminster Hall during the trial of Warren Hastings, he had been indicated for an assault, Mr. Hyde was ordered to attend, and committed. The last case of the kind was that commonly known as 'the umbrella case' when, on 26th March, 1827, John Bell was summoned before the Lords and admonished, because he had served F. Plass, a doorkeeper, when attending on the house, with a process from the Westminster Court of Requests, to pay a debt and costs awarded against him by that court, for the loss of an umbrella which was left with the doorkeeper during a debate."

These are cases relating to the House of Lords. I will now give
3 P.M. some cases relating to the House of Commons:

"In the case of Ferrers, in 1543, the Commons committed the sheriffs of London to the Tower, for having resisted their Sergeant-at-arms, with his mace, while freeing a member who had been imprisoned in the Compter.

In 1689, after a dissolution of Parliament, an action was brought against Topham, the Sergeant-at-arms attending the Commons, for executing the orders of the house in arresting certain persons. Topham pleaded to the jurisdiction of the court, but his plea was overruled, and judgment was given against him. The house declared this to be a breach of privilege, and committed Sir F. Pemberton and Sir T. Jones, who had been the judges in the case, to the custody of the Sergeant-at-arms."

That case establishes clearly that in the case of a conflict between the courts and the House relating to the privileges of the House, the courts had to suffer at the hands of the House. I will give one other case:

"In 1771, the House of Commons ordered Miller, a printer concerned in publishing the debates, to be taken into custody; and he was arrested by a messenger, under the Speaker's warrant. The messenger was brought before the Lord Mayor's court, who set the prisoner at liberty, and committed the messenger of the House for an assault. For this resistance to the orders of the House, Mr. Alderman Oliver and the lord mayor (Brass Crosby) were committed to the Tower."

These are the illustrative cases which clearly lay down the principle that whenever there has been a conflict between the House on the one side and the Crown on the other or even the judiciary relating to the privileges of the House, the House has always triumphed and the judiciary and the executive have always suffered. Therefore, I really cannot comprehend what led Government to bring the Governor General into this question of privileges. Whenever a question relating to privilege is to be raised in this House, breach of that privilege being an attack upon the dignity of the House and upon the freedom of the House, the House alone has exclusive jurisdiction and the executive and the judiciary can

[Sardar Saat Singh.]

have nothing to do with it. Whether our privileges are as large and as extensive as those enjoyed by the members of the House of Commons or the House of Lords is a different question, but surely executive power cannot come in the picture at all.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has only one minute more, and there are a number of amendments.

**Sardar Sant Singh** : Very well, Sir, I will hurry on.

**Mr. President** (The Honourable Sir Abdur Rahim) : There are a number of amendments.

**Sardar Sant Singh** : The next point is that, according to the proposed rules, it is laid down that when the motion has been admitted, the Governor General will allot a day for the discussion of that motion. My submission is that this should not be so. In the parliamentary procedure it has been clearly laid down that any attack upon the dignity of the House, which means, any motion relating to the privilege of the House, will be taken up immediately, and it will interrupt the day's business, and as such will have precedence over all others.....

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member's time is up, and he should finish now.

**Sardar Sant Singh** : Finally, I submit that I cannot really understand why, when the dignity of the House is attacked, this side or that side of the House should prevaricate and not proceed at once to take cognizance of the matter. Self respect of the House demands that this motion should be discussed immediately. Therefore, I move my motion.

**Mr. President** (The Honourable Sir Abdur Rahim) : Amendment moved :

> " That in paragraph 1 of the Resolution, for the proposed proviso to Rule 6, the following be substituted :
>
> ' Provided that when the President has given his consent to the moving of a motion for the purpose of discussing a question of privilege, such motion shall have precedence over the day's business on which such motion is moved '."

There is some other substantive amendment by Mr. Satyamurti, there is also another by Mr. Ayyangar.

**Mr. S. Satyamurti** (Madras City : Non-Muhammadan Urban) : This is a comprehensive amendment, and I think we may discuss this first.

**Mr. President** (The Honourable Sir Abdur Rahim) : There will be discussion now on the amendment that has been moved.

**Mr. Lalchand Navalrai** (Sind : Non-Muhammadan Rural) : Sir, I wish to contribute a few words to this very important motion. The motion relates to the privilege of the House ; it is very essential. It is a right which belongs to the House. It is an inherent right of every human being. It is not a right which can be trifled with in the manner in which it is proposed to be done. It is a right which is being enjoyed in the British Parliament, and may I ask if there are any restrictions imposed on the Parliament with respect to this ? I should like to be

enlightened on this point by the Treasury Benches. I feel that, when there is a question of restricting the rights or privileges of a body like this, when it is proposed to impose restrictions upon the House, it really means an abuse of powers. When I read the Resolution presented by the Leader of the House, I thought he was giving us all which belongs to us, but when I read a little portion put in, later, in the middle of the Resolution, I don't say, surreptitiously, but designedly, I found that that took away the whole privilege and every right. The Resolution says—where the President has given his consent to the moving of a motion for the purpose of discussing a question of privilege, the Governor General in Council shall allot for the discussion of such motion so much time on a day or days not allotted for the non-official business. I considered that the privilege which is already there is only being restricted to this extent that when there is a question of privilege a day will be allotted by the Governor General in Council, but, Sir, it is not so. Of course, my friend, the Mover of the amendment, has very rightly objected to that power of the Governor General also. When there is a question of privilege it must have a preference. Why should it not supersede any other question in the House ? First of all, you must possess the privileges, and then only your House can exist. If your privileges are going to be interfered with, where is the necessity of having a House or of our being in the House ? I, therefore, submit that the amendment that has been moved is a very salutary one.

Then, we find that the Governor General will allot a day subject to certain rules. Those rules have been enunciated, and I shall not read them, but the exceptions introduced there do what ? Thereby the inherent privilege that is ours is not only in danger, but that privilege which is ostensibly going to be given to us by the Resolution will also disappear. This means that what you are getting with one hand is going to be taken away by the other. The Governor General has to allot a day or days for discussing the question of privilege, but before a date is fixed, these are the conditions that have got to be observed. The Governor General in his discretion may not allow a Resolution which, as a sole judge, he holds to be detrimental to public interests or is not of public interest. These are two distinct hindrances, and Honourable Members of this House know how these two questions are decided. What happens when there arises a question of discretion to be exercised by the Governor General ? What is the procedure followed ? The procedure followed is this. The matter is brought before the House, let us say, the question of privilege. Now, if the Governor General has got the power to go into that question and decide it for himself, what happens ? The procedure followed is that the Leader of the House or some Members of the Treasury Benches place this matter before the Governor General. The Governor General decides it. Is it not an *ex parte* order, I ask ? Is the other side ever heard on the subject ? When the President allows it, and representation is made only on one side, where is the rule which asks the Governor General to call on the Leader of the Opposition or Members of the Treasury Benches to put in their case and then for him to decide whether the public interests are in danger ? Sir, I submit that this privilege question should be very seriously considered. If the privilege is taken away, I submit that you take away everything from us.

[Mr. Lalchand Navalrai.]

We have seen how the press is taken up when they give publicity to certain debates in the House, and comment freely and frankly without fear feeling it is the right and privilege of the people. Sir, on this point no elaborate arguments are needed. Every moment when there is a question of privilege, you will not be allowed to get precedence over all other questions. Then when it goes to the Governor General, you will get the usual reply that it is against public interest. I hope that not only this side of the House, but also the European bloc would consider this question of privilege seriously. The European Group should ask themselves,—what will be the effect if a question like this arises in the British Parliament,—they can answer the question themselves. Therefore, there should be no restrictions on the privileges we already are entitled to. I hope that this amendment will be carried.

**Mr. K. Santhanam** (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : Sir, I rise to support the amendment moved by my friend, Sardar Sant Singh. Before I proceed to make a few remarks on the merits of the amendment itself, I should like to make one preliminary observation. There is a vital difference between the House of Commons and this House. The House of Commons can directly punish people who infringe the privileges of that House, but this House has no such right to punish anybody. If it carries a motion of privilege, it has only a moral effect, and, therefore, the Honourable the Leader of the House might reflect, that after all there is nothing which is likely to happen which the Government of India will not be in a position to stop. Remembering that a motion of privilege has merely a moral effect, we may proceed to consider whether all the restrictions imposed by paragraph 12 are necessary. How can a motion of privilege arise in this House ? It can arise, firstly, by an action of the Government of India or one of its officials ; secondly, it may arise by the action of one of the Members of this House ; and thirdly, by the action of third parties. I wish to ask this House whether it is right that when a motion arises owing to some action of the Government of India or its officials it is proper that the Governor General should have the right to disallow the motion. Then there will be no privilege at all so far as that aspect of the matter goes. The President is there common to this House and to the Government of India and he should be in a position to decide whether the question raises a proper question of privilege. Then, what about the second class of actions,—those motions which arise out of the action of a Member of this House ? The Members of this House are not subject to the discipline of the Governor General in Council or the Government of India. They are subject to the discipline of the House itself and its President. And why should the Governor General have any right to disallow any motion of such a nature ? As regards the motions of privilege arising out of actions of third parties, even here, the Government of India ought to be disinterested. It ought to be able to leave it to the President to take charge of the privileges of this House. Therefore, I cannot see any reason why the Governor General should have or should want to have any voice in this matter. As I have already pointed out, our Resolutions have no coercive effect, they are more or less merely protests against the infringement of our privileges. In the last resort a motion of privilege is dependent upon the action of the Government of India for restoring to this House its privileges and dignities. I, there-

fore, suggest that all these restrictions are quite unnecessary and quite meaningless. I support this amendment.

**Mr. Abdul Qaiyum** (North-West Frontier Province : General) : I rise to support the amendment of Sardar Sant Singh, and the reason for my support is very obvious, because the Resolution moved by the Honourable the Law Member is a very great encroachment on the privileges of this House. If this Resolution is carried into effect, it will mean that this House, which includes Honourable Members sitting on the right as well as Honourable Members sitting on the left, will be divesting itself of its great authority and of the respect which it rightly commands in the eyes of the people outside this House. As it is, under the Government of India Act, the Governor General has been raised into a super-dictator. All sorts of powers have been showered on him. His discretionary powers are numerous, and I think any addition to those powers would mean the creation of difficulties and turn the Governor General, if I may say so, into one of the dictators that we find in the European countries, like Mussolini or Hitler. That, I submit, is not the intention of the Honourable Members of this House. After all, in the matter of privileges, I submit that the decision of the Honourable the President should be supreme and that the Governor General should not be allowed to have any say whatsoever. I submit that this should not be a question at issue between the Government Benches and the Opposition. When our privileges are being attacked, I would request that Members of this House, one and all, should vote in favour of Sardar Sant Singh's amendment and thus frustrate the greatest attack on the liberty and privileges of this House.

