

16th February 1937

**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume I, 1937

(25th January to 19th February, 1937)

FIFTH SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,

1937



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1937**

M89LAD

Legislative Assembly.

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SARDAR SANT SINGH, M.L.A.

MR. M. GHILASUDDIN, M.L.A.

MR. MATHURADAS VISSANJI, M.L.A.

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LEGISLATIVE ASSEMBLY.

Tuesday, 16th February, 1937.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

MEMBER SWORN:

Mr. Frank D'Souza, M.L.A., (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

PETITION REGARDING CONFISCATION OF A HINDI SINDHI MUSAFERKHANA OF SINDHI EMIGRANTS.

399. ***Mr. M. Asaf Ali:** (a) Is it a fact that one Mahmud Hamza Abro sent to His Excellency the Governor General a petition, dated the 14th March, 1935, inviting the attention of the Government of India to the confiscation of a *Hindi Sindhi Musaferkhana* of Sindhi emigrants, which application was referred to the Foreign Secretary?

(b) What steps has the Foreign Secretary taken to ascertain the true facts of the case, and to redress the complaint of Sindhi Hindus in this respect?

Sir Aubrey Metcalfe: (a) Yes.

(b) The Government have been in constant communication with His Britannic Majesty's Consul, Damascus, on the subject of the Hindi Sindhi Musaferkhana. The enquiries made show that the Sindhi Zawiya was privately founded by certain pious pilgrims who are believed to have been Sindhis. The French Syrian Government's Awkaf Department is now responsible for the administration of the Zawiya and the Waqf has never been entrusted to the British Consulate at any time. The British Consul has however spontaneously interested himself in its welfare and has intervened, not without success, with the French authorities and the Syrian Government to improve the state of the Zawiya as far as possible. The last communication received from him states that during the past year not a single Sindhi pilgrim is registered as having visited Damascus. In view of the apparent cessation of visits by Sindhi pilgrims no further action seems necessary at present.

TICKETLESS TRAVELLERS ON STATE RAILWAYS.

400. ***Sardar Sant Singh** (on behalf of Mr. Amarendra Nath Chattopadhyaya): Will Government be pleased to state the total number of "Ticketless" travellers on different State Railways, and the number of those convicted, and the punishments administered by special magistrates in the shape of fines and imprisonment from 1st April, 1936, to December, 1936.

The Honourable Sir Muhammad Zafrullah Khan: I have called for particulars for 1936 similar to those given for previous years in my reply to Quazi Muhammad Ahmad Kazmi's unstarred question No. 79 on the 15th September, 1936, and will lay a reply on the table when it has been received.

IMPROVEMENTS MADE IN TRAIN SERVICES ON STATE RAILWAYS.

401. ***Sardar Sant Singh** (on behalf of Mr. Amarendra Nath Chattopadhyaya): (a) Will Government be pleased to state the nature of improvements made in train services on State Railways all over India during 1936 and up to January, 1937?

(b) What improvements have been made in the matter of booking and delivery arrangements?

(c) How many canvassers have been appointed for attracting traffic to Railways and at what pay or rate of commission?

(d) How many of those canvassers are purely Indians, Anglo-Indians and Europeans?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (d). The information asked for is not available at present. The more important changes made in regard to such matters of administrative detail are generally embodied in the annual reports submitted by Railways to Government. These reports for the year 1936-37 will be submitted by Railways by about August, 1937.

INCOME SECURED BY THE RESERVATION OF THIRD AND INTERMEDIATE CLASS SEATS ON RAILWAYS.

402. ***Sardar Sant Singh** (on behalf of Mr. Amarendra Nath Chattopadhyaya): Will Government state the income secured by Railways by the system of reserved seats in the third and intermediate classes during the period April, 1936, to December, 1936?

The Honourable Sir Muhammad Zafrullah Khan: I would refer the Honourable Member to the reply I gave to Babu Baijnath Bajoria's starred question No. 391 on the 12th February, 1937.

APPOINTMENT OF ACCOUNTANTS ON CERTAIN RAILWAYS ON THE SEPARATION OF AUDIT AND ACCOUNTS SERVICES.

403. ***Maulvi Muhammad Ahsan:** (a) Are Government aware that with the separation of Audit and Accounts Service, the services of the members of the Subordinate Accounts Service were localised?

(b) Are Government aware that on account of this localisation, when the posts of accountants on the East Indian and the Great Indian Peninsula Railways were being filled up with the unqualified hands by exempting them from examination, hundreds of qualified hands on the North Western Railway and in the Railway Clearing Accounts Office were working in the clerical grade?

(c) Is it a fact that certain clerks were transferred from one railway to another to get accountants' posts?

(d) If the reply to part (c) above be in the affirmative, will Government please state what safeguards they have provided to avoid supersessions in case of such transfers?

Sir Raghavendra Rau: (a) Yes.

(b) Confirmations, on the East Indian and Great Indian Peninsula Railways, were made on local cadres from amongst the eligible men; and no exemptions were given merely to complete the cadres.

(c) No.

(d) Does not arise.

MUSLIM EMPLOYEES OF THE DRAWING BRANCH OF THE OFFICE OF THE DIVISIONAL SUPERINTENDENT, NORTH WESTERN RAILWAY, DELHI.

404. *Maulvi Muhammad Ahsan: Will Government please state:

- (i) the number of Drawing Branch employees of the office of the Divisional Superintendent, North Western Railway, Delhi, who got promotion to higher grade during the period the present Head Draughtsman has been there;
- (ii) the number of the Drawing Branch Muslim employees of that office who were declared unfit for further promotion during his period; and
- (iii) the number of Muslim employees of the Drawing Branch of that office who were declared unfit for further promotion before his appointment as Head Draughtsman?

The Honourable Sir Muhammad Zafrullah Khan: (i) Two (both Muslims).

(ii) Three Tracers, grade I, were declared unfit by their Executive Officers.

(iii) No information is available.

POSTING OF UNQUALIFIED ASSISTANT STATION MASTERS AT SUBZIMANDI AND DELHI RAILWAY STATIONS.

405. *Maulvi Muhammad Ahsan: (a) Are Government aware that Messrs. Charan Singh and Sen, unqualified hands, are working as assistant station masters at Subzimandi and Delhi stations, respectively?

(b) Are Government aware that Mr. Paul, a most junior man, is officiating as a station master at Delhi main station.

(c) Are Government aware that there are Agent's orders to the effect that unqualified hands should not be posted as assistant station masters at important stations like Subzimandi and Delhi?

(d) If the reply to parts (a) and (b) above be in the affirmative, will Government please state if qualified hands are not available in Delhi Division?

(e) If the reply to part (d) above be in the affirmative, will Government please state why qualified hands are not transferred from other Divisions to this Division?

(f) If the reply to part (d) above be in the negative, will Government please state the special reasons for posting unqualified hands, and also the reasons for giving such concessions to non-Muslims only, while even qualified Muslims are harassed in this Division?

The Honourable Sir Muhammad Zafrullah Khan: (a) Messrs. Shivcharan Singh (not Charan Singh) and David Sen (not Sen) are working as Assistant Station Masters at Subzimandi and Delhi stations, respectively, and both of them are qualified in the duties of an Assistant Station Master.

(b) Mr. Paul officiated as Station Master, Delhi Main, for a short time as he is qualified in Station Master's duties, whereas those of his seniors available at the time were not so qualified.

