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COUNCIL OF STATE.

Monday, 13th February, 1939.

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the President in the Chair.

MEMBERS SWORN :

The Honourable Mr. Abraham Jeremy Raisman (Finance Secretary).

The Honourable Mr. Dharendra Nath Mitra (Nominated Official).

QUESTIONS AND ANSWERS.

MODIFICATIONS IN THE OTTAWA PREFERENCES ACCORDED TO INDIA IN THE UNITED KINGDOM DUE TO THE ANGLO-U. S. A. TRADE AGREEMENT.

57. THE HONOURABLE MR. B. N. BIYANI: (a) Was any preference granted to Indian wheat by the United Kingdom? If so, what?

(b) Has the preference given to Indian wheat by the United Kingdom been taken away under the Anglo-American treaty recently concluded?

(c) Has the preference given to Indian rice by the United Kingdom been lowered under the Anglo-American treaty?

(d) If so, did Government make any representation to the British Government for saving Indian wheat and rice? If not, why not?

THE HONOURABLE MR. H. DOW: (a) to (d). The Honourable Member's attention is invited to the answers given in the Legislative Assembly on the 5th December, 1938, to Mr. Manu Subedar's question No. 1780, and the supplementaries arising therefrom.

DISABILITIES OF INDIANS AND DISCRIMINATORY MEASURES AFFECTING INDIANS RESIDENT IN VARIOUS COLONIES AND DOMINIONS.

58. THE HONOURABLE MR. B. N. BIYANI: Will Government lay on the table a statement containing the following information:—

(a) All such legislative measures which debar the permanent Indian settlers of Ceylon, Malaya, Union of South Africa, Kenya and Fiji of their ordinary rights (right of franchise, etc.) of citizenship which the natives of these colonies enjoy?

(b) All such discriminative measures in the said colonies which do not allow Indians to mix, to marry or to associate with the white people or the natives of these colonies?

(c) The steps that the Government of India have taken to remove the disabilities under the said measures in the said colonies?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : With your permission, Sir, I shall answer questions Nos. 58 and 63 together. I would invite the attention of the Honourable Member to the statements laid on the table of the Legislative Assembly on the 31st August, 1936, and 8th August, 1938, in reply to Mr. Hussenhoy A. Lalljee's unstarred question No. 141 asked on the 18th February, 1936, and Mr. Govind V. Deshmukh's unstarred question No. 50 asked on the 7th September, 1937, respectively. These statements give the desired information so far as it is available with Government. As far as the Government of India are aware, there are no statutory social restrictions on Indians. I can only give him the assurance that it is the constant endeavour of the Government of India to secure for these Indian communities a position of complete equality with other classes of their fellow subjects. The Honourable Member will appreciate that it is impossible, within the compass of an answer, to explain what the Government of India have done, from time to time, to remove existing or to avert threatened disabilities of Indians in the Dominions and Colonies.

ARRANGEMENTS FOR ACCOMMODATION, FOOD AND CLOTHING FOR EMIGRANTS FROM INDIA.

59. THE HONOURABLE MR. B. N. BIYANI : (a) Will Government state :

- (i) For how many days the recruited assisted labourers have to stay at the centre at which they are recruited, before their departure to the respective colonies ; and
 - (ii) Who bears their fooding and clothing expenses for the period of their stay before departure to the colonies concerned ?
- (b) Do Government share any burden of any kind of expenses connected with these assisted labourers ready to be despatched to different colonies ? If so, what is the amount every year and why do the Government of India bear these expenses ?
- (c) Are Government aware that the assisted labourers ready for shipment do not get good food and clothing ? If so, have Government inquired into the matter ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) (i) No definite period of stay is prescribed under the Indian Emigration Rules, 1923. In the case of emigrants to Ceylon, recruits from places in Trichinopoly and north of Trichinopoly are generally detained in the Trichinopoly Depot for about 24 hours before being sent to Mandapam Camp, while recruits from places south of Trichinopoly are sent direct to Mandapam Camp which is the place of accommodation under rule 31 of the Indian Emigration Rules. The period of stay in this camp is about a week.

In the case of emigrants to Malaya, Avadi (near Madras) and Negapatam are the places of accommodation under the rule mentioned above and recruits are sent direct to that place of accommodation which is nearest to place of recruitment. They are detained there for such period as may be necessary to enable them to catch the fortnightly ships to Malaya.

- (a) (ii) The Indian Immigration Funds in the colonies concerned.
- (b) The answer to the first part is in the negative ; the second part does not, therefore, arise.
- (c) Government have received no such complaint.

REPATRIATION OF INDIANS FROM JAMAICA.

60. THE HONOURABLE MR. B. N. BIYANI: Will Government state :

- (a) What is the population of the Indian permanent settlers in Jamaica ?
- (b) Whether Indians in Jamaica are entitled to take return passages for India ? If so, what is the percentage of such eligible Indians ?
- (c) Have some Jamaica Indians asked for repatriation ? If so, were they allowed by the Jamaica Government ?
- (d) What is the policy of the Government of India with regard to the return of assisted immigrants ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) The Indian population was estimated at 18,669 on the 31st December, 1936.

(b) There are now no Indians in Jamaica eligible for assisted repatriation under the Immigration Law.

