

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

Volume I, 1933

*(1st February to 21st February, 1933)*

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FIFTH SESSION  
OF THE  
FOURTH LEGISLATIVE ASSEMBLY,  
1933



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1933

# Legislative Assembly.

## *President :*

THE HONOURABLE SIR IBRAHIM RAHIMTOOLA, K.C.S.I., C.I.E. (Upto 7th March, 1933.)

THE HONOURABLE MR. R. K. SHANMUKHAM CHETTY. (From 14th March, 1933.)

## *Deputy President :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A. (Upto 13th March, 1933.)

MR. ABDUL MATIN CHAUDHURY, M.L.A. (From 22nd March, 1933.)

## *Panel of Chairmen :*

MR. HARI SINGH GOUR, KT., M.L.A.

MR. ABDUR RAHIM, K.C.S.I., KT., M.L.A.

MR. LESLIE HUDSON, KT., M.L.A.

MR. MUHAMMAD YAMIN KHAN, C.I.E., M.L.A.

## *Secretary :*

MR. S. C. GUPTA, C.I.E., BAR.-AT-LAW.

## *Assistants of the Secretary :*

MR. MUHAMMAD RAFI, BAR.-AT-LAW.

MR. BAHADUR D. DUTT.

## *Marshal :*

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

## *Committee on Public Petitions :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A., *Chairman*. (Upto to 13th March, 1933.)

MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman*. (From 22nd March, 1933.)

MR. LESLIE HUDSON, KT., M.L.A.

MR. ABDULLA-AL-MAMÜN SUHRAWARDY, KT., M.L.A.

MR. B. SITARAMARAJU, M.L.A.

MR. C. S. RANGA IYER, M.L.A.

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# LEGISLATIVE ASSEMBLY.

Monday, 20th February, 1933.

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The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Chairman (Sir Hari Singh Gour) in the Chair.

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## MEMBERS SWORN.

Lieut.-Colonel Sir Henry Gidney, Kt., M.L.A. (Nominated Non-Official): and Mr. D. N. O'Sullivan, M.L.A. (Bombay: European).

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## QUESTIONS AND ANSWERS.

### CONCESSIONS ON THE JODHPUR RAILWAY.

327. **\*Nawab Naharsingji Ishwarsingji:** Are Government aware that the Jodhpur Railway Company does not give the same concessions as the Bombay, Baroda and Central India, the North Western and other Railways do in the matter of fares during *Holi*, *Diwali* and the Christmas holidays? If so, what action do Government propose to take in the matter in the interest of the travelling public?

**Mr. P. R. Rau:** The concessions given by different Railways vary considerably. The grant of such concessions, is a matter entirely within the discretion of the Railway Administrations concerned, according to the conditions obtaining on their lines, and Government see no reason for their intervention in the matter. I should add that my Honourable friend is mistaken in thinking that the Jodhpur Railway is worked by a Company. It is directly managed by the Jodhpur Durbar.

**Mr. Lalchand Navalrai:** May I know from the Honourable Member if he knows any reason for this exception made by that Railway?

**Mr. P. R. Rau:** As I have already informed the House, the question of granting concessions is for each Railway Administration to decide after taking into consideration the peculiarities of the line: it is purely a question of whether they expect more traffic by giving these concessions.

**Mr. Lalchand Navalrai:** What I want to know is whether the Honourable Member is in possession of the information as to why they are an exception?

**Mr. P. R. Rau:** I am not in possession of the information.

**Diwan Bahadur A. Ramaswami Mudallar:** Am I to understand that the Government do not feel themselves competent to interfere in a matter where concessions are given by individual companies, or that it is a matter of policy for the Government to leave discretion to these Companies?

**Mr. P. B. Rau:** This is a line belonging to the Durbar, not to a Company.

**Diwan Bahadur A. Ramaswami Mudallar:** I am not speaking of this line in particular: I am asking with reference to the answer given by the Honourable Member, that the matter rests with the various Companies, and I am asking the question; am I to understand that these Companies are free to give whatever concessions they consider necessary or that the Government have no power to direct the Companies to give particular concessions in Company-managed or State-owned Railways, or is it merely the question of policy to leave the discretion with these Administrations?

**Mr. P. B. Rau:** The question of powers is a matter of interpretation of the various contracts with the Companies; but, as a matter of policy, Government do not interfere with details of this sort.

**Mr. Lalchand Navalrai:** Have Government given any money or aid to this Company?

**Mr. P. B. Rau:** There is no Company so far as this question is concerned.

**Dr. Ziauddin Ahmad:** May I ask whether the fact that a concession should or should not be given on particular holidays is initiated by the Railway Board or by the Agent?

**Mr. P. B. Rau:** I believe it is initiated usually by the Agent, and the Local Advisory Committee usually takes this matter up. This is a matter pre-eminently suitable for discussion in the Local Advisory Committee.

**Maulvi Muhammad Shafee Daoodi:** Which is the final authority in these matters?

**Mr. P. B. Rau:** The Railway Administrations are competent to grant these concessions within certain limits.

**Mr. M. Maswood Ahmad:** Is this Railway under the control of the Railway Board?

**Mr. P. B. Rau:** If they want, for instance, to go beyond certain minimum fares laid down, they have to get the sanction of the Railway Board.

**Mr. M. Maswood Ahmad:** Have Government got any share in this Company?

**Mr. P. B. Rau:** As I have already mentioned to the House, there is no Company concerned in this Railway.

BOOK ENTITLED "ALWARNAMA".

328. \*Mr. M. Maswood Ahmad: (a) Have Government received the book "Alwarnama"?

(b) Have Government gone through the book?

Mr. H. A. F. Metcalfe: (a) Yes.

(b) Yes.

Mr. N. N. Anklesaria: Have Government come to any decision in the matter?

Mr. H. A. F. Metcalfe: I am not in a position to make any statement on the subject.

CASUALTIES IN EACH PROVINCE INCURRED BY THE MILITARY, ETC.

329. \*Mr. S. C. Mitra: Will Government please lay on the table a statement of the number of cases in each province where casualties had been incurred by the military and the number and nature of casualties on the part of the military and the public and the rioters during the year 1931-1932?

The Honourable Sir Harry Haig: I lay a statement on the table giving information in my possession regarding casualties among the public as a result of communal riots and other disturbances during the years 1931 and 1932.

Information regarding casualties among the military is being obtained and will be laid on the table in due course.

*Statement showing the number of casualties among the public as a result of communal riots and other disturbances during the years 1931 and 1932.*

Province.	Number of cases.	AMONG THE PUBLIC OR RIOTERS.		Remarks.
		Killed.	Wounded.	
		1931.		
Madras . . . . .	4	7	13	
Bombay . . . . .	6	1	310	
Bengal . . . . .	1	1	29	
United Provinces . . . . .	10	336	1,226	
Punjab . . . . .	4	8	54	
Bihar and Orissa . . . . .	1	..	1	
North-West Frontier Province . . . . .	1	7	37	
Coorg . . . . .	1	3	76	

Statement showing the number of casualties among the public as a result of communal riots and other disturbances during the years 1931 and 1932—contd.

Province.	Number of cases.	AMONG THE PUBLIC OR RIOTERS.		Remarks.
		Killed.	Wounded.	
		1932.		
Madras . . . . .	1	1	2	
Bombay . . . . .	5	251	2,681	
Bengal . . . . .	22	26	90	
United Provinces . . . . .	7	9	110	
Punjab . . . . .	1	14	11	
Bihar and Orissa . . . . .	3	20	40	
Assam . . . . .	1	..	1	
North-West Frontier Province . . . . .	1	2	Several injured (number not known).	

N.B. —Full information regarding Burma is not available.

#### IMPORT OF SUGAR CANDY INTO BRITISH INDIA.

330. \*Mr. Rahimtoola M. Chinyoy: Will Government be pleased to state:

- (a) the quantity of sugar candy imported into British India:
  - (i) during the fiscal year 1931-32, and
  - (ii) during the nine months, 1st April to 31st December, 1932;
- (b) the average prices at which imported sugar candy was sold during these periods; and
- (c) the names of the countries from which sugar candy was imported?

The Honourable Sir Joseph Bhoze: (a) and (c). Imports of Sugar Candy are not shown separately in the Seaborne Trade Accounts. A Statement giving such information as it has been possible to collect specially is laid on the table.

(b) The Government of India have no information regarding selling prices but the average declared values per hundredweight of imports into Madras, Sind and Burma have been calculated to be as follows:

	Rs. A. P.
In 1931-32 . . . . .	13 13 0
In April—December, 1932. . . . .	9 8 0

Statement showing the quantity of Sugar Candy imported into British India so far as figures can be obtained:

	From Japan.	From other countries.	Total.
	Tons. Cwt.	Tons. Cwt.	Tons. Cwt.
<i>Into Madras.</i>			
1931-32 . . . . .	..	5 1	5 1
April—December, 1932 . . . . .	0 1	14 11	14 12
<i>Into Sind.</i>			
1931-32 . . . . .	..	11 17	11 17
April—December, 1932 . . . . .	90 0	6 11	96 11
<i>Into Burma.</i>			
1931-32 . . . . .	..	235 8	235 8
April—December, 1932 . . . . .	..	123 4	123 4
<i>Into Bombay.</i>			
1931-32 . . . . .	} (Figures obtained from the Chamber of Commerce, Bom- bay. Countries of origin not specified.)		590 18
April—December, 1932 . . . . .			405 8
<i>Into Calcutta.</i>			
1931-32 . . . . .	} Figures not recorded.		
April—December, 1932 . . . . .			

**Mr. Rahimtoola M. Chinoy:** Question No. 331.

**Dr. Ziauddin Ahmad:** May I know, Sir

**Mr. O. S. Ranga Iyer:** On a point of order. Sir: I hear the Honourable gentleman, Mr. Rahimtoola M. Chinoy, saying "Question No. 331.": and, therefore, I believe his question stands and no supplementary questions can arise on the previous question.

### FACTORIES IN BRITISH INDIA MANUFACTURING SUGAR CANDY.

331. \***Mr. Rahimtoola M. Chinoy**: Will Government be pleased to state :

- (a) the number of factories in British India at present manufacturing sugar candy;
- (b) the total number of men employed in this industry;
- (c) the total annual output of all these factories in 1931 and in 1932; and
- (d) the average selling price in 1931 and 1932 of sugar candy manufactured in India?

**The Honourable Sir Frank Noyce**: I regret that the statistics desired by the Honourable Member are not available.

**Mr. Rahimtoola M. Chinoy**: Will Government kindly make inquiries and collect this information?

**The Honourable Sir Frank Noyce**: I will see if anything can be done; but, to the best of my knowledge, this is a cottage industry and I imagine that it would be rather difficult to get any satisfactory figures about it.

### TOTAL AVAILABLE MARKET IN INDIA FOR SUGAR CANDY.

332. \***Mr. Rahimtoola M. Chinoy**: Will Government be pleased to state the total available market in India for sugar candy?

**The Honourable Sir Joseph Bhore**: The information, I regret, is not available.

### SAFEGUARDING THE INTERESTS OF THE INDIAN MANUFACTURERS OF SUGAR CANDY.

333. \***Mr. Rahimtoola M. Chinoy**: (a) Are Government aware that large quantities of sugar candy have been imported into British India from Japan during the past four months, *vis.*, October, November and December, 1932, and January, 1933, and that they are being sold at prices detrimental to the indigenous industry?

(b) If so, what steps do they propose to take to safeguard the interests of the Indian manufacturers of sugar candy?

(c) Will Government be pleased to state whether they have received any representations on the above subject? If so, what action do they propose to take on them?

**The Honourable Sir Joseph Bhore**: (a), (b) and (c). No statistics are yet available for the months specified by the Honourable Member. Representations have, however, recently been received on the subject and the matter is engaging the attention of the Government of India.

### STATUS OF BERAR IN THE NEW CONSTITUTION.

334. \***Mr. S. G. Jog**: (a) Is it not a fact that Sir Samuel Hoare made a statement in his speech in London on the 16th December, 1932, that more detailed negotiations as regards the future status of Berar in the federation will take place in India in the next few weeks?

(b) Will Government state the exact time as to when these negotiations will take place and at what place?

(c) Will Government state the nature of these negotiations?

(d) Will Government state the plan and the procedure for carrying on these negotiations?

**Mr. H. A. F. Metcalfe:** With your permission, Sir, I propose to answer questions Nos. 334 and 335 together. The reply to part (a) of question No. 334 is in the affirmative. As regards the other parts of that question and question No. 335, Government regret that they are not in a position to make any announcement at this stage except that the matter is under discussion with His Exalted Highness the Nizam's Government.

**Diwan Bahadur A. Ramaswami Mudaliar:** Is there any proposal for the retrocession of this territory to H. E. H. the Nizam's Government? Is such a proposal under consideration at all?

**Mr. H. A. F. Metcalfe:** I can only state that I am not in a position to say anything further than what I have already said in my reply to this question.

**Mr. Gaya Prasad Singh:** You are not in a position to deny that there is any proposal before the Government, I take it?

**Mr. K. Ahmed:** Is there no ruling, Sir, to the effect that this sort of question cannot be asked? This matter concerns a Ruling Chief and, according to the Rules and Standing Orders, this matter cannot be discussed and we are not entitled to put that question.

**An Honourable Member:** But the question has been admitted?

**Mr. K. Ahmed:** It may have been admitted wrongly: but we cannot ask the question, Sir.

**Mr. Chairman** (Sir Hari Singh Gour): The Honourable Member is an old Member of this House and must be aware of the fact that Rs. 25 lakhs are paid by the Government of India as lease money to His Exalted Highness the Nizam's Government and that Berar is administered by the Government of India, and that it is a subject of discussion and debate almost every year.

**Mr. S. G. Jog:** Will the Honourable Member give this House an idea as to what he means by the transfer of administration of Berar to His Exalted Highness the Nizam's Government?

**Mr. H. A. F. Metcalfe:** I am not in a position to give the House any ideas beyond those which are already stated in my reply that the matter is under discussion with His Exalted Highness the Nizam's Government.

**Mr. S. G. Jog:** Is the Honourable Member aware of the questions which were put and the answers given on this subject in the House of Commons?

**Mr. H. A. F. Metcalfe:** I am not aware of that fact, but whether that may be or not, I am not in a position to give any further answer than that I have already given.

**Mr. K. P. Thampan:** May I know, Sir, whether the people of Berar are British subjects, and whether their British citizenship can be bartered away like this by transferring their province to some other sovereign?

**Sir Cowasji Jehangir:** May I know, Sir, whether the information which has been made available to the House of Commons officially can be denied to this House?

**Mr. H. A. F. Metcalfe:** I do not think I am in a position to answer that question. It should probably be addressed to the Honourable the Leader of the House.

**The Honourable Sir Brojendra Mitter:** If any information has been given by the House of Commons, that information is available to all Members, and, therefore, there is no question of any denial of information to Honourable Members here.

**Sir Cowasji Jehangir:** If an Honourable Member repeats the same question here, is he to get a reply that no information is available? Supposing I put the very same question that was put in the House of Commons and to which an answer has been given in the House of Commons, can the Honourable Member in charge say that no information is available? I ask the Honourable the Leader of the House to explain the position.

**The Honourable Sir Brojendra Mitter:** My answer is first, that Sir Cowasji Jehangir's question is hypothetical and, secondly, if information has been given on a particular matter in the House of Commons, why should the question be asked here again?

**Sir Cowasji Jehangir:** In order to put supplementary questions.

**The Honourable Sir Brojendra Mitter:** To the supplementary question no further information can be given.

**Sir Cowasji Jehangir:** The present position is that an answer has been denied to this House; no answer has been given.

**Mr. O. S. Ranga Iyer:** Is it not a fact, Sir, that the House of Commons procedure permits putting of questions not only for British India, but also for Indian States, whereas the procedure of this House prohibits putting of questions or giving of answers in respect of Indian States?

**The Honourable Sir Brojendra Mitter:** I am familiar with the procedure of this House, but I am not equally familiar with the procedure of the House of Commons.

**Mr. S. G. Jog:** Will the Honourable Member be pleased to state whether he will be in a position to make some statement on the whole question, because this matter has been hanging fire for the last few years, and so will he please tell us approximately in how much time he will be in a position to make a statement?



**Mr. H. A. F. Metcalfe:** All I can say is that a statement will be made after negotiations, which are at present in progress with His Exalted Highness the Nizam's Government, have been completed and a decision taken.

**Mr. B. Das:** May I ask if it is the intention of the Government to consult this House when the Government come to some tentative conclusion with His Exalted Highness the Nizam's Government and whether it is the intention of the Government to consult the people of Berar also in this matter?

**Mr. H. A. F. Metcalfe:** I am not in a position to make any statement as to the Government's intention in the matter.

**Sir Cowasji Jehangir:** May I know whether he is aware of the fact that an answer in the affirmative has been given in the House of Commons?

**Mr. H. A. F. Metcalfe:** I am not aware of the fact, Sir.

**Sir Cowasji Jehangir:** Is the Honourable Member aware that questions were put and answers given in the House of Commons relating to this subject? Is the Honourable Member aware of questions put and answers given in the House of Commons with regard to matters in charge of his own department?

**Mr. H. A. F. Metcalfe:** Will the Honourable Member say which question he is referring to? There are a number of questions that have been asked.

**Sir Cowasji Jehangir:** My friend has just asked a question, as to whether this House will be consulted before Government come to a definite decision on the question of transfer of Berar. The answer has been given to that question in the House of Commons. The Honourable Member in reply to that question said he had no answer to give. When I asked him whether he was aware of the questions put and answers given in the House of Commons, he said he was not. Then, my supplementary question is, is the Honourable Member aware of questions put and answers given in the House of Commons with regard to his own department? That is the question now.

**Mr. H. A. F. Metcalfe:** There are a number of matters that are brought to my notice at various times, but I cannot undertake to carry in my head the whole proceedings in the House of Commons.

**Mr. K. C. Neogy:** Are the negotiations with His Exalted Highness the Nizam's Government carried on by the Government of India or they have been taken out of their hands by the Secretary of State for direct negotiations?

**Mr. H. A. F. Metcalfe:** That again, I am not in a position to say.

**Mr. K. C. Neogy:** Is it not a fact, Sir, that in matters relating to the Government of India, the Secretary of State, in replying to questions in the House of Commons, generally depends upon information supplied by the Government of India?

**Mr. H. A. F. Metcalfe:** That probably is the case.

**Mr. K. O. Neogy:** Can the Honourable Member recall as to whether he had occasion to supply any information in regard to this matter for the purpose of answering any question in the House of Commons?

**Mr. H. A. F. Metcalfe:** I can say with confidence that with regard to the Berars I have supplied no information to the Secretary of State.

**Mr. K. O. Neogy:** When we address questions, we address them to Honourable Members as representatives of the Government of India and not to any private individuals.

**Mr. S. G. Jog:** May I draw the Honourable Member's attention to the fact that Mr. McEntee asked a question and a reply was given in the House of Commons by Sir Samuel Hoare in which he said that the people of Berar would have ample opportunity to express their views before the administration of Berar is transferred to Nizam's Government? Has the attention of the Honourable Member been drawn to the question asked and the answer given in the House of Commons?

**Mr. H. A. F. Metcalfe:** My attention has now been drawn to it.

**Mr. K. O. Neogy:** Is it not a fact, Sir, that Reuter's telegrams are supplied to the Government of India?

**Mr. O. S. Ranga Iyer:** In any future decisions affecting the people of Berar, will the Honourable Member be pleased to state that every step will be taken to consider the views and feelings of the people of Berar?

**Mr. H. A. F. Metcalfe:** I have already said that I can make no statement about the Government's intentions in the matter.