(c) Unqualified men cannot be employed as Assistant Station Masters at any station.

(d), (e) and (f). In view of the replies to parts (a), (b) and (c) above, these do not arise.

RE-ORGANISATION OF THE CENTRAL PUBLIC WORKS DEPARTMENT.

406. *Dr. Ziauddin Ahmad: (a) Are Government contemplating to re-organise the Public Works Department now under the Government of India?

(b) Are they contemplating to appoint a Chief Engineer under the Chief Commissioner of Delhi, who will also be the Secretary of the Public Works Department?

(c) What is the reason for the transfer of responsibility from Government of India to the Chief Commissioner of Delhi?

(d) Will the new arrangement be more economical?

The Honourable Sir Frank Noyce: (a) and (c). One of the Superintending Engineers of the Central Public Works Department at present functions as the Secretary to the Chief Commissioner, Delhi, in the Public Works Department. It is proposed to form an independent circle for Delhi Province for all works falling under the administrative control of the Chief Commissioner and to place it under a Superintending Engineer, responsible to the Chief Commissioner. The arrangement is expected to secure more prompt and expeditious execution of proposals arising out of Mr. Hume's report on the relief of congestion in Delhi, and of other schemes which are already in hand or projected in Delhi Province.

(b) No.

(d) No, but the difference in cost is likely to be insignificant.

SCRAP STEEL SOLD TO A JAPANESE FIRM BY THE NORTH WESTERN RAILWAY.

407. *Sardar Sant Singh: (a) Is it a fact that about 8,000 tons of scrap steel (export scrap) was sold to a Japanese firm by the North Western Railway? If so, when?

(b) What was the rate per ton *f.o.r.* Depots on the North Western Railway?

(c) Who was the officer in charge of the Karachi Depot who dealt with deliveries of export scrap under the contract?

(d) Is it a fact that this officer went on leave after the deliveries of export scrap and visited Japan?

The Honourable Sir Muhammad Zafrullah Khan: (a) 6,035 tons of light and heavy export scrap were sold by the North Western Railway to a Japanese firm, Messrs. Mitsui Bussan Kaisha, Limited, Karachi, in March, 1933.

(b) By deducting freight charges at condemned railway material rate from the price realised, the rates per ton *f.o.r.* depôts were as follows:

	Light.			Heavy.		
	Rs.	A.	P.	Rs.	A.	P.
Moghalpura	6	14	5 per ton	3	14	5 per ton.
Jhelum	5	13	3 „ „	2	13	3 „ „
Shakurbasti	4	8	0 „ „	1	8	0 „ „
Raewind	7	3	1 „ „	4	3	1 „ „
Sukkur	14	4	6 „ „	11	4	6 „ „

(c) Mr. A. R. Sarin.

(d) The answer is in the affirmative.

Sardar Sant Singh: May I know if it is a fact that this gentleman visited Japan and the passage money was paid by the Japanese firm which purchased this iron?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member had put down that question, but it was disallowed by the Honourable the President.

Sardar Sant Singh: No doubt it has been disallowed; but may I know if it is not a supplementary question worth asking, because the sting of the whole question is this, that this gentleman visited Japan as the guest of this company. May I ask if the Honourable Member will reply to this question?

Mr. President (The Honourable Sir Abdur Rahim): What is the question?

Sardar Sant Singh: The question is whether the gentleman who carried on this sale on behalf of the North Western Railway visited Japan as a guest of the firm which purchased the iron?

Mr. President (The Honourable Sir Abdur Rahim): That was disallowed. The Honourable Member cannot put it.

EMPLOYMENT OF AUSTRALIANS IN INDIA AND INDIANS IN AUSTRALIA.

408. ***Sardar Sant Singh:** (a) Will Government be pleased to state if any Australians are in the services of any of the Provincial Governments or in the service of the Government of India? If so, how many?

(b) Are there any Indians in the services of any of the Provinces in Australia? If so, how many? If not, is it a fact that there are prohibitions for the employment of Indians in Australia?

(c) Are there any Australians practising in medicine or other professions in India? If so, how many?

(d) Is it a fact that no Indian medical man is permitted to practise in Australia? If so, do Government propose to ask the Government of Australia to enter into reciprocity agreement in this matter?

The Honourable Sir Henry Craik: (a) I regret that I have no information on this point.

(b) So far as the Government of India are aware, there is no statutory bar to the appointment of resident Indians to the civil services in Australia but they have no information as to the number of Indians so employed.

(c) Government have no information.

(d) No. Government understand that Indians who possess medical degrees registrable in Great Britain are entitled to practise in Australia. As regards reciprocity, the Medical Council of India is in negotiation with those States of Australia which have medical qualifications of their own.

Sardar Sant Singh: May I know if it is a fact that a Muhammadan gentleman, fully qualified medically, asked the Government of India to let him know if any passport could be issued to go and settle in Australia as a private practitioner, to which the Government of India replied by sending him an extract from the immigration laws of Australia telling him that he could not.

Sir Girja Shankar Bajpai: I do not know whether the Government of India have any information with regard to this particular individual, but the position in Australia is that no one, who was not settled there before 1918, may go and settle there for purposes of practice or anything else.

Sir Muhammad Yakub: Are there any similar laws in India against Australian doctors?

Sir Girja Shankar Bajpai: I do not know whether there are any laws in India as regards Australian doctors as such.

Sir Muhammad Yakub: Australian doctors or any other foreign doctors or from the colonies?

Sir Girja Shankar Bajpai: In so far as practising in India is concerned, that is regulated by the Indian Medical Council. So far as entry into India is concerned, my Honourable friend knows that there is a law empowering the Governor General in Council to make regulations to prevent the entry into India of anybody they like, but actually no regulations have been framed under that Act.

Mr. M. Ghiasuddin: In view of the treatment meted out to Indians in Australia, are Government prepared to make regulations to prevent Australian doctors from entering this country?

Sir Girja Shankar Bajpai: In so far as that is concerned, I do not see that the Government of Australia would have any objection to our making regulations to restrict the entry into India of Australian or any other kind of doctors; but I doubt whether it will be of any practical value, as I am not aware of any Australian Doctor wishing to come and settle down in India for purposes of practice.

Mr. Muhammad Azhar Ali: Do Government propose to inform the Government of Australia that if such treatment is meted out to Indians the Government of India will also have to reciprocate?

Sir Girja Shankar Bajpai: I have already answered that question.

INCOME-TAX DEDUCTED BY THE RESERVE BANK OF INDIA FROM THE DIVIDENDS PAID ON ITS SHARES.

409. *Sir Muhammad Yamin Khan: (a) Are Government aware of the fact that Income-tax at the highest rate is deducted by the Reserve Bank from the dividend which it pays on its shares?

(b) Are Government aware that the procedure to be adopted in getting back the sum so deducted causes great hardship to those share-holders whose incomes are not high enough to pay income-tax?

(c) Are Government aware that the Reserve Bank deducted rupees two and a few annas as income-tax out of rupees thirteen and a few annas, which were declared as dividend last time and the poor share-holders living in villages had to spend more than what had been deducted to get it back?

(d) What remedy do Government propose to remove this hardship?

(e) Are Government prepared to order the Reserve Bank to pay full dividend without deducting income-tax and leave the assessment of tax to the Income-tax Officers?