(c) Yes. Government understand that the Colonial Government have the matter under consideration.

(d) The Government of India consider the repatriation of Indians, who are unable to support themselves or without friends or relations who would do so, to be undesirable in the interests of the repatriates themselves.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I ask whether the Government of India have represented to the Government of Jamaica that these people who have served the Colony of Jamaica should be provided for in Jamaica by the Government of Jamaica ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : I am afraid, Sir, that that question does not arise out of this. It is a separate matter.

THE HONOURABLE THE PRESIDENT : I agree.

APPOINTMENT OF AN AGENT OF THE GOVERNMENT OF INDIA IN FIJI.

61. THE HONOURABLE MR. B. N. BIYANI : (a) Has the attention of Government been drawn to a resolution (published in the *National Herald* of Lucknow, dated December 18, 1938) recently passed by the All-Fiji Indian Conference held under the presidentship of the Honourable Member of this House Shri Hirday Nath Kunzru, drawing the attention of Government in connection with the appointment of an Agent of the Government of India in Fiji ?

(b) Do Government propose to consider it favourably ? If not, why not ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) Yes.

(b) The matter is under consideration.

DEPUTATION OF MR. J. D. TYSON TO THE WEST INDIES.

62. THE HONOURABLE MR. B. N. BIYANI : (a) Has Mr. J. D. Tyson been asked to inquire into the economic conditions of the Jamaica Indians ?

(b) If so, do Government propose to inquire into the economic conditions of the Fiji Indians also ?

(c) Did the Government of India promise to the Fiji Indians to make this inquiry ?

(d) If so, what steps do Government propose to take in the matter ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) The object of Mr. Tyson's deputation to the West Indies is stated in a Press Communiqué, dated the 17th October, 1938, copies of which are available in the Library of the House.

(b) Government have recently received a series of resolutions passed at a Conference in Fiji. One of these does suggest such an investigation by the Fiji Government. The resolution will be examined.

(c) No, Sir.

(d) Does not arise.

**DISABILITIES OF INDIANS AND DISCRIMINATORY MEASURES AFFECTING INDIANS
RESIDENT IN VARIOUS COLONIES AND DOMINIONS.**

63. THE HONOURABLE MR. B. N. BIYANI : (a) In what British colonies are Indians not allowed to settle permanently or to carry on trade freely ?

(b) In what British colonies are Indians not allowed to acquire immoveable property ?

(c) Have Government taken any steps to remove restrictions on Indian traders in the British colonies ? If so, what ?

(See reply to Question No. 58.)

SALT IMPORTS FROM ADEN.

64. THE HONOURABLE MR. B. N. BIYANI : (a) Will Government state the total import of salt from Aden from April, 1937 to December, 1938 ?

(b) Is the Aden salt treated as " foreign salt " since Aden has been made a Crown Colony ? If not, why not ?

(c) Does Aden salt get the same protection in India as Indian salt ? If so, why ?

THE HONOURABLE MR. A. J. RAISMAN : (a) 439,159 tons.

(b) The protection afforded to Aden salt by the Salt (Additional Import Duty) Act, 1931, as extended in 1936, was continued till the expiry of that Act on 30th April, 1936. The reason which led Government to maintain the *status quo* for the short period of 13 months after Aden had been separated from India was that out of four Salt Works in Aden three were owned by Indian concerns.

(c) No protection is now given either to Indian or Aden salt.

DEPUTATION OF MR. TYSON TO THE WEST INDIES.

65. THE HONOURABLE MR. B. N. BIYANI : (a) Has Mr. J. D. Tyson been appointed to represent the Government of India before the " West Indies ' Royal Commission " ?

(b) Has Government received any representation from the Indian Chamber of Commerce, Calcutta, in this connection ?

(c) Was there no suitable Indian available to represent them before the Royal Commission ?

(d) Why did not Government appoint any Indian ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) Mr. Tyson has been deputed, *inter alia*, to represent the views of the Government of India before the West Indies Royal Commission.

(b) Yes.

(c) and (d). Mr. Tyson was considered to be the most suitable choice.

APPOINTMENT OF AGENTS OF THE GOVERNMENT OF INDIA IN CERTAIN COLONIES.

66. THE HONOURABLE MR. B. N. BIYANI : (a) In what British colonies have Government their Agencies to keep themselves in touch with the Indian settlers there ?

(b) What are the sources of Government to keep in touch with the conditions of the Indian settlers in such colonies and countries where Government have no Agencies ?

(c) Do Government propose to appoint their Agent in British colonies where they have none ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) The Government of India have their Agents in Ceylon, Malaya, Burma and the Union of South Africa.

(b) Press reports, communications received from individual Indians and associations in these territories, either direct or through organisations in India, and official publications.

(c) The question of appointing Agents in certain other colonies, *viz.*, Fiji, East Africa and West Indies, has, as the House is aware, been under the consideration of Government for some time.

ILL-TREATMENT OF INDIANS AT THE CEYLON MANDAPAM CAMP.

67. THE HONOURABLE MR. B. N. BIYANI : (a) Are Government aware of the hardship, inconvenience and ill-treatment that the Indian passengers, tourists and estate labourers going to Ceylon *via* Mandapam, have to bear due to the "Ceylon Quarantine Ordinance" ?