**Mr. K. O. Neogy:** Sir, I have not received an answer to the question which I put,—whether the different Departments of the Government of India are supplied with Reuter's telegrams for which the tax-payer of India has to pay?

**Mr. H. A. F. Metcalfe:** I am certainly supplied with Reuter's telegrams.

**Mr. K. O. Neogy:** Does the Honourable Member consider it any part of his duties to read these telegrams?

**Mr. H. A. F. Metcalfe:** By all means.

**Mr. S. G. Jog:** Is the Honourable Member aware that this particular telegram was put on the Board here near the Notice Office?

**Mr. H. A. F. Metcalfe:** I am not aware of it.

**Mr. B. R. Puri:** Is the Honourable Member prepared to amend his attitude in the light of the answer given in the House of Commons?

**Mr. H. A. F. Metcalfe:** I do not exactly know what the Honourable Member is referring to by my attitude.

**Mr. B. R. Puri:** The attitude of your not knowing anything on the subject. Is the opinion expressed in the answer the view of the Government of India or of the Secretary of State or in his individual capacity?

**Mr. H. A. F. Metcalfe:** I have never expressed ignorance on the subject. What I said was, and I will say it again, that I am not in a position to make any statement.

**Mr. C. S. Ranga Iyer:** Is it not a fact, Sir, that the Government do not contemplate taking Berar away from the jurisdiction of the Central Provinces Administration?

**Mr. H. A. F. Metcalfe:** I can only repeat, Sir, that I am not in a position to state what the Government contemplate.

**Mr. N. M. Joshi:** Is it not a fact, Sir, that Sir Reginald Craddock, an *ex*-Governor of Burma and an *ex*-Chief Commissioner of the Central Provinces and Berar, has for some time past been asking for an assurance from the Secretary of State that under no circumstances should Berar be transferred to His Exalted Highness the Nizam's Government?

**Mr. H. A. F. Metcalfe:** I understand that Sir Reginald Craddock needs a number of assurances, but I have not seen this particular demand.

#### STATUS OF BERAR IN THE NEW CONSTITUTION.

+335. **\*Mr. S. G. Jog:** (a) Will Government state their proposals in the matter of fitting in Berar in the federation?

(b) Will Government state their proposals in the matter of getting over the present dual arrangement in the administration of Berar?

(c) Will Government state as to what procedure they would suggest to give the people of Berar and their representatives an opportunity to express their views in this important constitutional question?

(d) Do Government propose to arrange a conference of the representatives of interests affected by this question with a view to enabling them to come to an agreement on the complicated position of Berar and its future status in the federation?

#### IMPORT DUTY ON INDIAN-MADE GOODS IN THE KASHMIR STATE.

336. **\*Mr. S. C. Mitra:** Is it a fact that the Kashmir Darbar has decided to levy an import duty of 30 per cent. on Indian-made goods while goods produced in the United Kingdom and British Colonies will have a preferential duty of 20 per cent.?

**Mr. H. A. F. Metcalfe:** The information asked for has been called for and a reply will be laid on the table in due course.

#### SERIOUS MINE DISASTER IN JHARIA.

337. **\*Mr. S. C. Mitra:** (a) Is it a fact that on November 8th, 1930, a serious mine disaster took place in the town of Jharia, resulting in the loss of human life and destruction of large properties?

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+For answer to this question, see answer to question No. 334.

(b) Is it a fact that Mr. Simpson, Chief Inspector of Mines, gave a certificate on the 23rd May, 1930, to the effect that "working of Messrs. Khora Ramji's Khas Jharia Colliery underlying buildings in Jharia Bazar is perfectly stabled, and occupants of the buildings are not endangered in any way"?

(c) Was any warning given by the Chief Inspector of Mines or any body about the impending danger of the Jharia Bazar? If so, when and to what effect? Why cannot warning be issued sufficiently in time before any such danger?

(d) Is it a fact that in June, 1931, there was again accumulation of gas and fire which was timely controlled?

(e) Is it a fact that a collapse occurred on November 26th, 1932, and destroyed some buildings, and smoke indicative of fire underground was visible?

(f) Will Government please explain how this subsidence took place without the Mining Inspector's staff being ignorant of the condition of the underground mines? Was not the Mining Department cognisant of the defective working of the mines?

(g) Has anybody been held responsible for not giving warning for this disaster? Was it due to the negligence of the Mining Officers?

(h) What steps were taken after the first subsidence and gas menace?

(i) Have Government taken any steps against any such future calamity?

**The Honourable Sir Frank Noyce:** (a) A surface subsidence took place on the date mentioned owing to the collapse of underground workings. Some dwellings were wrecked and one person who disregarded the warning given was killed. Another person was seriously injured.

(b) Government have no definite information, but a newspaper reproduced a copy of such a letter said to have been sent to Messrs. Bhaishanker and Company, Jharia.

(c) A warning was not given by the Chief Inspector because the indications of danger from the workings in question only appeared a few hours before the accident. But the Manager of the mine gave suitable warning at about 9 P.M. to the inhabitants of the dwellings likely to be affected by a subsidence. The only person killed by the subsidence had received a personal warning as well as the general warning. The warning was given in adequate time and 94 persons who vacated their dwellings with their belongings were uninjured.

(d) to (i). I would invite the attention of the Honourable Member to the facts published in the communiqué recently issued by the Government of Bihar and Orissa which appeared in the Bihar and Orissa Gazette, Part II, of the 4th January, 1933.

**Mr. Gaya Prasad Singh:** May I ask if any inquiry was undertaken in the matter, and with what result?

**The Honourable Sir Frank Noyce:** Yes, the results are shown in the communiqué which I have mentioned, and I shall be very glad to let the Honourable Member have a copy of it.

**ADVERTISEMENTS RELATING TO THE OPENING OF THE HOWRAH BRIDGE IN CALCUTTA.**

338. \***Mr. Gaya Prasad Singh:** (a) Is it a fact that advertisements relating to the opening of the Howrah Bridge in Calcutta are given by the Port Commissioners of Calcutta, exclusively to the *Statesman*? If so, why were they not given to Indian papers also? Will Government kindly state in what papers such advertisements have appeared; and what is the amount of charges paid by the Port Commissioners of Calcutta to each such paper, during the last three years?

(b) Is it a fact that the *Amrita Bazar Patrika* some time back wrote to the Port Commissioners of Calcutta, suggesting that such advertisement notices should be sent to some of the Indian papers also; but the Port Commissioners replied that they were willing to send such notices to the Indian papers provided they were prepared to publish them free of charge; on which the *Amrita Bazar Patrika* retorted that the notices should be sent to all the Calcutta dailies including the *Statesman* for free publication?

(c) Is it a fact that Railway advertisements, relating to Kumbh Mela, Magh Mela, Shibratri Mela, and other pilgrimage notices, are sent exclusively to the *Statesman* for publication? If so, why not to the Indian papers also, which are read mostly by the class of people for whom such pilgrimage notices are meant?

(d) Are Government aware that the Calcutta High Court chooses only the *Statesman* for the publication of the Jury Notices, and if so, why are Indian papers excluded?

**The Honourable Sir Joseph Bhow:** (a) No. Advertisements have appeared in the *Englishman*, the *Statesman*, the *Bengalee*, the *Star of India* and the *Exchange Gazette*.

The figures for the last three years are not immediately available. During 1932, the Commissioners paid to:

	Rs.	a.	p.
The <i>Englishman</i> . . . . .	34	0	0
The <i>Statesman</i> . . . . .	972	0	0
The <i>Bengalee</i> . . . . .	160	0	0
The <i>Star of India</i> . . . . .	80	0	0
The <i>Exchange Gazette</i> . . . . .	215	13	0

(b) The Editor of the *Amrita Bazar Patrika* wrote asking the Commissioners to insert the Howrah Bridge advertisements in his paper. The Commissioners replied that they were unable to incur further expenditure on advertisements but that they would be pleased to submit all Howrah Bridge notices to the *Amrita Bazar Patrika* for publication free of charge. The Editor replied that he would be pleased to publish such notices free of charge if all the papers at present publishing such advertisements agreed to do so also. The matter rests there.

(c) The required information has been called for from the Agent, East Indian Railway, in connection with question bearing Serial No. 285, asked in this House on the 8th February, 1933, and will be laid on the table in due course.

(d) The answer to the first part is in the affirmative. The publication of the notices in other newspapers including the *Englishman*, the *Amrita Bazar Patrika* and the *Exchange Gazette* has been discontinued since

August, 1930. For reasons of economy such advertisements have been curtailed by the Honourable Judges and they consider the "*Statesman*" sufficient for the purpose.

**Mr. Gaya Prasad Singh:** May I know what is the objection in accepting the suggestion made by the *Amrita Bazar Patrika*, namely, that these advertisements should be published by all the papers free?

**The Honourable Sir Joseph Bhore:** May I point out to my Honourable friend that this is not a matter in which the Government have any power of interference. Discretion lies entirely with the Port Commissioners.

**Mr. N. M. Joshi:** May I ask whether it is not a fact that these advertisements are generally meant as subsidies to the papers?

**The Honourable Sir Joseph Bhore:** My Honourable friend is at liberty to draw his own conclusion.

**Mr. K. Ahmed:** In view of the fact that each line of the jury notices and also the legal and Court notices under the Original Side of the Calcutta High Court referred to in (d) of the question—may I address this question to the Home Department—containing only three or four words is charged for more heavily than a line for advertising a vacancy of rooms in a hotel? May I ask, if there is any justification for this?

**The Honourable Sir Harry Haig:** The Honourable Member has done me the compliment of addressing this question to me, but I think at the same time his glance was directed towards the representative of the *Statesman* who possibly will be in a better position to give him an answer.

**Mr. K. Ahmed:** Do Government propose for their own benefit and for the benefit of the country to send a copy of this supplementary question to the Calcutta High Court pointing out to them that the charges are extraordinarily high and that the litigant public suffers in consequence. Do Government propose to send this question to the Calcutta High Court so that the rates may be reduced?

**The Honourable Sir Harry Haig:** I shall be happy to send a complete record of the question to the Calcutta High Court.

**Mr. S. C. Mitra:** Are Government in a position to explain why the Port Commissioners should give preference to the *Statesman* as regards advertisements about passengers over the Howrah Bridge? Is it not a fact that the passengers are mostly Indians who read Indian papers?

**The Honourable Sir Joseph Bhore:** I regret I am not in a position to give the explanation sought by my Honourable friend, but I shall have great pleasure in forwarding the questions that have been put and the replies that have been given to the Port Commissioners for their consideration.

**Mr. B. Das:** Does it not lead to the conclusion that the Port Commissioners are enjoying too much power? Will the Honourable Member consider the question of amending the Port Trust Act and does the Honourable the Railway Member also know that he is giving too much power to the Railway Chief Commissioner?

**The Honourable Sir Joseph Bhore:** My Honourable friend must realise that in answer to a supplementary question I cannot say straightaway whether it is advisable to introduce legislation into this House or not.

**Mr. Lalchand Navalrai:** May I know whether there is any fixed policy in regard to the patronising of these papers or whether it is left entirely to the discretion of the officers below? Are there any rules on the point?

**The Honourable Sir Joseph Bhore:** I do not know what my Honourable friend is referring to. If he is referring to the Port Commissioners . . .

**Mr. Lalchand Navalrai:** I am asking generally.

**The Honourable Sir Joseph Bhore:** I am not aware of any such policy. So far as the Railway Department is concerned, I think I can say definitely that Railways have advertised in papers through which they considered that the widest publicity would be given.

**Mr. Gaya Prasad Singh:** Is it a fact that the Chairman and the majority of the Port Commissioners are Europeans?

**The Honourable Sir Joseph Bhore:** I think that is probably true.

**Mr. Gaya Prasad Singh:** Is it because of this fact that the *Statesman* is patronised more than the Indian papers?

**The Honourable Sir Joseph Bhore:** My Honourable friend can draw his own conclusion.

#### TRANSFER OF PRISONERS TO THE ANDAMANS.

339. **\*Mr. Gaya Prasad Singh:** Will Government be pleased to lay a statement on the table, giving the names of prisoners, the Provinces to which they belong, the offences of which they were convicted, and their terms of imprisonment, who have been up-to-date transported to the Andamans, indicating the dates on which they were so transported during the last two years?

**The Honourable Sir Harry Haig:** As I have stated before in the House I am not prepared to furnish detailed information about the terrorist prisoners whose removal to the Andamans has been sanctioned.

#### SCHEME OF NON-NATIVE SETTLEMENT IN TANGANYIKA.

340. **\*Mr. Gaya Prasad Singh:** (a) Has the attention of Government been drawn to a speech delivered by the Governor of Tanganyika in the budget session of the Legislative Council a section of which has been reported in the *Tanganyika Opinion*, dated the 28th October, 1932, at page 14 under the heading "White Settlement"?

(b) Is it not a fact that Indian settlement is not within the scheme of the non-native settlement in that Territory, and that the Government of Tanganyika is more keen about White Settlement?

(c) Have Government considered the question of the advisability of approaching the Government of Tanganyika through the Colonial Office that Indian interests in the scheme of future settlement be not ignored?

**Mr. G. S. Bajpai:** (a) Yes.

(b) No.

(c) The attention of the Honourable Member is invited to the reply given on the 29th February, 1932, to parts (b) and (c) of his starred question No. 545.

#### ALLEGATIONS AGAINST THE GOVERNMENT OF TANGANYIKA.

341. **\*Mr. Gaya Prasad Singh:** (a) Has the attention of the Government been drawn to page 18 of the *Tanganyika Opinion*, dated the 4th November, 1932, under the headings "Customs Loss," "Passport to Indians" and "Postal Union"?

(b) Are Government aware (1) that the Government of Tanganyika is heavily suffering a loss from customs agreement with the Kenya and Uganda Governments, (2) that racial discrimination exists in Tanganyika at the instance of imperial authorities in the matter of grant of passports to Indians, and (3) that strong feelings exist among the officials and non-officials in Tanganyika against the postal unification?

**Mr. G. S. Bajpai:** (a) Yes.

(b) (1). Government have no information beyond what has appeared in the Press.

(b) (2). Government are not aware of any racial discrimination in the matter of the issue of passports.

(b) (3). I would refer the Honourable Member to the reply which I shall give to his next question.

#### POSTAL UNIFICATION IN TANGANYIKA.

342. **\*Mr. Gaya Prasad Singh:** (a) Has the attention of Government been drawn to the debate in the Legislative Council of Tanganyika on the issue of postal unification as published in the *Tanganyika Opinion*, dated the 11th November, 1932, at page 4 under the heading "Postal Union under Fire in Legislative Council"?

(b) Are Government aware of the united Indian and European opposition to the scheme of subordinating the Tanganyika postal service to Kenya and Uganda?

(c) In view of the reply of Government to my starred question No. 1361 (c) of the 21st November, 1932, are Government now prepared to take steps to move the Permanent Court of International Justice on the subject of postal unification in the light of the suggestions of the Dar-es-Salaam Indian Association made in their petition to the Permanent Mandates Commission of the League of Nations? If not, why not?

(d) Are Government aware that the Dar-es-Salaam Indian Association have already addressed the Government of India on the subject requesting that the said Court be moved?

(e) Has the attention of Government been drawn to a leading article in the *Tanganyika Opinion*, dated the 25th November, 1932, at page 2 under the heading "Postal Unification denounced"? Are Government aware of the amount of opposition in Tanganyika to the postal unification scheme?



**Mr. G. S. Bajpai:** (a) to (e). Government have seen the newspaper passages referred to by the Honourable Member. They are not in a position to say what the strength of the opposition to the Postal union of Tanganyika with Kenya and Uganda is. Nor do they consider it necessary to move the Permanent Court of International Justice on the subject, as suggested by the Dar-es-Salaam Association to the Permanent Mandates Commission of the League of Nations. Government's main concern is to try to ensure that the amalgamation does not differentially affect Indian interests, mainly as regards the employment of Indians in the Department. The fact that no such effects have been brought to their notice as a result of the amalgamation of the Postal Services of Kenya and Uganda, which has been in existence for some years, encourages the hope that apprehensions on this point will not be realised. But the Government of India will watch developments and will take suitable action to safeguard Indian interests as and when circumstances may require this.

**Mr. Gaya Prasad Singh:** Do I understand that this amalgamation scheme has already been carried out?

**Mr. G. S. Bajpai:** I gather, Sir, that the amalgamation scheme has been carried out.

#### ZANZIBAR INDIANS' CAMPAIGN AGAINST TRADE TAXES.

343. **\*Mr. Gaya Prasad Singh:** Have Government seen an article in the *Tanganyika Opinion*, dated the 16th December, 1932, at page 11 under the heading "Zanzibar Indians' Campaign Against Trade Taxes"? What steps have been taken to enquire into the matter, and to safeguard the Indian interests there?

**Mr. G. S. Bajpai:** Government have seen the article in question, but do not feel called upon to take any action as the Indian community in Zanzibar has not approached them in the matter.

#### PLIGHT OF INDIANS IN UGANDA.

344. **\*Mr. Gaya Prasad Singh:** Has the attention of Government been drawn to the *Tanganyika Opinion*, dated the 23rd December, 1932, at page 4 under the heading "Plight of Indians in Uganda"; and what steps have been taken in the matter complained of?

**Mr. G. S. Bajpai:** Government have seen the article referred to by the Honourable Member. The matter appears to have been inquired into by the Government of Uganda who came to the conclusion that the complaints could not be substantiated. The Government of India have not been approached by the Indian community of Uganda and do not consider that any action on their part is called for.

#### SAFEGUARDING THE EDUCATIONAL INTERESTS OF INDIANS IN FIJI.

345. **\*Mr. Gaya Prasad Singh:** (a) Has the attention of Government been drawn to the *Tanganyika Opinion*, dated the 23rd December, 1932, at page 7 under the heading "What is Happening in Fiji"?

(b) Is there no Indian member on the Education Board of Fiji to safeguard Indian education interests in those Islands? If so, why?

**Mr. G. S. Bajpai:** (a) Yes.

(b) Government understand from the answer given in the Fiji Legislative Council to a similar question in October last that there is no Indian on the Board at present and that there is no vacancy to which an Indian could be appointed.

**Mr. Gaya Prasad Singh:** May I take it that when the next vacancy occurs, the claims of an Indian to the appointment will be considered?

**Mr. G. S. Bajpai:** I have been through the Ordinance, Sir, and I find there is no bar to the appointment of an Indian to this Board. I do not think that the matter is of sufficient importance to justify the Government of India addressing the Fiji Government on the subject. There are now three Indian representatives in the Fiji Legislative Council and, I think, it is up to them to take up the matter.

**Mr. Gaya Prasad Singh:** Is it not a fact that the Indian representatives in the Legislative Council of Fiji are in a minority?

**Mr. G. S. Bajpai:** They may be in a minority, but they are not precluded from representing to the Governor that the Indian community should be represented on this Education Board.

**Mr. Gaya Prasad Singh:** Do I understand that the Government of India will support their claim?

**Mr. G. S. Bajpai:** If the claim is put forward and the Indian community wishes for the support of the Government of India, it will be ungrudgingly and promptly given.

#### DEMAND FOR COMMON ROLL IN FIJI.

346. **\*Mr. Gaya Prasad Singh:** Has the attention of Government been drawn to the *Tanganyika Opinion*, dated the 30th December, 1932, at pages 13 and 14, under the heading "Demand for common roll in Fiji"? What steps, if any, are being taken in the matter?

**Mr. G. S. Bajpai:** Government have seen the article in question. The attention of the Honourable Member is drawn to the answer that I gave to his question No. 125 on the 6th February, 1933.