The Honourable Sir James Grigg: (a) Yes, unless a certificate has been obtained under the proviso to sub-section (3) of section 18 of the Indian Income-tax Act.

(b), (c) and (d). The hardship referred to can be avoided by having recourse to the benefit of the proviso mentioned in answer to part (a). The Central Board of Revenue has recently prescribed a suitable form of certificate for this purpose.

(e) No.

Sir Muhammad Yakub: Do Government realise how difficult it is for a poor man living in a village in the interior of the country to come, say 40 miles from his village and present himself before the income-tax officer and obtain a certificate? Probably he will have to spend Rs. 20 for getting a remission of two or five rupees. Do Government propose to do anything to relieve this hardship?

Mr. N. M. Joshi: The poor man would have no money to buy a share.

The Honourable Sir James Grigg: That is so: anyhow the position is exactly the same as with Government paper; and I do not see any reason to discriminate between Government paper and Reserve Bank shares. I am always sceptical about men having to walk 20 miles to get tax exemptions.

Mr. Muhammad Azhar Ali: Generally the Indian companies issue certificates about the levy of income-tax; has the Reserve Bank taken any steps to issue such certificates of exemption?

The Honourable Sir James Grigg: The Reaerye Bank cannot issue, nor can any other company issue, a certificate of exemption.

IMPORT DUTY ON PLAIN COTTON FENTS FROM THE UNITED KINGDOM.

410. ***Babu Baljnath Bajoria:** (a) Is it not a fact that the import duty on plain cotton piecegoods from the United Kingdom is 20 per cent. *ad valorem* while the import duty on plain cotton fents from the United Kingdom is 25 per cent. *ad valorem*? If so, why?

(b) Is it not a fact that the import duty on fents of other descriptions, e.g., artificial silk, pure silk, etc., from the United Kingdom is much lower than the respective import duty on piece-goods of the same description?

(c) Are Government prepared to take immediate steps to remove the anomaly that exists regarding the import duty on plain cotton fents? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) If by "plain cotton piece-goods" the Honourable Member means "piece-goods other than grey" the position is as stated by him. The rate of import duty on such piece-goods from the United Kingdom was reduced from 25 per cent. *ad valorem* to 20 per cent. *ad valorem* in pursuance of the recommendations of the Special Tariff Board.

(b) The Honourable Member's attention is invited to Items 48, 48 (1), 48 (4), 48 (5), and 49 (1) of the Import Tariff Schedule in the Indian Customs Tariff (Thirteenth Issue), copies of which are in the Library.

(c) No Sir. Government have considered the matter recently and propose to take no action. Enquiries show that the lower price of fents as compared with the price of sound goods allows the fents to be sold more cheaply, even after paying the higher percentage of duty. That the trade in fents from the United Kingdom has not been hampered by the difference in duty is shown by the fact that imports of such goods for the period April to November, 1936-37, rose to 4,408,553 yards from 3,825,409 yards during the same period of the previous year.

PAYMENT OF ACTUARIAL VALUE IN LIEU OF PENSIONS TO THE STAFF OF THE CURRENCY OFFICES TRANSFERRED TO THE RESERVE BANK OF INDIA.

411. ***Mr. Lalchand Navalrai:** Will Government be pleased to state whether it is intended to pay to the pensionable staff of the Currency Offices in India, transferred to the Reserve Bank of India, some actuarial value in lieu of pension? If so, how are the calculations made to get the figures of actuarial value, and when will the amount be communicated to the staff?

Mr. Lalchand Navalrai: Before I put this question, I should like to correct a verbal mistake. In the last but one line, the word "amount" should read "information", so that the question will read:

"If so, how are the calculations made to get the figures of actuarial value, and when will the information be communicated to the staff"?

The Honourable Sir James Grigg: I thank the Honourable Member for the correction, but I do not think it makes any material difference to the answer I am going to give.

Mr. Lalchand Navejrai: It is only a verbal alteration.

The Honourable Sir James Grigg: The answer is:

The information is being collected and will be laid on the table of the House in due course.

Mr. N. M. Joshi: Why is notice given to Government if they are going to reply to a simple question like this, after 10 days, that they are collecting information? You will see from the question, Sir, that there is not much to collect there?

The Honourable Sir James Grigg: That is a matter of judgment.

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot pronounce any opinion on that.

Sir Muhammad Yakub: May I put questions Nos. 412 and 413 on behalf of Dr. Ziauddin Ahmad?

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member got authorisation letter?

Sir Muhammad Yakub: Not in this particular case; but when Dr. Ziauddin Ahmad had left the station, he gave me general instructions, but not particularly about these questions.

Mr. President (The Honourable Sir Abdur Rahim): As a special case, the Chair will allow the Honourable Member to put these questions.

RESHUFFLING OF PORTFOLIOS IN CERTAIN GOVERNMENT OF INDIA DEPARTMENTS.

412. ***Sir Muhammad Yakub** (on behalf of Dr. Ziauddin Ahmad): (a) Are Government contemplating to reshuffle the portfolios in the Departments of Railway and Commerce, and Industries and Labour?

(b) Are Government contemplating to create a portfolio of communications? If so, what branches of administration will come under this portfolio?

(c) When will the new scheme come into operation?

The Honourable Sir Frank Noyce: I have nothing to add to the reply which I gave to Mr. Satyamurti's starred question No. 1111 on the 11th March, 1936.

REPRESENTATION REGARDING TRADE WITH GERMANY.

413. ***Sir Muhammad Yakub** (on behalf of Dr. Ziauddin Ahmad): (a) Did Government receive any representation from the Federation of Indian Chamber of Commerce on the subject of trade with Germany?

(b) Are Government considering the representation?

(c) What steps do Government want to take to restore our export trade with Germany which has diminished from 26.6 in 1929-30 to 8.7 in 1935-36?

(d) Do Government contemplate opening negotiations with Germany on the basis of clearing house as suggested in the representation?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Yes.

(c) and (d). I would invite the attention of the Honourable Member to the reply given by me to Mr. T. S. Avinashilingam Chettiar's starred question No. 1400 on the 23rd March, 1936. I am unable at the moment to add anything to what was stated in that reply.

STUDENTS ADMITTED IN THE LADY HARDINGE MEDICAL COLLEGE.

414. ***Mr. Muhammad Azhar Ali:** (a) How many students were admitted in the Lady Hardinge Medical College this year?

(b) How many of them were Muslims, and how many were Hindus, Sikhs and Christians?

(c) How many Muslim and Sikh candidates applied for admission, and why were all applications rejected?

Sir Girja Shankar Bajpai: (a) 26 students were admitted for the 1936-37 Session.

(b) 19 Hindus, 2 Muslims, 2 Sikhs and 3 Anglo-Indians and Indian Christians.

(c) A statement is laid on the table, from which it will be seen that all applications were not rejected.

Statement.

The facts about admission of students into the Medical and preliminary Intermediate Science Classes are as follows:

1st Year Medical Class.—Two Muslim students applied for admission and were selected.

One Sikh student applied for admission but was rejected as there were candidates with better qualifications.

1st Year Science Class.—One Muslim student applied and was selected for admission but she did not join.

Three Sikh students applied for admission; two were admitted and the third was rejected as she had not the requisite qualifications.

QUARTERS IN NEW DELHI.

415. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Will Government be pleased to state whether the orthodox and unorthodox quarters, classes A, B, C and D, in the New Delhi area were primarily constructed for the ministerial establishment of the Government of India?