**Qazi Muhammad Ahmad Kazmi** (Meerut Division : Muhammadan Rural) : I rise to support the amendment of Sardar Sant Singh. The Resolution as drafted and put before the House gives protection only half way to the privileges of this House. The chief question that we have to consider is whether this House is part of the executive Government of India, or the executive Government of India is subordinate to and is to be regulated to a certain extent by this House. In free countries we know that the legislature is the chief governing element in so far as the executive depends upon the will of the legislature. I do not say that we should pretend that that condition exists in India, but so far as this House is concerned, it is no doubt regarded as a separate entity by having its own Speaker, by having its own decisions, which are binding on both the parties, the executive as well as the other side which represents the opposition or the people of the country. If the proposed rules are taken into consideration, they will again show that this Legislature is subordinate to the executive authority. I quite see that the Governor General should have the authority of over-ruling any motions which are beyond the scope of this Legislature relating to foreign countries, to foreign princes, or something like peace and tranquillity of the country. But the point is, when we come to the House itself, where is the question of peace and tranquillity in the country when we come forward and say that the executive has attacked the privileges of this House or has done such and such a thing which is against the privileges of this House and we want to discuss that matter ? Again, the executive, instead of coming straight to this House and giving a reply, will invoke the protection given by this particular provision of the rules and

[Qazi Muhammad Ahmad Kazmi.]

say that we cannot discuss it. I may submit that so far as the privileges of the House are concerned they would not contemplate any relations with the foreign powers, they would not contemplate probably any question of peace and tranquillity of the country, and these are the only conditions in which the Governor General is entitled to interfere in the working of the House. Now, by adding this privilege we are giving one more occasion, one more opportunity for the executive to interfere in the working of the House. By introducing the Governor General into this picture, we are creating a misconception as to the very functions of the House, as to the very functions which are allowed to this Legislature. We are going to subordinate this House in the matter of its internal affairs to the executive authority which is against principle and which cannot be tolerated by this House. If we allow the Resolution as it stands it will be another encroachment on the privileges of this House, in so far as it would allow the interference of the executive authority in matters of privileges of this House. Sir, I support the amendment of Sardar Sant Singh.

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : I do not admit that a rule need be framed but anyhow I am bound, as other Members of the House are, by the ruling that has been already given. Where was the occasion for a rule to be framed ? The ruling has given opportunity to the Governor General to take advantage and make further encroachments upon the privileges of the House. If this rule is passed, the Governor General will have control not only over the matter of the time that has to be allotted for discussion of privilege but also a matter of substance. When we claim that a matter is a matter of privilege and according to you also is a matter of privilege, it is still open to the Governor General to say that it is not a matter of privilege and cannot be discussed. You know very many matters have come up before this House so far as matters of privilege are concerned—with respect to asking a number of people to get out of the galleries, shutting out strangers from the proceedings of the House and so on. Attacks are made by some irresponsible newspapers not only in this country but elsewhere. Even the Governor General or an important member of the Government makes, let us assume, improper attacks upon the integrity of the House. We are now going to look to the very person who is to be accused for having transgressed the privileges of the House to decide whether we should discuss his conduct or not. There are two ways in which we have to look at this Resolution. Either the Government is not affected by this privilege motion, or it does not concern the Government at all. In either case it is unnecessary to look to the Governor General to see whether that matter has to be moved or not. That is a matter in which he has absolutely no concern and if scurrilous attacks are made on this House, the Governor General and the Government will only look on. I would only refer to a previous ruling given by one of your predecessors where the matter was sought to be moved in the form of an adjournment motion, regarding some attacks made by a newspaper. It was said that adjournment motions are generally tabled whenever the Government is sought to be censured for an action taken by the Government. This could not be allowed to be moved in the form of an adjournment motion because

Government has nothing to do with it. A newspaper makes an attack upon the integrity of the President or the wisdom of the House. Under those circumstances an adjournment motion cannot be moved. That is the position. Therefore, the Governor General goes out of the picture. There is no reflection upon his Government. Where some other man is the aggressor, the Governor General as the neutral party simply looks on. He should be the last person whom we should look to for the protection of our interests. We take the other case where the Governor General himself has got a direct hand in making encroachment. In that case we would be allowing him to decide the time of discussion and also whether the matter should be discussed at all. He should be the last person who should have a say in this matter whether and when the matter should be discussed. On these grounds I say that the Governor General should not be clothed with this authority. That is all I have to say.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions : Muhammadan Rural) : Mr. President, according to the rules, as they stood up to the present time, there was no procedure laid down for discussing questions of the privileges of the Members. Therefore, the Resolution moved by the Honourable the Leader of the House is a move in the right direction and ought to be welcomed. In making an amendment of the rules of the House it was not necessary for the Government to consult this House. They could frame and amend the rules themselves, if they wanted to do so, but as an undertaking was given, some time ago, on the floor of the House, that in matters like this the Government would consult the views of the House, I think it is in fulfilment of that undertaking that this Resolution has been placed before the House. Now, Sir, it was, as I just now said, a move in the right direction that at a time when the legislative powers of our Indian legislatures are expanding and extending there must be some rules and regulations to guide the discussion on questions of the privileges of the Honourable Members of this House. As has already been pointed out by certain Honourable Members, an occasion for asserting the privileges of the Honourable Members of this House can arise in two ways, firstly, if any of the privileges of the House has been attacked on the part of the Government, or any member of the Government, secondly, if our privileges have in any way been assailed by some members outside the Government Benches. In both these cases, I think, it would not be fair and it would not be right if we were to place the responsibility of allowing or disallowing the motion on the Governor General as has been laid down in this Resolution. If the attack on the privilege is on the part of the Government, then we would be making the accused himself as the judge and it would be against all principles of equity and justice and, therefore, the Governor General should have no voice in the matter whether this question should be discussed in the House or not. On the other hand if we take the second alternative, namely, that the attack has been made by some other Honourable Members, or by some party in the House against any other section of the House, then I think we will be placing the Governor General in a false position. He will be accused of siding one party against another. So I think in both cases, we would be placing the Governor General in a very difficult and false position ; the

[Sir Muhammad Yakub.]

Governor General has got so many other difficulties to meet and it would not be proper for us to add one more to them. Therefore, I support this part of the amendment. Now, the second part of the amendment is that when a motion like this has been given permission to be moved by the President, it must have procedence over all the other business of the House. I think that even the Members on the Government Benches will not oppose this part of the amendment, because questions of the privileges of the Members of the House are really of a very urgent character. They touch the susceptibilities and the honour of Honourable Members of the House and it is only right and just that discussion of these questions should be given preference over other business on the agenda of the House. With these words I support the amendment.

**Mr. Bhulabhai J. Desai** (Bombay Northern Division : Non-Muhammadan Rural) : Sir, having regard to the importance of the matter and having regard to the observations of the learned Mover of this motion, I feel that we must examine this matter somewhat more carefully to see what is involved in what I may call the caution given by the Leader of the House if we should act in a manner not quite agreeable to the Government he represents. The motion before the House, I am aware, has its origin in the ruling given sometime ago over a discussion that took place that, inasmuch as under rule 6 on all other days no business other than Government business shall be transacted except with the consent of the Governor General in Council, some qualification had to be made to that rule in order that time may be found for the purpose of discussing a matter relating to a privilege of the House. To the extent to which the wishes of the House and I believe the suggestion made from the Chair are being met, I am quite prepared to say and to agree with Sir Muhammad Yakub that it is a move in the right direction but you may easily have a move appearing to be in the right direction and yet you may have a move backwards by two or three steps although they may pretend to go forward one step. In my humble judgment, I put it to the House for its consideration, whether while it may appear to be a move in the right direction, what it gives is less than what it takes away ; and I would rather that this grudging concession was not granted so that the House may know where it stands, well remembering of course that this House has in this matter no authority, well remembering also that under the Government of India Act the Governor General in Council alone may graciously concede time in order that the House may discuss its privileges. If this is the grudging manner in which this is to be done, I personally feel that it was better denied. After all, if it is a question of a privilege of the House, it is no use circumscribing it with any other conditions if it is to be allowed to be discussed usefully at all ; and I do not like the apologetic manner in which we say this ; in one case you judge in your own favour ; that is very wrong, and I hope that so far as that is concerned—a question between the Governor General in Council and ourselves—I believe we have been so much accustomed to their judging in their own favour that it is not a matter that surprises me. But the second one is—supposing it was a matter

between Members themselves to say, why go and waste our sympathy and say, "the Governor General may be placed in a very awkward position", and supposing further that it was a matter in which those outside this House may be the people concerned or any other public person concerned against whom by improper conduct or speech the privileges of the House may be assailed. I am therefore not desirous that this question should not be considered in any apologetic spirit at all. I have been told and was told almost on the very first day I entered this House when I moved a motion in reference to the prevention of Sarat Chandra Bose from attending in this House that this House possesses no privileges whatever except what is provided in that one single section of the Government of India Act. If that is going to be the position of this House, I think it is much better to meet the naked truth than to have the pretence that there is some form of privilege which you may discuss and that for discussing that you might have some sort of gracious permission if about ten stiles were avoided. Knowing the very very restricted privileges of this House such as they exist within the limits of the Government of India Act and within the limits of our position as subordinate Legislature, none-the-less at all events to that extent, let us copy the example of the House whose position we may some day hope to attain, that once it becomes a question of the privilege of the House, the House must necessarily have its interests placed in the forefront, predominating over all other questions, for after all if this were not the law at all, *viz.*, to discuss questions concerning its privileges in preference to all other questions and by way of precedence over all, why talk about privileges at all? I therefore suggest that instead of going through all the details of the amendments, the simple proposition which is moved before the House should be supported; and, as I say, remember this that here it concerns the privileges of you, remember also this that it is the allegation that one of us or the House is being attacked, and remember also this that if you are to be denuded even of that little power, I rather feel that we should have none. I have, therefore, no hesitation in supporting this motion for amendment. (Applause.)

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I stand to support the amendment of my Honourable friend, Sardar Sant Singh. While reading the Government Resolution, I am struck by the idea that all Members of this House, both on the Opposition side as well as on the Treasury Benches, are to be treated by the present Government just like children at school. It is said that the Governor General's word is always ready to correct these children who have come to this House and that they should be punished and a punitive clause should be attached to the rights and privileges of this House. Sir, those people who have come to this House have come with the impression and the whole country recognizes that impression that there are some privileges which this House and Members of this House have, and when they go out to their constituencies they believe and honestly believe that this Legislature has got certain powers which nobody can snatch away from this House and from the nation. Sir, here we find this Resolution by the Government and I honestly believe that the public outside and the whole of India

[Mr. Muhammad Azhar Ali.]

will consider that this House has absolutely no power and that it will be a sort of reflection not on this House alone but on the respectable Chair of this very House. Without any reflection, I submit, on the Chair, I may say it will take away the honour, the substance of the honour and the rights and privileges of not only Members of this House but also of the Chair of this House. Sir, I am afraid that this Resolution of the Government will act on the country like a bolt from the blue and I consider that it is an outrage on the privileges of the Members of this House. Sir, here we must say that we thank our Congress friends who have come into this House since last year that this amendment has been brought up by the Leader of the House simply to curb the rights with regard to the adjournment motions which our friends have been bringing up from time to time. (Hear, hear.) Sir, if this outrage is inflicted, I am afraid we shall either have to clear out or we should say that, well, the Governor General has every power to do whatever he likes. As my young friend says, well, if the Governor General acts *vis-a-vis* this House as a Hitler or Mussolini, I submit it will reflect against the Governor General himself and it will be considered as a sort of immorality. With these remarks, I support the motion.

**Mr. Sri Prakasa** (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Sir, I rise in great fear and trembling, because, to my deep regret, I have already annoyed the Honourable the Law Member in the morning.

**The Honourable Sir Nripendra Sircar** : I do not mind children.

**Mr. Sri Prakasa** : In the happiest of circumstances a gentleman suffering from eczema will be dangerous, but luckily I am far away both from the contagion and the scratch. If I do not quote May's Parliamentary Practice, it is simply because we are in the month of August and prefer August's Parliamentary Practice to May's, because I do honestly believe that our procedure should change from month to month according to the season as do our clothes. I should, with your permission, like to lodge a protest against the manner in which these matters are brought before this House. I thought that protest was a monopoly of this side of the House ; but I found the Honourable the Law Member also protesting rather loudly this morning. So, I think I should come back to my monopoly and offer a strong protest against the manner in which such important Resolutions are brought before the House.