#### INDIAN SCIENTISTS SENT TO THE UNITED KINGDOM TO SPECIALISE IN THE IMPROVEMENT OF THE QUALITY OF LAC.

347. **\*Mr. Gaya Prasad Singh:** Is it a fact that at the instance of the Indian Lac Cess Committee of Ranchi, Behar, three Indian scientists are to be sent, or have been sent to the United Kingdom to work in industrial laboratories there, in order to improve the quality of lac, and to discover new markets on the continent for Indian lac? If so, who are the persons selected, and what is the approximate expenditure involved?

**Mr. G. S. Bajpai:** At the instance of the Indian Lac Cess Committee, the Government of India have sanctioned a scheme to extend research on Indian Lac to the United Kingdom and to create for this purpose three

posts of scientists to be filled by advertisement and selection in India. An advertisement was accordingly issued and applications received are now under consideration. No selection has yet been made. The estimated cost of the scheme is approximately Rs. 1,18,000.

**ENTRY OF SOME SOLDIERS OF THE DORSETSHIRE REGIMENT INTO THE DACCA UNIVERSITY CENTRAL BUILDING WITH FIXED BAYONETS.**

348. **\*Mr. Gaya Prasad Singh:** Has the attention of Government been drawn to a report published in the *Amrita Bazar Patrika*, dated the 13th January, 1933 (page 3), in which it is stated that some soldiers of the Dorsetshire Regiment entered into the Dacca University Central Building with fixed bayonets, and prevented students and Professors either to come out or enter into the University Building; that some soldiers one evening annoyed lady students who were playing tennis in the Hostel Compound; and that some soldiers trespassed into the private compound of a few Professors of the University? Do Government propose to inquire into the matter, and make a statement on the subject, indicating the steps taken in the matter?

**Mr. G. R. F. Tottenham:** The facts are that a determined attack was made on an unarmed British soldier by two men of the *Bhadralog* class. After the assault, one of them was pursued by a non-commissioned officer and a private, but made his escape into the University building. No attempt was made by those who were in the University compound to stop the man. The non-commissioned officer then posted one sentry in front of the building and one at the back; and the matter was reported to the police who are now investigating it. No inconvenience would have been caused to those present if the assailant had not been shielded by them.

No complaint has been received that annoyance was caused to lady students while playing tennis. The Vice-Chancellor of the University did inform the Officer Commanding the Dorsetshire Regiment that he had received complaints about soldiers trespassing into the compounds of University professors. No evidence of identification was given and there are no grounds for believing that there was any felonious intention. But orders have been given to prevent any ground for such complaints in future.

**Mr. Gaya Prasad Singh:** May I know what was the motive of these *Bhadralog* people in attacking without any provocation an unarmed soldier passing along the road?

**Mr. G. R. F. Tottenham:** The matter, Sir, is now under investigation and the investigation has not been completed; but it seems probable that the attack was made with the object of robbing the soldier of a revolver which he was supposed to be carrying. As a matter of fact, he was not carrying a revolver at the time.

**Mr. K. O. Neogy:** Is not the Honourable Member aware that, previous to this incident, there were cases of assault on innocent students and members of the public by individual soldiers?

**Mr. G. R. F. Tottenham:** No, Sir. Cases have been brought to our notice, and there have been articles in the Press. But the cases, that have been investigated, have been found to be exaggerated.

**Mr. B. B. Puri:** What actually is the evidence, Sir, with regard to the alleged shielding of these two men by the *Bhadralog* inmates of that particular building?

**Mr. G. R. F. Tottenham:** I can read out to my Honourable friend an extract from the report given by the soldier who pursued the man. He says as follows:

"As he turned the corner, I saw about nine Indians conversing at the corner. I shouted, 'stop him', but they opened a path for him and closing behind him baulked me, so that I had to push one or two of them aside. This made me lose a few yards, but I saw the Indian, I was tracing, turn in at the gate of the University. I followed him. There were a lot of Indians in the grounds, but the man shouted and waved his hand and they let him pass through. I saw him run into the building, but did not think it wise to follow him."

**Mr. K. O. Neogy:** The Honourable Member has stated that the accounts of assaults committed by soldiers upon members of the public have been exaggerated and that there have been some investigations into those allegations. Will the Honourable Member be pleased to give the House an idea about the facts that have been actually found as a result of those investigations, apart from the exaggerations?

**Mr. G. R. F. Tottenham:** I can refer the Honourable Member to the replies placed on the table in answer to certain questions on the subject. I am actually laying on the table today a reply to a question that was asked on the 9th February, and if he wishes, I will read out that reply; but I think the better plan would be to refer him, if I may do so, separately to the questions to which answers have been given or laid on the table of the House.

**Mr. K. O. Neogy:** Does that statement include the report of an incident in which a stick was actually broken as a result of the assault that was committed by a soldier on an Indian student?

**Mr. G. R. F. Tottenham:** Yes, it does include that, as far as I remember.

**Mr. Gaya Prasad Singh:** Do I understand the Honourable Member to say that an inquiry is proceeding with regard to the subject matter of my question and if so, will the result of the inquiry be placed on the table of the House at a later date?

**Mr. G. R. F. Tottenham:** An inquiry is being undertaken by the police and will presumably end in a case if the man is arrested. If so, the proceedings will be public, but if the Honourable Member wishes to make a special case of this and wants me to lay a report on the table, I shall have no objection to doing so.

**Mr. K. O. Neogy:** May I ask how far the presence of soldiers in Dacca along with the occurrences of this type have succeeded in "creating an impression"—to use a very famous expression?

**Mr. G. R. F. Tottenham:** That must be a matter of opinion.

**Mr. Lalchand Navalrai:** Does the Honourable Member know that these soldiers many times go about the City drunk and then create quarrels? What is the Honourable Member going to do with regard to that?

**Mr. G. R. F. Tottenham:** I am quite unaware of such a fact, Sir. It is most unusual for members of the army to go about drunk.

#### CUTTING OFF OF THE WATER-SUPPLY TO LABOURERS IN NEW DELHI.

349. **\*Mr. Gaya Prasad Singh:** Is it a fact that the New Delhi Municipality has cut off the water-supply to about 10,000 labourers, who have contributed to the building of the new Capital, with a view to ejecting them from New Delhi, and that many of them have been turned out of their quarters in these winter days? If so, why?

**Mr. G. S. Bajpai:** Inquiries are being made and the results will be communicated to the House in due course.

**Mr. Gaya Prasad Singh:** This question was sent in long ago. What has been the plight of these 10,000 poor Indians in the meantime as they are being turned out of their dwellings, and starving?

**Mr. G. S. Bajpai:** The reason why I gave an *ad interim* reply is that the report that I received did not give all the facts or did not appear to me to give all the facts. When I do get all the facts, I shall communicate them.

**Sardar Sant Singh:** Will the Honourable Member take steps to stop this sort of illegal pressure being brought to bear upon these poor labourers so long as the report is not completed?

**Mr. G. S. Bajpai:** The Honourable Member seems to assume that any pressure that is being brought to bear is illegal. I am not in a position to say that it is illegal.

**Sardar Sant Singh:** I may inform the Honourable Member that the facts contained in this question are quite correct and that these inhuman methods are turning out the labourers from their quarters. Meanwhile something should be done for them.

**Mr. G. S. Bajpai:** My Honourable friend first of all said that this process is illegal and now he says it is inhuman. Whether a thing is legal or illegal is a question of fact and whether it is human or inhuman is a matter of opinion, and I am not going to deal with that side of the question. I am looking into this matter and the Honourable Members may rest assured that a thorough and searching inquiry will be made.

#### REFUSAL OF PASSPORT TO DR. MUHAMMAD ALAM TO VISIT KENYA.

350. **\*Mr. Gaya Prasad Singh:** Has there been any correspondence between the Government of India and the Punjab Government, or with any other authority, regarding the refusal of passport to Dr. Alam to visit Kenya for purposes of health as advised by Doctors? Are Government in a position to make a statement as to why passport has been refused?

**Mr. G. S. Bajpai:** The attention of the Honourable Member is invited to the reply given by me on the 8th February, 1933, to Mr. Jagan Nath Aggarwal's starred question No. 302.

**Mr. Gaya Prasad Singh:** Have any further proceedings taken place with regard to this passport affair?

**Mr. G. S. Bajpai:** So far as I am aware, no communication has been received by the Government of India in regard to this passport.

#### PROPOSED TRANSFER OF THE BADRINATH TEMPLE TO THE GARHWAL STATE.

351. **\*Mr. Gaya Prasad Singh:** Is there any proposal for the transfer of the famous Badrinath temple, and the surrounding area, in British Garhwal District (United Provinces) to the Garhwal State? If so, are Government aware of the strong public opinion against the proposal, as evidenced by the protest meeting recently held in Karna Prayag, Garhwal District (*vide* the *Hindustan Times*, dated the 22nd January, 1933, page 11)?

**Mr. H. A. F. Metcalfe:** No such proposal is being considered by Government.

The second part of the question does not therefore arise.

#### DUTY ON "NEWS PRINT" PAPER IMPORTED INTO INDIA.

352. **\*Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) the total quantity and value of "news print" paper imported into this country from the empire and foreign countries during the last three years;
- (b) whether "news print" was specifically excluded—*vide* item 120, schedule F—from the articles to which preference was granted under the agreement between the United Kingdom and India;
- (c) whether they are aware that there is not any competition between empire and foreign countries regarding this article; and
- (d) whether Government propose to revise the 30 per cent. duty now levied on "news print"?

**The Honourable Sir Joseph Bhoré:** (a) The information is contained in the Sea-borne Trade Accounts, copies of which are available in the Library.

(b) Yes.

(c) and (d). The matter has been engaging the attention of Government.

**Mr. K. P. Thampan:** May I know, Sir, whether the words "news print" were deliberately removed from Item No. 120 at the time when the matter was under consideration or was it done inadvertently?

**The Honourable Sir Joseph Bhoré:** All I can say is that this matter was brought to my notice when I was in Calcutta last and there does appear *prima facie* to have been a mistake. I am looking into the matter, and if there has been a mistake, I promise to introduce an amending Bill so as to rectify any mistake that has been made.

**Mr. Arthur Moore:** Arising out of that answer,—may I ask whether the Government, when drafting the Bill will make it retrospective so that the duty collected in error in the last two or three months will be refunded?

**The Honourable Sir Joseph Bhore:** That, Sir, is another question altogether and I cannot give my Honourable friend any assurance on that point.

#### DUTY ON "NEWS PRINT" PAPER IMPORTED INTO INDIA.

353. **\*Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) whether they are aware that the cost of "news print" paper in reels is less than that of the same in sheets, but for purposes of levying duty there is no difference in the Tariff value of the two kinds;
- (b) whether Government have received any representation from newspaper concerns or other interests requesting that invoice prices may be treated as the basis for the calculation of duty; and
- (c) whether Government have any intention of acceding to their request; if not, why not?

**The Honourable Sir Joseph Bhore:** (a) Yes.

(b) No.

(c) Does not arise.

#### ASSEESSEES PAYING INCOME-TAX ON INCOMES FROM RS. 1,000 TO RS. 2,000.

354. **\*Kunwar Hajee Ismail Ali Khan:** Will Government kindly inform this House as to the number of assesseees who are paying income-tax on incomes from Rs. 1,000 to Rs. 2,000, and the amount which has been realized in the current year?

**The Honourable Sir George Schuster:** The number of assesseees with incomes of Rs. 1,000—1,999 during the current year will not be known till the year is over as assessments are being made at present and will be made upto the end of the year. I may, however, inform the Honourable Member that the number of such assesseees in 1931-32 was over 120,000. The amount of tax assessed during the current year on such assesseees upto December, 1932, was over Rs. 50 lakhs out of which Rs. 33½ lakhs have been collected.

#### AMOUNT REALISED BY THE ENHANCEMENT OF POSTAL RATES.

355. **\*Kunwar Hajee Ismail Ali Khan:** Will Government kindly inform this House as to what amount has been realized this year by enhancing the postal rates, as compared with last year?

**The Honourable Sir Frank Noyce:** The total receipts realised from the sale of postage stamps of all kinds during the first eight months of the current financial year exceeded similar receipts for the corresponding period of 1931-32 by more than Rs. 19 lakhs: these receipts however do not

represent purely postal receipts since postage stamps are used for payment of telegraph and other non-postal charges. Their division into separate figures of postal revenue, telegraph revenue, etc., is not effected until after the close of the year in which the revenue accrues. It may be pointed out that owing to the continuance of the economic depression there would undoubtedly have been a fall in these receipts had the postage rates not been enhanced.

**Mr. Gaya Prasad Singh:** Is the Honourable Member aware that Government are losing revenue by reason of the enhanced postal rates?

**The Honourable Sir Frank Noyce:** No, Sir; that is not our impression.

**Mr. Gaya Prasad Singh:** Do I take it that the volume of correspondence is increasing because of the enhanced postal rates?

**The Honourable Sir Frank Noyce:** My point was that we are not losing revenue owing to the enhancement of the charges.

**Sir Cowasji Jehangir:** May I ask whether it is a fact that on account of the increased postal rates private agencies have come into existence to carry letters from one part of the country to another?

**The Honourable Sir Frank Noyce:** There have been some private agencies locally to some extent.

#### AMOUNT REALISED BY THE ENHANCEMENT OF DUTY ON PETROL.

356. **\*Kunwar Hajee Ismail Ali Khan:** Will Government kindly inform this House as to what amount has been realized this year by enhancing the duty on petrol as compared with last year?

**The Honourable Sir George Schuster:** Exact figures for the period of nine months ending with December, 1932, are not yet to hand, but the most reliable estimate would put the total receipts for that period at Rs. 331 lakhs against Rs. 280 lakhs in the corresponding period in the previous year. I should remark, however, that the surcharge was already in force during the months of October, November and December, 1931.

#### PILGRIMS INTENDING TO TRAVEL TO HEDJAZ BY MOTOR BUSES BY THE OVERLAND ROUTE.

357. **\*Kunwar Hajee Ismail Ali Khan:** (a) Are Government aware that many pilgrims are intending to travel this year from India to Hedjaz by motor buses by overland route?

(b) Are Government aware that the Hedjaz Government have announced that there is no proper and safe route for these pilgrims from Iraq to Hedjaz?

(c) If the answer to part (b) be in the affirmative, are Government prepared to instruct the Haj Committees to advise the pilgrims not to perform the above journey by overland route or not to issue the passports by that route?



**Mr. H. A. F. Metcalfe:** (a) Government have received information of a proposal that pilgrims should travel by lorry from India to the Hedjaz. They are not aware of the numbers involved.

(b) Government have seen no official announcement on the subject, but have seen a newspaper report to the effect that His Majesty King Ibn Saud has made a statement that the roads within His Majesty's territory need improvement and therefore that communication is not guaranteed.

(c) Government are considering what steps should be taken to warn pilgrims intending to proceed by this route, of the difficulties, which they are likely to encounter.

#### PRIVILEGES OF THE MEMBERS OF THE INDIAN LEGISLATURE.

**358. Kunwar Hajee Ismail Ali Khan:** (a) Will Government kindly state what are the privileges of the Members of the Indian Legislature?

(b) Are they exempt from arrest against the warrant of Civil Courts during the Session of the House just like the Members of the British Parliament? If not, why not?

**The Honourable Sir Brojendra Mitter:** (a) and (b). I invite the Honourable Member's attention to paragraph 91 of the Report of the Reforms Enquiry Committee, 1924, and to the Legislative Members Exemption Act, 1925, which was passed by the Indian Legislature to give effect to the recommendations contained therein. Members of the Legislature are also exempt from the operation of the Indian Arms Act during their tenure of office and for six months thereafter.

#### GOVERNMENT GRANT-IN-AID TO EDUCATIONAL INSTITUTIONS AT MUSSOORIE.

**359. \*Kunwar Hajee Ismail Ali Khan:** Are Government paying any grant-in-aid to any educational institution at Mussoorie? If so, will they kindly give the details?

**Mr. P. R. Rau:** The Government of India give no grant-in-aid to any educational institution at Mussoorie. But Oakgrove School is maintained by the East Indian Railway Administration near Mussoorie for the children of Railway employees. The actual cost of working this school during the year ending the 31st December, 1931, was Rs. 1,56,820. In addition a sum of Rs. 16,350 on account of scholarships was met from Railway Revenues.

**Mr. M. Maswood Ahmad:** Is it a fact that Government are thinking of handing over the administration of the Oakgrove School to some private individual or an Anglo-Indian Association?

**Mr. P. R. Rau:** There is no definite proposal under consideration at the present moment.

#### FORMATION OF THE CENTRAL ADVISORY BOARD OF EDUCATION.

**360. \*Dr. Ziauddin Ahmad:** (a) Will Government be pleased to state the action they have taken to fulfil the promise made by the Honourable Sir Frank Noyce on the 16th February, 1932 (p. 871 of the proceedings), about speedy formation of the Central Advisory Board of Education?

(b) Have the Government of India received the views of the Provincial Governments? If so, will they be pleased to lay such opinions in the Library?

(c) Have the Education Department of the Government of India prepared the detailed scheme of the Board?

(d) What is the annual recurring expenditure of the scheme?

(e) Was the Finance Department approached for the sanction of the expenditure?

**Mr. G. S. Bajpai:** (a) What the Honourable Sir Frank Noyce said was that as soon as financial conditions improved, the Government of India would proceed with the establishment of a Central Advisory Board of Education. Government regret that financial conditions have not improved sufficiently to enable them to do so.

(b) Yes; copies of the correspondence with the Provincial Governments on the subject have been placed in the Library of the House.

(c) and (d). The average annual cost of the scheme is estimated at the outset to be about Rs. 42,000 *per annum* but, as on account of financial stringency and retrenchment operations even the post of Educational Commissioner had to be reduced in status, there was no chance of funds being available for the Board, and preparation of the detailed scheme was deferred till better times returned.

(e) No useful purpose would have been served by doing so.

#### WAR PENSIONS TO INDIAN SEPOYS.

361. **\*Mr. Gays Prasad Singh:** (a) Will Government please state if their policy, as indicated in answer to starred question No. 1498 (a) of the 29th November, 1932, regarding War pensions to Indian ranks, has been and is to give pensions under the regulations applicable to their case, as enjoined on them by note (2), section (2) of the Indian Army Act, as given in their publication, entitled the "Manual of Indian Military Law", or it is and has been to relegate War claims covered by the letter of rule to consideration on their merits and on compassionate ground under paragraph 202 of the Pensions Regulations for the Army in India?

(b) Has not the policy been and is to minimise the pensionary liability by reconstructing the Pension Regulations in such a way that "entitlement" is brought down to "eligibility," and "eligibility" by another stroke of the pen reduced to a sheer act of grace?

(c) Has the policy been governed or is being governed by the fact that War pensions are an Imperial liability, and is it a fact that the Government of India have not cared to involve His Majesty's Government in the full discharge of this pensionary liability? If so, to what extent?

(d) Has this policy been affected by the financial position of the British Exchequer? If so, to what extent?

(e) Has this policy been affected by Imperial interests as against ignorant and illiterate personnel in regard to their claims for compensation for the loss of life or of earning capacity? If so, to what extent?

(f) Will Government please state to what extent they are prepared to respect the agreements made by the State with the Indian ranks, risking their lives, and the loss to their earning capacity involved by their participation in the Great War?

(g) Has this policy been affected by Government's basing their pensionary liability on statistics showing death and wound casualties amongst Indian ranks as 49,603 and 62,502, respectively, of the total 1,096,013 sent on War, i.e., 5 per cent. and 6 per cent., as against 12.5 per cent. and 23.6 per cent. of the British casualties excluding the Dominions of a total of 6,000,000 British ranks who participated in the War as per Ministry of Pensions' Review given in the Medical History of the War published by His Majesty's Stationery Office, London, and based on official documents? If so, to what extent?