(b) If so, what criterion is observed in allotting those quarters?

The Honourable Sir Frank Noyce: (a) Yes. The quarters referred to have been constructed primarily for the ministerial establishments of the Government of India as a whole, *i.e.*, for both the migratory and the non-migratory personnel required to reside on duty with the Government of India in New Delhi.

(b) The allotment of the quarters is made strictly in accordance with the Rules on the subject, and no difference is made between the migratory and non-migratory staff in the matter of allotment of quarters. A copy of the Rules has been placed in the Library of the House.

QUARTERS IN NEW DELHI OCCUPIED BY THE STAFF IN THE NON-MIGRATORY OFFICES.

416. ***Maulvi Syed Murtuza Sahib Bahadur:** Is it a fact that a large number of orthodox and unorthodox quarters in New Delhi is occupied by the staff in the non-migratory offices, such as Central Public Works Department, Accountant General, Central Revenues, Auditor General's staff, etc.. etc.?

The Honourable Sir Frank Noyce: Yes.

RETENTION OF QUARTERS IN NEW DELHI BY THE NON-MIGRATORY STAFF ON BECOMING ENTITLED TO A HIGHER CLASS OF ACCOMMODATION.

417. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Will Government be pleased to state whether the non-migratory staff on becoming entitled to a higher class of accommodation are allowed to retain the class already in occupation until such time as they are allotted their own class of quarter?

(b) Is it a fact that the migratory staff is denied this concession, and they are not allotted any quarters until such time as they are allotted a quarter of their own class?

(c) If the reply to the above part be in the affirmative, what is the reason for this differentiation in the case of migratory staff?

(d) Do Government propose to extend the same concession to the migratory staff? If not, why not?

The Honourable Sir Frank Noyce: The attention of the Honourable Member is invited to the reply given on the 20th March, 1933, to parts (c) and (d) of starred question No. 799 by Mr. Maswood Ahmad.

AUCTION OF CONTRACTS OF FOODSTUFFS ON STATE RAILWAYS.

418. ***Mr. Sham Lal:** (a) Has the attention of Government been drawn to a letter appearing in the *Daily Herald*, dated the 7th January, 1937, headed "Catering for Indian Passengers"?

(b) Is it not a fact that the system of calling for tenders for foodstuffs was tried on the East Indian Railway in one of its important Divisions and was subsequently given up as unworkable, as it was found averse to the interests of the travelling public?

(c) Is it not a fact that the system of calling for tenders on the East Indian Railway was replaced by the present system of charging a monthly licence fee from contractors according to the number of salesmen employed by them at each station?

(d) Is it not a fact that many of the petty contractors were replaced by the East Indian Railway by a limited number of contractors? If so, why?

(e) If the answers to parts (b), (c) and (d) be in the affirmative, do Government propose to adopt the same procedure on other State Railways?

(f) Is it a fact that the system of auctioning the shops was tried by the Lahore High Court and given up subsequently in favour of the old system of charging a nominal rent for shops?

(g) If the answer to parts (b) to (f) be in the affirmative, do Government propose to issue instructions to the State Railways to refrain from auctioning contracts of foodstuffs in future in the best interest of the travelling public?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b), (c) and (d). The only information Government have as regards the practice on the East Indian Railway is that given on pages 35 and 36 of the memorandum referring to "Catering contracts on railways" published in the proceedings of the meeting of the Central Advisory Council for Railways held in October, 1936.

(e) and (g). The question of catering contracts has been discussed with the Central Advisory Council for Railways whose views are now under consideration.

(f) Government have no information.

COMPLAINTS AGAINST MESSRS. SPENCER AND COMPANY, EUROPEAN CATERERS OF THE NORTH WESTERN RAILWAY.

419. ***Mr. Sham Lal:** (a) Will Government please state the total number of complaints received against Messrs. Spencer & Co., European caterers of the North Western Railway, received during the year 1936?

(b) Will Government please lay on the table copies of the complaints received against Messrs. Spencer & Co., European caterers, during the year 1936?

(c) Will Government please state the action ever taken by Government in regard to any particular complaint received against Messrs. Spencer & Co.?

(d) Will Government please lay on the table the copies of the action taken by them against Messrs. Spencer & Co. in reference to complaints received from time to time?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government have not received any complaints and are not aware whether any have been made to the officers of the Railway Administration.

(b), (c) and (d). Do not arise.

LOCATION OF LIQUOR AND TODDY SHOP NEAR A HINDU TEMPLE IN THE SECUNDERABAD CANTONMENT.

420. ***Mr. Sham Lal:** (a) Will Government be pleased to state whether it is a fact that under Residency Orders Notification No. 85/P, dated the 27th July, 1936, it has been declared that liquor and toddy shop will be located in houses Nos. 1908 to 1913 and 1972, in Secunderabad Cantonment and that these houses are needed for this purpose, which is declared to be for public purpose?

(b) Will Government be pleased to state whether it is also a fact that the suggested area is in the middle of the inhabited portion of the Pan Bazaar, Secunderabad Cantonment, and is quite close to the Hindu Temple?

(c) Is it a fact that the public of Secunderabad Cantonment has, in a petition, dated the 27th August, 1936, addressed to the District Magistrate and Collector of Secunderabad, objected to the location of liquor and toddy shop on the site proposed under the Residency Orders and have requested that they be kept at their present site, because it is on one corner of the lane?

(d) What action do Government propose to take to stop the erection of toddy and liquor shop at the proposed site?

Sir Aubrey Metcalfe: The information required is being collected and will be laid on the table in due course.

UNSTARRED QUESTIONS AND ANSWERS.

IMPROVEMENT OF THE HARDWAR RAILWAY STATION.

17. **Mr. Sri Prakasa:** With reference to the reply to starred question No. 663, on the 28th September, 1936, will Government make a statement of the progress made in the improvement of the Hardwar Railway Station in accordance with the proposals detailed in the same?

The Honourable Sir Muhammad Zafrullah Khan: Works already taken in hand:

- (a) Widening a small portion of main platform.
- (b) Shifting of goods shed to a better site.
- (c) Approach roads to station widened and improved.
- (d) Regarding pilgrims' pens to facilitate approach to platforms.
- (e) Alterations to station building. Existing island platform will remain.

Works still to be approved:

- (a) New foot over-bridge.
- (b) New waiting rooms on main platform.
- (c) Completion of widening of main platform.
- (d) Sanitary arrangements and septic installations for all waiting room lavatories and third class latrines.
- (e) Provision of a separate island platform for excursion and pilgrims special trains.

ALLOWING OF THE USE OF COTS BY INFERIOR SERVANTS OF THE RAILWAY MAIL SERVICE.

18. **Mr. N. M. Johsi:** With reference to part (d) of the reply given by Government to my unstarred question No. 219, on the 26th February, 1936, will Government be pleased to state:

- (a) whether they have since asked the Director General, Posts and Telegraphs, to consider the suggestion of allowing the use of cots in Rest Houses by inferior servants of the Railway Mail Service, and
- (b) what action has the Director General taken in the matter?

The Honourable Sir Frank Noyce: (a) and (b). Orders have been issued by the Director-General sanctioning under certain conditions the supply of cots in Railway Mail Service rest houses for the use of inferior servants from the next financial year.

PAYMENT OF EXTRA DUTY ALLOWANCE TO THE RAILWAY MAIL SERVICE STAFF.