(b) Did respectable Indian passengers complain in this connection ?

(c) Have Government brought this matter to the notice of the Ceylon Government and have the Ceylon Government taken any steps to remove the hardship ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) to (c). The attention of the Honourable Member is invited to the information laid on the table of the other House on the 10th December, 1938, with reference to Mr. Manu Subedar's starred question No. 607, asked on the 3rd March, 1938.

CEYLON VILLAGE COMMUNITIES ORDINANCE.

68. THE HONOURABLE MR. B. N. BIYANI : (a) Has the attention of Government been drawn to an A. P. message dated Colombo, November 17, 1938, published in the *Bombay Chronicle* of Bombay of the 19th of the same month, giving a number of resolutions passed by the Indians in a public meeting held under the auspices of "Bose Sangam" at Kandy regarding the Village Ordinance passed by the Ceylon State Council ?

(b) If so, have Government taken any steps in the matter for safeguarding the right of franchise of Indian labourers there ?

(c) If so, what ? If not, why not ? Do Government now propose to take any ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) Yes.

(b) and (c). The attention of the Honourable Member is invited to the reply given by me to the Honourable Raja Yuveraj Datta Singh's question No. 12 on the 23rd January, 1939.

COTTON TRADE.

69. THE HONOURABLE MR. B. N. BIYANI : (a) Will Government state :

(i) Whether India is having over-production in cotton ? If so, do Government propose to find out new outlets for Indian cotton ? and

(ii) Whether the cotton export has been decreasing every year for the last two years ? If so, what are the reasons ?

(b) Will Government acquaint the House with the actual conditions with regard to the Indian cotton trade ?

THE HONOURABLE MR. H. DOW : (a) (i) I am afraid this is a matter of opinion, and the answer must depend on what the Honourable Member means by over-production.

(a) (ii) No. The second portion does not arise.

(b) I am quite unable to answer so comprehensive a question in the form of an answer given in this House. I would suggest that the Honourable Member might refer to the Review of the Trade of India for 1937-38 and to the Monthly Surveys of Business conditions, copies of which are in the Library.

LONG STAPLE COTTON.

70. THE HONOURABLE MR. B. N. BIYANI : (a) Is the production of long staple cotton in India not at all on the increase ?

(b) If so, have any steps been taken by Government to improve the production of long staple cotton ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) and (b). No hard and fast line can be drawn between long staple and medium staple cottons, but production of cottons of staple of 1" and 1 1/16" has been steadily increasing.

RETURNED EMIGRANTS AT CALCUTTA.

71. THE HONOURABLE MR. B. N. BIYANI : (a) Have Government made any arrangements for the employment of the returned immigrants from the different colonies in India ? If not, why ?

(b) Are Government aware of the pitiable and helpless condition of these returned immigrants in the harbour of Calcutta ?

(c) If so, do Government propose to make any such arrangements to save these people from being starved ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) to (c). There are no special arrangements. I would, in this connection, invite the

attention of the Honourable Member to my reply to the Honourable Raja Yuveraj Datta Singh's question No. 318 on the 15th November, 1937, and to the reply given in the other House to Babu Baijnath Bajoria's starred question No. 892 on the 9th September, 1938, and the supplementaries thereto.

EMIGRANTS FROM CENTRAL PROVINCES AND BERAR.

72. THE HONOURABLE MR. B. N. BIYANI: (a) Have any assisted emigrants been sent to Ceylon or Malaya from the Central Provinces and Berar from 1932 to 1938?

(b) If so, from what districts and how many from each district?

(c) Is there any headquarters in the Central Provinces and Berar for recruiting assisted emigrants to Ceylon, Malaya or Burma? If any, which is that?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) and (b) Government have no information.

(c) There is no headquarters in the Central Provinces and Berar for recruiting assisted emigrants to any country.

CONSERVATION OF MONUMENTS AND ARCHÆOLOGICAL EXCAVATION IN ORISSA.

73. THE HONOURABLE MR. N. K. DAS: (a) How much money has been spent in Orissa for the protection of ancient monuments, year by year, for the last three years?

(b) Has any excavation been so far made in Orissa? If so, what?

(c) Do Government propose to undertake any excavation in Tosali near Bhubaneswar or in Olasuni near the Ratnagiri Hills at Cuttack?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) A statement is laid on the table.

(b) No.

(c) I very much regret that owing to financial stringency no excavation at these sites can be undertaken at present.

ORISSA.			
	Special repairs.	Annual repairs.	Total.
	Rs.	Rs.	Rs.
1935-36	675	1,018	1,688
1936-37	570	1,031	1,601
1937-38	15	1,179	1,194

CREATION OF A SEPARATE ARCHÆOLOGICAL CIRCLE FOR ORISSA.

74. THE HONOURABLE MR. N. K. DAS: Do Government propose to create a separate Archæological Division for Orissa in view of the large number of discovered and undiscovered monuments there?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: For financial reasons it is not possible to create a separate archæological circle for Orissa.

at present but the question of extending archæological activities in Orissa will be considered as soon as financial circumstances permit.

MANUFACTURE OF SALT IN ORISSA.