(h) Are Government prepared to accept their liability for the Post-War disablement as regards treatment and pension for which in England 1,331,486 patients were treated and 113,207 pensionary awards made as per Medical History of the War referred to in part (g) above? If so, to what extent?

(i) Are Government prepared to relax the plea of the Indian sepoys' failure to submit their claim in time advanced by Government? If so, to what extent?

**Mr. G. R. F. Tottenham:** (a) Claims to pensions are determined in accordance with the Regulations, paragraph 202 of which provides that pensions may be granted in deserving cases which are not strictly covered by other paragraphs.

(b) to (e). The suggestions made in these parts of the question are entirely without foundation.

(f) Fully.

(g) Does not arise.

(h) The Honourable Member is referred to the statement laid on the table on the 15th September, 1932, giving the information promised in reply to starred question No. 1112, asked by Sardar Sant Singh on the 4th April, 1932. Government are prepared to provide treatment in a military hospital for a disabled soldier whose war disability either manifests itself or is aggravated after his discharge, if such a soldier presents himself at the hospital. Disabled soldiers also receive treatment in civil hospitals throughout the country.

(i) I have nothing to add to the replies given on the 12th February, 1932, to part (b) of Sardar Sant Singh's starred question No. 289.

#### WAR PENSIONS TO INDIAN SEPOYS.

**362. \*Mr. Gaya Prasad Singh:** (a) Will Government please state how far the Indian ex-sepoys and other ranks, not subject to the Army Act, are deprived of the ordinary rights of citizenship, in relation to the adoption of non-official means to enable them to prefer and press their pensionary claims for war disablement?

(b) Will Government please state to what extent they are prepared to allow "a friend, attorney or counsel", to act for a claimant to a War pension?

**Mr. G. E. F. Tottenham:** There is no rule forbidding a claimant to use the services of "a friend, attorney or counsel" in submitting his claim for a pension through the proper channel. Government, however, consider it justifiable in the interests of the claimants themselves to discourage resort to agencies run on commercial lines, when adequate machinery has been provided for the submission of their claims without expense to themselves.

**INADEQUATE REPRESENTATION OF MUSLIMS IN THE POSTAL DEPARTMENT, BENARES CITY.**

**363. \*Seth Haji Abdoola Haroon:** (a) Will Government be pleased to lay on the table a statement showing separately the total number of officers of all grades and clerks working in the Postal Department, Benares City, and how many of them belong to each of the following communities: (i) Hindus, (ii) Muslims, (iii) Christians?

(b) Are Government aware that the existing proportion of Muslims in the above department is inadequate? If so, what action do they propose to take to remove the communal inequality and to safeguard the legitimate rights of Mussalmans?

**The Honourable Sir Frank Noyce:** (a) A statement giving the information asked for is laid on the table.

(b) The Honourable Member's attention is invited to the reply given to Mr. Anwar-ul-Azim's starred question No. 380 in the Legislative Assembly on the 30th January, 1929.

*Statement showing the communal composition of the Officers, Clerks, etc., of the Postal Department in Benares City.*

	Total strength on 1st January, 1933.	(i) Hindus.	(ii) Muslims.	(iii) Christians.	Remarks.
Postmaster (Gazetted) .	1	1	..	..	
Postmaster (non-Gazetted) .	..	..	..	..	
Lowest Selection Grade .	7	3	3	1	
Upper Division Time Scale clerks . . . . .	114	95	19	..	
Lower Division clerks . .	11	7	1	..	3 vacant.
Postmen . . . . .	96	77	19	..	
Departmental Stamp Vendors	2	2	..	..	
Inferior Servants . . .	85	68	17	..	
	316	253	59	1	3

**INADEQUATE REPRESENTATION OF MUSLIMS IN THE POSTAL DEPARTMENT,  
BENARES CITY.**

**364. \*Seth Haji Abdoola Haroon:** (a) Are Government aware that, contrary to their orders regarding the representation of minorities, a rigid ratio of 11 per cent. has been fixed for the recruitment of minorities to the Postal Department, Benares City?

(b) If the answer be in the affirmative, are Government prepared to reconcile the discrepancy between the two divergent orders?

(c) If the reply to part (a) be in the negative, are Government prepared to make enquiries why Muslims have not been allowed their just proportion?

**The Honourable Sir Frank Noyce:** (a), (b) and (c). Government are not aware that the facts are as stated by the Honourable Member, but enquiries are being made and if these disclose that there is any departure in the Benares City Post Office from Government orders regarding recruitment, necessary action will be taken.

**INADEQUATE REPRESENTATION OF MUSLIMS IN THE POSTAL DEPARTMENT,  
BENARES CITY.**

**365. \*Seth Haji Abdoola Haroon:** (a) Are Government aware that the representation of Muhammadans in the Benares Postal Department is already very low and that any retrenchment of Muslims will further lower their proportion?

(b) If the reply be in the affirmative, are Government prepared to take action for preventing the retrenchment of Muslims?

**The Honourable Sir Frank Noyce:** (a) and (b). I assume that by Benares Postal Department the Honourable Member means the staff in the Benares City Post Office. From the statement laid on the table in reply to question No. 363 he will see that of a total strength of 816 in that office, there are 59 Muslims.

As regards the remainder of the question, Government cannot agree that retrenchment measures should be utilised to secure a more rapid adjustment of the position of minority communities than is likely to be secured by the rules which govern recruitment from minority communities.

**INADEQUATE REPRESENTATION OF MUSLIMS IN THE POSTAL DEPARTMENT,  
BENARES CITY.**

**366. \*Seth Haji Abdoola Haroon:** Is it a fact that out of 15 time scale town sub-post offices in Benares City, only two were held by Muhammadans and even one of these two has been retrenched with effect from 1st December, 1932?

**The Honourable Sir Frank Noyce:** Information has been called for and will be placed on the table in due course.

**INADEQUATE REPRESENTATION OF MUSLIMS IN THE POSTAL DEPARTMENT,  
BENARES CITY.**

**367. \*Seth Haji Abdoola Haroon:** (a) Is it a fact that the town sub-postmasters in Benares City have all been granted either house rent allowance, or free quarters accommodation? If so, are the Muslim officials deprived of this privilege? If so, why?

(b) If the reply be in the affirmative, what action do Government propose to take to remove this differential treatment accorded to the Muslims?

**The Honourable Sir Frank Noyce:** (a) and (b). As regards the first part of this question, the facts are substantially as stated by the Honourable Member. As regards the rest of the question, postings to the charge of Sub-Post Offices are not made on a communal basis, but Muslim Sub-Postmasters are of course treated in exactly the same way as any others in the matter of allowances and free quarters.

#### INTRODUCTION OF AN EXAMINATION FOR OLDER MEN FOR PROMOTION TO OVERSEER'S CADRE FROM THE POSTMAN'S RANK.

**368. \*Seth Haji Abdoola Haroon:** (a) Is it a fact that an examination of older men also for promotion to the overseer's cadre from the postman's rank has recently been introduced? Is it also a fact that Government have already abolished the examination for promotion to the Lower Selection Grade in the case of similar old people of the time scale grade on the ground that the old men are incapable of sitting for any examination?

(b) If the reply to part (a) above be in the affirmative, what justification have Government for introducing an examination for the older people of one class, while abolishing the examination for such men in another class? Are not Government aware that such differential orders are apt to create anomalies amongst the older people of the postman's rank? If so, do Government propose to abolish the examination for the old people of the postman's grade (saving thereby from the examination the old postmen of the Benares City Post Office too, who have already been served with notices to appear in such examination)?

**Sir Thomas Ryan:** (a) The facts are substantially as stated by the Honourable Member except that the examination for promotion to the Lower Selection Grade has been abolished entirely and not only for the old candidates.

(b) The two cases are not parallel; but I may say that the question whether Postmasters General should not be given discretion to dispense with the examination in the case of reliable senior men is under consideration.

#### EXAMINATION FOR THE RECRUITMENT OF LOWER DIVISION CLERKS HELD AT BENARES CITY POST OFFICE.

**369. \*Seth Haji Abdoola Haroon:** Is it a fact that an examination for the recruitment of Lower Division clerks was held at Benares City Post Office by a European Postmaster (belonging to a neutral community) on or about the 6th October, 1932? Is it a fact that four Muslim candidates ranked 1st, 2nd, 3rd and 4th by merit amongst the successful candidates? Is it also a fact that the examination was subsequently cancelled by the Postmaster General, United Provinces? If so, why and what action do Government propose to take in the matter?

**The Honourable Sir Frank Noyce:** The reply to the first two parts is in the affirmative. As regards the third part, the examination was not cancelled but as it was found that there was already an adequate number of departmental candidates for promotion to the Lower Division clerical cadre with preferential claims, those who had passed the examination were

told that their services would not be required and were advised to seek employment elsewhere. As it is not clear why an examination was held at all in the circumstances the matter is under further enquiry.

**PAUCITY OF MUSLIM OFFICIALS SENT TO THE TELEGRAPH TRAINING CLASS.**

**370. \*Seth Haji Abdoola Haroon:** (a) Is it a fact that there are 30 qualified signallers at Benares City, out of whom there are only two Muhammadans?

(b) Will Government please state how many officials were sent to telegraph training class since 1920, and how many of them were Muhammadans?

(c) Will Government please explain the cause of the paucity of Muhammadan officials sent to the Telegraph Training class?

(d) Are Government aware that in view of this paucity the Muslim officials are handicapped in getting charge of combined offices, entailing loss of late fee, etc.? Are Government prepared to take steps to remedy this?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b), (c) and (d). Exact information prior to 1926 is not available. Since that date 14 officials in all were sent from Benares City Head Office to the Postal Telegraph Training Class, of whom two were Muhammadans. Selection of candidates for training as postal signallers is not made on communal grounds but on grounds of suitability and Government do not propose to depart from this method in favour of any particular community.

**RETENTION OF THE HEAD CLERK, CORRESPONDENCE, BENARES CITY HEAD POST OFFICE, FOR MORE THAN THE PRESCRIBED PERIOD.**

**371. \*Seth Haji Abdoola Haroon:** (a) Will Government state if there are orders against retention of the same official for more than a certain period as Head Clerk, Correspondence, entrusted with the duties of transfers, postings, appointments, promotions, etc., in first class Head Post Office?

(b) If the reply be in the affirmative, the period of such retention may be stated; and the time for which the present Head Clerk, Correspondence, Benares City Head Post Office, who happens to be a very junior clerk, has been working for more than the prescribed period. Is it not an infringement of rules?

(c) What action do Government propose to take for remedying this?

**Sir Thomas Ryan:** (a) No.

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

**APPOINTMENT OF A MUSLIM AS HEAD CLERK, CORRESPONDENCE, IN THE BENARES CITY HEAD POST OFFICE.**

**372. \*Seth Haji Abdoola Haroon:** (a) Is it a fact that from time immemorial, the administrative work of the Benares City Head Post Office, assigned to the Head Clerk, Correspondence, has always been in the hands of the Hindus, to the exclusion of even senior Muslim officials?

(b) If so, are Government prepared to give a chance to a fit Muslim official this time by replacing the present Head Clerk, Correspondence, who is comparatively very junior?

**The Honourable Sir Frank Noyce:** (a) and (b). Government have no information nor do they propose to call for it as appointments to the posts of Head Clerks, Correspondence Branch, are not made on communal considerations.

#### PROMOTION OF TIME-SCALE TOWN INSPECTORS OF POST OFFICES.

**373. \*Seth Haji Abdoola Haroon:** (a) Will Government state if their orders communicated in the Department of Industries and Labour letter No. 14-P.T.E., dated the 27th October, 1928, regarding promotion of Time-Scale Town Inspectors attached to first class Head Post Offices, who held such posts during August and September, 1927, apply only to permanent incumbents or officiating men as well?

(b) Is it also a fact that the Town Inspectors of first class Head Post Offices in time-scale grade holding their post in August and September, 1927, were all promoted to the revised scale of lower selection grade, irrespective of any distinction of their officiating or permanent services by Messrs. Booth and Niaz Qutub, Postmasters General, Punjab and Central Provinces Circle, respectively? Was this justified under the orders quoted?

(c) If the orders leave no distinction and apply to such permanent and officiating Town Inspectors equally, will Government please state whether one Sayed Mehdi Hussain, Town Inspector of Benares City Head Post Office in the United Provinces Circle, who had been working on the post for 2½ years in an officiating capacity, and who held the same post in August and September, 1927, as well, was not allowed the benefit of these orders? If so, why? Was the action of the authorities justified, and what action do Government propose to take now?

**Sir Thomas Ryan:** (a) Presumably the Honourable Member refers to the Department of Industries and Labour letter No. 14-P. T. E., dated the 2nd October, 1928. In the Director General's subsequent general letter issued with the concurrence of the Government of India on the 15th October, 1928, it was made clear that the orders in question related only to the substantive holders of such posts.

(b) The fact is not as stated. In the Punjab and North-West Frontier Circle the ordinary time-scale clerks who had been holding the posts of Town Inspectors in first class head post offices in August, 1927, were allowed to continue in those posts from the 1st September, 1927, on the introduction of the enhanced scale of pay, and therefore the question of treating them under the orders issued in October, 1928, relating to the cases of displaced Town Inspectors did not arise. In the Central Circle one official was treated under these orders because he had actually been displaced to make room for a senior official in accordance with a previous order dated the 15th September, 1927.

(c) Does not arise.

#### RECRUITMENT OF SONS AND NEAR RELATIVES OF POSTAL EMPLOYEES IN THE POST OFFICES.

**374. \*Seth Haji Abdoola Haroon:** (a) With reference to the answers given to Mr. B. Rajaram Pandian's questions Nos. 718 and 719 on the 28th September, 1932, will Government please state if it is a fact that in



certain departments and for certain classes of staff under Government, definite instructions have been laid down to give preference to the sons and/or near relatives of the employees in the matter of recruitment?

(b) Is it a fact that in certain other departments or classes of staff under the Government, such instructions do not exist?

(c) Are Government prepared to issue instructions laying down a uniform practice in this matter for all departments?

(d) Are Government prepared to order that no preferential treatment should be given to any sons or relatives of existing or retired employees?

(e) Are Government prepared to order that the preferential treatment, if any, given to sons or relatives of employees or *ex*-employees should be accorded only as against other candidates of the same community, so that the sons or relatives of a Hindu employee should get preference over other Hindu candidates only?

**The Honourable Sir Harry Haig:** (a) and (b). Yes. Certain instructions have been issued in this matter in the Railway and Posts and Telegraphs Departments. No such instructions exist in other departments.

(c) and (d). Government do not contemplate taking the action suggested by the Honourable Member.

(e) The instructions referred to in (a) and (b) above make it clear that any preference given to sons and relatives of Government servants is subject to the observance of the orders regarding the redress of communal inequalities, and no further instructions appear to be necessary.

#### PASS SECTION OF THE NORTH WESTERN RAILWAY.

**375. \*Seth Haji Abdoola Haroon:** (a) With reference to the answer given on the 27th September, 1932, to Sir Zulfiqar Ali Khan's unstarred question No. 123, will Government be pleased to give a brief statement of the increase in work and responsibility of the head clerk and first assistant of the Pass Section of the North Western Railway in 1930, barring the inspection work?

(b) Has there been any increase in scales of pay of head clerks or assistants of other sections of the personnel branch of the Agent's office?

(c) Is it not a fact that on account of the heavy reductions in personnel the work in the Pass Section has been reduced?

(d) Is it not a fact that on account of the recent instructions for using a single form of pass for a double journey instead of separate forms for each journey, the work has been almost reduced to half?

(e) Will Government kindly state if part (f) of Sir Zulfiqar Ali Khan's question referred to above has since been considered, and if so, what orders have been passed on the subject?

**Mr. P. R. Rau:** (a) to (d). I have called for information and will lay the reply on the table of the House in due course.

(e) The question is still under consideration.

**SURPLUS STAFF DUE TO THE TRANSFER OF SOME ACCOUNTS WORK TO THE CHIEF ACCOUNTS OFFICER OR OTHERWISE ON THE NORTH WESTERN RAILWAY.**

**376. \*Seth Haji Abdoola Haroon:** (a) Will Government be pleased to state if it is a fact that on the North Western Railway some class VI clerks in the scale Rs. 285—380 have been rendered surplus on account of the transfer of some accounts work to the Chief Accounts Officer or otherwise?

(b) If so, have any of them been discharged or demoted, if not, why not?

(c) Is it a fact that some of these surplus clerks are being utilized in lower posts on the scale Rs. 215—275?

(d) Is it a fact that while employed on these lower posts, the clerks are still being given pay in the grade Rs. 285—330; if so, why?

(e) Have there been any clerks officiating against grade VI vacancies on the North Western Railway while there were one or more spare permanent clerks? If so, did Government consider the question of utilizing the permanent clerks and reverting officiating hands?

(f) Is it a fact that on the North Western Railway some temporary posts of grade VII, grade V, and other grades have been created in connection with the retrenchment scheme and otherwise?

(g) If so, did Government consider the advisability of utilising some of these spare clerks instead of creating new posts?

(h) Do Government propose to appoint the spare clerks in all temporary or officiating posts of classes V, VI or VII and revert men, who have been given temporary or officiating promotion?

**Mr. P. R. Rau:** I have called for the information and will lay the reply on the table in due course.

**OPENING OF A FLAG STATION AT TANCHHA PROPER ON THE BROACH JAMBUSAR BRANCH OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.**

**377. \*Nawab Naharsingji Ishwarsingji:** (a) Are Government aware that the Tanchha Station on the Broach Jambusar Line (Bombay, Baroda and Central India Railway) is situated at such a place that the public of surrounding areas have to undergo the greatest inconvenience? If so, are Government prepared to open a flag station at the village Tanchha proper?

(b) Is it a fact that the people of Buwa wanted the present Tanchha Station on the Broach Jambusar Line (Bombay, Baroda and Central India Railway), but, as a flag station has been opened at Nahier on the same line, people of Buwa and of its neighbourhood take advantage of the Nahier station instead of making use of the present Tanchha Station on the same line? If so, have Government considered the advisability of opening a flag station at the village Tanchha proper?

**Mr. P. R. Rau:** With your permission, Sir, I propose to reply to questions Nos. 377 and 378 together.

Government have no information, but copies of the questions are being sent to the Agent, Bombay, Baroda and Central India Railway, for such action as may be necessary.

**BAD CONDITION OF A LEVEL CROSSING ON THE BROACH JAMBUSAR BRANCH OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.**

†378. \*Nawab Naharsingji Ishwarsingji: Are Government aware that the level crossing at Mile No. 25 between telegraph posts Nos. 2 and 3 on the Broach Jambusar Line (Bombay, Baroda and Central India Railway) is in such a hopelessly bad condition that cultivators of that area have to carry their heavy goods on their shoulders and then to load them in a cart on the other side of the level crossing in question, because loaded carts cannot cross the level crossing? If it is a fact, are Government prepared to invite attention of the authorities concerned to this matter and relieve the poor agriculturists of their misery?

**NATURE OF THE HIGH COURT OF BOMBAY FUNDS.**

379. \*Nawab Naharsingji Ishwarsingji: (a) Will Government be pleased to state the nature of the High Court of Bombay Funds amounting to about 2½ crores as described in the Report of the Reorganisation Committee, Bombay (*vide* para. 319, page 181)?

(b) Is it a fact that the matter of the aforesaid funds is under correspondence by the Government of Bombay with the Government of India?

(c) Will Government be pleased to state whether the matter of the said funds is under consideration or has been finally decided? If it has been finally decided, will Government be pleased to state the final decision in the matter?

**The Honourable Sir Harry Haig:** (a) A list of the High Court funds which are under discussion is placed on the table.

(b) and (c). The matter is still under consideration and no decision has so far been reached.