19. **Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) whether it is a fact that the method of calculating extra duty allowance in the Railway Mail Service on the basis of curtailment of rest has now been abolished;
- (b) whether the allowance is now paid for the actual extra duty rendered and whether the rate of payment is six annas for six hours only;
- (c) whether they are aware that six annas for six hours extra duty rendered, is less than the allowance paid by way of a day's salary to an inferior servant;
- (d) whether any representation was received by them from the All-India Postal and Railway Mail Service Union on this point, praying *inter alia* for a copy of the orders under which the principle of curtailment of rest was followed in the payment of the extra duty allowance;
- (e) whether the supply of the orders was refused to the Union on the ground that they were departmental notes; and
- (f) whether they propose to give to the said Union the copy of the orders asked for and revise the present method of payment of the extra duty allowance by reintroducing the principle of curtailment of rest?

The Honourable Sir Frank Noyce: (a) No.

(b) No. The rate of payment is 6 annas for a period exceeding 3 hours upto 6 hours, as laid down by rule.

(c) Government consider the remuneration to be adequate for the curtailment of rest.

(d) and (e). Yes.

(f) The reply to the first part is in the negative and as regards the second part the extra duty allowance is based on the principle of curtailment of rest.

PAYMENT OF OUTSTATION ALLOWANCE TO THE RAILWAY MAIL SERVICE OFFICIALS.

20. **Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) whether it is a fact that in regard to the payment of the out-station allowance to the Railway Mail Service officials, the first 12 hours of the journey are ignored from the total period of absence of those officials from their headquarters;

- (b) whether in reply to a representation submitted by the All-India Postal and Railway Mail Service Union, Delhi, praying for an enhancement of the present rates as also for the cancellation of the orders regarding the exclusion of the first 12 hours, it has been stated by the Director General, Posts and Telegraphs, that the allowances were sanctioned as a contribution towards the extra cost of arranging for their second and subsequent meals when away from home, the first meal being taken out with them;
- (c) whether in England the rates of this kind of allowance are far more liberal than those in India and whether an absence from headquarters of even one hour is valued and compensated for;
- (d) whether in reply to a deputation of the Union that waited on the Honourable Member on the 25th February, 1930, this point was discussed and whether it was stated that Government were not prepared to revise the rates just at that time; and
- (e) whether they propose to consider the question now and adopt a basis of payment as in England?

The Honourable Sir Frank Noyce: (a) and (b). Yes.

(c) The system in force in England is entirely different from that in India and no comparison can be made between the allowances granted in England and those granted in India.

(d) Yes.

(e) Attention of the Honourable Member is invited to the reply given to part (e) of starred question No. 1386, put by Pandit Lakshmi Kanta Maitra in this House on the 23rd March, 1936. Government are of opinion that the existing rates are adequate for the purpose for which they are intended and are not prepared to enhance them; nor do they propose to attempt to assimilate the payments to those granted in England where the system and conditions are entirely different.

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

Mr. President (The Honourable Sir Abdur Rahim): The following Message has been received from His Excellency the Governor General:

"In exercise of the powers conferred by Rule 2 of the Indian Legislative Rules, I, Victor Alexander John, Marquess of Linlithgow, hereby appoint the Honourable Sir Muhammad Zafrullah Khan to perform the functions assigned to the Finance Member under Rule 46 of the said Rules on the occasion of the general discussion appointed for Thursday, the 18th February, 1937, on the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.

LINLITHGOW,
Viceroy and Governor General."

New Delhi;
The 15th February, 1937.

RAILWAY BUDGET FOR 1937-38.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Sir Muhammad Zafrullah Khan will now present a statement of the Estimated Expenditure and Revenue of the Governor General in Council for the year 1937-38 in respect of Railways.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I rise to present to the House the Railway Budget for 1937-38. Honourable Members are being furnished with the usual Memorandum and documents and, without detaining the House over any preliminary remarks, I shall proceed to place before the House the revised estimates for the current year and the budget estimates for the next year with a brief reference to the financial results of 1935-36. These last are described in detail in the Administration Report issued by the Railway Board last month. The budget estimates for that year allowed for a deficit of under 2 crores, practically all in respect of strategic lines. From about the middle of February, 1935, however, railway receipts began to exhibit a downward tendency as compared with the earnings of the previous year and this tendency persisted almost unchecked till the presentation of last year's budget. The revised estimates presented by me last February put the deficit at just over 4½ crores. The actual result at the close of the year was slightly better; we closed with a deficit of 4 crores, of which 2 crores was attributable to strategic lines.

2. A change in the system of allocation which was introduced with effect from the current year after consultation with, and on the advice of two Committees of this House, the Public Accounts Committee and the Railway Standing Finance Committee, has complicated the task of comparing the current year's results with last year's, and before I proceed to place before the House the revised estimates for 1936-37, it would, perhaps, be desirable to explain briefly how the estimates of the two years have been affected by this change. As Honourable Members are probably aware, the object of the change is to reduce over-capitalisation and to put our allocation of expenditure on works on a sounder and more logical basis. It is somewhat difficult to set out briefly in non-technical language the exact nature of the change. Those Honourable Members who are interested in the technical side of the question will find a detailed explanation of the proposals together with the reasons therefor in the Financial Commissioner's Review of the Appropriation Accounts of Indian Railways for 1934-35. The change consists mainly in providing that capital should generally be charged only with that part of the cost of an asset renewed which represents a definite improvement, that all renewals and replacements should be charged to the Depreciation Fund (including renewals of non-wasting assets which had hitherto been treated as part of working expenses) and that all sums received from the disposal of assets replaced should be credited to the Depreciation Fund. It is expected that, in a normal year, the ultimate result of these changes as compared with the previous rules should be a reduction of capital expenditure by 1½ crores per annum, an increase in the Depreciation Fund expenditure of about 1½ crores per annum and a reduction in the net revenue of about ½ crore. For 1936-37, it is expected that the result will be a reduction in capital of ½ crore, a net increase of about 36 lakhs in expenditure charged to the Depreciation Fund and a reduction in the

net railway revenue of the year of about 36 lakhs. The result for 1937-38 is expected to be very similar. In comparing the figures for 1936-37 and 1937-38 with those of earlier years we would, as a result of these changes, be understating, to an appreciable extent, the actual improvement in our position.

3. With this brief explanation, I shall proceed to give the House our present anticipations of the results of the current year, and here I am glad that I have a more cheerful account to place before the House than I was able to last year. As I have already stated, our actual deficit last year was 4 crores. When I presented the budget for the current year, I anticipated a similar result this year and put the deficit at 3½ crores. Almost immediately after the presentation of the budget our earnings began to improve, and the improvement tended to become steadier and more marked as the year advanced, so that, I think, we would be justified in taking a less gloomy view of the situation than the one that presented itself to us this time last year. The result of the current year's working is now expected to be a small surplus of 15 lakhs. (Applause.) If the change in the system of accounting to which I have referred had not been introduced the surplus would have been over half a crore.