We have all heard of a great fight that took place long ago between the feathered tribe and the mammals ; and of one particular person who was on both sides. This particular person went to the side of the mammals when they seemed to succeed saying it was a mammal ; and when the mammals lost, it went to the side of the brids saying it was a bird, had wings, and could fly. I have a fear that the Honourable the Law Member is very much like that person in connection with such Resolutions. When he finds that a majority of the House will be absent because of their commitments elsewhere, he brings forward some Resolutions which were not even to come in force till long afterwards, and

gets them passed in the House despite the protest of the Secretary of our Party who fought stoutly on that occasion on our behalf, single-handed like the lion at bay. When he finds that this nefarious Party would be present to oppose him, he gets a number of undesirable rules printed in the Government of India Gazette, dated the 24th July, 1937, so that we may not be able to say anything about them at all. And when he finds that there is a sort of Resolution towards which the Congress Party as well as the other Members of the House would be inclined favourably, he brings it forward for the support of the House feeling that he is doing a great service to the country and the world at large. In these circumstances, because of the back-door methods followed by the Law Member, I am against the whole Resolution, amendments and all, root and branch.

I personally think that the Resolution, as drafted, is a serious reflection on the Chair itself. The Resolution says that notwithstanding the consent of the President, somebody else will be able to do something against it. How can we give consent to our own President being insulted in this way ? If the trouble is about finding proper opportunities for the ventilation of our grievances regarding the privileges of the House, I am sure the non-official Members will be glad to give part of the days assigned to them so that such matters may be discussed if the Government feels that it has too much important work to do on days they have assigned for themselves.

Then, Sir, the great thing that is worrying me is just this. What is the value of such a Resolution even if passed in this House ? I understand that as the rules stand—I am not learned in the rules, they are too complicated for my simple brain—the Governor General in Council or the Governor General out of Council can do anything he pleases. If so, what will be the actual practical effect of any Resolution that we may pass in this House ? Let the Governor General in or out of Council do exactly as he pleases. I am a simple villager, a petty Zamindar at best, and I like to call a spade a spade ; and I entirely agree with my Honourable Leader when he said that the naked truth should be known and that we should not take shelter under useless subterfuges.

Sir, we are very fond of May's Parliamentary Practice. We are probably a delightful stepson of the Mother of Parliaments that sits somewhere else. But I should like to know where is the bar and where is the tower ? If somebody abuses the privileges of the House, can you, Sir, as President of the Assembly summon him to the bar of the House ? Have we got any tower here where persons can be shut up ? I do not refer to the shutting up of ourselves when the division bell is ringing. I am thinking of the actual bar that exists in the Houses of Parliament abroad where persons who have been guilty of violating the privileges of the House can be punished and actually shut up. I do not know exactly what the possible duration of the imprisonment is ; but I know that the last prisoner over there was the great Charles Bradlaugh himself. Merely getting some time by the favour of the Governor General ; discussing the so-called privileges of the House ; and going home very pleased with ourselves ;—does not satisfy either my heart or my head. I think the whole procedure is so futile that it may just as well remain where it is.

[Mr. Sri Prakasa.]

With these few words I oppose the whole Resolution from 'This Assembly' to 'take place'. I oppose it root and branch, lock, stock and barrel or any other expressions that may come to the ready memory of my Honourable colleagues here. I think it is a dangerous Resolution. I personally think that allowing it to pass would mean accepting the nefarious and differing processes adopted by this Government in bringing before this House various amendments to the rules of our procedure. It will be giving our moral consent to the manner in which they have gone about this business. I, therefore, feel exceedingly unhappy—I am not one of those who feel unhappy very often—but I do feel exceedingly unhappy over this Resolution ; and I do hope that realising the futility of all the amendments which may or may not be passed ; having regard to the absence of any real privileges of the House before which even the President is helpless ; having also regard to the fact that whatever we may be somebody else will always be able to over-rule us—the House will throw out the whole Resolution and let the Government do its best or its worst.

**The Honourable Sir Nripendra Sircar** : Sir, the last speaker told us that he opposed this Resolution of mine lock, stock and barrel and he used some other expressions and he said that if I liked, I could add some more. May I add tooth and nail ? (Laughter.) My Honourable friend also described himself as a simple villager, for if that is so, let us not talk any more of village uplift. The village has been uplifted already to the skies, because if Mr. Sri Prakasa, a part owner of Monohardas Katra in Calcutta, is a humble villager, where do I stand ?

**Mr. Sri Prakasa** : In Elgin Road.

**The Honourable Sir Nripendra Sircar** : I have got very little time. I shall not be very long. I understand from the speeches made beginning from my Honourable friend, Mr. Abdul Qaiyum, and ending with Mr. Sri Prakasa and including that of the Leader of the Opposition and others that this is a Machiavellian project for encroaching on the rights and privileges of the Members which exist.

**Mr. Bhulabhai J. Desai** : I never said that.

**The Honourable Sir Nripendra Sircar** : But Mr. Abdul Qaiyum said that. I cannot quote the individual speeches of all the five Members.

**Mr. Bhulabhai J. Desai** : Nor can you accuse us individually ?

**The Honourable Sir Nripendra Sircar** : I am taking all the speeches together. If really I am trying to encroach on the existing rights of Members and if this is a poisonous thing which should be avoided altogether, I can put it to the test in one minute. Will you allow me to withdraw this Resolution.

**Some Honourable Members** : By all means.

**The Honourable Sir Nripendra Sircar** : I am sure that if I ask the Honourable the President's and Members' permission to withdraw the Resolution, I shall not have it. That is putting to the test whether you really feel that something is taken away or something is being given, but not to the extent which is desired. May I ask for your leave, Sir, to withdraw this Resolution ?

**Mr. President** (The Honourable Sir Abdur Rahim) : Has the Honourable Member leave of the House to withdraw his Resolution ?

**Several Honourable Members** : No, no.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has not got the leave.

**Mr. Bhulabhai J. Desai** : There is nothing in that.

**The Honourable Sir Nripendra Sircar** : There cannot be anything in what I say in the eyes of the Opposition. I have got the answer I expected. We were talking of Parliament. What happens in Parliament. My Honourable friend, Sardar Sant Singh, gave us instances of Judges being arrested and the indignities to which big people were subjected to, because the Parliament's privileges were concerned. I dare say that if my Honourable friend thinks that if his amendment is carried he will be able to put in jail all the High Court Judges in India.....

**Sardar Sant Singh** : Not at all. The Government of India Act is there.

**The Honourable Sir Nripendra Sircar** : Let us remember the artificial atmosphere in which we are carrying on our discussion (Hear, hear). I am glad at any rate, that something of mine has been accepted.

**Mr. S. Satyamurti** : You sometimes speak the truth !

**The Honourable Sir Nripendra Sircar** : I always speak the truth though I do not enjoy the name of the image of truth. Sir, let us look at the reality. In Parliament, Government means a majority. Does it not ? Yes. Therefore, if some motion is brought, it has precedence over Government action and if that motion is prolonged unduly, say for days together, the Government can always get their closure. We have got to remember that these Rules which have been framed (and I wish to draw your attention to some of them,) they have been framed on the assumption that the Government here may not command a majority in the House. If that is so, one has got to think how it will work. Assume a privilege motion has been allowed, it gets precedence over official work and under the rule the control which has been given over official days, that is all completely lost. You can go on discussing a motion for days together and the Government cannot get a closure, because it is in a minority. Therefore, we have got to look at the thing not from the point of view of the situation in Parliament, but from what it is here today in India.....

4 P.M.

**Mr. President** (The Honourable Sir Abdur Rahim) : It being four of the Clock, the adjournment motion will now be taken up.

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## MOTION FOR ADJOURNMENT.

### INDIAN INTERESTS AT ZANZIBAR.

**Mr. S. Satyamurti** (Madras City : Non-Muhammadan Urban) : Sir, I beg to move that the House do now adjourn.

Sir, it is a far cry from the privileges of this House to Zanzibar ; but still I hope that, within the fifteen minutes allowed me under the Rules,

[Mr. S. Satyamurti.]

I shall be able to so present this case as to get the vote of every self-respecting and patriotic Indian in this House, where I am putting forward the interests of Indian nationals first and Indian nationals last. I have no use for that internationalism which loves every country except its own. I am anxious, on the other hand that by this motion we should protect all the legitimate interests of the Indian nationals. I have no quarrel with the Arab clove growers of Zanzibar. I want this House to realise one tragic fact, that is, that the Sultan of Zanzibar is a puppet and the entire sovereignty of Zanzibar rests in the hands of the British Resident and the Arab clove growers do not get their voice heard. I am perfectly willing, speaking for myself, if this problem could be settled between an independent Protectorate of Zanzibar and the sovereign people of that State with the people of India, then we should arrive at an amicable solution. But my Honourable friend, "John Bull", with that disinterestedness for which he is so famous, goes all over the world trying to settle other peoples' quarrels and getting his price out of it. This is a game at which the Englishmen are adepts, and I would suggest, Mr. President, that, when we bring up this motion to protect the rights of Indian traders in Zanzibar, we are doing nothing to hurt anybody-else's interest. We only want to protect the interests of Indian traders who admittedly for a century and a half have settled down in Zanzibar under 'every security of public faith' in the words of Mr. Winston Churchill, and have built up this trade in Zanzibar. Here comes along an Association of people who want really to create a monopoly of the entire clove trade and oust the Indian traders out of their living. I know the kind of answer which the Government of India will give. The communiqué is there. We have done our best, we will continue to do our best. Here, Sir, I am reminded of the story of a German pianist who was playing on the piano. Above his head were written these words, "I am doing my best, please do not shoot me". Surely, Sir, if the man plays bad music in spite of his best, we have a right, not to shoot because we are non-violent people, but at least to take him to task and condemn him. I suggest, Mr. President, that the Government's best does not serve the purpose of protecting the legitimate interests of Indian traders. I want this House to remember one or two facts. Mr. K. P. S. Menon, a servant of the Government of India, went out to Zanzibar. He was appointed by the Government of India. He has submitted his report which I am sure Honourable Members would have read. I will only give one or two quotations from that report to refresh the memory of my Honourable friends. He says :

"I now proceed to consider the Clove Growers' Association Decree and the Clove Exporters' Decree. They aim at nothing short of the establishment of a monopoly in the clove trade. They are calculated to cause such damage to Indian interests in this Protectorate that it is not a matter for surprise that even the allied and seemingly innocuous Decrees relating to the grading and adulteration of cloves have filled the minds of the Indian community with alarm."

I want my Honourable friends to remember one thing. The Clove Growers' Association is merely a pompous name. Hear what Mr. Menon has to say about the Association. He says :

"The Association is not an Association of Clove Growers. It is hardly even an Association in the ordinary sense of the word ; for apart from the Board of Management, it has no Members. At present, the Board is composed of three officials, the Manager of the National Bank of India,"

There has been some change since,—

"and the Secretary Manager, Mr. C. A. Bartlett, formerly a partner of Messrs. Grazebrook-Bartlett and Company, which used to compete not too successfully with Indian exporters in the clove trade."

That is the origin of the Association, and he added very significantly:

"It is, however, claimed that its name is justified, because it genuinely represents the interests of the clove growers. The Zanzibar Government might as well call themselves the Zanzibar People's Association."