**LIST OF THE HIGH COURT FUNDS.**

*Prothonotary and Senior Master.*

1. Prothonotary's High Court Suitors' Balance of deposit Account (Investment Fund).
2. Commission Account.
3. Prothonotary's High Court Suitors' Investment of Surplus Interest Fund Account.
4. Suitors' Investment Fund Interest Account.
5. High Court Suitors' Fee Fund Account (Minors' Estates).
6. Suitors' Fee Deposit Account.
7. Prothonotary's Office copy Deposit Account.
8. Testamentary Registrar's Deposit Account.

*Registrar, High Court, Appellate Side.*

1. High Court Pleaders' Examination Fund.
2. Registrar's Security Account (Securities for costs of Respondent and Deposits for preparing transcript record, etc., in appeals).

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†For answer to this question, see answer to question No. 377.

*Master and Registrar in Equity, Commissioner and Tazing Master.*

1. Surplus Fund.
2. Securities in the hands of the Commissioner to the credit of various suits and matters and moneys in the current account with the Imperial Bank of India.

*Official Assignee.*

1. Unclaimed Dividend Capital Account.
2. Unclaimed Dividend Revenue Account.
3. Official Assignee's Commission and Fees Account.
4. Official Assignee's Surplus Commission Account.
5. Official Assignee's Office Provident Fund Account.
6. Official Assignee's account with the Imperial Bank of India relating to securities and cash in various estates and of the above accounts.

*Insolvency Registrar.*

1. Investment of unclaimed balances of deposits from Insolvents and Opposing Creditors.
2. Investment of Interest on No. 1.
3. Current account with the Imperial Bank of India.

**MEETING OF THE JOINT PARLIAMENTARY COMMITTEE IN LONDON.**

380. \***Kunwar Haji Ismail Ali Khan** (on behalf of Kunwar Raghubir Singh): Will Government be pleased to state:

- (a) when the Joint Parliamentary Committee is going to meet in London;
- (b) what will be its constitution;
- (c) how many members of the Central Legislature are proposed to be sent; and
- (d) what powers will the latter have?

**The Honourable Sir Brojendra Mitter:** (a), (b), (c) and (d). I invite the attention of the Honourable Member to the address of His Excellency the Viceroy to the Members of this House on the 1st instant to which I have nothing to add.

**ABSENCE OF A THROUGH TRAIN BETWEEN AGRA AND HARDWAR.**

381. \***Kunwar Haji Ismail Ali Khan** (on behalf of Kunwar Raghubir Singh): (a) Are Government aware that there is no through train between Agra and Hardwar?

(b) Has the Agent, East Indian Railway, seen to its benefits commercially?

**Mr. P. B. Rau:** (a) Yes.

(b) I am sending a copy of the question to the Agent, East Indian Railway.

**STATEMENT BY MR. GANDHI *re* HIS SEEKING THE HELP OF THE GOVERNOR GENERAL FOR TEMPLE ENTRY BY THE DEPRESSED CLASSES.**

**382. \*Pandit Satyendra Nath Sen:** (a) Has the attention of Government been drawn to a statement by Mr. Gandhi in a telegram circulated by the Associated Press on the 22nd January, 1933, which runs thus:

"I cannot answer the question, without committing a breach of the pledge given to Government, why, I, having launched the non-co-operation movement, seek the help of the Viceroy on such a question"?

(b) What are the terms of the pledge referred to therein?

(c) Breach of what particular term is contemplated if the leader of the non-co-operation movement explains to the public why he seeks the help of the Governor General for temple-entry by the "depressed classes"?

(d) Was the pledge a written or a verbal one?

(e) If written, was it attested by any witnesses? If so, who are they?

**The Honourable Sir Harry Haig:** (a) I have seen the Press message referred to.

(b) to (e). Mr. Gandhi presumably refers to the fact that when he asked Government to remove all restrictions on the choice of visitors and publication of correspondence regarding the untouchability campaign he stated that these interviews and correspondence would have no reference to civil disobedience and would be strictly limited to the removal of untouchability. Mr. Gandhi has scrupulously adhered to this undertaking.

**Pandit Satyendra Nath Sen:** May I know what is the penalty for a breach of the pledge?

**The Honourable Sir Harry Haig:** I do not think we need contemplate that contingency.

**LEGISLATION ON RELIGIOUS MATTERS.**

**383. \*Pandit Satyendra Nath Sen:** (a) Is religion a subject-matter of legislation in any other civilised country?

(b) If so, where and to what extent? If not, why is it so in India?

**The Honourable Sir Harry Haig:** (a) and (b). I take it as indicative of the Honourable Member's confidence in the wide range of knowledge of the Home Department that he has addressed this question to me. I am afraid, in this case, that the compliment is not fully deserved, but I think if the Honourable Member will consult English history, he will have no difficulty in finding examples of such legislation.

**AGE-LIMIT FOR COMPETITIVE EXAMINATIONS FOR RECRUITMENT TO ALL-INDIA SERVICES.**

**384. \*Mr. S. C. Mitra:** (a) Has the attention of Government been drawn to the article "Give them a chance" published as a "Topic of the Day" in the *Hindustan Times* of the 4th December, 1932 on the editorial page?

(b) Is it not a fact that various competitive examinations for recruitment to the All-India Services were suspended for 1932 and a few even for 1931?

(c) Are Government aware that many students have been entirely shut out from these examinations as they are likely to exceed the age-limit next year?

(d) Do Government propose to raise the age-limit for these examinations only for the first recruitment following the period of suspension?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) Examinations are held annually for recruitment to the Indian Civil Service and the Indian Police Service and have not been suspended. As regards the other All-India Services, recruitment to the Indian Agricultural Service, Indian Educational Service, Indian Veterinary Service, Indian Service of Engineers (Buildings and Roads Branch), and Indian Forest Engineering Service has ceased, while recruitment to the Indian Forest Service and the Indian Service of Engineers (Irrigation Branch) has been suspended and will not be resumed, if the recommendation of the Services Sub-Committee of the Indian Round Table Conference to provincialise future recruitment for these two services is accepted. No competitive examination is prescribed for admission to the Indian Medical Service (Civil) which forms part of the Indian Medical Service.

(c) and (d). As competitive examinations prescribed for the All-India Services to which recruitment continues are held regularly, the question of candidates exceeding age-limits and the relaxation of these limits owing to a failure to hold such examinations does not arise.

### UNSTARRED QUESTIONS AND ANSWERS.

#### SHED FOR CARS OF MEMBERS OF THE INDIAN LEGISLATURE NEAR THE COUNCIL HOUSE, NEW DELHI.

1. **Kunwar Raghubir Singh:** What steps have been taken by the Industries and Labour Department to provide shelter for Members' cars near the Council House, New Delhi?

**The Honourable Sir Frank Noyce:** Government have gone carefully into the question of providing shelter for Honourable Members' cars near the Council House and much regret that financial considerations make it impossible for them to proceed with it. It is, however, open to Honourable Members to park their cars in the North-East uncovered court of the North Block of the Secretariat, where there is always shade even in the month of March.

#### BUILDING OF QUARTERS FOR MEMBERS OF THE LEGISLATIVE ASSEMBLY.

2. **Kunwar Raghubir Singh:** Has provision been made in the new budget for further building of quarters for Members of the Legislative Assembly?

**The Honourable Sir Frank Noyce:** The reply is in the negative.

## ACQUISITION OF BUNGALOWS IN THE PESHAWAR CANTONMENT.

3. **Mr. Gaya Prasad Singh:** (a) Is it a fact that Government intend to acquire a large number of bungalows in the Peshawar Cantonment?

(b) If so, what is the total number of bungalows which Government intend to acquire?

(c) How many of these bungalows belong to Indians?

(d) Does any of these bungalows belong to a European?

(e) Are Government aware that if these bungalows are acquired, many Indians will be rendered homeless and that many others will lose valuable property?

(f) Is there a civil station at Peshawar where, Indians, who would be turned out of their bungalows, can go to reside?

(g) If not, what arrangements do Government intend to make for them?

**Mr. G. R. F. Tottenham:** (a) and (b). At present Government intend to acquire 13 bungalows in Peshawar Cantonment.

(c) and (d). All the bungalows belong to Indians.

(e) Government understand that only four of the bungalows are occupied by Indians, and that one of these was not so occupied until after notice had been given of Government's intention to acquire it.

(f) and (g). There is no Civil Station, but Peshawar City is close to the Cantonment. Government have no reason to believe that the small number of occupiers who will be displaced will have any difficulty in acquiring alternative accommodation in the neighbourhood.

## ACQUISITION OF BUNGALOWS IN THE PESHAWAR CANTONMENT.

4. **Mr. Gaya Prasad Singh:** (a) What is the total number of bungalows in the Peshawar Cantonment?

(b) How many of these are occupied by Indian owners for their residence?

(c) How many bungalows in the Cantonment are occupied by Europeans and Anglo-Indians?

(d) How many bungalows do Government intend to acquire from among those occupied by Indians?

**Mr. G. R. F. Tottenham:** (a) and (b). Information obtained last year showed that there were 176 bungalows in Peshawar Cantonment suitable for occupation by military officers; 10 of these were occupied by the owners.

(c) Government have no information.

(d) The information is given in the reply to part (e) of question No. 3.

## ACQUISITION OF BUNGALOWS IN THE PESHAWAR CANTONMENT.

5. **Mr. Gaya Prasad Singh:** (a) Is it a fact that not a single bungalow occupied by a non-military European or Anglo-Indian is intended to be acquired in the Peshawar Cantonment?

(b) Is it a fact that Indian residents of bungalows will be affected by these acquisition proceedings?

(c) If the answer to part (b) be in the negative, will Government please state the number and names of the Europeans who might be affected?

(d) If no names can be stated in answer to part (c), will Government explain why houses occupied by Indian owners alone have been singled out?

(e) Are Government aware that this policy is considered by the public to mean racial discrimination? If so, what are the grounds for such discrimination?

**Mr. G. R. F. Tottenham:** (a) Yes.

(b) Yes, but cantonments are intended primarily and essentially for troops and their officers.

(c) Does not arise.

(d) Because there are very few bungalows in Peshawar Cantonment occupied by non-official persons who are not Indians; and accommodation is needed for those military officers, both British and Indian, who are required to live in cantonments in the discharge of their official duties.

(e) No. Because the houses are being acquired for occupation by Indian as well as British commissioned officers.

#### ACQUISITION OF BUNGALOWS IN THE PESHAWAR CANTONMENT.

6. **Mr. Gaya Prasad Singh:** (a) Is it a fact that the house owners of Peshawar sent a deputation to His Excellency the Governor of the North-West Frontier Province and to Major General Orton?

(b) Did they give assuring replies to the deputationists?

(c) Did the house owners of Peshawar request these officers to appoint a Committee, with representatives of the house owners, to go into the question of meeting the demand of houses in the Cantonment?

(d) Did they offer to build more bungalows at their cost to be reserved for military officers?

(e) What answer was made to these suggestions and offers?

(f) Is it a fact that the house owners of Peshawar requested the G. O. C., Northern Command, for an interview in this connection?

(g) Was the interview refused?

**Mr. G. R. F. Tottenham:** (a) The Government of India understand that the house owners submitted a memorial to His Excellency the Governor of the North-West Frontier Province. The house owners also waited on Major-General E. F. Orton, Deputy Quartermaster General in India, at Peshawar.

(b) General Orton explained the position to the house owners, and the necessity for acquiring certain sites.

(c) They made no such request to General Orton.

(d) Yes.



(e) The offer was not accepted partly because it has been made many times before and has never been implemented and partly because it does not offer a really satisfactory solution of the difficulty from the point of view of the general taxpayer.

(f) Government have no information.

(g) Does not arise.

#### ACQUISITION OF BUNGALOWS IN THE PESHAWAR CANTONMENT.

7. **Mr. Gaya Prasad Singh:** (a) Is it a fact that there are large spaces available within the limits of the Peshawar Cantonment on which houses can be built, including three polo grounds?

(b) Why do not Government build houses on these vacant sites with the same money instead of acquiring the houses occupied or owned by Indians?

(c) Is it not a fact that the money, which will be paid to house-owners as compensation in the event of acquisition, can be better utilised for building new bungalows?

(d) Are Government aware that the policy of acquisition of bungalows is considered by the public of Peshawar as being based on racial grounds?

**Mr. G. R. F. Tottenham:** (a) and (b). There are no large spaces in Peshawar Cantonment on which houses could suitably be built. The three grounds used for polo are also required for direct military purposes and must be retained as open spaces.

(c) No.

(d) No, but in any case there is no ground for such a belief.

#### ACQUISITION OF BUNGALOWS IN THE PESHAWAR CANTONMENT.

8. **Mr. Gaya Prasad Singh:** (a) What compensation do Government intend to give the house owners in those cases in which notices have already been issued for the acquisition of their bungalows in the Peshawar Cantonment?

(b) What are the rents of those bungalows at present?

(c) What ratio does the compensation offered bear to the annual rent?

**Mr. G. R. F. Tottenham:** (a) The amount of compensation will be determined and awarded by the Collector under the Land Acquisition Act.

(b) This information was given in the statement laid on the table on the 3rd December, 1932, in reply to Mr. B. R. Puri's starred question No. 1221, asked on the 15th November, 1932.

(c) Does not arise in view of the answer to (a), but, in any case, there is no reason why the compensations should bear any fixed relation to the rent, if the rents themselves are exorbitant.

## STATEMENTS LAID ON THE TABLE.

**The Honourable Sir George Schuster** (Finance Member): Sir, I lay on the table the information promised in reply to starred question No. 1608, asked by Mr. Gaya Prasad Singh on the 12th December, 1932.

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### RE-EMPLOYMENT OF RETRENCHED PERSONNEL OF VARIOUS COMMUNITIES IN THE OFFICE OF THE ACCOUNTANT GENERAL, CENTRAL REVENUES.

\*1608. (a) Until July last, discharged personnel were re-employed in this office in order of seniority, subject to considerations of efficiency and the maintenance of communal proportions which existed prior to discharge. As this procedure was subsequently found to have been based on a mis-apprehension, it was ruled that in re-employing discharged personnel, one-third of the vacancies should go to the members of minority communities just in the same way as was done in the case of new appointments. The Government of India do not see any reason to deviate in such cases from their standing orders laying down communal proportions in recruiting staff.

(b) Yes. One member of a minority community, who has not passed the recruitment examination, has been appointed, in order to adjust communal inequalities. Recruitment by competitive examination is not compulsory.

(c) Yes. At the time of discharging the temporary staff rendered surplus due to the amalgamation of the Pay and Accounts Offices with their parent office at Calcutta, it was decided that until all the men on the list of temporary staff, as it stood on the 30th November, 1931, were confirmed in either of the two offices, viz., those of the Accountant General, Bengal, and the Deputy Accountant General, Central Revenues, Calcutta, a common roster should be observed. Consistently with this decision it was ruled that until the men in the combined seniority list were exhausted, there should be no recruitment of outsiders. All the clerks who were actually discharged from the office of the Accountant General, Bengal, and the Pay and Accounts Offices, as a result of the amalgamation, have been re-appointed in the former office; but this has not, in the end, resulted in any actual deviation from the standing orders regarding the recruitment of members of minority communities in 1/3rd of the total number of vacancies.

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**The Honourable Sir Joseph Bhowe** (Member for Commerce and Railways): Sir, I lay on the table the information promised in reply to parts (c) to (e) of starred question No. 284, asked by Mr. S. C. Mitra on the 8th February, 1933.

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### GOVERNMENT SUBSIDY TO THE STATESMAN.

\*284. (c) No. Indian newspapers are not excluded.

(d) It would be impossible to give such figures without taking a census.

(e) No. The Commissioners received an application from the Editor of the *Amrita Bazar Patrika*, asking them to advertise the Howrah Bridge notices in his paper. They replied that they were unable to incur further expenditure at the present time under this head but that they would be glad to let him have all such notices for publication free of charge. No request was addressed to the *Statesman* or any other paper in this connection. The advertisement charges paid to the *Statesman* on this account amounted in 1932 to Rs. 972.

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, I lay on the table:

- (i) the information promised in reply to supplementary question to starred question No. 837, asked by Mr. Rahimtoola M. Chinoy on the 26th September, 1932;
- (ii) the information promised in reply to starred questions Nos. 1565, 1567, 1568 and 1572, asked by Maulvi Sayyid Murtuza Sahib Bahadur on the 5th December, 1932; and
- (iii) the information promised in reply to starred question No. 191 asked by Mr. M. Maswood Ahmad on the 6th February, 1933.

#### RECOMMENDATIONS OF THE HAJ ENQUIRY COMMITTEE.

\*837. The total amount refunded to the shipping companies on account of unclaimed passage money was as follows:

- (1) By the Commissioner of Police, Bombay:

	Rs.	a.	p.
For the year 1926	10,065	0	0
For the year 1927	20,741	10	0

- (2) By the Protector of Pilgrims, Karachi:

For the year 1926	940	0	0
For the year 1927	5,994	0	0

Total	37,740	10	0
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#### EMBEZZLEMENT OF MONEY IN THE GOVERNMENT HIGH SCHOOL, AJMER.

\*1565. The question asked by the Honourable Member refers to a matter, which forms the subject of a criminal trial in a court of law. Government are therefore unable to answer any questions relating to it.

#### NON-AUDIT OF ACCOUNTS OF GOVERNMENT EDUCATIONAL INSTITUTIONS IN AJMER-MERWARA.

\*1567. The accounts of Government educational institutions in Ajmer-Merwara, during the last 10 years have been dealt with by the Audit authorities in exactly the same way as of similar institutions elsewhere.

#### PURCHASE OF A CINEMA MACHINE AND ITS APPLIANCES BY THE ASSISTANT SUPERINTENDENT OF EDUCATION, AJMER-MERWARA.

\*1568. (a) Yes.

(b) Government have no information in the matter.

**DISCRIMINATION IN MATTERS OF ADMISSION AND PROMOTION OF STUDENTS IN THE GOVERNMENT HIGH SCHOOL, AJMER.**

\*1572. (a) No.

(b) Yes.

(c) The differentiation is due to the standards of attainments of scholars and is permissible under the rules of the department.

(d) The answer to the first part is in the affirmative. The second part has been answered in (c) above.

**SILK COCOONS PRODUCED IN INDIA.**

191. The only information available is contained in the Reports of the Departments of Industries Assam, Bihar and Orissa and Madras, for the year 1931-32, Report of the Department of Agriculture, Bengal, for 1930-31, Mysore Administration Report for 1931-32 and the Jammu and Kashmir Administration Report for 1925-26. Relevant extracts from the reports have been placed in the library of the House.

**Mr. G. R. F. Tottenham** (Army Secretary): Sir, I lay on the table the information promised in reply to starred question No. 916, asked by Pandit Satyendra Nath Sen on the 9th February, 1933.

**ALLEGED CASE OF ASSAULT AGAINST THE DORSET REGIMENT AT DACCA.**

\*316. The letter published in the newspaper is entirely misleading, I am informed that on the evening of the 3rd January, when some British soldiers were in the Cafe, in which a gramophone was being played, a crowd gathered outside. Some one in the crowd threw a brick at the window and broke a pane of glass; the shutters were closed by the proprietor, but another brick was thrown. Two regimental policemen thereupon came out of the Cafe to clear away the crowd, which had by then collected on the verandah. They state that the crowd then ran away and that no one was struck by them or any other soldier. The military police then reported the incident to the civil police, who took over the case on the formal complaint of the proprietor of the Cafe.

When interviewed by the District Magistrate the writer of the letter stated that his nephew could not identify the alleged assailant and that he did not wish the matter to be pursued.