4. Our gross traffic receipts are now estimated at 95 crores, 4½ crores more than last year's figures. The corresponding increase in the working expenses is comparatively slight and we expect our total net revenue to be 31 crores. This is 3½ crores better than last year, or nearly 4 crores better, assuming the change in allocation to which I have referred had not been made. Commercial lines by themselves are expected to show at the end of the year a surplus of just over 2 crores. The loss on strategic lines will be 1·89 crores. The result of the year's working will, after meeting our interest charges in full, leave a surplus of 15 lakhs which will be utilised for repaying in part the amount borrowed in previous years from the Depreciation Fund. The actual balance in the Depreciation Fund will, at the end of the year, stand at about 15½ crores. Our total borrowings from the Fund will be reduced to 31½ crores; but for these borrowings the actual balance in the Depreciation Fund would have amounted to nearly 47 crores. Of this about 1½ crores represents accumulations in respect of the Burma Railways and will be handed over to Burma on the 1st April next on its separation from India.

5. Though our present estimates of traffic receipts in the current year are 4½ crores above the receipts of the last year, receipts in respect of passenger traffic are disappointing and our revised estimate of these receipts is 18 lakhs less than the earnings of last year and 60 lakhs less than our budget estimate. The total number of passengers carried in the first seven months of the year is less by ¼ per cent. and passenger miles by 2 per cent. as compared with the figures for last year. The average lead per passenger is 34½ miles or half a mile lower than in the previous year. Different railways made various kinds of efforts to improve earnings on passenger traffic such as the quotation of cheap return fares, the "travel-as-you-please" tickets at reduced rates for limited periods and the special arrangement on the Assam Bengal Railway by which the third class fare for any distance between the southern and the northern sections of the system was made subject to a maximum limit of Rs. 5. Though all these devices were successful in varying degrees, they failed to prevent

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a deterioration in total earnings under this head. It is difficult to avoid the conclusion that unregulated and uneconomic bus competition is on the increase and continues to make serious inroads into Railway earnings.

6. Receipts in respect of goods traffic on the other hand have been very much ahead of anticipations. Better crops and higher prices have combined to give us a considerably increased traffic. The total carried on the first seven months of the year recorded an increase of 1 per cent. in tonnage and 2 per cent. in ton mileage over last year's figures. The total number of wagons loaded on class I railways upto the end of December was 3 per cent. better than in the corresponding period of last year on the broad gauge and 6½ per cent. better on the metre gauge. The total receipts from goods traffic are now expected to show an improvement of over 4 crores (nearly 7 per cent.) as compared with last year and 4½ crores as compared with the Budget Estimates. Except for coal and manganese, figures for each of the principal commodities show a considerable increase over last year's figures. As regards manganese, I might mention that during the previous year the Bengal Nagpur Railway carried exceptionally heavy traffic. Oil-seeds, which were very disappointing last year, have recovered, and the traffic in this commodity during the first seven months of the year was 31 per cent. better than during the corresponding period in the previous year.

7. During the course of the year, the railways took different steps to increase traffic earnings in respect of goods also and I might mention a few instances for the information of the House. The rebate on coal exported out of India was increased by eight annas per ton as we were satisfied that it would stimulate the export of Indian coal to eastern markets and an immediate result was that Indian coal competed successfully with South African coal for the Ceylon Government Railways and we hope that further effects of this reduction of freight may soon be noticed in the shape of larger exports of Indian coal to Singapore, Hongkong and the Netherlands East Indies. The rebate of 25 per cent. on wheat exported from Karachi to ports west of Aden which was introduced last year was continued during the current year and was extended to ports east of Singapore. The exemption from the surcharge on the coal freight hitherto enjoyed by bunker coal was withdrawn with effect from November last as we were convinced that this would not affect the traffic to Calcutta. The freight rates on Central Provinces coal have been brought upto a level with the scale applicable to Bengal coal for longer distances.

8. With an expected increase of over 4½ crores in receipts it was only to be expected that our expenditure should also show some increase. Our ordinary working expenses are expected to be 62 lakhs more than last year (of which 8 lakhs is on account of restoration of the cut in pay) and 24 lakhs above the budget estimates. In the accounts, however, owing to the change in allocation already referred to by me the total working expenses will appear at a figure which is ½ crore below the budget estimates and 12 lakhs below the figure for the previous year.

9. As I have said earlier in the course of my speech, our borrowings from the Depreciation Fund will at the end of the year stand at 31½ crores. This, however, will not be the only liability of the Railways under the present arrangement at the end of 1936-37. In addition to the liability

to repay loans from the Depreciation Reserve, which are a first charge on future surpluses, railways have an undischarged liability to general revenues which would come into operation immediately these loans have been repaid. When Railways can begin to earn surpluses, and before they can resume payment of normal contributions, they are expected to repay to general revenues the accumulated arrears of contributions payment of which has been suspended since 1931-32, and which will at the end of 1936-37 amount to 30½ crores. The Separation Resolution provides that if in any year railway revenues are insufficient to provide a contribution to general revenues of one per cent. on the capital at charge, surplus profits in the next and subsequent years will not be deemed to have accrued for purposes of division unless such deficiency has been made good. Even if we assume that from the next year railways would begin to earn surpluses, existing liabilities will not be completely discharged for many years and meanwhile further liabilities in respect of contributions to general revenues will continue to accumulate. It will thus be impossible for Railways to resume current contributions to general revenues within any reasonable period that can be foreseen. The wisest plan in the circumstances appears to be to write off all these liabilities and to start the next year on the basis of a clean slate so far as these liabilities are concerned. It might be urged that the adoption of this course would result in depleting the Depreciation Fund to an unduly low figure. An objection of this kind would have some theoretical validity but I do not think we would be incurring any undue risk in adopting the course that I have suggested. The actual balance in the Depreciation Fund at the end of 1936-37 is expected to be in the neighbourhood of 14 crores, excluding the share of the Burma Railways, and, so far as we can foresee at present, current contributions to the Fund would be more than sufficient to provide for all our ordinary needs. The opening balance in 1937-38 may be safely regarded as sufficient to provide for all emergencies that we can at present foresee. Another consideration that might be urged is that general revenues should not definitely abandon all claims to the recovery of nearly 31 crores due under the present Convention. A moment's reflection will, however, convince Honourable Members that general revenues are likely to benefit far more under the suggested arrangement than under the present Convention inasmuch as if the Convention is not modified as suggested, general revenues would receive nothing till the Depreciation Fund has been repaid over 31 crores. On the other hand if the financial results of 1937-38 and succeeding years show surpluses, as we expect, general revenues would begin to derive some benefit immediately under the new arrangement. It would be well to remember in this connection that since the date of the separation of railway from general finances in spite of a prolonged period of exceptional depression, general revenues have on the whole received 42 crores from railways, an average of 3 crores per annum, in addition to nearly 26 crores on account of the loss on the working of strategic lines. It is, therefore, proposed to bring before the House for its consideration at an early date a resolution embodying an amendment of the Separation Resolution of September 1924 as outlined above.

10. From the 1st April next the Burma Railways will be separated from the Indian State Railway System and it would facilitate comparison of figures if I were to place before the House figures of the revised estimates of 1936-37 excluding Burma Railways. In the current year our

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total estimates of receipts from Indian Railways is 91½ crores. Our total working expenses are expected to be 61.18 crores. Including miscellaneous transactions our net revenue from which interest charges will have to be met will be just under 30 crores and thus the surplus in respect of the Indian System of Railways alone would be 42 lakhs. For 1937-38 we have estimated our gross traffic receipts at 90½ crores and our expenses at 61½ crores. Our total net revenue including miscellaneous receipts is expected to be 29½ crores and interest charges 29½ crores, the result being a surplus of 15 lakhs. This amount will in accordance with the modification of the Separation Resolution that I have outlined above, be transferred to general revenues.