He concluded his report by saying:

"The Clove Growers' Association Decree and the Clove Exporters' Decree, 1934, are in my opinion calculated to cause irretrievable damage to Indian interests, and will practically oust the Indian trader from Zanzibar. I would, therefore, urge that the strongest possible representations may be made for their removal from the Statute-book."

I belive I am right in saying that the Government of India accepted that recommendation, and tried their best to get those two statutes removed from the Statute-book, but, unfortunately, they did no succeed. They have secured what they called certain concessions. I shall now examine them very briefly. Before I deal with them, however, may I ask Government one question? Why is not an Agent appointed there? I am one of those who believe, and I think I speak for all non-official Parties in this House when I say, that wherever considerable Indian interests are affected or exist, there should be an Indian Agent or a Trade Commissioner on behalf of our people to protect their interests. That Agent will at least pay his way, unlike many other offices of this Government.

Now, Sir, I want to examine very briefly the so-called concessions which the Government have got for the Indian traders there. The first concession is that there will be two Indians out of seven on the Association. Surely we know that these two Indians nominated in consultation with the Chamber of Commerce cannot affect the decisions of the body as a whole; and I may mention to the House that the Chamber of Commerce has refused to nominate or to recommend representatives. Why have they done it? They know better than the Government of India that this is not a real concession. Then the Government say that the minority will be able to influence the policy. Surely the Government of India ought to know better than that. Even majorities here do not influence their policy; they ought not to have said this. Then they say that there will be two out of six on the advisory committee, and Indian opinion will be given clear opportunities of expressing itself. So are we; we are given clear opportunities every day of expressing ourselves. But nothing happens, and you go on just as you please. Therefore, please do not say these things; they deceive nobody. They, then, say that all Indian traders, who were exporters before 1933, will get licences automatically. But this concession is overshadowed by the fact that the Association can purchase directly and has depots all over Pemba and Zanzibar. But the Government of India say they have obtained a clear assurance that it is not the intention either to increase the depots, or to encourage direct purchase. This is illusory because the depots are already there; and in purchase, if a purchaser purchases what he considers first-grade cloves, when he goes to the Association depots, they may be called second-grade, and the trader will have to pay the difference in prices. Then, as regards these licences, if there is a difference of opinion, a reference is to be made to the Board

[Mr. S. Satyamurti.]

where Indians are in a minority ; and if we complain to them it will be a complaint from Philip drunk, not to Philip sober, but to Philip drunk once more. And the communiqué concludes with this sentence :

"It is difficult to see how any administration of the scheme in a racial spirit can escape public exposure."

Assuming it is exposed, what does it matter ? Will they change their attitude because of that ? It seems to me that these concessions do not really meet the difficulties of the Indian traders ; and the Government of India say that the scheme should be given a fair trial. But, if really the House is convinced, as I expect it will be by reading the communiqués and the literature on the subject, that all relevant interests have condemned it, they will have no hesitation in passing this motion. Sir Purshottamdas Thakurdas is one of those advisers whose sagacity and cleverness and moderation and sanity, the Government praised this morning. He has said that these concessions make the Indian traders mere middlemen. They get no rights whatever, and they will be wiped out. Why do you say his opinion should be thrown into the waste-paper basket ? The President of the Zanzibar Indian Association has condemned the scheme tooth and nail,—to use the Honourable the Law Member's phrase. Therefore, it seems to me that, when all relevant opinion has condemned it, it is no use the Government of India now trying to utilise the unfortunate Arab grower as a sort of camouflage for supporting their own surrender to the Clove Growers Association. I trust this stunt will deceive nobody. The *Servant of India,* a paper noted for its moderation and for its sanity, has written about these wonderful concessions :

"Their position" (*that is, the position of the Government of India*) "as a subordinate branch of the Imperial Government may have compelled them to accept the decision of the Colonial Office and to waive their right to stop the import of Zanzibar cloves into India, but they have no right to justify their action by advancing pleas the only effect of which will be to add to the serious difficulties under which the Zanzibar Indians are already labouring."

I hope, Sir, the House will remember this. This first Consul-General for East Africa in giving evidence in 1910 before the Sanderson Committee said :

"But for the Indians we would not be there now. It was entirely through the work of these Indian merchants that we were enabled to build up the influence that eventually resulted in our position."

I know gratitude is not a strong point with any Government. But still it does seem to me, historically speaking, that the Indian traders have established their position. The concessions have not been and are not valuable. Why should not the Government of India take up this fight ? On this occasion, Sir, I remember the last speech of Sir Fazli Hussain in this House, when I raised a similar motion on Indians in Kenya. It was then my privilege, as it was the privilege of the House, to hear a very sympathetic speech in which Sir Fazli sounded this note :

"Sir, let us remember we are after all Asiatics, and we cannot get our rights until we become free."

I am glad to see the Member of Government concerned present here today. I hope he is not here to prove the worse to be the better thing or even attempt to do it, but really to accept the strong sentiment of this country on this matter. There is no use trying to be "disinterested",

trying to think of every country except your own. Think of India ; think of Indian sentiment and Indian feeling and Indian interests. The Working Committee of the Indian National Congress have gone into this matter and have already given their opinion that it is against the interests of Indians as a whole. There is no community involved in this ; it is a problem affecting Indian nationals as a whole ; and I am anxious that, in voting on this motion, the House will send its warm assurance of sympathy to these unfortunate Indian traders who, driven from pillar to post, have at last resolved on passive resistance themselves. I know this will raise a smile of incredulity on the lips of some people who have no faith in their country-men, that these people cannot stand passive resistance. But I suggest to Government that they ought to come to the rescue of these people, and put an embargo on the import of cloves into this country. After all, I am an eater of cloves myself, but comparatively speaking, cloves are a luxury, and we can do without them for some time. More than that, we can grow cloves in India. In the State of Travancore, there are hills where cloves were grown not long ago. If only the Government of India will take steps, we can grow cloves in this country ; and once the Government of India make up their mind and tell this proud Association in Zanzibar that we are going to put an embargo on the import of cloves into this country, they will squeal and come to terms.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member's time is up.

**Mr. S. Satyamurti** : I will wind up as best as I can. I know we may not be able to influence the policy of this Government ; I know, that until India becomes free and self-governing, our nationals abroad must suffer. But I want this House by its vote to assure Indian nationals abroad that our hearts beat in unison with their sufferings ; that their interests are our interests ; that we stand by them, and we expect a return from them that they will give of their best for attaining the freedom of their Motherland, when the interests of our Indians overseas will be absolutely safe.

**Mr. President** (The Honourable Sir Abdur Rahim) : Motion moved :

"That the House do now adjourn."

**Mr. M. S. A. Hydari** (Secretary, Department of Education, Health and Lands) : Sir, I appreciate the friendly tone of the Honourable the Mover, but I regret that, sharing as we do the Madrassi virtue of realism he has given it the go-by on this occasion. Let me, Sir, at the very outset clear away two or three misapprehensions which seem to be agitating the public mind. The first is that there is some kind of an agreement between the Government of India and the Government of Zanzibar. There is no such agreement. Secondly, it is said that we have accepted the scheme irrevocably and for all time without leaving ourselves any way open to judge the matter again in the light of experience of the working of the new arrangement. That again is incorrect. Then there are some of our critics who have said that we have betrayed our countrymen. Now, any one who knows our past record in the matter of Indians overseas, and especially the strenuous and continuous efforts we have made in Zanzibar for over a period of nearly 3½ years can hardly level that accusation against us, I leave it at that. But then there are other critics who, perhaps more in sorrow than in anger, say that once again the poor old Government of

[Mr. M. S. A. Hydari.]

India have been dished. Well, Sir, in this case at any rate we have not been overborne by any superior authority. We have accepted a trial of these arrangements thinking that they provide the Indians in Zanzibar with a fair and reasonable settlement. Now, who are the parties to this dispute ? On the one hand, you have 200,000 Arabs and Africans, and on the other 15,000 Indians. Broadly speaking, the Arabs and Africans are agriculturists and the Indians are traders and financiers. The clove industry is the main industry of Zanzibar. Since Zanzibar ceased to be the entrepot for the East African trade, the Protectorate is now financially and economically dependent mainly on the clove industry. Now, Sir, according to such statistics as are available,—and they are rough,—out of a total of 32,500 plantations with clove trees numbering three millions, Indians own about half a million trees (spread over somewhat more than 1,300 plantations) and a further 300,000 trees are mortgaged to Indians. So that whatever is being and ought to be done for the grower cannot be said wholly to benefit the Arabs and the Africans, because the Indian middleman, the Indian financier is also to no small extent interested in the cultivation of cloves. Secondly, there is nothing against any Indian purchasing a growing crop and thus putting himself in the position of a producer and participating in all the benefits which these arrangements confer on the grower. There is, apart from these two interests, no other interests ; there is no British commercial interest involved at all. Even the clove oil distillery which was owned by a British firm has now been taken over by the Clove Growers' Association, and any profit which this distillery earns goes back to the grower. These, therefore, are the parties. On the one side, you have the grower represented by the Africans and the Arabs, and on the other you have the Indian middlemen and traders.

Well, now, Sir, what is the problem which the Government of Zanzibar are faced with, and how are they trying to solve it ? It is not merely a problem of cloves. It is a three-sided problem. There is the problem of how to protect the grower from indebtedness, how to save his holdings from alienation. Now, in Zanzibar, just as here, just as our own ryot, the Arab and the African is steeped in debt. It has been reckoned that the amount of his debt comes to something between 60 and 100 lakhs. In the same way, as we are afraid that our cultivators may be deprived of their land, so are the Government of Zanzibar afraid that their primary producers might become landless.

Mr. Tayabally has been quoted. The Commission on Agricultural Indebtedness, of which Mr. Tayabally was a member, reported in 1935, that in ten years from 1923 to 1933 Indians had increased their holding of clove trees from 152,000 to 502,000, and that a further 309,000 trees were mortgaged to Indians. Sir, I need not linger on this aspect of the subject, because the principles both of debt redemption and land alienation have been accepted, and wherever possible are being practised in India. I venture to hazard the guess that there will be few Honourable Members opposite who will contest this statement.