75. THE HONOURABLE MR. N. K. DAS : (a) Will Government state what steps they have taken so far to encourage the manufacture of salt on a commercial scale in the coastal areas of Orissa ?

(b) Do Government propose to delegate powers to the Provincial Government for the granting of licences, etc., for the manufacture of salt in Orissa ?

THE HONOURABLE MR. A. J. RAISMAN : (a) None.

(b) No.

MANUFACTURE OF MATCHES AS A COTTAGE INDUSTRY.

76. THE HONOURABLE MR. N. K. DAS : (a) Will Government state what steps they have taken to encourage the manufacture of matches as a cottage industry in India ?

(b) Have they investigated the possibilities of such an industry ? If so, with what results ?

THE HONOURABLE MR. H. DOW : (a) and (b). I would invite the attention of the Honourable Member to the answer given in the Legislative Assembly on the 9th March, 1935, to starred question No. 784, by Mr. M. Ananthasayanam Ayyangar.

CONTRACTS FOR ICE AND AERATED WATERS ON THE NORTHERN SECTION N. W. R.

77. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : (a) Have Teplitz Aerated Water Company, Contractors, Northern Section, N. W. R., no factory for producing the requisite demand for good quality of waters, except a small machinery at Mall Road, Lahore ?

(b) Who are the proprietors of that Company and to which community do they belong ?

(c) Has the said company also a contract for the supply of ice to the Military Hospital at Mari Indus ; and in 1931 did the Divisional Superintendent, Rawalpindi, raise a claim of Rs. 2,700 against this company for unbooked ice supplied to that hospital ? Was the matter not pursued any further ?

(d) What are the reasons for not recovering the said amount from the said contractors ?

(e) Have the said contractors sublet the contract of Madra-Bhuan Section and did the sub-contractor carry passengers without tickets in the ice compartment during 1934 ?

(f) Will Government lay on the table a list showing complaints received during 1938 against this contractor together with the action taken thereon ?

(g) What are the reasons for renewing each year the contract with the said contractor ?

(h) Did the Railway call for applications for the contract every year ? If not, why not ?

(i) Has the contract ever been given to any Muhammadan firm in this section of the Railway in the past? If not, why not?

(j) Do Government propose to grant the contract in future to any satisfactory Muslim firm? If not, why not?

THE HONOURABLE SIE GUTHRIE RUSSELL: (a) All contracts for ice and aerated water on the N. W. R. terminated on 31st October, 1938. This firm has factories at various stations and, in addition two large aerated water factories, one at Lahore and one at Ambala.

(b) The partners are Messrs. Sri Ram, Ram Sarup, Sita Ram and Ram Krishen. It is believed that they are Hindus.

(c) and (d). The Honourable Member is referred to the reply given in the Legislative Assembly to Dr. Ziauddin Ahmed's starred question No. 683 on the 20th August, 1934.

(e) The N. W. R. Administration is not aware of any such sublet. The second part of the question does not, therefore, arise.

(f) Each complaint forms the subject of a separate inquiry. The collection of details from every division and from the Headquarter Offices regarding each complaint and the action taken thereon by the Administration and by the contractor would involve more time and labour than can be justified.

(g) and (h). The contract was renewed because the Railway Administration considered the working was satisfactory.

(i) A Muhammadan contractor held the northern section contract from 1926 to 1929.

(j) It is the policy of the Railway Administration to grant these contracts to agencies which, in their judgment, are most fitted to provide the best service to the travelling public.

KILLING OF A COW IN FRONT OF THE POLICE LINES, DELHI.

78. THE HONOURABLE MR. V. V. KALIKAR: (a) Has the attention of Government been drawn to a news which appeared in the *Hindustan Times* of the 14th January and *National Call* of the 18th January, 1939, regarding the alleged cow-killing in front of the Police Lines, Delhi.

(b) Has Mr. E. N. Edwards, Assistant Superintendent of Police, Delhi, been suspended by the Chief Commissioner, Delhi, in connection with the said alleged shooting of the cow?

(c) Are there any other officers or constables of the Delhi Police involved in the alleged shooting affair? If so, has any action been taken by the Chief Commissioner against them?

(d) Will Government state the names of those persons connected with the alleged shooting of the said cow and the action Government propose to take against them?

(e) Has the Chief Commissioner, Delhi, made an investigation into the matter? If so, with what results?

THE HONOURABLE MR. F. H. PUCKLE: (a) and (b). Yes.

(c), (d) and (e). No action is contemplated against any other officer or constable of the Delhi Police as the person solely responsible for the incident was Mr. Edwards who issued the orders in consequence of which it occurred.

**CONTRACTS FOR ICE AND AERATED WATERS ON THE SOUTHERN SECTION,
N. W. R.**

79. THE HONOURABLE MR. V. V. KALIKAR : Will Government state :

(a) Whether the Managing Director (Mr. Parker) of Messrs. Bliss and Company, Ice and Aerated Water Contractors, Southern Section, N. W. R., died last year and was the contract sublet to one Mr. Homi ?

(b) Whether subletting of the contract is permissible under the rules ?