**Mr. P. R. Rau** (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to starred questions Nos. 795, 798, 800, 801, 802, 803, 804, 805, 806 and 807 asked by Khan Bahadur Haji Wajihuddin on the 26th September, 1932;
- (ii) the information promised in reply to starred question No. 1127 asked by Mr. Lalchand Navalrai on the 14th November, 1932; and
- (iii) the information promised in reply to starred question No. 154 asked by Mr. Bhuput Singh on the 6th February, 1933.

## TOTAL EXPENDITURE ON TRAVELLING TICKET INSPECTORS, HEAD TICKET COLLECTORS, ETC.

	Rs.
*795. (a) (i)	2,54,634
(ii)	1,752
(iii)	12,170
(iv) Officer in charge . . . . .	1
Divisional Inspectors . . . . .	4
Travelling Ticket Inspectors (reduced to 100 from May, 1927, and to 96 from January, 1928, on account of transfer to Crew System) . . . . .	125
Clerks reduced to 16 from 1st May 1927 . . . . .	22
Peons . . . . .	18

	Rs.
(b) (i)	4,09,637
(ii)	27,600
(iii) Information is not available as there was no separate office establishment for this staff.	
(iv) Head Ticket Collectors . . . . .	4
Ticket Collectors . . . . .	587
Lady Ticket Collectors . . . . .	48

	Rs.
(c) (i)	6,67,187
(ii)	56,042
(iii)	17,643
(This does not include the cost for the Asansol Division as the work there was carried on by the staff already in service).	
(iv) Inspectors . . . . .	17
Travelling Ticket Examiners . . . . .	619

	Rs.
(d) (i)	4,17,586
(ii)	29,604
(iii) Same as shown under part (c) (iii) above.	
(iv) Ticket Collectors . . . . .	730
Head Ticket Collectors . . . . .	7
Lady Ticket Collectors . . . . .	37
(e) Yes.	

### MISAPPROPRIATION OF MONEY BY CERTAIN MEMBERS OF THE CREW STAFF.

\*798. Mr. Duff was a platform Supervisor and it was no part of his duties to collect excess fares which he did without the knowledge of the officers under whom he worked. As regards the second part of the question, the reply to question No. 1110 (f) (i) asked by Sir Mohd. Yakub in the Legislative Assembly on 18th March, 1929, did not refer to a similar offence.

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### STOPPAGE OF THE CONSOLIDATED ALLOWANCE TO TRAVELLING TICKET EXAMINERS WHILE ON CASUAL LEAVE.

\*800. This was due to an oversight which has since been corrected, and orders issued to permit payment.

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### CONSOLIDATED ALLOWANCE OF THE TRAVELLING TICKET EXAMINERS.

\*801. This was done as a result of the general policy adopted by the Government to reduce such compensatory allowances.

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### WORK OF TRAVELLING TICKET EXAMINERS.

\*802. (a) and (b) Yes, but according to the recommendations in the Moody-Ward Report the whole staff work under the Operating Department, and the work is not now tested by the Accounts Department.

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### RE-EXAMINATION OF TRAVELLING TICKET EXAMINERS AND TICKET COLLECTORS.

\*803. (a) To ensure that they maintain a good knowledge of the rules pertaining to their work.

(b) Yes.

(c) They have been given the opportunity of learning their work and undergoing it in actual practice before being tested.

(d) Yes.

(e) No.

(f) Yes.

(g) No.

(h) No, it is not considered necessary.

(i) Yes, in some categories.

(j) In certain categories.

(k) No, it is not considered necessary in respect of certain categories.

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### VISION TEST FOR TRAVELLING TICKET EXAMINERS.

\*804. (a) Yes, but in view of their work not requiring them to be responsible for the safe running of trains, they have since been recommended for test in category BI.

(b) Yes.

(c) Yes, in the original classification which is being revised.

(d) Yes.

(e) Yes.

(f) Yes.

(g) Yes.

(h) Yes.

(5) Yes.

(j) The designation 'Train Ticket Checker' does not exist on the East Indian Railway. If Travelling Ticket Examiners are referred to, as they have hitherto been classified in Category A2, periodical re-examination is necessary under the rules.

(k) On re-consideration it has been decided to re-classify T. T. Es. in Category B1.

(l) All staff are examined both with regard to health and eye-sight at the time of their appointment.

(m) In terms of Regulation 1 of Regulations issued under Circular No. 515/A. E. 1573, dated the 2nd August, 1930, by the Agent, East Indian Railway, a copy of which is placed in the Library of the House.

#### PARTIAL PAYMENT OF ARREARS OF CONSOLIDATED ALLOWANCES TO THE STAFF IN THE DINAPORE DIVISION OF THE EAST INDIAN RAILWAY.

\*805. (a), (b), (c) and (d). I am informed that the varying conditions of the terms of appointment of the staff formerly appointed under the Crew System and subsequently under the Moody-Ward system resulted in certain complications which are being cleared up and that arrangements are being made to pay arrears to the persons concerned as quickly as possible. The Agent reports that the figures asked for are not available.

#### RE-EXAMINATION OF THE STAFF DISCHARGED FROM SERVICE ON THE INAUGURATION OF THE MOODY-WARD SYSTEM IN THE DINAPORE DIVISION OF THE EAST INDIAN RAILWAY.

\*806. (a) Yes, the efficiency test is generally held every three years. But Divisional Superintendents are authorised to hold the test more frequently if considered necessary.

(b) No. There is no such Departmental Circular pertaining to staff under the Moody-Ward Scheme. Such staff come into more intimate touch with travelling public, and in their own interests as well as of the public, it is considered that they should have a thorough knowledge of rules they are guided by in their own work.

#### TRAVELLING TICKET EXAMINERS IN THE MOODY-WARD SYSTEM.

\*807. The merits of each individual were carefully considered and those most suitable were selected for the Travelling Ticket Examiners' posts. Any Travelling Ticket Examiners who were passed over, it may be accepted, were not as suitable as those finally posted.

#### PROMOTION OF INDIAN STATION MASTERS ON THE NORTH WESTERN RAILWAY.

\*1127. (a) The Agent, North Western Railway reports that there were no separate grades for Europeans and Indians in the past, but according to the method of recruitment, staff appointed as signallers rose to the posts of Station Masters, grade III. Such staff were generally Indians. Staff recruited as guards grade IV rose to the posts of Station Masters grade V to VIII. Such staff happened to be mainly Europeans and Anglo-Indians. With the introduction of the revised rules for the recruitment and

training of subordinate staff on State-managed Railways, Indians irrespective of caste or creed, are eligible for promotion to posts of Station Masters grades V to VIII.

(b) Yes; from 1st April, 1930.

(c) No. The Agent, North Western Railway<sup>1</sup> reports that many Indian Station Masters with long service are not promoted to the higher grades of station masters as they have not had experience of the duties of guards or a knowledge of Shunting work in large yards, which knowledge is considered necessary for the posts of station masters at the larger stations. Government are also informed that Indian station masters with long experience at road side stations generally prefer to remain at road side stations rather than proceed through the normal channel of promotion to the higher ranks which is through grade V Assistant Station Master, a grade which involves experience of Shunting work in a large yard (such as a road side station master does not possess), constant movement about a large station for the purpose of duty, and regular night work.

(d) Government are informed that no particulars are available for the period from the 1st April 1930 (when the present grades of Station Masters were introduced) to the end of 1924. From 1925 to date three Indian station masters have been promoted to grade IV and one Guard. No Indian Station Masters or Guards have been promoted as station masters grade V to VIII during that period. As regards vacancies in Grade V, these are filled by promotion from the Assistant Station Master's Grade V, 23 vacancies in which grade were filled in the period named by Guards, because the duties of such Assistant Station Masters involved constant out-door work, knowledge of Yard Shunting, and regular night duty. Vacancies in the grades of Station Masters VI to VIII are usually made from the next lower grade.

(e) There are no Station Masters of lower grade or Guards officiating at present in IV to VIII grades of Station Masters.

(f).

No. of posts given to Indians.

		A. S. Ms. and S. Ms.	Other classes.	Total.
Sanctioned number of Assistant Controllers	60	7	10	17
Sanctioned number of Traffic Inspectors (one post held in abeyance)	43	6	5	11

#### INCONVENIENCE CAUSED TO THE PUBLIC BY THE CLOSING OF THE TRAIN SERVICE FROM BHAPTIAHI TO RAGHOPUR ON THE BENGAL AND NORTH WESTERN RAILWAY.

\*154. (a) and (c). No.

(b) There has been some indication that the course of the Kosi river may change and recede to the eastward, but it is impossible to say with any certainty that this is a permanent change and there is still considerable danger in reinstating even a fair weather line.

(d) Briefly the general policy of Government is that, if the maintenance of unimportant branch lines should become abnormally difficult or expensive due to alterations in the courses of rivers or other local physical conditions in the country traversed, such lines may be either closed to traffic during certain seasons of the year or even abandoned, if their importance or the volume of traffic over them does not justify the heavy expenditure and great difficulties involved in keeping them open to traffic.

The question of the opening of a fair-weather line to Raghapur has been examined, but the traffic prospects do not justify the expenditure involved.



## THE OTTAWA TRADE AGREEMENT RULES.

**The Honourable Sir Joseph Bhore** (Member for Commerce and Railways): Sir, I lay on the table a copy of the Ottawa Trade Agreement Rules, 1932, with reference to paragraph 3 of the Report of the Select Committee on the Indian Tariff (Amendment) Bill.

*Notification by the Department of Commerce (Tariffs), dated New Delhi, the 24th December, 1932.*

No. 780-T. (11).—In exercise of the powers conferred by sub-section 3B of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), and by section 22 of the General Clauses Act, 1897 (X of 1897), the Governor General in Council is pleased to make the following Rules :—

### RULES.

1. These Rules may be called the Ottawa Trade Agreement Rules, 1932.

Short title.

2. These Rules apply to goods consigned from the following countries, namely :—

Application.

- (a) The United Kingdom of Great Britain and Northern Ireland, and
- (b) The Colonies, British Protectorates, and territories under the British Mandate specified in the First Schedule

3. In these Rules—

Definitions.

- (a) "Act" means the Indian Tariff Act, 1894;
- (b) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland;
- (c) "British Colony" means any country specified in the First Schedule;
- (d) "expenditure on material" means the cost to the manufacturer of the material at the factory or works, including containers but excluding Royalties; and
- (e) "factory or works cost" means the cost of production to the manufacturer at the factory or works and shall include the value of containers and other forms of interior packing ordinarily sold with the article when it is sold retail, but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the article subsequent to its manufacture :

4. No article shall be deemed to be the produce or manufacture of any country to which these Rules apply unless the Customs Collector is satisfied that it has been consigned from such country, and—

Conditions for admission at preferential rates.

- (a) where the article is unmanufactured, that it has been grown or produced in such country, and
- (b) where the article is manufactured,—
  - (i) that it has been wholly manufactured in such country from material produced in such country, or
  - (ii) that it has been wholly manufactured in such country from unmanufactured materials, or
  - (iii) that it has been partially manufactured in such country and the final process of manufacture has been performed in such country and that the expenditure on material produced and labour performed in such country in the manufacture of the article is not less than one quarter of the factory or works cost of the article in its finished state :

Provided that where the goods were consigned from a British Colony the material produced and labour performed in any other British Colony may be reckoned as though it were material produced or labour performed in the Colony from which the goods are consigned.

[Sir Joseph Bhore.]

5. If the owner of any goods entered for home consumption claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector that the goods fulfil the conditions laid down in Rule 4, the Customs Collector—

(i) shall levy and collect the duty at the standard rate, and, if at any time within a period of three months from the date of payment of duty at the standard rate he receives an application in this behalf from the owner of the goods and is duly satisfied that the goods are entitled to entry at the preferential rate, shall make a refund to the owner of the extra duty levied; or

(ii) may, in his discretion, levy and collect the duty provisionally at the preferential rate, subject to the execution by the owner of the goods of a bond in one of the forms prescribed in the Second Schedule binding himself to pay the balance of the duty.

6. (1) If the owner of any goods entered for warehousing claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector that the goods fulfil the conditions laid down in Rule 4, the Customs Collector shall assess duty at the standard rates.

(2) If the Customs Collector is satisfied before the goods are removed from the warehouse that they are chargeable with a preferential rate of duty, he shall reassess them accordingly at the time of such removal.

(3) If the goods are removed from the warehouse without the Customs Collector being so satisfied, they may be dealt with in the manner prescribed in Rule 5.

7. Where any payment of duty due under a bond has not been made in accordance therewith, and upon demand being made the Customs Collector may, in his discretion and without prejudice to his power to enforce the bond, recover the amount due at any time as if it were duty short-levied within the meaning of section 39 of the Sea Customs Act.

## FIRST SCHEDULE.

[See Rules 2 (b) and 3 (c).]

### LIST OF BRITISH COLONIES.

#### *East Africa.*

1. Kenya, Uganda Protectorate, and the Mandated Territory of Tanganyika.
2. Northern Rhodesia.
3. Nyasaland Protectorate.
4. Somaliland Protectorate.
5. Zanzibar Protectorate.

#### *South Africa (including St. Helena).*

6. Basutoland.
7. Bechuanaland Protectorate.
8. Swasiland.
9. St. Helena.

*West Africa.*

10. Gambia.
11. Gold Coast.
12. Togoland under British Mandate.
13. Nigeria.
14. The Cameroons under British Mandate.
15. Sierra Leone.

*Eastern and Far Eastern.*

16. Ceylon.
17. Hong Kong.
18. Federated Malay States.
19. Unfederated Malay States, i.e., Johore, Kedah, Kalantan, Perlis and Trengganu.
20. Mauritius.
21. North Borneo.
22. Sarawak.
23. Seychelles.
24. Straits Settlements.

*Mediterranean.*

25. Cyprus.
26. Gibraltar.
27. Malta.

*Pacific.*

28. British Solomon Islands Protectorate.
29. Fiji.
30. Gilbert and Ellice Islands.
31. Tonga.
32. New Hebrides (Condominium).

*West Indian (including the Falkland Islands).*

33. Bahamas.
34. Barbados.
35. Bermuda.
36. British Guiana.
37. British Honduras.
38. Jamaica.
39. Cayman Islands.
40. Turks and Caicos Islands.
41. Leeward Islands, i.e., Antigua, Dominica, Montserrat, St. Christopher-Nevis and the Virgin Islands.
42. Trinidad and Tobago.
43. Windward Islands, i.e., Grenada, St. Lucia and St. Vincent.
44. Falkland Islands.

[Sir Joseph Bhore.]

## SECOND SCHEDULE.

[See Rule 5(ii).]

## FORM A.

KNOW ALL MEN by these presents that I/we \_\_\_\_\_ of \_\_\_\_\_  
and \_\_\_\_\_

am/are held and firmly bound unto the Right Honourable the Secretary of State for India in Council in the sum of Rs. \_\_\_\_\_ to be paid to the said Secretary of State in Council, his successors or assigns for which payment, well and truly to be made I/we bind myself/ourselves and each of us my/our and each of our heirs and legal representatives firmly by these presents sealed with my/our respective seals, dated this.....day of.....19..

WHEREAS I am/we are the importer(s) of the goods named below which to the best of my/our belief fulfil the conditions laid down by the rules made under sub-section 3B of section 3 of the Indian Tariff Act, 1894, for determining their eligibility to a preferential rate of duty under Part VIII or Part IX of the Second Schedule to that Act AND WHEREAS I/we have not been able to produce at the time of making entry of such goods at the Custom House evidence to satisfy the Customs Collector that those conditions are fulfilled AND WHEREAS the Customs Collector has agreed provisionally to accept duty at the preferential rate pending the production of such evidence and I/we have agreed that if such evidence is not presented to the Customs Collector within three months of the date of this bond or being so presented is not accepted by him as satisfactory I/we will pay to the Customs Collector on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods NOW the condition of this bond is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within the said period and he shall accept such evidence as satisfactory or if I/we shall pay on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods, then the above written bond shall be void, otherwise the same shall be and remain in full force and virtue.

Signed, sealed and delivered }  
by the above-named in the }  
presence of..... }

## FORM B.

KNOW ALL MEN by these presents that I/we \_\_\_\_\_ of \_\_\_\_\_  
and \_\_\_\_\_

am/are held and firmly bound unto the Right Honourable the Secretary of State for India in Council in the sum of Rs. \_\_\_\_\_ to be paid to the said Secretary of State in Council, his successors or assigns for which payment, well and truly to be made I/we bind myself/ourselves and each of us my/our and each of our heirs and legal representatives firmly by these presents sealed with my/our respective seals, dated this.....day of.....19..

WHEREAS I am/we are a regular importer(s) of goods which fulfil the conditions laid down by the rules made under sub-section (3B) of section 3 of the Indian Tariff Act, 1894, for determining their eligibility to preferential rates of duty under Part VIII or Part IX of the Second Schedule to that Act AND WHEREAS it is likely that from time to time I/we may not be able to produce at the time of making entry of goods at the Customs House evidence to satisfy the Customs Collector that those conditions are fulfilled and that the goods, particulars of which are contained in the bill of entry, are assessable to customs duty at the preferential rate AND WHEREAS the Customs Collector at..... has agreed that if, having regard to the nature or particulars of such goods as detailed in such bill of entry, he is of opinion that it is likely that the necessary evidence is capable of being produced to satisfy him that the goods are entitled to be assessed for customs duty at the preferential rate he will provisionally accept duty on such goods at the preferential rate pending the production by me/us of

the necessary evidence, and I/we have undertaken that in every such case I/we will within three months from the date of making entry of such goods present such evidence to the Customs Collector and that if such evidence is not in every case presented within the period aforesaid or if being presented it is not accepted by the Customs Collector I/we will forthwith on demand pay to the Customs Collector the difference between the duty paid on such goods at the preferential rate and the duty leviable at the standard rate AND WHEREAS it has been further agreed with the Customs Collector that the security given by these presents shall cover a total sum representing the difference between such rates of duty of Rs. X/2

and that if and whenever the total unadjusted claims by the Customs Collector against me/us in respect of such unpaid duty shall amount to more than Rs. X/2

the Customs Collector may refuse to consider the possibility of evidence being procurable though not available at the time of making entry of any further goods unless I/we shall offer to the Customs Collector and he shall be willing to accept a further bond in similar terms hereto for such amount as the Customs Collector shall decide NOW the condition of the above written bond or obligation is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within three months from the respective dates of making the entry from time to time of any such goods and the Customs Collector shall accept such evidence or if the difference between the duty paid on any such goods at the preferential rate and the duty leviable at the standard rate shall from time to time be paid by me/us on the demand of the Customs Collector then the above written bond or obligation shall be void; otherwise the same shall be and remain in full force and virtue.

Signed, sealed and delivered  
by the abovenamed in the  
presence of..... }

J. C. B. DRAKE,  
*Secy. to the Govt. of India.*

*Notification by the Department of Commerce (Tariffs), dated New Delhi, the 21st January 1933.*

**No. 20-T. (3)/33.**—In exercise of the powers conferred by sub-section (3B) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), the Governor General in Council is pleased to direct that the following amendments shall be made in the Ottawa Trade Agreement Rules, 1932, namely:—

In the Second Schedule to the said rules—

(1) After form A, the following form shall be inserted, namely:—

“FORM AA.