**Pandit Nilakantha Das** (Orissa Division : Non-Muhammadan) : Therefore, expropriation is contemplated.

**Mr. M. S. A. Hydari** : It is worthy of note, however, that although we accepted as we indeed must the principles underlying the debt redemption and land alienation, yet we did what we could to temper the wind

to the Indian trader. As a result of our representations, substantial modifications have been made both in the debt and the land alienation legislation, and as a result the whole corpus of this legislation is being re-drafted and will include the important modifications which have been obtained by the Government of India. These, Sir, are the two sides of the problem. The third side of the problem is, firstly, how to ensure that the grower of cloves should get an adequate return for his produce, and secondly, how violent fluctuations in the export prices of cloves should be avoided, because they result in detriment to the grower, and indeed, in the long run, to the exporter himself. Now, Sir, there is no infallible remedy for the ills which, in common with other agriculturists, the Arab and the African suffer from. As to what particular remedy will suit a particular set of conditions is a matter of opinion. We know ourselves that we have tried several devices in India for obtaining the minimum price but with indifferent success. The Zanzibar Government, after at least three enquiries, came to the conclusion that the arrangements now incorporated in the revised Clove Growers Decrees were best suited for their particular conditions. We told the Zanzibar Government that in our opinion the objective could be attained in other ways. The Zanzibar Government thought that their plan was more effective. Now, I want to ask you whether our objective being the same we should have carried the disagreement as to the methods of carrying out that objective to the point of retaliation. Could we ask another Government to abandon their economic plan at our bidding ? Would we do the same ourselves ? And is the plan of the Zanzibar Government unprecedented, as has been said in certain quarters ? If one looks around in the world, one finds similar methods of controlling important commodities being adopted in several countries. Leaving aside the totalitarian States of Germany, Italy and the Soviets, what do we find in some of the other countries ? In the United Kingdom, for example, under the Agricultural Marketing Act, the scheme may provide for the sale of a product only to or through the agency of the particular board. In Czecho-Slovakia the State Central Association fixes the buying and selling prices for cereals and purchasers are forbidden to sell to parties other than the Association. I have got very little time left and cannot, therefore, give details. In France it is the same, in New Zealand there is a similar provision. So that the measures which the Zanzibar Government have adopted are not the exception but I am afraid are becoming the rule. Knowing that the Zanzibar Government were committed to their economic programme what did we do ? We told them in January, " If you are not prepared to give way on the question of method to be adopted to attain the objective in view, you must not neglect the interests of the Indians ". We said, "All right, if you must do this; but remember that the Indian has been settled in Zanzibar for 100 years. He has built the clove trade. Do not simply brush aside his interests ", and we asked that on the whole machinery of the clove control Indians should get adequate representation. There was a certain amount of opposition to that. We stuck firm and finally we obtained every one of the alternatives that we asked for. Seldom in our negotiations with other parts of the overseas Empire have we obtained as satisfactory a response as we obtained from the Zanzibar Government.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has only one minute. The time limit in this case is peremptory.

**Mr. M. S. A. Hydari** : I shall leave my Chief to finish our case. Indians in Zanzibar are now being encouraged not to use any of the facilities obtained for them in regard to the issue of purchasing licences, the issue of export licences, the overlooking and participation in the whole machinery of the Clove Growers' Association, simply because an idea is abroad that all that they have to do is to non-co-operate in the new arrangements to get those arrangements cancelled. Do those who are giving this advice realise what harm they will be doing to the very people whose interests they seek to safeguard ? Sir, in this connection, let me read one extract from a telegram which we have received.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member's time is up.

**Sir Muhammad Yamin Khan** (Agra Division : Muhammadan Rural) : I have heard the speech of the Honourable the Mover of the adjournment motion as also that of the Government Member. The latter's speech is unfinished and I think that that will be elucidated by another Member on those points which have been left over. One thing which I could not understand from the speech of the Honourable the Mover of the motion is when he said that the Indians have been settled in Zanzibar for the last 150 years. If they have been settled in another country for 150 years, how can he call them Indians ?

**Mr. S. Satyamurti** : Ask the Englishmen ! They have been here for more than 200 years.

**Sir Muhammad Yamin Khan** : Do people who have been living in Zanzibar for the last 150 years owe allegiance to the Government of Zanzibar or do they owe allegiance to the British Crown in India here ? That is the point which has to be decided. Either they are Indians or they are not Indians. If they are Indians, then they cannot be taken as having settled in Zanzibar. They must be treated as foreigners having a kind of commerce in Zanzibar, just like our friends here, who are carrying on their commerce. I do not think that Indians, and especially my friend, would be justified in asserting this principle which will go against the interests of India. It really involves bigger issues of moment to this country. If my Honourable friend can put the case on behalf of the Indians who are in Zanzibar that they have got a vested right in Zanzibar simply because they have lived there for 150 years, then my friends sitting here (Pointing towards the European Group) can say, " We have built up the railways, we have built up the commerce of this country and we must stay in this country, we must have an effective voice in the Assembly ". (Interruption by some Honourable Members.)

**An Honourable Member** : They are saying that already.

**Sir Muhammad Yamin Khan** : They say, but my Honourable friend does not accept it. If he accepts the theory he has put forward as regards those Indians, then he accepts the theory on behalf of these gentlemen also.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

The point is this. If any foreigner is to be allowed in another country just to build up certain interests and then say that he must

have adequate representation, representation which must be so strong that he must not be in any way in a minority, then, of course, the bigger India, for the sake of a handful of people, will be sacrificed. I do not think that my Honourable friends who have been the champions of the cause that they would not like that India should be ruled for ever by the commercial people from outside—I submit that that point must be borne by them in mind and they should remember that whatever theories, whatever arguments they may be using in favour of the Indians in Zanzibar may be used elsewhere against India. Therefore, I think that the greatest disservice would be done to the cause of India if you champion the cause of the Indians in Zanzibar in this light-hearted manner in this House. We are anxious in this country that our rural population should develop and we should not grudge others also doing the same in order to bring relief to their agricultural population. I do not see how a Government which is dealing with two countries simultaneously can have different sets of rules and morality too. The same Colonial Government which is showing so much concern and sheds crocodile tears for the Arabs in Zanzibar is selling the rights of the other Arabs in Palestine. The same Government cannot blow hot and cold. I have to say to my friends here that they must not be unjust. At the same time, the Colonial Office which has got the destinies of people in its hands should not make two sets of rules, one for Palestine and another for Zanzibar. If they do not allow Indians to have any advantages in Zanzibar they must be prepared not to allow the Jews to have so many advantages in Palestine but if they allow in Palestine, they must safeguard the same interests for the Indians also in Zanzibar. An adjournment motion means a motion of censure on the Indian Government and I do not think that we will be justified in censuring the Government. The Indian Government has done all that they could to safeguard the interests of Indians. They may be in power or they may not be in power. The right and just interests of Indians in Zanzibar must be safeguarded. Although I do not agree with all those arguments that they are Indians, but they are Indian born in any case and those people were the original inhabitants of India and for this reason they should not suffer. They have suffered in Zanzibar because their forefathers came from India and settled down in Zanzibar. Therefore I think it is the duty of every Indian to rise to the occasion and support those brethren who are suffering simply because they are the descendants of Indians. Our point must be to find out from the Government whether they have done whatever they could to get the best interests of Indians safeguarded. I think the Government has been fighting for the Indian nationals and in that case we should support and strengthen the hands of the Indian Government to become more and more strong rather than censure them. If my Honourable friend receives a reply from the Government that they have done all they could to protect the case of the Indians, then he should withdraw this motion of adjournment.

**Mr. F. E. James** (Madras : European) : I think I detected a certain confusion, which is rare to find, in the speech of Mr. Satyamurti. The speech was directed towards encouraging the Indian community in Zanzibar, whereas it was actually addressed to a motion of adjournment whose purpose, as is well-known, is to censure the Government of India for some delinquency. In this particular case I understand that

[Mr. F. E. James.]

his purpose is to censure the Government of India for their failure to protect the interests of Indians in Zanzibar. I think the House should remember that in continuing this discussion, its whole purpose is not to send a message of good will to Zanzibar but to censure the Government of India for their delinquency in failing to protect the interests of Indians in Zanzibar. Now, what is the gravamen of the charge ? The legislation which has recently been enacted in Zanzibar or which has been proposed in Zanzibar falls under two heads. There is first of all certain legislation intended to remove indebtedness and secondly, there is this rather obnoxious legislation in connection with the establishment of a monopoly for the Clove Growers' Association. Now, as far as the legislation dealing with indebtedness is concerned, as a result of the representations made by the Government of India, what has happened is that the Zanzibar Government have agreed to recast the whole of their legislation. Until that recasted legislation is received by the Government of India, I certainly think it is unfair to pass a vote of condemnation in that respect.

**Mr. S. Satyamurti** : My motion did not cover the Land Alienation Ordinance. I was dealing only with the Clove Growers' Association.

**Mr. F. E. James** : I will now come to the Clove Growers' Association. The particular thing which is objected to is this monopoly. Personally I dislike monopolies—whether by rail or road. But it is not an unusual piece of legislation. Mr. Hydari has already endeavoured to explain that point. As a matter of fact, this kind of legislation for establishing monopolies, for fixing prices and for licensing merchants and middlemen is a very common feature of post-war legislation in different parts of the world. Even in the conservative United Kingdom—I was looking this afternoon at legislation in regard to the marketing of potatoes—if you transpose the word ' potatoes ' for the word ' cloves ' and put the whole thing in Zanzibar, Indians in Zanzibar would have exactly the same objection which they now have to the clove legislation. My point is this. It may be obnoxious on economic grounds. But, it is very difficult for the Government of India to object to that Bill on purely economic grounds. It is difficult for us in this Legislature to criticise another legislature in another country which is passing legislation, which we may not agree with but which it may feel necessary to pass to meet the economic necessities of the case. There must, therefore, be other grounds, and I suggest that those grounds must be political. I am going to put forward two main grounds on which it may be objectionable to pass this legislation. Firstly, so far as the statute itself is concerned, it may be racial in character. There is no doubt that many Indians in Zanzibar will be hit hard by this piece of legislation. It must be remembered, however, that among the Indians in Zanzibar, there are three classes. There are the producers, the actual growers ; there are middlemen and the money-lenders ; and there are the exporters. As far as the producers are concerned, there is not the shadow of a doubt that the whole intention of this Association is to better their lot and they in common with Arab and African producers will benefit from any rise in prices which may result as a result of giving power to this Association to fix prices for purchase. As far as the middlemen and the money-lenders are concerned, it is true that, as originally proposed in the statute, they would suffer ; but as a result of the representations that have been made by the Government of India, I think now there is very much less chance

of undue hardship occurring even to this class. As far as the exporter is concerned, there is no reason why his interests should be affected at all.

Now, the other point on which complaint may justifiably be made is that in the body set up to run this machinery for the control of the commodity, the Indian communities have not adequate representation. That is one of the main points on which this Government made representations and I understand that the position is that the Government have succeeded to a very considerable extent in obtaining from the Colonial Office, at practically every stage in the working of the machinery, representation of the Indian community as such. Let the House remember that it is only in respect of the Indian community that the Colonial Office has agreed to any communal representation whatsoever. Therefore, I suggest to the House that the Government has in these summer months made a very definite gains on behalf of the Indian community in Zanzibar in this matter. I believe it is very largely due to the personal efforts of the Honourable Member who is present in the House today and I believe it is also due to representations made personally to the Colonial Office by Sir Muhammad Zafrullah Khan and Sir Girja Shankar Bajpai. Those who know the history of the Colonial Office in regard to questions relating to Indians overseas will realize that, bad as that history has been in the past, at any rate for the first time in India's history as far as its relationships with the Colonial Office are concerned, something very substantial has been obtained from one of the most retrograde departments in the British Government. (Laughter.)

Now, I admit that it is very difficult to estimate the full effect today of these changes. I am quite prepared to admit that these changes may not be adequate ; but it is very difficult to say that today. The changes will have to be put into effect and tried before their results can be justifiably estimated. Now when I say that considerable advantages have been gained by the action of the Government of India, I find I am in agreement with a former member of the Congress Party opposite. One of the most distinguished members of that Party said quite recently :

" There will be no racial discrimination in this trade. The Indian trader continues to enjoy a good deal of advantage, though in future the regulation of prices by the C. G. A. will not permit large profits. The Indian has obtained representation on the Licensing Committee and the C. G. A. and the Government of India are certain to intervene if any harm threatens Indian settlers."

That is a statement made by a very distinguished Congressman who sits on the Benches opposite. (*Honourable Members* : " Name ", " Name ".) His name is Mr. B. Das. (Laughter.)

**Mr. B. Das** (Orissa Division : Non-Muhammadan) : I hope you will always support my other Press statements as you have supported this one.