(c) Whether the staff of the said contractor carried unauthorised ice and aerated waters in 1938 for which the Chief Accounts Officer raised a claim through the Divisional Superintendent, Rawalpindi ? If so, what amount was recovered ? If not, why no recovery was made ? and

(d) Whether the said contractor engaged bad characters as icemen, who committed thefts for which they were convicted by Courts at Karachi in August, 1938 ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes. On Mr. Parker's demise, Mr. Kent, the other partner, carried on the contract during the last year. The N. W. R. Administration is not aware of any sublet.

(b) No.

(c) and (d). The information has been called for and will be laid on the table when received.

**COMPLAINTS AGAINST CONTRACTOR FOR ICE AND AERATED WATERS ON THE
SOUTHERN SECTION, N. W. R.**

80. THE HONOURABLE MR. V. V. KALIKAR : Will Government lay on the table a list showing complaints received against the contractor for the supply of ice and aerated waters, Southern Section, N. W. R., during the past three years, together with the remarks of the Divisional Superintendents thereon ; and state—

(a) the action taken by the Railway Administration on those complaints ; and if no action has been taken, why not ; and

(b) the reasons for renewing the contract of Messrs. Bliss and Company each year ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Each complaint forms the subject of a separate inquiry. The collection of details from every division and from the Headquarter Offices regarding each complaint and the action taken thereon by the Administration and by the contractor would involve more time and labour than can be justified.

(b) The Administration considered the working satisfactory.

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT : Honourable Members, I have to deliver to you a Message from His Excellency the Governor General. The Message runs thus :

"In pursuance of the provisions of sub-section (3) of section 67A as set out in the Ninth Schedule to the Government of India Act, 1935, I hereby direct that the heads of expenditure specified in that sub-section, other than those specified in clause (v) thereof, shall be open to discussion by the Council of State when the budget for the year 1939-40 is under consideration.

(Sd.) **LINLITHGOW,**
Governor General."

**BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE
TABLE.**

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table a copy of the Bill further to amend the Indian Merchant Shipping Act, 1923, which was passed by the Legislative Assembly at its meeting held on the 6th February, 1939.

MESSAGES FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL : The following messages have been received from the Secretary of the Legislative Assembly :

"In accordance with the provisions of rule 36 (3) of the Indian Legislative Rules, I am directed to inform you that the amendments made by the Council of State in the Bill further to amend the Indian Income-tax Act, 1922, were taken into consideration and agreed to by the Legislative Assembly at its meeting held on Monday, the 6th February, 1939, subject to further amendments as shown in the enclosed statement. A copy of the Bill as further amended by the Legislative Assembly is also enclosed herewith."

"I am directed to inform you that, in accordance with rule 36 (1) of the Indian Legislative Rules, the amendments made by the Council of State in the Bill to consolidate and amend the law relating to motor vehicles were taken into consideration by the Legislative Assembly at its meeting held on Wednesday, the 8th February, 1939, and that the Assembly has agreed to the amendments."

PRESENTATION OF THE RAILWAY BUDGET FOR 1939-40.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner for Railways) : Sir, I rise to present to the Council the statement of revenue and expenditure of the Governor General in Council in respect of Indian Railways for the year 1939-40. Considering the rather unsettled times through which we are at present passing, I trust the Council will agree, from the figures which I shall shortly place before them, that though there may be no grounds for great optimism there are also no grounds for excessive pessimism. Before, however, I disclose the budget figures, I shall deal with the final results of the year 1937-38 and our revised estimates for the current financial year.

2. Last year at this time I estimated that we should finish the year with a surplus of Rs. 283 lakhs which, under the arrangement at present in force in regard to debts to the Depreciation Fund and general revenues, would be paid to general revenues. The actual result was a surplus of Rs. 276 lakhs, this despite the fact that our working expenses were about Rs. $\frac{1}{2}$ crore more than we estimated. This increase was mainly due to increases in our coal stocks with the resulting additional freight charges and more repairs to track, rolling stock, etc., than was anticipated. Our gross receipts went up to Rs. 95 crores against Rs. 91 $\frac{1}{2}$ in the year 1936-37 and against our revised estimate for the year of Rs. 94 $\frac{1}{2}$ crores. It should be realised that the final surplus was arrived at after paying a sum of Rs. 12 $\frac{1}{2}$ crores to the Depreciation Fund. Of this, Rs. 8 crores was spent mainly on renewals and replacements so that the net accretion to the Depreciation Fund was Rs. 4 $\frac{1}{2}$ crores which raised the balance to Rs. 19 $\frac{1}{2}$ crores.

[Sir Guthrie Russell.]

3. When we made our budget for the current year, it was not in a too optimistic frame of mind. There was uncertainty as to the general trade conditions and the international situation which are both beyond our control but which have their direct reactions on our earnings. As I have stated already, we placed our revised estimate for 1937-38 at Rs. 94½ crores and we decided to adopt the same figures for 1938-39. We actually got Rs. 95 crores and present indications are that we have again this year been too conservative as our earnings to date have kept pace with the earnings of last year. There were, however, two windfalls in the closing months of that year—the Hardwar Mela and very heavy movements of coal, which we shall not get this year. We have thus decided to adopt the figure of 94½ crores for gross earnings. This is Rs. 40 lakhs more than our budget but 1/3 crore less than our actual gross earnings for 1937-38.