KNOW ALL MEN by these presents we  
and of  
(hereinafter referred to as “the Importers”) and we (Indenting House or Bankers)  
of (hereinafter referred to as “the Sureties”) are  
held and firmly bound unto the Right Honourable the Secretary of State for India in  
Council in the sum of Rs. to be paid to the said Secretary of  
State in Council, his successors or assigns for which payment well and truly to be  
made we hereby jointly and severally bind ourselves and each of us and each of  
our heirs and legal representatives firmly by these presents sealed with our respective  
seals, dated this.....day of.....19

WHEREAS we the importers are the importers of the goods named below and we  
the sureties have been concerned in the purchase by the importers of the said goods  
(are the Bankers of the Importers) AND WHEREAS to the best of the knowledge

[Sir Joseph Bhore.]

and belief of us the Importers and of us the Sureties the said goods fulfil the conditions laid down by the rules made under sub-section 3B of section 3 of the Indian Tariff Act, 1894, for determining their eligibility to a preferential rate of duty under Part VIII or Part IX of the Second Schedule to that Act AND WHEREAS the Importers have not been able to produce at the time of making entry of such goods at the Custom House evidence to satisfy the Customs Collector that those conditions are fulfilled AND WHEREAS the Customs Collector has agreed provisionally to accept duty at the preferential rate pending the production of such evidence and the Importers have agreed that if such evidence is not presented to the Customs Collector within three months of the date of this bond or being so presented is not accepted by him as satisfactory they the Importers will pay to the Customs Collector on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods NOW the condition of this bond is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within the said period and he shall accept such evidence satisfactory or if the Importers or failing them the Sureties shall pay on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods, then the above written bond shall be void, otherwise the same shall be and remain in full force and virtue.

Signed, sealed and delivered  
by the abovenamed in the  
presence of..... }

(2) In form B, the sign "X"/2, wherever it occurs, shall be omitted.

J. C. B. DRAKE,

*Secy. to the Govt. of India.*

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No. 20-T. (3)/33.

A copy of the above notification is forwarded to all Local Governments and Administrations and the Political Officers and to all Departments of the Government of India, to the Private Secretary to His Excellency the Viceroy and to the Military Secretary to His Excellency the Viceroy.

A copy is also forwarded to all Collectors of Customs (with reference to his letter No. 660, dated the 6th January 1933), the Principal Collector of Customs, Colombo, the Collector of Salt Revenue, Bombay, the Accountants General, Madras, Bombay, Bengal and Burma, the Audit Officer, Lloyd Barrage and Canals Construction, Karachi, the Accountant General, Central Revenues, Delhi, the Director General of Commercial Intelligence and Statistics, the Secretary, Tariff Board, the High Commissioner for India, London, the Indian Trade Commissioner, London, the Director, Federation of British Industries, London, the Indian Government Trade Commissioner, Hamburg, Germany, His Majesty's Trade Commissioner in India, all Chambers of Commerce and Associations, the Canadian Government Trade Commissioner in India, the American Trade Commissioner, Calcutta, the Chief Customs Officer, Port Okha (Kathiawar), and to the Central Board of Revenue.

By order, etc.,

LADLI PERSHAD,

*Asstt. Secy. to the Govt. of India.*

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( ) To Collector of Customs, Calcutta, only.

## CENTRAL BOARD OF REVENUE.

New Delhi, the 20th December, 1932.

*Press Communiqué.*

As soon as the Indian Tariff (Ottawa Trade Agreement) Amendment Bill, which has passed both Houses of the Legislature, becomes law and rules have been issued under new sub-section (3B) of section 3 of the Indian Tariff Act, 1894, the Central Board of Revenue intends to instruct Collectors of Customs that the evidence ordinarily to be required in order to satisfy them that goods named in Part VIII or Part IX of the Second Schedule to that Act are entitled to admission at the preferential rate of duty shall be the production of a certificate in Form A appended, signed by the supplier or manufacturer of the goods.

2. At the same time, Collectors of Customs will be instructed that, in lieu of the form of certificate of origin for iron and steel goods of British manufacture at present prescribed, galvanized sheets of such manufacture should in future be covered by a certificate in Form B appended, signed by the supplier or manufacturer of the goods.

C. No. 603-Cus.-II/32.

Copy forwarded to—

All Collectors of Customs.

The Accountants General, Bengal, Bombay, Madras and Burma, the Accountant General, Central Revenues, and the Audit Officer, Lloyd Barrage and Canals Construction, Karachi.

The Commerce Department.

The Director-General of Commercial Intelligence and Statistics, for publication in the *Indian Trade Journal*.

The Secretary, Tariff Board.

The Indian Trade Commissioner, London.

The Indian Government Trade Commissioner, Neuer Jungfernstieg, No. 9, Hamburg, Germany.

The Canadian Government Trade Commissioner, Calcutta.

The American Trade Commissioner, Calcutta.

The British Trade Commissioners in India, Calcutta and Bombay.

The Director, Federation of British Industries, London.

The Hon'ble the Agent to the Governor General in the States of Western India.

The Resident at Baroda.

The Agent to the Governor General, Madras States.

The Chief Customs Officer, Port Okha (Kathiawar).

The Principal Collector of Customs, Colombo.

(Sd.) W. A. ROSE,

*for Secretary, Central Board of Revenue.*

[ Sir Joseph Bhore. ]

## FORM A.

*Form of combined certificate of value and origin to be written, typed or printed on invoices of goods for which entry into India is claimed at preferential rates of duty laid down in Parts VIII and IX of Schedule II to the Indian Finance Act, 1894.*

(NOTE.—In this form, "United Kingdom" and "British Colony" have the meanings defined in the Ottawa Trade Agreement Rules, 1932.)

I (1) \_\_\_\_\_ of (2) \_\_\_\_\_ of (3) \_\_\_\_\_ Manufacturer/Supplier of the articles enumerated in this invoice hereby declare that I [(4) have the authority to make and sign this certificate on behalf of the afore-said Manufacturer/Supplier and that I] have the means of knowing and do hereby certify as follows :—

*Value.*

1. That this invoice is in all respects correct and contains a true and full statement of the price actually paid or to be paid for the said goods, and the actual quantity thereof. }

2. That no different invoice of the goods mentioned in the said invoice has been or will be furnished to anyone; and that no arrangements or understanding affecting the purchase price of the said goods has been or will be made or entered into between the said exporter and purchaser, or by anyone on behalf of either of them either by way of discount, rebate, compensation or in any manner whatever other than as fully shown on this invoice, or as follows (5).....

*Origin.*

3. That every article mentioned in the said invoice has been either *wholly grown or produced or wholly or partially manufactured* in (6).....

4. As regards those articles wholly manufactured in (6).....that all manufacturing processes, if any, involved in making the articles from unmanufactured raw materials have been performed in that country.

5. As regards those articles only partially manufactured in (6).....

(a) That the final process of manufacture of each and every article has been performed in that country;

(b) That the expenditure on material produced in (7).....and labour performed in (7)....., calculated subject to the qualifications hereunder, in each and every article is not less than one-quarter of the factory or works cost of the article in its finished state; and

(c) That in the calculation of such proportion of produce or labour of (7)....., none of the following items has been included or considered, viz. :—

Manufacturer's profit or remuneration of any trader, agent, broker, or other person dealing in the articles in their finished condition; royalties; cost of outside packages or any cost of packing the goods thereinto; any cost of conveying, insuring or shipping the goods subsequent to their manufacture.

Dated at ..... this ..... day of ..... 193.....

Witness ..... Signature.....

## FORM OF INVOICE.

Marks and numbers.	Description of goods.	Quantity.	Selling price to purchaser.	
			At.	Amount.

(1) Here insert Manager, Chief Clerk, or as the case may be.

(2) Here insert name of firm or company.

(3) Here insert name of city or country.

(4) The words in square brackets should be omitted where the manufacturer or supplier himself signs the certificate.

(5) Here insert particulars of any special arrangement.

(6) Insert "the United Kingdom" or name of British Colony.

(7) Insert either "the United Kingdom" or "any British Colony".



## FORM B.

*Form of combined certificate of value and origin to be written, typed or printed on invoices of galvanized iron or steel sheets of British manufacture for which entry into British India is claimed at a differential rate of duty.*

I (1) of (2) of (3)  
 Manufacturer/Supplier of the articles enumerated in this invoice hereby declare that I [(4) have the authority to make and sign this certificate on behalf of the aforesaid Manufacturer/Supplier and that I] have the means of knowing and do hereby certify as follows:—

*Value.*

1. That this invoice is in all respects correct and contains a true and full statement of the price actually paid or to be paid for the said goods, and the actual quantity thereof.

2. That no different invoice of the goods mentioned in the said invoice has been or will be furnished to anyone; and that no arrangements or understanding affecting the purchase price of the said goods has been or will be made or entered into between the said exporter and purchaser, or by anyone on behalf of either of them either by way of discount, rebate, compensation or in any manner whatever other than as fully shown on this invoice, or as follows (5).....

*Origin.*

3. That the galvanized sheets included in this invoice have been manufactured in the United Kingdom of Great Britain and Northern Ireland from sheet bar—

(i) made in India, or

(ii) not made in India, (6).

and that no process of manufacture later than the making of the sheet bar has been carried out elsewhere than in the said United Kingdom.

Dated at.....this.....day of.....193.....

Witness.....Signature.....

Countersigned,

Indian Trade Commissioner,  
 London.

## FORM OF INVOICE.

Marks and numbers.	Description of goods.	Quantity.	Selling price to purchaser.	
			At.	Amount.

(1) Here insert Manager, Chief Clerk, or as the case may be.

(2) Here insert name of firm or company.

(3) Here insert name of city or country.

(4) The words in square brackets should be omitted where the manufacturer or supplier himself signs the certificate.

(5) Here insert particulars of any special arrangement.

(6) Strike out entry (i) or (ii) as the case may be.

## THE RAILWAY BUDGET—GENERAL DISCUSSION.

**Mr. Chairman** (Sir Hari Singh Gour): The Assembly will now proceed to consider the Railway Budget. As only one day is allotted for the general discussion of the Railway Budget, I have decided to fix a time limit of 15 minutes for each speech, subject, however, to the discretion of the Chair to be exercised in exceptional cases.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, I compliment the Honourable Member for Railways for the able manner in which he presented the Railway Budget. He showed his mastery with the problems of the Railway and the Budget figures just in the same manner as he showed mastery about the import and export in connection with the Ottawa Agreement. We on this side of the House greatly admire his ability in handling the diverse problems with great tact and calmness and even his colleagues in the Treasury Benches cannot claim to speak with authority, on such a variety of subjects as my distinguished friend can do. He is the first Member of the Executive Council who has got the practical experience of running three different Departments, and no one ever acquired the experience of more than two Departments.

Now, Sir, coming to the Budget itself, the Honourable Member did not give a rosy picture, and I believe that the position is really worse. I believe that he has overestimated the income and underestimated the expenditure, and that the deficits by the end of the year will be much more than he is anticipating. Sir, this practice of overestimating the income and underestimating the expenditure has been going on for the last few years. In the year 1931-32, it was estimated that the budget will have a surplus of three crores and that the Railway would be able to pay 5.36 crores to the Central Revenues. But what happened in that year was just the opposite. The Railway was not able to pay anything to the General Revenues, and it showed a deficit of 9.30 crores and they had to borrow from the Depreciation Fund. Now, last year the position was the same. The Government estimated a deficit of 7½ crores, but the actual deficit was 9.34 crores, and this year, I am afraid, the position would be the same. Instead of having a deficit of 7.77 crores, it is likely that the deficit will be about 10 crores. Sir, in the year 1931-32, the income was 86.6 crores; in the following year 1932-33, the income was 86.5 crores—the same thing—and this year it is estimated that the income would be 88.25 crores, i.e., 1½ crores higher than was estimated in the last two years. The reason advanced by the Honourable Member for this increase is the enhancement of the rates and fares; but unfortunately that has not been the experience in the past. The law of diminishing returns is applying to the Railway Budget, and the increase of rates and fares will diminish the income. The Honourable the Chief Commissioner in the Council of State said that in spite of the increase of our rates and fares, the gross revenue had fallen short of our anticipation by 2.45 crores. Sir George Rainy, speaking on the same subject last year, said the same thing. I may quote from his speech in which he said: "the alterations in the rates and fares have not substantially improved the income of the traffic". So, may I remind my Honourable friend that his anticipation that, by increasing the rates and fares, the income will be increased by 1½ crores is a pious hope which, I believe, will not be materialised.

The second point is that his expenditure is rather overestimated. The expenditure in the year 1931-32 was 49·31 crores; last year it was 49·10 crores; and this year it is estimated at 49·35 crores. Does he really believe that he will be able to meet the increments of the officers' pay with the restoration of five per cent. in the whole Department only by an addition of 25 lakhs! I think this is too hopeful and I believe that unless economic steps are adopted, the expenditure will be much more than 49·35 crores. I believe that the income will fall short by about 1½,—expenditure will increase by about one crore, and the total deficit, by the end of the year, will be in the neighbourhood of 10 crores. Therefore, it is very desirable to take steps to restore the balance. Sir, I suggest that an effort should first be made to increase the income by adopting measures, such as methods encouraging excursions by issuing cheap tickets, and by encouraging free movement of internal trade. At present, on account of the diminution of the import and export trade, our traffic to seaport has been substantially diminished, but it is quite possible for the Railway Companies to encourage the movement of the articles and specially the foodstuffs (wheat and other things) from one place to another place by diminishing the rates, by giving greater facilities of transit and by reducing, what I call, the illicit charges on these transports. If these illicit charges are reduced to the minimum by greater supervision, and greater facilities are provided, then it is possible to increase the income. But all these steps ought to be taken by the Railway Board and, I am afraid, none of these things have so far been systematically pursued. The second measure is economy measure, which we will discuss during the next few days; and it is the diminution in the overhead charges. The scale of salaries of these officers may be reduced and the number may be curtailed. They have no doubt reduced the number of men drawing salaries of less than 500 rupees to a much larger extent than they have reduced the officers. This is a point which I do not want to enter into details: we will take up this question later on; but that is the only way by which the economy in the expenditure could be effected.

Lastly, and this is really the most important thing, they can have the economy by reducing their interest charges. I spoke about this thing only a few days back, but two things specially have happened on account of which I would like to refer to it again. In the first place, since I spoke last, the Bank rate of interest has been reduced from four to three and a half per cent.; and, in the second place, accurate figures of loan were not available to me at that time, and they are available now. I find that out of 789 crores of loan, 300 crores have been borrowed at the rate of 5·48 per cent., on which we pay interest of 16·44 crores every year. If no change is made in the general policy on the lines I suggested last time, if only the rate of interest is reduced to the Bank rate of interest on these loans, by floating large loans or by converting it to market rate, then, under this head alone, there will be a saving of 7·44 crores. Therefore, if no other step is taken, and if only the high rate of interest is reduced to the market rate, then the Railway concern will immediately be reduced to paying business; and if the other suggestion, which I elaborated last week is accepted, and money is raised by borrowing at a rate ½ per cent. less than the market rate, with participation in the profits, then the reduction would be 9·32 crores. Therefore, if my Honourable friend will concentrate his attention on this one particular problem during the course of the year, and particularly during the next few

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months, while the low rate of interest prevails, then no effort will be needed in any other direction, and this particular thing alone will achieve the desired object. I would suggest still further that if he may be good enough to borrow large sums of money at the reduced rate of interest in order to undertake bigger profitable enterprises,—because this is a time when money can be purchased very cheap,—then most of our economic troubles in the country will be very much minimised.

I have got only a few minutes left and I will just draw attention to one or two points. The first is the question of depreciation. I have noticed that Government borrowed a sum of 22 crores during the last three years from the Depreciation Fund. But they have not stated anywhere in any of the books supplied to us, as to at what rate of interest this money has been borrowed. I hope that they have not taken possession of it for nothing. That would be very unbusinesslike, if they borrow from the Depreciation Fund, they must borrow at a certain definite rate of interest which may perhaps be fixed in consultation with the Finance Department. We have a right to know what this rate of interest is. I would very much like that they ought to have given somewhere in these volumes and reports, that have been handed over to us, a detailed account of their loans. They have not supplied it. We should know how much loan the Railways obtained in each year and at what rate of interest. These figures will be of great use to us. They should also give the details of the Depreciation Fund. I request the Financial Commissioner, when he gets up to speak, to give us the following information: (1) where is the balance of the Depreciation Fund, i.e., 13·66 crores, kept, (2) whether it is kept in the treasury bills or promissory notes or in any other form of security, (3) what is the rate of interest at which the Depreciation Fund is invested, (4) what is the total amount of interest we get—only a lump sum of 77 lakhs has been indicated in some place, (5) at what rate of interest the Railway Board has borrowed 21 crores from the Depreciation Fund, (6) whether we really mean to pay back the money which we have borrowed from the Depreciation Fund.

Sir, in addition to this loan from the Depreciation Fund, there is another loan, that is, arrears of payment to the General Revenues. According to clause 2 of the Railway Convention of 1924, it is stated:

"Subject to the condition that, if, in any year the railway revenues are insufficient to provide a percentage of one per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good."

We find that during the last three years the Railways owe about 16 crores to the General Fund; it is not a debt on interest: but a debt of honour which they will have to pay during prosperous years. The details of this loan are 5·36 crores for 1931-32, 5·22 crores for 1932-33, and 5·21 for the current year, making an aggregate of 15·8 or 16 crores. Therefore, we have the debt of honour of 16 crores to the General Revenue and about 21 crores to the Depreciation Fund in addition to the capital at charge.

I shall end by summarising my points. In the first place, I would appeal to the Honourable Member to take immediate steps to reduce the interest charges by floating a large loan paying interest at the market rate, that is about 3½ per cent. The second thing I would like is that the details of our loan ought to be published in one of these reports, either in the Explanatory Memorandum or it may be in the Supplement to

the Budget or in Administration Reports. The figures should be available to the public. The accounts of the Depreciation Fund, that is, where this money has been invested, etc., ought also to be given to the public; and, I believe, that if proper actions are taken to increase the revenue and to diminish the expenditure, and particularly to diminish the interest charges, then the Railways will have a brighter future.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, one regret will remain in my mind that I did not hear the speech of the first Indian Railway Member delivered on the floor of this House on the railways of India. However, I have read his speech on the way in the *Statesman*. I find he has been correct on the facts, but, on all his deductions, I am sorry to say, I cannot agree with him. I feel grateful to him for his referring to certain recommendations of the Public Accounts Committee, and having accepted two or three—the most harmless ones. I wish he had carried on the analogy and had given due weight to those weighty recommendations which the Public Accounts Committee have made from year to year. I wish to remind my very very old friend, Sir Joseph Bhore, and I will tell him a bit of the non-official mind. I wish him to know that he is the third Czar in succession to the grand kingdom of the railways in India. There was the Czar Innes before, and then came the Czar Rainy, and now there is the Czar Bhore. Czardom has failed in Russia: and, as far as the railways in India are concerned, it is almost tottering and falling. My friend, the Czar of the Railways, is assisted by two Grand Dukes.

**An Honourable Member:** What about Siberia?

**Mr. B. Das:** I will come to Siberia later on. The Grand Duke Guthrie Russell is generalissimo in the field and is always whispering things into his ear which will never come to pass; and my friend, the Grand Duke Raghavendra Rau gives his advice always on financial matters and he does not apparently give correct advice. If he had given correct advice, I do not find it in the speech of my Honourable friend, the Railway Member, or in the speech delivered by Sir Guthrie Russell in the other House. And Czardoms always remain. My friend, Sir Joseph Bhore, must realise and remember that there are Rasputins in the Railway Board who control the harem of the Railway Board. And who are these Rasputins? There are four or five Rasputins. One is the speed fiend, the expert who is called the speed expert in the Railway Board, but to me he is the speed fiend. The other is the electrification fiend, the other is the standardization fiend, and there is another expert, the efficiency fiend, and the last is the development fiend. These so-called experts or Rasputins advise the Railway Board and the Railway Member; and their expert advice has brought the railways of India to the present deplorable financial strait, since the Railway Finances were separated from the General Finances. The two Czars who preceded my Honourable friend also succumbed to the theory of experts in the matter of Railway Finances. I wish my Honourable friend, Sir Harry Haig, can deport these experts . . .