**Mr. F. E. James** : I cannot guarantee to do that because Mr. B. Das makes many Press statements and they do not always agree with one another. (Laughter.) Now I am free to admit, and I am in agreement with Mr. Satyamurti, that there is one omission which I stressed when this matter was discussed last year, and which was stressed also by other speakers more qualified to speak than myself, *viz.*, the tremendous importance of direct representation of the Government of India in Zanzibar itself. I echo Mr. Satyamurti's question as to what is being done about it.

[Mr. F. E. James.]

These gains, which I believe may prove to be substantial, ought to be consolidated in the coming months. I believe they can only be consolidated in the coming months if in Zanzibar itself there is someone, some accredited representative of the Government of India, who will not only be a liaison between the Government of India and the Colonial Office in Zanzibar, but will also be a guide and a help to the Indian community in that protectorate. Everybody in this House has the utmost possible sympathy with the difficulties in which Indians there are placed. They have to face entirely new circumstances. That community, as every community overseas, needs guidance, advice and leadership. Much of what has happened would not have happened if, a year ago, a representative of the Government of India had been established in Zanzibar. I am prepared to agree with the Government of India when they say that in the best interests of Indians in Zanzibar this scheme should be given a trial. But that, to my mind, is not quite enough. I would like them to go on to say, " if you will do that, we will send someone as our representative to help and to see that you have a fair deal at the hands of the administration in Zanzibar ".

The last point I wish to mention is this. In giving this advice with the utmost possible sincerity, there still remains the question of the embargo. That is, it is true, a weapon of considerable force. I believe it is a weapon which should only be used as a very last resort. At this juncture, is it a weapon which we should advise the Government of India to use today ? Would it not be better to keep that in reserve, if unhappily it should be required ; and in the meantime....

**Mr. Deputy President** (Mr. Akhil Chandra Datta): The Honourable Member has got only one minute more.

**Mr. F. E. James** : ..... to advise the community in Zanzibar to try these improvements that have been obtained in the clove situation, to await the recasting of the legislation regarding indebtedness, and to urge on the Government of India to use all the resources in its power and to send to Zanzibar, as urgently as possible, its own accredited representative. (Applause.)

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions : Muhammadan Rural) : Sir, we heard the maiden speech of the Honourable the Secretary with great interest and I congratulate him on his first effort. He mentioned his case very lucidly and brought out all that the Government of India did in this particular matter. I think he admitted himself, and we all agree, that the Government did not achieve all that they wanted. Naturally, as an Indian, we would like that Indian interests should be safeguarded in every country, but looking into the facts we find that we have been comparatively more successful in Zanzibar, and we should frankly admit that the efforts of the Government of India have resulted in success, though not to the extent that we would like to see. We should congratulate the Member and the Secretary. We ought to consider the facts rather more closely. We notice that the prices of cloves had fallen very rapidly. In the year 1923-24 the price was 19 ; it fell in the year 1935 to 4.92, an enormous fall ; and we also noticed that other countries also came into the scene. Previously Zanzibar had a monopoly but later on Madagascar and also the Dutch East Indies competed in the clove market.

Therefore, the Zanzibar clove-growers were affected in two ways. First, the price had fallen enormously, to such an extent that the primary producers could not really get the price of their labour, and secondly there was foreign competition coming in from these two countries which I have just mentioned. On account of these facts the condition of the clove cultivators was enormously effected. As the prosperity of the Island depends entirely on clove industry it was the duty of the Zanzibar Government to safeguard the interests of the cultivators. At that time the Government took executive action and subsequently the matter was investigated by Mr. Binder whose report I have now got before me. Mr. Binder did not recognize the interests of the Indians at all. But the Government of India fought the Indians' case and they got success at least on four points. In the first place, on the Clove Growers' Association they succeeded in getting two Indians out of seven members. These Indians will be nominated in consultation with the Chamber of Commerce. Thus the Indians in Zanzibar who are in a minority there, being only 15,000 against 187,000 were given fairly good share. The second they achieved was that 2 Indian members out of 6 were appointed on the Advisory Committee and I think a proportion of one-third cannot be regarded as inadequate. The third achievement was that the Indians who were permitted to purchase cloves in December 1933 before the original Clove Growers' Association Act was passed were automatically employed as purchasing agents and whatever rights they enjoyed prior to 1933 were also recognised. The fourth point they achieved was that they appointed a Sub-Committee consisting of 2 members, one of whom will be an Indian. These are four points of great importance which the Government of India secured by fighting their case against the Colonial Government. The Government of India does not deserve censure for all their efforts and successful results. Though their success may not be very great, still it must be said that they have achieved some success in this particular matter.

We are an agricultural country and we appreciate the necessity of safeguarding the interests of primary growers. All the Indians here have been fighting, irrespective of the party to which they may belong, that we ought to protect the interests of the primary producers. And this is perfectly right because if the interests of the primary producers are not adequately safeguarded in the matter of prices, in the matter of land alienation and in other matters, it is impossible for the industry to prosper. (*Mr. K. Ahmed* : " What is the proportion of the Indian growers there ? ") It was already pointed out by the Honourable the Secretary of the Department of Education, Health and Lands. Indians are practically interested in the distribution of cloves. They are moneylenders and merchants. It is the duty of every country to safeguard the interests of the primary producers and this is just what the Zanzibar Government has done. We cannot possibly blame the Zanzibar Government for protecting the interests of their primary producers. There is a well-known Persian proverb which says :

*" Har chi bar khud ma pasandi bar digaran ma pasand."*

It means : what you do not like for yourself, do not choose that thing for others. If we in India are anxious to safeguard the interests of the primary producers, I think we should not blame Zanzibar Government for safeguarding the interests of their primary producers. What we want is that

[Dr. Ziauddin Ahmad.]

the interests of the Indians, who are mostly working as middlemen, should also be safeguarded and by the action that the Government of India have taken this object has to a large extent been achieved. Of course, no country can ever be expected to give Indians a majority vote in the Clove Growers' Association or in the Advisory Committee. But I think a share of 2 out of 6 and 1 out of 2 in the case of the Advisory Committee Sub-Committee ought to be considered a very reasonable share. That being the case, the Indian Government deserve our appreciation and certainly they do not deserve any vote of censure. After all, the action was taken by the Zanzibar Government to safeguard the interests of the primary producer and the Indian Government did their level best to safeguard the interests of the Indians who are not primary producers but who are merely concerned with the subsequent processes of the trade. I only hope that their efforts will be successful in other countries.

5 P.M.

**The Honourable Kunwar Sir Jagdish Prasad** (Member for the Department of Education, Health and Lands) : Sir, as a somewhat comparative stranger to this Assembly, I hope it would not be regarded as presumptuous if I take this opportunity of congratulating Mr. Hydari on the ability and moderation with which he has put forward the Government case. I should also like to take this opportunity of acknowledging my deep debt to him for the great assistance which he and Mr. Bozman, the Deputy Secretary in the Department, have given me during the negotiations concerning the Clove Legislation in Zanibar.

Sir, it is unfortunate that for the second time I appear before this House as a defendant.

**Mr. M. A. Jinnah** (Bombay City : Muhammadan Urban) : This shows that the House has taken more interest in you.

**The Honourable Kunwar Sir Jagdish Prasad** : I am somewhat at a handicap because some of the most important documents are by their nature secret and I cannot place them before this House in my defence. I have the further disadvantage that one of the most eloquent accusers, one whose diatribes and criticisms and anathemas are to come has chosen to speak last and therefore it will not be possible for me to answer his arguments.

**Mr. Bhulabhai J. Desai** (Bombay Northern Division : Non-Muhammadan Rural) : It is quite wrong.

**The Honourable Kunwar Sir Jagdish Prasad** : If this is wrong, I should have waited though I know it would be a great presumption on my part to assume even for a moment that I should have been able to answer his arguments.

Now, I assume that in the political jurisprudence of Honourable Members opposite, the Government of India, as at present constituted, must be presumed always to be guilty even if at times it can prove itself to be innocent. It is also presumed that the Government of India can never do right and that the Opposition can never do any wrong, at least as long as they are in opposition. Now, why are we going to be censured ? What is it that we have done to deserve a censure on the part of my Honourable friends opposite ? The problem before the Government of

India was that here was another Government which had to deal with an economic problem caused not only there but in many places by the slump in prices. Here were Africans and Arabs, nearly 200,000, who depended entirely on the growth of cloves. The prices had fallen and they had got into debt. The Government after great deliberation came to the conclusion that a monopoly was the only economic solution. I agree that there can be differences on this point. The Government of India itself suggested that in their opinion this was not the best solution of the problem. But, as Mr. Hydari has said, could I or the Government of India on this economic question where the issue was between free trade and State control thrust free trade down the throat of another Government when we ourselves have doubts. I have yet to learn that my Honourable friends opposite are free traders. I have read with some interest the speeches of my Honourable friend, Mr. Satyamurti, and the other day I read that when he or his Party are in power in the Centre, one of their items will be the nationalisation of key industries. I think I am correct in making that statement. Could I or could the Government of India say that the Zanzibar Government must follow a policy of allowing the traders to do what they pleased as against the growers whose interests they professed to protect. I know that there can be a difference of opinion on that point. I hope Honourable Members opposite will agree that we would have been on very weak ground to threaten a trade war on the issue between State control and free trading in cloves. What we could say and what we did say was that if you are going to have some control, about which we have considerable doubts, we must see that that control is exercised in a way not to damage or injure the interests of our countrymen who have been there for over 100 years and whose labour and whose enterprise and whose money have done so much for the clove trade. We said that unless their interests are protected and unless there are sufficient safeguards, we shall make the most stubborn fight that it is possible for us to do. What was the result? The result was that after very protracted negotiations, after great effort—I wish to assure Honourable Members that it was not an easy thing—that after great effort, and I may here say with the strong and constant support of His Excellency the Viceroy, we were able to secure from the Colonial Office certain safeguards. What are these safeguards? The safeguards are that in the Board which controls the clove trade, out of seven, there shall be two Indians. In the sub-committee of two, there shall be one Indian. On the Advisory Committee, there will be two Indians out of six members. I am sure that if my Honourable friends had crossed over from that side to this, they would have regarded the concessions which we have obtained not as a surrender, but as a vindication of Indian rights. I shall show in a moment that this is correct. My Honourable friend, the Leader of the Opposition, when discussing the South African question in March last asked, Do the Government know what a moratorium means? Have they got the most elementary knowledge of economics as to the hardship that it will cause to creditors. Well, Sir, what has happened in a province next door? The orders are that all collection of arrears of rent should be suspended, that all ejectments should not take place, that certain process of law shall for the time being be suspended by executive orders. I am at this stage not criticising, but I am only giving an illustration. Its significance, I am sure, can be explained by my Honourable friend, Sardar Jogendra Singh, unless he has been so hypnotised that all power of

[Kunwar Sir Jagdish Prasad.]

resistance has disappeared. (Laughter.) This is what the Honourable the Leader of the Congress Party said about a moratorium and this is exactly what is being done in a neighbouring Province. As to the period of that moratorium, I have yet to see how long it will last. Then, my Honourable friend when speaking about South African Bills said in one of his most contemptuous tones, Does the House believe that the efforts of the Government of India will have the slightest effect on the South African Government? Can anybody for a moment fail to realise that these two Bills will be passed? May I tell my Honourable friend that the two Bills which he thought—I shall be glad to quote his own words to refresh his memory—would be passed, had not been passed. I presume that Honourable Members probably think that because they were able to carry through that adjournment motion in the House, that was probably the reason why the Bills were withdrawn.