While we anticipate an increase in earnings this year over our budget estimate, we also unfortunately expect an increase in working expenses which will more than neutralise the increase in our receipts. This increase is estimated at Rs. 61 lakhs over last year and Rs. 1 crore over the budget. The main reasons for this increase over last year's figures are—

The cost of coal will increase by about Rs. 37 lakhs owing both to an increase in price and in quantity consumed :

The cost of repairs, mainly to rolling stock, is expected to go up by Rs. 18 lakhs on account of the rise in the cost of materials :

Increased repairs to assets, including the cost of the damage caused by floods on the Eastern Bengal Railway, account for another Rs. 18 lakhs : and

Certain adjustments in accounts for Rs. 9 lakhs.

Against the above increases freight charges on coal will decrease by about Rs. 20 lakhs for various reasons. We now anticipate, with its consequent additional cost, a considerable increase in train mileage over what we originally budgeted for. This increase has become necessary not only on account of an increase in our goods traffic but also on account of the endeavours being made by railways to improve their services, both passenger and goods. This, as Honourable Members will recollect, was one of the recommendations of the Railway Enquiry Committee. We may not immediately reap the entire benefit of these improved services, but it is hoped, by making railways more popular, to increase our earnings. The report of the Railway Enquiry Committee makes it quite clear that it may be necessary before we get additional earnings to spend more money, and this is, in fact, what has this year been to a large extent responsible for our increased working expenses.

4. The net result is that, after paying our working expenses including depreciation and our interest charges, we anticipate a surplus of Rs. 205 lakhs which will, under the convention now in force, be paid to general revenues. As regards the Depreciation Fund, the contribution this year will be about Rs. 12½ crores and the expenditure on renewals and replacements Rs. 7½ crores : the balance in the Fund at the end of this year should therefore be 24½ crores.

5. Now we come to the Budget for the ensuing year 1939-40. The history of what has happened during the current year and the last completed financial year will give Honourable Members some idea how difficult it is, especially in these times of wars and rumours of wars, to make an accurate forecast of what is likely to happen within the next 12 months. All we can do is to endeavour

to strike a happy mean between a too pessimistic and a too optimistic outlook. Though there may be no grounds for taking an unduly pessimistic view of the future, the present general outlook does not justify us in being too sure of what the next year may bring forth. We have, therefore, decided to assume that conditions will continue to be much the same as during this year, except that we will have the extra earnings of one day owing to 1940 being a leap year. Taking everything into consideration, we have decided to place our gross earnings at Rs. 94.75 crores against the Rs. 94.65 crores taken for our revised estimate this year. Though we have only estimated for an increase of Rs. 10 lakhs in our gross earnings, we expect to have to face an increase in working expenses of Rs. 70 lakhs. There will be an increase of Rs. 2 lakhs in our contribution to the Depreciation Fund owing to an increase in the capital at charge on railways. Provision has been made for Rs. 16 lakhs for the purchase of rail cars for the North Western Railway for which payment will be made only next year. As these cars are experimental, they are in the first instance being charged to working expenses. We have at present on Indian Railways a large number of wagons which are not up to the present needs of traffic. They were designed and built in years when train loads were lighter and their use was not so intensive as nowadays. The alternative to reconditioning is to scrap the wagons and purchase new ones. By reconditioning them it is hoped to get an extension of life which will more than justify the cost of reconditioning. Rs. 14½ lakhs has been provided for this in our estimates. A further Rs. 10 lakhs has been provided for additional repairs. Freight charges on coal are expected to increase by about Rs. 14 lakhs on account of the longer lead in the carriage of coal on certain railways and some throwforwards from the current year. Certain adjustments between the Depreciation Fund and working expenses will account for another Rs. 5 lakhs.

6. Against this increase in working expenses we anticipate that our net miscellaneous receipts will exceed those of the current year by Rs. 36 lakhs. The main reasons for this are that the interest on Depreciation Fund balances will increase by about Rs. 23 lakhs on account of the increase in the balance of the fund. Further, the surplus profits payable to the South Indian and Madras and Southern Mahratta Railways are expected to be less and no surplus profits are expected to accrue to the Bengal Nagpur Railway in respect of the working for 1938-39. Finally we expect a decrease of Rs. 32½ lakhs in interest charges compared with the current year. This is mainly due to the fall in the rate of interest from 4.70 to 4.57 per cent. We, therefore, estimate that the year will close with a surplus of Rs. 213 lakhs. It should be noted that all the figures I have quoted, allow for the losses on strategic lines. If these are deducted from our working expenses, the actual surplus on commercial lines should amount to Rs. 385 lakhs.

7. I trust I have not wearied Honourable Members with the quotation of so many figures. Unfortunately this is one of the necessities of a budget speech. All I can say is that I have endeavoured to quote the minimum possible, as at the conclusion of my speech Honourable Members will have placed in their hands the budget memorandum with its connected papers. A perusal of these will give the enthusiastic arithmetician plenty of scope for his hobby.

8. I shall now turn to what are to the average layman more interesting matters and try to give a short account of what Railways have done during the past year and what they hope to accomplish in the future. First, I would mention the record created by the East Indian Railway during 1937-38. Their earnings amounted to Rs. 2,115 lakhs, the highest in the history of that system.