11. It is possible that Honourable Members may be disposed to regard our estimate of earnings for 1937-38 as somewhat conservative. We consider, however, that there is still need for caution and that there would be no justification for estimating them at a higher figure. Indeed, I would be happy to discover at the end of the year that our estimate had not been a little too optimistic. We expect a small improvement in passenger earnings as a result of the general improvement in the economic situation that has been noticeable for some months. But, having regard to the proportions of competition from the roads, any improvement under this head cannot be very striking. On the other hand we are doubtful whether the present level of goods traffic can be relied upon as a definite index of conditions during the next year. In 1934-35 our earnings were nearly 3½ crores better than in the previous year but this was followed by a period of comparative stagnation and our optimistic forecasts in respect of 1935-36 were proved to have been unjustified. During the current year again we have experienced a steady increase in traffic but it is too early to predict with any confidence that the level attained during the last few months will be maintained. I believe I have gone as far as it would be safe to go in assuming that the total improvement in earnings that has taken place in the current year may be maintained at a slightly lower level on an average during the next year. I think there is at the moment not enough justification for assuming that the level of improvement reached during the last three months will be maintained throughout the next year.

12. We estimate our working expenses for 1937-38 at 48½ crores or 14 lakhs more than in the current year. The main reason for this increase is that, as a result of the introduction of Provincial Autonomy, it has been decided to give effect to the principle of sub-section (3) of section 187 of the Government of India Act, 1935, which provides that Railways shall pay to Provincial Governments the expenses incurred by the latter in the provision of police required for the maintenance of order on Railway premises. The total cost of this is estimated roughly at 16 lakhs. It has also been found necessary to make a special provision of 8 lakhs for reconditioning of wagons on the East Indian Railway as an alternative to the purchasing of new wagons. The cost of coal is expected to increase by about 6 lakhs on account of the rise in the price of coal. Against these increases we expect certain savings in repairs and maintenance of rolling stock and gratuity payments.

13. If these estimates turn out to be correct, the Depreciation Reserve, which will open with an actual balance of 13½ crores and will receive a net accretion of 6½ crores as the difference during the course of the year between the contributions to it and the withdrawals from it, will stand at 20½ crores at the end of the year.

14. The estimates which I have just presented to the House show a net surplus of 15 lakhs both for the current and for the next year, but, apart from the impossibility of forecasting at this date with any approach to accuracy what the results of the year beginning six weeks hence are likely to be, I think it my duty to sound a note of warning. These surpluses are based on the present system of accounting and, I believe, it will be generally agreed that, even after the modification introduced in the current year, the system leads to over-capitalisation, as it allows a debit to capital of expenditure which should, on sound financial principles, be correctly charged to the revenue of the year. The complete proposals of Government, which have received the general approval of the Public Accounts Committee and the Railway Standing Finance Committee, contemplate that revenue should provide about 1½ crores per annum for expenditure at present charged to capital to cover the cost of minor improvements and additions and of unremunerative works, and in addition about 5 crores for amortisation of capital. It is essential to remember that railways cannot be considered in a completely satisfactory position until they are able to provide at least the former amount. We cannot, therefore, afford by reason of these estimated surpluses to allow any relaxation in our efforts to improve still further the net revenues of our railways by economies in expenditure and increase in our earnings.

15. I now turn to our capital programme for 1937-38. The total programme of works not charged to Revenue will remain at about the same level as in the current year. It is only with regard to wagons that we shall incur larger expenditure. We propose to purchase 2,000 wagons instead of 750 for 1937-38 and this increase appears to be justified by the recent improvement in goods traffic. Our expenditure on rolling stock including the cost of these wagons will be 3½ crores. We are also providing 4½ crores for track renewals, ¾ crore for bridge works and 2½ crores for other structural works.

16. We have examined a few construction projects in the current year and have come to the conclusion that two lines in Sind are likely to prove remunerative. One is the Sind Right Bank Feeders line from Larkana to Jacobabad and the other from Pithoro to Tando Mitha Khan. If the Standing Finance Committee for Railways approves of these projects and they are ultimately sanctioned, we shall during 1937-38 require about 30 lakhs for these two projects.

17. The total cost of all works included in our programme for 1937-38, if everything works up to schedule and there are no delays of any sort, will be 11½ crores, of which ½ a crore will be met from stores in stock. From past experience, however, we can safely assume that it is very improbable that anything like the full provision will be utilised during the course of the year. Last year we applied a rough and ready standard of a cut of about 10 per cent. on account of non-utilisation and we now find that this was an under-estimate. For 1937-38, therefore we propose to make a larger all-round cut and have provided only 8½ crores under this head.

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18. It will have been noticed from what I have already said that we do not propose to embark upon a large programme of expenditure or development. We do not feel that we would be justified in doing this even though there are signs that we have at least temporarily got away from the worst of the depression. In saying this I do not wish to imply that we are making no preparations for the better times which we all hope are in prospect. We fully realise that, if traffic develops, we must be prepared to deal with it and move forward with the times. But till there are more substantial indications that we are in for a prolonged period of prosperity, it would be wise to move cautiously. Various reasons have been given for the increase in our earnings during the current year. Some people believe that the increase is due mainly to the rise in commodity prices. In a country like India any rise in the prices of staple commodities is bound to enhance the spending capacity of the bulk of the people and Railways in due course would get their share of this additional prosperity. Other people claim that the main reason for the improvement must be sought in the rapid deterioration of the international situation and that, therefore, the improvement is likely to prove to be only temporary and is based on no firm foundation. There are still others, and among them very eminent authorities, who consider that there is a real improvement in trade conditions throughout the world which is likely to continue. The fact that the upward tendency in staple commodity prices began to manifest itself before any serious disturbance of the international situation became a feature of world news appears to lend support to this view. One pleasing feature in the improvement is that the increase has been gradual. A spectacular rise is often followed by a spectacular fall and the gradual character of the improvement that we have experienced leads one to hope that we might at no distant date get back to a steady market at neither too high nor too low a level of prices which will give the producer a reasonable profit. Given such a condition, I feel little doubt that the railways, though they may not be able to set aside large surplus profits each year, will be able to pay their own way and save reasonable sums for the future.

19. As an example of what railways are doing to prepare for the future, I would mention one experiment we intend to try out this hot weather. I refer to our scheme to run an experimental air-conditioned coach on one of our daily mail services. These coaches are now a common feature of American Railway practice where trains run very long distances as they do in India. In fact, in America, there are many trains completely air-conditioned from end to end; our proposal is in the first instance to run one first class coach on each train of a particular service. For this purpose five coaches are now under construction. The total additional cost of the air-conditioning equipment for these five coaches is estimated at Rs. 2,40,000, and it is hoped to recover this by the imposition of a small surcharge on each ticket issued for the additional comfort provided. The main feature of air-conditioning is that the traveller lives and sleeps in the same temperature from the beginning of his journey to the end. The coach is provided with a constant supply of fresh air at an even temperature, no matter what the outside conditions may be. Dust, cinders and other similar discomforts incidental to railway travel in India are eliminated. As I have said, this is only an experiment, and whether it will turn out to be a successful experiment or not only the future can decide.