**Some Honourable Members**: Yes, yes.

**The Honourable Kunwar Sir Jagdish Prasad**: That only confirms my belief and the belief of many of my Honourable friends here that there is no limit to the self-complacency of some Honourable Members opposite. It is all so easy to criticise and say, allow free trading, do not do anything for the growers. Well, Sir, what is agrarian reformation in the United Provinces is perhaps agrarian anarchy and exploitation in Zanzibar. That being the position what is it that we are asking the people in Zanzibar to do? We are saying, please give this new arrangement a trial. You have had this Clove Growers' Association which was formerly a subsidised commercial body and it is now no longer a profit making Association. We have said give this a trial and see what happens. Then if we find that you are right and we are wrong—we have not committed ourselves that we will not re-open this question, all that we say is that here after great difficulty and much effort, we have been able to obtain a settlement which we think is likely to safeguard your interests, we think that we have done the best we could do, and I want to tell my Honourable friends here that I do not stand here in sack cloth and ashes as a penitent, for what I have done. I have done my best for the people of Zanzibar. I have learnt with the greatest regret that the Indians there have decided to boycott the clove trade. I very much regret that this decision has been taken. I have unchallengeable evidence that if this course is persisted in, the trade may definitely disappear from the hands of Indians. I implore the Indians there, and I wish this House to join me, to give the scheme a trial. I will conclude with one remark, because I do not know what my Honourable friend, the Leader of the Opposition, is going to say, but I hope that his criticisms and his diatribes will be as dis-associated from fact as they were in regard to the South African question, that they will be more in the nature of a conjecture and speculation. I think that is all I have to say on this subject.

**Mr. F. E. James**: What about the Agent?

**The Honourable Kunwar Sir Jagdish Prasad**: We quite recognise, we agree with Mr. James and others that it is essential to have an Agent in East Africa. We have been pressing this point, we have brought it to the notice of the Colonial Government, at this stage the matter is still one of negotiation, but I can assure Honourable Members that we have

not for a moment lost sight of the importance of this matter. I will not take any more time. It is a matter of some regret to me that after all the efforts that we have made, the only reward which my Honourable friends opposite are prepared to give us is to censure us for our sincerity and for what we have done. My Honourable friend, Mr. Satyamurti, asks me to defend the interests of Indians as if I was in need of this advice.

I have nothing more to say except to hope that the House will reject this vote of censure, if I have been able to convince them that we have done our best in the circumstances in which we are placed. (Applause.)

**Mr. Bhulabhai J. Desai**: Mr. Deputy President, I wish to be acquitted of the charge that I wanted to follow the speaker representing the Government who has just resumed his seat. I wish to assure him even though I may be accused of vehemence, that that vehemence is born of at least the same sincerity which he claims for himself. If that is a charge against me, I plead guilty to it all the time. As to diatribes, I hardly understand its propriety. If a just criticism of the measures of those who are now the irresponsible Government of this country, indulegd in from time to time is so-called diatribes, then Honourable Members might well conceive the correct position. I will take the trouble of enunciating the correct position so that he may not feel that there is any malice behind it or it is personal to him or to those Honourable friends of his whose services he extolled. That is not the issue before the House. I remember my Honourable friend, Jinnah, on a very memorable occasion pointed out to the Government representatives here that this is the constitutional means of expressing our view, that is to say the view of the House that our interests were not properly safeguarded to the extent to which they should have been either by those who are present here or by the Secretary of State. I think this assumption asserts that they are in sackcloth and ashes. I have never seen a sackcloth on them though I believe I have seen many in the yard in which I was for a year, being punished with sackcloth for a jail offence of a most trivial character, for displeasing the Jail Superintendent for not salaming him. So I am one of those who understand what sackcloth is ; you only understand it allegorically from the Bible. Therefore I will remind him that this sort of personal appeal is entirely inappropriate to the occasion and is not called for. Let us argue this in a spirit of understanding each other, not in the spirit of my friend Sir Yamin Khan who said, " Oh, if Indians have settled in Zanzibar they are not Indians ". I believe, at all events, neither Sir Jagadish nor his deputy would ever subscribe to such a dishonourable proposition. For indeed if that were true there were no effort needed to protect their interests at all. I am sure they will tell him when they go out of the House, whatever the vote, " Save me from my friends ! " The true issue is this. This is not a motion, (though it happens to be in the name of Mr. Satyamurti), of any particular party. This is no motion of caste or creed or colour. This is certainly a motion for the protection of Indian nationals without reference to caste, creed or colour. For let it be remembered, and I have taken the trouble to examine it, that the Indian National Association of Zanzibar counts amongst its members a majority of those who profess the Islamic faith. It is a matter of regret to me that our advocates here, those who are expected to be our advocates, are now trying to be the advocates of the Zanzibar Government,—a sorry spectacle indeed ! Whatever you may do in your own country or in your province, you may

[Mr. Bhulabhai J. Desai.]

take the proper occasion to object to their policy if you can. To say that my advocate has got the most he could for the Indian national because the arguments of the opponents were too strong, and he could get nothing more,—that I can appreciate. But it is no use saying, "I have done my best and I have done my sincere best, and what is this you are doing?" That is not the proper way to appeal to the dignity of the House, in an important matter of this kind. What we say is this that we stand for the interest of the nationals of India, those nationals of ours who are in Zanzibar. And it goes without saying that they have been settled there not merely for a hundred years but history has it that even Vasco da Gama took up an Indian pilot in order to find his way to the Indian shores. But that is merely the historical background of the issue. He must be apprised of the fact that if they thought these things were going to lead to a solution of the position of the Indians there, they would not have lightly undertaken what he thought was a very imprudent measure. Even at this very moment I have a telegram from the Indian National Association, which counts the largest number of Mussulmans amongst its members, intimating to me this :

"Third week of Satyagraha passed peacefully community firm stop C. G. A. devised novel method unpopularising and eliminating agent by licensing non-dealer growers paying them prices *plus* commission for their cloves thereby inducing direct sale C. G. A. stop This tactic clear index its final ulterior motive. Community eagerly awaits your decision of this House."

If this appeal does not appeal to you but personal diatribe of this kind is going to appeal to you, I leave you to your judgment.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

What is the situation today? Up to 1934 what happened? Were there no periods of depression before 1934, no fall in the prices of cloves? And is it not known to those who negotiated this that up to that year Indians, Europeans, Arabs, Africans all lived in amity until our friends the C. G. A. and their unholy predecessors came on the scene? The Standing Committee on Emigration pointed out that this was the proper occasion for the use of the instrument which my Honourable friend, Mr. James, at all events does not condemn but recommends a very cautious use of. After all he has got two eyes in this matter, and we have one single concentrated attention on our brethren abroad; so that we may take his advice with a grain of salt. But we must certainly accept his admission as regards propriety of the embargo on trade. Even this morning an Honourable Member on that side got up and moved a motion for a Bill for restricting or regulating the import of certain articles into India. I wish he had then remembered that there was something much more important than the somewhat useless measure which he was getting the honour of moving this morning. He might have remembered that the Standing Committee on Emigration in July recommended that an embargo on the clove trade into India would be a measure of effective value for the purpose of this Association. For what is the good of saying, "I have done my best" if I have the power to do better? I do not blame Sir Jagdish Prasad or his associates. But supposing the Government of India is a subordinate Government, supposing the Secretary of State does not support you, is not there some power in you, like the measure that you

moved for other articles, which you might certainly have thought of without reference to any other power, in order that you may bring about a measure for effective relief of Indians. Remember that half of the clove export of Zanzibar is the export into this country. It is an article of luxury. I do not think the Honourable Member knows it because his ways and habits of life are somewhat different to those who know it. It is for those that we are speaking ; and I can assure him that it is not a motion by the Congress ; it is not a motion by any individual sitting here or there ; it is not a motion by a Hindu or a Mussalman. It is a motion on behalf of and for the protection of Indian nationals. So remember that no excuse of any kind stands in the way of protection of our nationals if we are to be honest to them. They have resorted to passive resistance and they appeal to you that if you carry a measure of this kind and an embargo was laid on the clove trade, their difficulties would be solved. And who suffers by this ? It is no use telling them, "Oh, my friends, you have carried on your trade for a hundred years, but the Government of India have done their best and I advise you to please give up your satyagraha." They are prepared to suffer and pay the penalty, and I can assure you that justice is on their side. To try to break the satyagraha which has been carried on for three weeks by means which I have read out does not redound to the credit of the experiment of associating with the C. G. A. or by whatever other name it may be called. You may be quite sure that a fighting speech from Government was not required on this occasion. They ought to have realised that we are trying to pass this vote in order to assist and strengthen them, if they were to bring in a Bill for putting an embargo on cloves into this country. Such a vote will have prepared the way for it. Instead of that, we are met only by this as a sort of *argumentum ad hominem* for somebody who was in this place here carrying on some measures of relief in his Province where the Congress is in power. Is that a question in that particular part of the world between an Indian national and a non-Indian national ? But that distinction is an item of no importance, of no consequence whatever when it comes to an argument. It is a great pity, Sir, that the Government of India should have been an advocate for the oppressive measures issued in the name of the Sultan of Zanzibar but really carried out by the Resident, and therefore by the Colonial Office. The real dispute is,—it is no use concealing the fact,—the real struggle is betwen the Secretary of State who is trying to protect Indian nationals' interests without much bothering about it, and the Colonial Office which is trying to protect the C. G. A. and everybody who stands behind it. The vote of censure if passed will be duly conveyed to the Secretary of State, and no person sitting on the other side can flatter himself that it is he who either failed or succeeded for the simple reason that they are unnecessarily subjected to the orders of the Secretary of State. Therefore, my regret is that it should have been taken in a personal light of this kind. And as regards the matter of acquisition of landed properties in Zanzibar, there are two answers I make,—first as regards Indians owning property there. The number of trees is a somewhat misleading business. I do not think my friend ever counted the number of pine trees in Simla,—I hope he has not,—anyway it will be a useful occupation seeing the kind of things in which he indulges. But the fact remains that a Commission presided over by the Chief Justice of Zanzibar have come to the conclusion that

[Mr. Bhulabhai J. Desai.]

the Indians have only owned, after a settlement of 100 and odd years, 6½ per cent. of the clove trees, and of the mortgages 13½ per cent. So let there be no delusion created by the use of words like thousands and lakhs, for I do not know how many multi-multi-millions of trees exist in this country, but that is not the kind of argument I expect from the representatives of the Government on an important question like this. I was hoping that they would have said—'If you pass this, it will strengthen our hands so that those who are now carrying on the struggle at their sacrifice may preserve what they have enjoyed for 150 years.' It is not a question of protection against free trade. It is another delusion from which some Honourable Members suffer. Then what is the C. G. A. ? An association in which there is no clove grower, but it is still called a Clove Growers' Association,—there is no Arab or African on it,—but only Englishmen. Have they transformed themselves so quickly as to become both a grower, an African and an Arab ? And it is said solemnly in this House that it is a question of protection against free trade. No, it is a question of spoliation and ex-propriation, because it is not the Arab who is going to gain, it is not the African who is going to gain ; the only persons who are going to gain are the C. G. A. and those who are behind them. Sir, I support this motion.

**Mr. M. A. Jinnah** : Sir, I speak on this question with a certain amount of diffidence. I listened to the speech of the Leader of the Opposition, and as I understood him, his strongest point was,—British interests are exploiting Indian—I am not going to enter into various controversies over small matters,—but the question is whether the Government deserved our censure with regard to their policy and the action which they have adopted with regard to Zanzibar Indians.