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This figure is Rs. 156 lakhs more than the earnings in 1936-37 and Rs. 37 lakhs more than the previous record figure in 1927-28. Coal and general merchandise traffic contributed mainly to this satisfactory result. The earnings from passenger traffic also showed a substantial increase over the previous year. This was due mainly to increased travel in the lower classes in spite of the enhancement in the basis of third class fares of $\frac{1}{4}$ pie per mile for distances over 50 miles. This is a great record for a great railway.

9. All Honourable Members have been supplied with the second report on what has been done on the recommendations of the Railway Enquiry Committee, and I have already mentioned that one of these recommendations has entailed the running of additional services, both passenger and goods, with consequent additional expenditure which, we believe, will in due course bring us in an adequate return. I believe I have said on similar occasions in the past that the policy of Indian Railways has been to run the heaviest possible loads for the longest possible distances—the cheapest method of operation but not always the quickest. With the advent of motor transport with its small fast units, it has become necessary to quicken up our goods traffic. This has entailed reductions in loads which has, as its corollary, increase in train mileage. These efforts to improve goods traffic have not been confined to one railway. Railways generally have carried out a detailed examination of goods train services so as to improve running speed, provide fast through trains for traffic offering in large quantities, and to eliminate detentions to trains *en route*. As a result, alterations were made in train schedules, and better arrangements made for the reception, despatch and delivery of goods. I shall detail a few typical instances of the improvements effected. On the Assam Bengal Railway the average transit time from the date of booking at Chittagong Port, which is at one end of the railway, to Tinsukia at the other end was 4 days, representing a daily average run of 144 miles all on single line. This included transit over the hill section where the speed of trains is slow. Trains carrying petrol and oil tank wagons between Tinsukia and Pandu are now scheduled to complete the journey of 324 miles in just over 18 hours. On the Eastern Bengal Railway, during the busy jute season, express goods trains running at 30 miles per hour were introduced on certain sections. On the East Indian Railway, by making special sectional arrangements at goods sheds and by the introduction of duplicate express trains, consignments booked at Asansol and Raneeaganj one evening were delivered at Howrah Station the following morning—a reduction of about 24 hours on the previous time. On the Great Indian Peninsula Railway 2,544 through goods trains were run, as compared with 1,766 in the previous year. The Bombay-Poona goods trains averaged 19 miles per hour, and cotton trains averaged 13 miles per hour for a 514 mile journey. On the South Indian Railway an express goods train has been introduced between Madras and Tuticorin, covering the whole distance in 33 hours in one direction and 36 hours in the other. Railways also carried out a special survey of smalls traffic. In some instances the minimum load for wagons containing smalls was reduced so that there would be fewer transhipments *en route*. Some railways arranged that the sorting and repacking work should be done by the train staff during the course of their runs, thereby eliminating a number of the former repacking stations. As a result of the introduction of the new system, the Bombay, Baroda and Central India Railway have stated that consignments from Bombay are being given next day delivery up to Surat, second day delivery from Surat to Anand and third day delivery from Anand to Ahmedabad. On the metre gauge, consignments are reaching Beawar from Ahmedabad in two days instead of six and Bhiwani

from Ahmedabad in four days instead of seven. Consignments from Kalol are reaching Cawnpore in six days instead of eleven. On the North Western Railway notices are now displayed conspicuously in goods sheds at important stations, stating when consignments will ordinarily be available for delivery at their destinations. They have also introduced very largely the system of repacking *en route*, thereby eliminating transshipments and reducing delays. These are only a few details of what has been achieved already. These achievements are substantial, but I have very good grounds for hoping that they are only the beginning of what will be still more efficient goods services, but to go ahead we must have the patronage of the public ; the larger the volume of business the more we shall have to spend on further improvements.

10. The question of amenities for passengers generally is one in which Honourable Members, quite rightly, take considerable interest, judging by their interpellations in this House. They are aware of the experiment which we had initiated just about fifteen months ago in providing air-conditioned coaches on the Bombay-Calcutta Mails. That these coaches have met a real need has been amply demonstrated by the extent to which they are being utilised. The cost of providing this amenity, both in regard to the interest on the capital cost and the recurring charges for maintenance, etc., is more than covered by the amount of the surcharge recovered which incidentally is Re. 1 for every 50 miles. The inauguration of a similar service on the Bombay, Baroda and Central India Railway between Bombay and Delhi and its subsequent extension to the Delhi-Kalka section during the latter part of the last hot weather, has similarly shown that there is justification for a further step forward in this direction. There are demands now for provision of air-conditioned coaches between Delhi and Calcutta and between Lahore and Karachi ; the latter is being investigated. Honourable Members who may have had occasion to make a journey between Delhi and Karachi will, I have no doubt, appreciate the tremendous difference which it would make for comfort by travelling in a coach impervious to noise, dust and heat.