All we can say at present is that similar experiments in other countries have been successful and have considerably increased the popularity of railway travel generally. If the experiment proves a success, we shall go ahead on a larger scale, and I hope, I am not looking too far into the future when I suggest that it may be possible to run complete air-conditioned trains including third class coaches wherever traffic conditions justify.

20. We have this year been able to set aside a further sum of money for research purposes. Nearly the whole of this has been expended upon an investigation into the stresses to which the track is subjected. The research, which is not yet complete, was rather ambitious but work on the subject which had been initiated in the United States of America had yielded such remarkable results that we were encouraged to make an attempt upon it. The idea was to measure the stresses set up in the rails and the fish-plates which join the rails together. If these could be recorded, we should no longer need to rely upon empirical formulæ, in which, for obvious reasons, it is necessary to incorporate a generous factor of safety; and if, as was suspected, this factor was too liberal, it would become possible to postpone relaying and to use existing track under higher loadings than it had been supposed it was capable of bearing. The measurement of these stresses requires exceedingly delicate and special apparatus, and the apparatus originally purchased for the purpose failed to give reliable results over the higher ranges of speed. It looked at one time as though we would have to abandon the experiment. The perseverance and ingenuity of the officers entrusted with the research, however, enabled them in the end to overcome these difficulties, and the delay entailed in obtaining modifications in their appliances was very usefully employed in devising methods for correcting instrumental errors. They also succeeded in evolving an appliance for recording the actual shape of the wave assumed by the rails under a succession of wheel loads. Measurements have already been recorded in many thousands of photographic exposures, but the investigations are still being actively pursued and it would be premature to attempt final conclusions at this stage. Sufficient has been done, however, to demonstrate beyond reasonable doubt that the formula for the increment of rail stresses due to speed as worked out by the Bridge Sub-Committee in 1925 is open to revision. It has also been shown that, in many cases we can safely substitute, for the extremely costly relaying that would have been considered necessary in the past, a method of strengthening that will result in appreciable savings under this head.

21. Another investigation which is in progress relates to the surface hardening of rails; the heavy stresses to which they are subjected lead to wear and deformation of rails and, if the points and crossings now under trial come up to expectations, their lives will be materially prolonged and we may be able to effect considerable economies in that direction. The hardening process under investigation is a comparatively cheap one.

22. The reclamation of scrap materials has engaged our attention constantly. A series of tests recently conducted indicate that it is possible to utilise for spring plates old tyres that have been re-rolled in the East Indian Railway mills at Jamalpur. As a consequence of this there should be an appreciable saving in expenditure on new materials.

23. Two promising lines of research have only just been determined upon. One relates to an attempt to improve locomotive steam cylinders in the higher speed ranges—a matter that is assuming special importance in these days of competition for traffic. The other relates to research into

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certain properties of lubricants about which our knowledge at present is very limited. This will involve an extensive series of laboratory tests in which we have been promised the collaboration of the Industrial Research Bureau of the Indian Stores Department.

24. This cold weather we have had the privilege of a visit from Sir Ralph Wedgwood, Chief General Manager of the London and North-Eastern Railway, together with Mr. W. A. Stanier, Chief Mechanical Engineer of the London Midland and Scottish Railway and Mr. H. Cheadle, Chief Traffic Manager, South African Railways, who have come out to India at the invitation of the Government of India to help us in finding a solution of our financial difficulties. This invitation was issued as a result of a recommendation by Sir Otto Niemeyer, reinforced by a further recommendation from the Public Accounts Committee, that there should be a general overhaul of railway finances, as it was essential, if Provincial Autonomy was to be given a fair chance of success, that steps should be taken to ensure that railways will not, in future, be a burden upon general revenues. Sir Ralph Wedgwood and his colleagues have undertaken an extensive tour of India during which they have had discussions with all the principal railway administrations who have placed their points of view before them. They have taken the opportunity of exchanging views with officers of the various Provincial Governments on the vital problem of road-rail transport. They have also held conversations with the representatives of the principal commercial bodies throughout the country.

25. Having heard all sides, I feel sure that Sir Ralph Wedgwood's committee will be able to give us very valuable advice and assistance. Railways in India have reason to be proud of their achievements in the past but I am quite sure that there is no inclination in any quarter to claim that the system is a perfect one and that there is no room for improvement. Those who are responsible for administering and running the system of railways in India are only too willing to admit mistakes and shortcomings and to accept advice, and I know of no man who is in a better position to give such advice than Sir Ralph Wedgwood assisted by his able colleagues.

26. In conclusion, I would again desire to give expression to my sense of gratitude to the Members of the Railway Board and all those who may in any manner be connected with the administration and working of our system of railways for the loyal co-operation and assistance they have given me during the last two years. I shall also take this opportunity of conveying my thanks in particular to Sir Raghavendra Rau for the admirable way in which he has watched over the finances of the railways for the last five years. (Applause.) I am sure, the House will join with me in offering him our sincere congratulations on the very well deserved honour that His Majesty has been pleased to confer upon him in recognition of his very valuable services. (Applause.)

COMMITTEE ON PETITIONS.

Mr. President (The Honourable Sir Abdur Rahim): I have to announce that under Standing Order 80(1) of the Legislative Assembly Standing

Orders, the following Honourable Members will form the Committee on Petitions, namely:

- (1) Sir Leslie Hudson,
- (2) Sardar Sant Singh,
- (3) Mr. M. Ghiasuddin, and
- (4) Mr. Mathuradas Vissanji.

According to the provision of the same Standing Order, the Deputy President will be the Chairman of the Committee.

ELECTION OF THE STANDING COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official Members to serve on the Standing Committee to advise on subjects, other than 'Roads' and 'Posts and Telegraphs', with which the Department of Industries and Labour is concerned."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official Members to serve on the Standing Committee to advise on subjects, other than 'Roads' and 'Posts and Telegraphs', with which the Department of Industries and Labour is concerned."

Mr. N. M. Joshi (Nominated Non-Official): May I ask the Honourable Member what work last year's Committee did during the year, how many meetings it held, and what subjects were discussed by the Committee? I know, Mr. President, that the work of these Committees is considered to be confidential, but, still, the House is entitled to know the number of meetings held and the subjects that were discussed. If the Honourable Member goes a little further and tells us a little more about the working of the Department, we shall be very grateful, but in any case he must give us information regarding the meetings held and the subjects discussed.

The Honourable Sir Frank Noyce: Sir, I am very glad to be able to do so. I may inform my Honourable friend that this Committee met on two occasions—I always endeavour to have a meeting every Session—it discussed five subjects—the Draft Convention limiting the hours of work in coal mines, the Draft Convention regarding the establishment of an international scheme for the maintenance of rights under invalidity and old age, and widows' and orphans' insurance, the Factories (Amendment) Bill, the Trade Disputes (Amendment) Bill, and the scheme for the development of broadcasting.

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, three non-official Members to serve on the Standing Committee to advise on subjects, other than 'Roads' and 'Posts and Telegraphs', with which the Department of Industries and Labour is concerned."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I may inform Honourable Members that the election of Members for the Standing Committee for the Department of Industries and Labour will be conducted in accordance with the principle of proportional representation by means of the single transferable vote. The dates for receiving nominations and for holding an election, if necessary, for the Committee will be announced later.

**THE AGRICULTURAL PRODUCE (GRADING AND MARKING)
BILL.**

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Sir, I introduce the Bill to provide for the grading and marking of agricultural produce.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 18th February, 1937.