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : What is the Government ?

**Mr. M. A. Jinnah** : Of course, the Government of India. Now, the question before the House is, I repeat, whether the Government of India deserve a vote of censure for the policy they have adopted and the action they have taken in this matter. I was going to say that in the speech of the Leader of the Opposition there was only one point which required consideration, and I want the Government to clearly explain that to the House. His point was that there is some foreign interest, *viz.*, British—I see the Honourable Member opposite is smiling.....

**The Honourable Kunwar Sir Jagdish Prasad** : I merely wanted to tell my friend, Mr. Jinnah, that there is no foreign interest involved, none at all.

**Mr. M. A. Jinnah** : The suggestion is, and I want to make it quite clear,—if I am a little blunt I hope the House will excuse me,—the implication is that British interests are behind this, and the scheme which the Government of India have accepted is going to help them to exploit the Indians in Zanzibar.

**The Honourable Kunwar Sir Jagdish Prasad** : I say categorically here that there is no question of any British interests at all in the clove trade in Zanzibar.

**Mr. Bhulabhai J. Desai** : Is there an Arab, or an African on the Clove Growers' Association ?

**The Honourable Kunwar Sir Jagdish Prasad** : The Clove Growers' Association is a Government organization. (Interruptions.) If my friends will have a little patience, I want to reply to my friend, Mr. Jinnah, in regard to his very pertinent question whether British interests are involved in this matter or not. That is the question that Mr. Jinnah has asked,—and I say categorically that the vast majority of growers are Arabs and Africans, that the middlemen and the traders are Indians, and there is no question of any British interests in it at all.

**Mr. Mohan Lal Saksena** (Lucknow Division : Non-Muhammadan Rural) : Are there any Africans other than the Clove Growers' Association ?

**Mr. M. A. Jinnah** : I am very glad that I have excited the interest of the House. The position really is this. As I said, I really speak with a certain amount of diffidence, and I have not yet been able to gather from all the literature that I have had the opportunity of seeing that there is any British interest which will gain and which will be able to exploit Indians. I have got the fullest sympathy for our countrymen in Zanzibar. We are not dealing here with Islam or Hinduism. We are not concerned with the fact whether they are Mussalmans or Hindus or Parsis or Christians. For my purpose, so far as this issue is concerned, it is enough that they are Indians, and if their interests are not safeguarded by the Government of India, I shall be the first to support this motion and walk into the lobby on the opposition side. But the question is this and I have not been able to gather from any literature that there is on the subject that the British over there have any real interest in this trade, so far as this trade is concerned and further whether the terms of the agreement will enable them to exploit Indians.

**Mr. Bhulabhai J. Desai** : There is plenty of literature on that.

**Mr. M. A. Jinnah** : I stand corrected, but let me tell you that I have not been able to get any coherent statement to satisfy me at least *primâ facie* that the British interests will gain.....

**Mr. S. Satyamurti** : What about that Association ?

**Mr. M. A. Jinnah** : It is no use calling it an association.

**Mr. S. Satyamurti** : It calls itself ; I don't call it.

**Mr. M. A. Jinnah** : Association does not mean British ; it may mean an Association of Indians, Arabs and Africans and two officials.

**Mr. S. Satyamurti** : It is not so.

**Mr. M. A. Jinnah** : As I said, I have got no data for the allegations of the Congress Party. (At this stage there were interruptions from the Congress Party Benches.) It is no use merely saying an Association, this, that and vague things. I want definitely and categorically to be stated here with facts and figures why it is suggested that the British will be able to exploit.....

**Mr. S. Satyamurti** : They have got a majority there.

**Mr. M. A. Jinnah** : I will listen to anybody who will satisfy me on that point.

**Mr. M. Ananthasayanam Ayyangar** : There is the Book which has been circulated by the Imperial Indian Association.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member must not be interrupted.

**Mr. M. Ananthasayanam Ayyangar** : I am only giving him information, Sir.

**Mr. M. A. Jinnah** : I think it is really no use always bringing in certain racial considerations of this character in season and out of season. It is no use exciting the people by catch words in this way. We must really examine the facts. It may be that the Honourable Member in charge of the Government of India is making a statement which you may say is not true. You may say that the Honourable Secretary, speaking with all the responsibility behind him, is making a statement which is not true. You may say to me, " You have not read all the literature properly ". But as far as I have been able to gather—I cannot go beyond that—I have not been satisfied yet. I will came to the point whether the Government have done well or have done bad, but so far as this issue is concerned, I am not satisfied that there is any foundation for these allegations.

Now, then, the next question is this. I agree that there are two classes or three classes, namely, the growers on the one hand, the traders and middlemen and money-lenders the second class, and the exporters on whose behalf nobody has yet said a word in this House, and I think they can take care of themselves—and there is really the clash of interest between the growers and the middlemen, the trader and the money-lender. I quite see that the Government of Zanzibar or the Colonial Office, which is finally responsible, when realized the conditions of oppression and hardships which well nigh ruined the poor growers—they suddenly woke up and when they woke up they started with cloves straightaway, it being the main product. It, of course, naturally affected, and affected at once the vital interests of the traders and the middlemen who have been there for 100 years and who have, if I may say so, rightly or wrongly, enjoyed the exploitation. But even when people have exploited other people or other communities,—when you come upon them suddenly, of course, they do not like it, and suddenly if you come down upon them with drastic measures, it will be highly wrong, and, therefore, you have to proceed cautiously and carefully and see that the minimum measures are adopted by which you do not drastically give wholesale relief to the growers and destroy the traders and the middlemen wholesale. The first Board that was established in 1934 was undoubtedly likely to affect Indian interests in a drastic manner, as I described, at the expense of the traders, and drastic relief might have been given to the growers at the cost of Indians, and that is the issue upon which the Government of India have fought and fought. And now I do not think that they have given away anything yet. I do not think that anything is finally settled, and now we have got an elaborate scheme, a scheme which, as far as I can follow it, is at any rate intended to safeguard the interests of the Indians fairly without in any way prejudicing the objective, namely, that relief must be given to the growers as far as possible. That is how I understand, and that is the policy of the Zanzibar Government. Every Government is certainly entitled to deal with its economic question in the best way it can. Why should we introduce in this matter—a great deal of interested and one-sided literature that has been flung at us and thrown at us in various ways, and, of course, as the Honourable Members know, and we shall realise this more and more—believe me, when certain interests are trampled upon, they will get up propaganda and they will do the utmost in their power to sway this Legislature one way or the other, and we have to steer clear of that danger and not fall into the trap. While,

as I say, I wholly sympathise with the Indians in Zanzibar, while I shall be the last person to do anything which will unduly prejudice their interests or be detrimental to their vital interests, I think, so far I am not convinced that there is going to be a serious prejudice or such a detriment to their interests that we should pass a vote of censure against the Government for having accepted this provisional scheme.

May I say one more word, and I finish. I would certainly ask the Honourable Member in charge with all the earnestness that I can command that the very communiqué that you have issued and the very objects that you have laid down,—and you have impressed not only this House but the country at large that, so far as the best interests of the Indians are safeguarded if this scheme is carried out in its true spirit and letter. Now, in order to avoid mis-understanding, we feel, and I think we rightly feel, that Government have been guilty so often, the Government of India have been guilty so often, they have done so many wrong things that, believe me, with all my judicial mind, with all the reasoning that I can command, it is very difficult for me to support you even when you are right, because people do not believe Government. (Laughter.) And let me tell you, it is really your duty, it is the duty of the Government of India that they must send some agent in Zanzibar so that we may get from time to time authoritative information, authoritative statement—not only that, and I agree with Mr. James—not only that, but in order to see that this agreement is carried out, which is far more important, in its letter and spirit ; we require an able, efficient representative of the Government of India to guide, to help and to stand by the Indian community in Zanzibar.

**Some Honourable Members** : Let the question be now put.

**Mr President** (The Honourable Sir Abdur Rahim) : The question is that the question be now put.

The motion was adopted.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is :

"That the Assembly do now adjourn."

The Assembly divided :

AYES—52.

Abdul Qaiyum, Mr.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Banerjea, Dr. P. N.
Bhagavan Das, Dr.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Chunder, Mr. N. C.
Das, Mr. B.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Mr. G. V.
Gadgil, Mr. N. V.
Govind Das, Seth.
Gupta, Mr. K. S.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Joseph, Mr. George.
Kailash Behari Lal, Babu.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Misra, Pandit Shambhu Dayal.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Paliwal, Pandit Sri Krishna Dutta.
Pande, Mr. Badri Dutt.
Parma Nand, Bhai.
Raghubir Narayan Singh, Chaudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. Thirumala.

Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Sham Lal, Mr.
Sheodass Daga, Seth.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Varma, Mr. B. B.

NOES—66.

Abdul Ghani, Maulvi Muhammad.
Abdul Hamid, Khan Bahadur Sir.
Abdullah, Mr. H. M.
Abdur Rasheed Chaudhury, Maulvi.
Ahmad Nawaz Khan, Major Nawab Sir.
Ahmed, Mr. K.
Aikman, Mr. A.
Azhar Ali, Mr. Muhammad.
Bhagchand Soni, Rai Bahadur Seth.
Buss, Mr. L. C.
Chanda, Mr. A. K.
Chapman-Mortimer, Mr. T.
Dalal, Dr. R. D.
Dalpat Singh, Sardar Bahadur Captain.
DeSouza, Dr. F. X.
Essak Sait, Mr. H. A. Sathar H.
Fazl-i-Haq Piracha, Khan Bahadur Shaikh.
Fazl-i-Ilahi, Khan Sahib Shaikh.
Ghiasuddin, Mr. M.
Ghulam Bhik Nairang, Syed.
Gidney, Mr. C. W. A.
Griffiths, Mr. P. J.
Grigg, The Honourable Sir James.
Hydari, Mr. M. S. A.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalpal Singh, Raja Bahadur.
Lloyd, Mr. A. H.
Mackeown, Mr. J. A.
Manavedan Raja, Rao Bahadur K. C.
Mani, Mr. R. S.
Mehr Shah, Nawab Sahibzada Sir Sayad Muhammad.
Mehta, Mr. S. L.
Mudie, Mr. R. F.
Murtuza Sahib Bahadur, Maulvi Syed.
Nagarkar, Mr. C. B.
Naydu, Diwan Bahadur B. V. Sri Hari Rao.
Ogilvie, Mr. C. M. G.
Parsons, Lieut.-Colonel A. E. B.
Pursell, Mr. R. S.
Rahman, Lieut.-Colonel M. A.
Rajah, Raja Sir Vasudeva.
Row, Mr. K. Sanjiva.
Roy, Mr. S. N.
Scott, Mr. J. Ramsay.
Sen, Mr. S. C.
Shahban, Mr. Ghulam Kadir Muhammad.
Sher Muhammad Khan, Captain Sardar Sir.
Siddique Ali Khan, Khan Sahib Nawab.
Sircar, The Honourable Sir Nripendra.
Sivaraj, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stuig, Mr. B. M.
Stewart, The Honourable Sir Thomas.
Sultan Ahmed, The Honourable Sir Saiyid.
Thorne, Mr. J. A.
Tylden-Pattenson, Mr. A. E.
Umar Aly Shah, Mr.
Yakub, Sir Muhammad.
Yamin Khan, Sir Muhammad.
Zafar Ali Khan, Maulana.
Ziauddin Ahmad, Dr.

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 24th August, 1937.