11. We have also not been unmindful of our obligations in regard to the improvement of 3rd class accommodation. Our carriage renewal programme for 1939-40 provides for 110 broad gauge and 137 metre gauge coaches having full, or composite 3rd class accommodation, which will be built to improved designs. In order to ensure adherence to a policy making for a sustained and steady improvement in the designs for carriages to be built hereafter, we have, under active consideration at present, the issue of a schedule of requirements which must be followed by railways. This schedule will provide for smaller compartments so as to ensure greater privacy for parties desiring to travel together, lotah taps, lotah shelves, coat hooks and hand-rails in latrines, better lighting arrangements and broader seats than have so far been provided on several railways. There have also been improvements in several other directions, but they have admittedly not been sufficiently spectacular to warrant my referring to them on this occasion. Honourable Members who have been able to find both inclination and leisure to read the Annual Reports issued by the Railway Board from year to year, will, no doubt, be able to appreciate what has been done and how great the improvement has been between conditions as they were, say, about 15 years ago and as they are today.

12. There has been considerable agitation that Indian Railways should build their own locomotives and thus extend a practice which has been in force at the Ajmere Shops of the Bombay, Baroda and Central India Railway for many years. The capacity of these shops is limited and they have in past years been fully occupied in building locomotives for their own railway. Last year the Bombay, Baroda and Central India Railway had to reduce their orders

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for locomotives, and they were faced with either the shutting down of their locomotive building shops with consequent retrenchment of staff, or the obtaining of orders from other railways for locomotives. It was then found that, under the Act of the British Parliament constituting the Bombay, Baroda and Central India Railway Company, there was a legal obstacle to the Bombay, Baroda and Central India Railway constructing locomotives for other railways. This obstacle has, however, now been removed by an amendment of the Act, and the Bombay, Baroda and Central India Railway have obtained an order for the construction at Ajmere during 1939-40 of 9 YB type locomotives for the Assam Bengal Railway, and it is hoped that, in future, it will be possible to keep these shops working to, or near their full capacity.

13. I must now once again turn for a few moments to the realm of figures and give some details of our expenditure under Capital and Depreciation Fund. During 1938-39 our revised estimate allows for an expenditure of Rs. 1.43 crores under Capital and Rs. 7.50 crores under Depreciation Fund. These figures are an indication that we have continued our policy of concentrating on the rehabilitation of our assets and keeping our property in good order. There are, however, two new works of some note which have been started. I refer to the Sind Right Bank Feeder Railways and the Khadro-Nawabshah Railway, both projects in Sind. Our works programme for 1939-40, after allowing for credits for released material, utilization of stores in stock and a reduction for likely throw forwards, should amount to Rs. 4.75 crores Capital and Rs. 6.25 crores Depreciation Fund. The Capital provision includes Rs. 80 lakhs for the completion of the Sind Right Bank Feeder project and for the Khadro-Nawabshah Railway, and the commencement of work on the Pithoro-Tando-Mitha Khan and the Kashipur-Kalagarh Railways. The last two projects have not yet actually been sanctioned by Government as there are certain details under correspondence with the Provincial Governments concerned. The construction of the three railways in Sind has been made possible by the co-operation of the Sind Government in agreeing to a co-ordinated scheme of road and rail communications. About Rs. 1 crore has been provided for the purchase of the South Bihar Railway which, we believe, will be a sound financial venture. This is at present worked by the East Indian Railway who pay a yearly rental of £30,000 to the Company. In addition to the above, Rs. 4½ crores has been provided for track renewals; Rs. ¾ crore for bridge renewals; Rs. 2½ crores for structural works, including Rs. 17½ lakhs for reconstruction work in Quetta; and Rs. 5 crores for rolling stock, this being divided into about Rs. 171 lakhs for locomotives and boilers, about Rs. 149 lakhs for coaching stock and about Rs. 192 lakhs for wagons.

14. In conclusion, Sir, I desire to bring prominently to the notice of the Council the loyal and valuable services which have been rendered to the great system of Indian Railways and, through them, to India by the General Managers, their officers and staff of all grades. For years they have been subjected to constant and relentless pressure in the cause of economy and, though the day for spectacular savings is over, their efforts in this regard continue unremittingly. Further, the search for improved methods of operation and greater general efficiency makes ever increasing demands on their professional skill and devotion. For the generous response they make to these calls, we owe them a debt of gratitude, but to these burdens there has now been added the grave one of profound anxiety created by the accidents of the recent past. Though this is felt with particular acuteness on one railway, it will, I am sure, be readily appreciated that it extends to all. I feel confident, therefore, that in claiming for the officers and staff of our railways, as they proceed with their

day to day tasks, wholehearted sympathy and goodwill, I shall have with me the very cordial support of every member of this Council. (Applause.)

STATEMENT OF BUSINESS.

THE HONOURABLE THE PRESIDENT : Does the Honourable the Leader of the House wish to make any statement of business ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House) : Yes, Sir. I suggest that we meet again on Wednesday the 15th to consider amendments made by the other House in the Income-tax Bill. The only other item of legislative business will be the Merchant Shipping Act (Amendment) Bill.

THE HONOURABLE THE PRESIDENT : I have seen the amendments to the Income-tax Bill. They are not of a very important character, only of a formal nature. I shall therefore suspend the rules of business and take the Bill on the 15th instant.

The Council then adjourned till Eleven of the Clock, on Wednesday, the 15th February, 1939.