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): To Siberia?

**Mr. B. Das:** I wish my friend, Sir Harry Haig, can deport these experts to Deoli. My friend, Mr. Neogy, asks whether it will be to Siberia. I say, Deoli in Rajputana is the Siberia of India, and I think Deoli can

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accommodate all these experts, and then only can the Railways be managed more efficiently and economically. The chief thing that amazes this side of the House is the terrible fact that the cost of working expenditure is still at the level of 65 crores. There was the Retrenchment Committee presided over by the Deputy President of this House, and my friend, Dr. Ziauddin Ahmad, was a member of it, but I do not think they have prescribed the right medicine. They wanted an expert Committee, and the Government of India and the Secretary of State, after hunting for experts all over the British Empire, have succeeded in securing one gentleman. I find in my friend, Sir Guthrie Russell's speech in the Council of State, that a reference has been made to the Canadian Pacific Railway. I wish my friend, the Chief Commissioner for Railways, had revealed the mismanagement, the gross mismanagement, which existed in that railway, by the very gentleman who was at one time going to be proposed as the Chairman of this expert Committee,—a man who ran the Canadian Government into heavy expenditure,—that was the gentleman who was once proposed as Chairman of the so-called expert Committee to inquire and suggest how Indian Railways could be run economically! I hope it will come to be true that that gentleman is not going to be appointed a member of this expert Committee. It is no use telling us that the Indian Railways are paying three per cent, while the Railways all over the world are not paying so much. I hope both the Railway Member and the Chief Commissioner for Railways are aware of the competition of road motors with Railways. I am told that a conspiracy is being hatched and that the Government of India are in communication with the Secretary of State and the British Government on the other side to make the Railway Board a statutory body. This House will not give any power to the Government or to the Railways to acquire power to run motors in competition with private enterprise. If we have confidence in them, we will do that, but when we know that the Government are going to conceal their mismanagement of Railways by running cheap motor transport and get out a little more profit so that they can go on perpetuating their extravagance, we cannot give them the power to run motors in competition with private enterprise. We warn the Government to set their house in order. They are waiting for the so-called experts, and they have got out a Mr. Pope on whose recommendation the Honourable the Railway Member might come to some conclusion. We do not know whether this expert Committee will be at work this cold weather at least, because three cold weathers have vanished. Does the Honourable Member want a revolution in India so that in one cold weather they may bring out this expert Committee and then the Government may act on it? Well, if any Member of this House is given the sole power, he can axe the whole of the Railways and bring out economies in the Railways. Anybody can do it,—because Mussolinis are not born, but Mussolinis are made—because it is the supreme duty of every one of us to show ways of economy.

Then, my friend, the Honourable the Railway Member, referred very happily that they have reduced the size of budget demands of individual Railways from foolscap size to octavo size, but he forgot to mention that although there was some economy in the publication of those documents, it also represented the true history of the Railways that, side by side with the reduction of the size of these reports, the Railway earnings have been reduced in the same proportion.

**Mr. K. C. Neogy:** They still continue to be pink.

**Mr. B. Das:** I hope when we take over the administration, they will become blue.

I will give an idea to my friend. If I were to axe, I will stop all extravagance, and I will order every Agent that he must bring out so much profit; if he does not, he must reduce his staff, otherwise he will get the sack. We must go back to the old stage in 1924 and combine the different offices. In every Railway the traffic and commercial departments have been separated and the officers and staff have been duplicated. I will also ask my friend, Mr. Joshi, and my friend, Colonel Gidney, that they should ask their followers, the labour, to accept wages that a particular industry or the Railways can bear . . . . .

**Mr. N. M. Joshi** (Nominated Non-Official): That is not our principle.

**Mr. B. Das:** I am not discussing principles; I am discussing facts. They must be prepared to accept wages that a particular industry can stand, and the railways cannot stand high wages, they cannot stand over-staffing . . . . .

**Mr. N. M. Joshi:** Who says that?

**Mr. B. Das:** I am saying that.

**Mr. N. M. Joshi:** You are wrong.

**Mr. B. Das:** My friends, the Railway Member and the Chief Commissioner, have not come to any definite decision about the reduction in rates. They raised the rates after the separation of the Railway Finances from the General Finances, and they did not meet with any success except going on with mad orgies and maintaining a few highly paid officials and duplicate staff in certain Railways. They must now seriously consider the reduction of rates, so that they can get better goods traffic and passenger traffic. I would also ask the Railway Member to consider whether the time has not come to recruit Railway Agents from outside India or inside India, from among those who are not in the services of the Railways. At present the officials are accustomed to the bureaucratic attitude of the railway officials. As things stand, any small official entering the Railway can aspire to become the Agent of any Company or State-managed Railway or a Member of the Railway Board or even the mighty Chief Commissioner. If that is so, how can he go against the officials and bring a fresh mind to the Railway problems and bring about economies and retrenchment, and I do think also the time has come when officers, who are recruited from foreign countries, should be recruited only for a period of five years and that they should not be recruited on a permanent basis, so that the muddle which goes on at present may not continue for ever.

There is one other point on which I should like to give an advice to the Railway Member and that is in his favour. Now, that the Honourable the Finance Member is borrowing money at a low rate of interest and converting loans at a low rate of interest, will he ask the Honourable the Finance Member to give him some remission of the interest charges, because money which was borrowed at five and six per cent. is being converted today at four per cent? It is high time that the Honourable

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the Railway Member and the Financial Commissioner should take the opportunity of these conversion loans and I warn those in England and in India who are feeling that the Railways will soon have a period of development. India cannot afford to enter upon any big programme of construction if the net profit is only three per cent., and I hope that our Railway Member, with the experience he has got as Acting High Commissioner and Member for Industries, will not fall into the trap of the British capitalists and add perpetually to the burden of the Indian Railways, when the very present Railways are tottering with a deficit. I do hope that he will bear this in mind.

**Mr. A. H. Ghuznavi** (Dacca cum Mymensingh: Muhammadan Rural): Sir, I extend my sincere congratulations to my Honourable friend, Sir Joseph Bhore. He is the first Indian to hold the portfolio of Commerce and Railways.

Sir, none of us were surprised to find this deficit Budget, but the deficit of nine crores and 47 lakhs is, I must say, a staggering amount. What is the cause? You cannot say that it is due only to the world wide economic depression. It is the short-sighted policy of the Railway Board that has robbed the Railways of their freight and fares. What has been their policy?—Increasing the rates and fares. In spite of these increases, they have not been and they will not be able to balance their Budget in future.

I will give you one instance as to how the Railways have lost considerably and how the coal industry of Bengal has been killed. They have increased the freight on coal. On the top of that, they have put on a surcharge. I ask the Honourable the Railway Member to find out what is the effect of putting this surcharge on coal freight. The South African coal has become current in India. You have put on a duty of eight annas per ton. The second thing is this. Thanks to the Burma Shell Co., they have introduced oil fuel in Bombay. That has also had the effect of killing the coal trade and this also because of the heavy freight. Then, again, the Tata Hydro Electric Scheme has been started in Bombay. They have put on their electric plants and the boilers have been removed from the mills, and those mills are now entirely at the mercy of the Tatas, because they have no boilers and cannot use coal fuel. In this way the Railways have lost the coal freight entirely. From Bengal to Bombay is a very long distance. Throughout the world a concession is given to the largest consumers. Have the Railways ever offered any concession to these large consumers to enable them to use coal instead of other fuel? They have done nothing of the kind. They have ruined themselves. They do not get any freight at all on coal. See what has been the result of increasing the fares. I have travelled no less than four times to Bombay and I was the only first class passenger in the whole train.

**Mr. N. M. Joshi:** Even in the second class, I was alone.

**Mr. A. H. Ghuznavi:** The first class passengers now travel second class, the second class passengers travel inter class, and the inter class passengers now travel third class. This is the result of increasing the fares. And the third class passengers do not travel so often as they used to do. They have raised the rates and fares as if that was the only remedy. The result is also wholesale waste in other departments. The waste is telling. Sir, you will remember and the House will remember that exactly this month



last year I raised a debate on the coal purchase and colliery administration. Honourable Members will remember how I was gagged. I was told I was wrong. What has happened today? Was I right or not? I will ask the House to judge today. Here is a copy of the *Hindustan Times* of the 11th February. I said last year that you were losing 50 lakhs of rupees,—20 lakhs on your purchase side and 30 lakhs on your collieries. Sir, I have proved that that was a fact. Here is the statement:

*“Expenditure on Coal.”*

Among the most important features of the Budget, I learn, would be the huge saving that the Railway Board would be able to announce in regard to the expenditure on coal. This has been a sore point with the non-official Members of the Assembly who were helpless in the past.”

Mind the expression “helpless in the past”. Yes, helpless against the policy of accepting any tender other than at the sweet will of the Chief Mining Engineer.

That is what I said. Now things have changed—and the statement is interesting. It goes on:

“and the matter was subjected during the past year to scrutiny at the hands of Sir Joseph Bhore and his able lieutenant, Mr. P. R. Rau. I learn it resulted in a saving of over Rs. 20 lakhs alone.”

**An Honourable Member:** The exact figure!

**Mr. A. H. Ghuznavi:** Sir, I shall give you one example of how they lose money. The Railways have been losing Rs. 14,80,000 in freight year after year as Mr. Whitworth wants the coal to be shipped and not railed to the South Indian Railway and the M. and S. M. Railway. Here is a statement in my hand given to me by no less a person than Sir T. R. Wynne showing that 400,000 of tons of coal last year were required for the M. and S. M. Railway and how they were sent. They could send the coal direct from the coal pit head to Madras by rail, but yet they shipped it. The result of it was that the Railways lost the entire freight and the shipping company—a foreign company, the B. I. S. N. Co.—made Rs. 14,80,000. (Hear, hear.) Sir, Mr. Whitworth, who is considered by the Railway Board to be their expert in this matter, was evidently not looking to the interest of the Railway. He holds that it is not a question of requirements for the B. N. R. or the East Indian Railway, but for the M. and S. M. Railway, and why should they be made to pay the freight by rail which in this case is higher than that by steamship. That is absolutely untrue, and it has been worked out here by Sir T. R. Wynne. Here he has given his figures. The figures show that taking into account the rail *cum* sea route, which must be so because it must be from the coal pit head by rail, then from there by rail to the dockyard and so on, and it works out at Rs. 13·2, but for the sea route it is Rs. 11·7. Here there is a difference of about Rs. 1-8-0. But it is all a fictitious difference. The House will see that it is loaded at the coal pit head, then unloaded at the Kidderpore Dock, and then it is loaded again on to the steamship and it is again unloaded at Madras. It is again loaded on the Railway and carried to the M. and S. M. coal yards. Now, fully 30 per cent. of that coal in the process gets powdered and reduced to dust, and they thus lose lots of money; here the Railways are losing Rs. 4,80,000 in freight. I shall place the whole file of papers on the

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table so that Members may find out for themselves the actual position. (Voices: "Place\* it on the table.") This very thing has, times without number, been brought to the notice of Sir Alan Parsons, and this is the third time that I bring it before this House. Then, all the Railway collieries are second-class collieries. The Government give out that they want to favour the trade and that they do want to give business to private collieries as otherwise the coal-trade will be dead. Now they have not got a first-class colliery at all of their own, and they, therefore, purchase, not out of generosity, but out of necessity.

Now, I ask, Sir, ever since they bought these collieries, did the Chief Mining Engineer call for public tenders to raise their coal? I pause for a reply. Have they ever done it? There you are, there is no answer. What is the result? They are losing Rs. 30,00,000 on that alone and I will prove it how they are losing. After I raised this debate here, Sir, last February, the Railway Board sent out a Circular that in future public tenders should be called. And what was the result? There is a colliery known as Argada and the raising contract was given to a man by name Ladha Singh at Rs. 1-6-0. They called for a tender this year. What has been the result? They got it for 13 annas. These are admitted facts and my friend, Mr. Rau, cannot dispute them. If that is so, that is, 13 annas they got for Rs. 1-6-0,—it means nine annas a ton. My friend, Mr. Rau, might say, how does Mr. Ghuznavi make out Rs. 80,00,000 saving when we raised only 11 lakhs of tons this year? My friend should not forget that this is not the only year. What about the 40 lakhs and 50 lakhs tons they have purchased in good years? Have they forgotten that? (Hear. hear.) And what is the rate these gentlemen pay? It is not Rs. 1-6-0, but much more than that. I have got the figures with me. Then there are only five contractors who amongst themselves have the monopoly of raising their coal. I will go into all these points in detail when the cut comes; I have worked out all the details. I will then be able to show what a colossal loss they are incurring knowingly. Their collieries are absolutely second-class collieries and are working at a tremendous loss. I will just refer to what my Honourable friend, Mr S. C. Mitra, said. He said:

"It has been represented by the Indian collieries and that from the financial point of view that Jarangdih (*it is a colliery which is under the management of the Chief Mining Engineer*), which is a colliery of the Bombay, Baroda and Central India Railway and the Madras and Southern Mahratta Railway, seems to be a complete failure in actual working. In 1930-31, the latest year for which figures are available, the average working cost in this mine was Rs. 5-6-0 per ton."

So, while the average working cost was Rs. 5-6-0 and while the capital expended till 31st March, 1931, was over 64 lakhs of rupees, the output was well-nigh within a lakh of tons. In Religara, though 19 lakhs was spent up to the 31st March, 1931, and 44 lakhs of rupees were spent on two other mines up to the same date, these collieries never produced a single ton of coal for consumption by the Railways. Sir, that is the way in which they manage their affairs in the collieries. It would be much better if they were to shut them down and be done with them.

There is one more point that I wish to make and then I will bring my remarks to a close. Colossal losses are being incurred on the purchase of railway stores. I know this from a particular case and the Public Accounts Committee have also gone into it. The Public Accounts Com-

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\*The papers were laid on the table (*vide* pages 889-90 of these debates.)

mittee was not satisfied with the way the East Indian Railway has controlled its stores department. An investigation has been made, which has occupied over three years, and an amazing discovery has been made. I know about this investigation. Mr. Mead, if I remember aright, who was the Controller of Stores, Eastern Bengal Railway, was appointed a special officer to go into these accounts. He had told me that crores of rupees worth of stores are lying there useless. Now, let us see what is their report which they have submitted. They say:

"The Stores Department has discovered that it has no less than 54 lakhs of stocks above those shown in the books."

That is the report which they have got and that is the report which they submitted to the Public Accounts Committee. Now, Sir, I ask this House if 54 lakhs of rupees worth of stores were not shown in the books, was not there an opportunity of theft and pilfering? Goodness knows what further discovery awaits.

**An Honourable Member:** How are they accounted for?

**Mr. A. H. Ghuznavi:** It is for the Railway Board to say. And what is the result? We are paying in the shape of interest the sum of Rs. 2,07,000 on Rs. 54 lakhs at the rate of five per cent. When the cut comes, I will develop this point about the stores. Tomorrow I will discuss and go into the figures for the purchase of coal and also about the management of their collieries. I will then prove that the closing down of the collieries will be more economical than their running. It will be better for them if they reduce their rate as it will add to the revenue and will not show such a big loss as they are showing at present. Sir, the offices of the East Indian Railway and the Eastern Bengal Railway are just across the street and still they have a huge staff to run the East Indian Railway and an equally huge staff to run the Eastern Bengal Railway. Why cannot they amalgamate these two Railways? Their mileage is not very much. A bigger mileage is run by one Agent in the case of the North Western Railway. Then, the whole of the Bengal medical administration is supervised by one Surgeon-General, but in the case of these two Railways there are two Chief Medical Officers.

**An Honourable Member:** They work day and night.

**Mr. A. H. Ghuznavi:** Yes, the Chief Medical Officer, East Indian Railway, is also the Vice-Chancellor of the Calcutta University and naturally he works for 24 hours. Sir, if you amalgamate the staff of these two Railways, you will be able to save at least 20 to 30 lakhs of rupees straightaway. Perhaps even more than that.

**Mr. Chairman** (Sir Hari Singh Gour): The Honourable Member will now bring his remarks to a close.

**Mr. G. Morgan** (Bengal; European): Mr. Chairman, I do not propose to follow the line taken by my Honourable friend, Mr. Ghuznavi. I will not put forward any special pleading on any particular subject, but I should like to touch on a few of the points made in the speech delivered by the Honourable the Commerce Member and also by the Chief Commissioner for Railways in another place. I would like to congratulate

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the Honourable Member in charge on the result of the revised estimate of 1932-33. My humble estimate was a deficit of 11 crores, which, I am glad to see, is not the case. The Honourable Member has been able to revise his figures and the total loss now is 9½ crores. I do not know whether my Honourable friend, Dr. Ziauddin Ahmad, was referring to 1932-33 when he mentioned ten crores as a deficit or whether he was referring to 1933-34, but that does not matter.

With regard to the position of the Railways in India, reference has been made by Government to Railways in other countries  
1 P.M. and reference has been made to the United States of America. I think, Sir, we can congratulate ourselves on the position of Indian Railways today. As the Honourable Member in charge pointed out, the net traffic receipts at present amount to 24 or 25 crores which would have represented a three per cent, dividend on the 800 crores capital of the commercial lines. And I do not know, although I have studied the Railways of a good many countries, that I have been able to find Railways in any country in that position today.

Now, there are some points which I should like the House to remember. One is that the reserve fund is now standing at nil; another is that the contribution of the 1/5th surplus to the Government is nil. We now have to draw on our depreciation fund for any deficit, and for 1933-34 the amount will be 7.77 crores. But, as pointed out by the Honourable Member, contributions *versus* withdrawals from the depreciation fund are going to be a subject for examination, and I am very glad that the Honourable Member has made that statement on the floor of the House, because I am of opinion that the depreciation fund contributions, withdrawals and amounts should be thoroughly investigated.

Then, Sir, with regard to the expert examination which is going on just now by Mr. Pope and three or four Indian Railway experts, I notice that the Honourable Sir Joseph Bhore said that he hoped that the expert Committee would come out next year to work on the data given by the report which will emanate from Mr. Pope. All I can say is that I hope that a Committee will not come out. I do not think we want any expert Committee now to report on the working of the Indian Railways. In my opinion we have sufficient experts.—I hate the word “expert”, but I must use it,—we have sufficient expert knowledge in this country to work on the data, or whatever Mr. Pope may put forward in his report, to economise in every direction; and I am perfectly certain that the results of last year have shown definitely that Indian experts are capable of economising if they are put to it.

Now, Sir, with regard to staff pay, the Chief Commissioner for Railways in another place made some reference to staff benefit funds and relief of indebtedness. I approve of the action which has been taken in the cut being restored along with the restoration of the cut all round, but a question arises,—and it is a larger question than merely of railway employees,—whether, under present conditions, the increments of grade pay should not be held up for a year. This question I will ask my Honourable friend, the Commerce Member, to consider. But there is another point I should like to mention and that is the question of this indebtedness of subordinates. I understand that they find it very difficult to collect their pay, and I think an inquiry might be made as to whether

there are certain unofficial actions taken by those who pay out the salaries of these people by deducting indebtedness at source on behalf of those who have lent the money.

I would refer now to road and rail transport and the report. I think we may congratulate Messrs. Kirkness and Mitchell on the excellent report which they have submitted and one may hope that at the Conference in April some real good will emanate from the deliberations. But there is one point I should like to draw attention to and that is that we continually hear about the terrible losses which have accrued to the Railways owing to bus competition. I notice from the report which I have just mentioned that the Railways find it very difficult to assess their losses. The figure is given in the region of one crore and 90 lakhs, but at the same time the authors of the report say it is very doubtful if that figure is anywhere near correct. In fact it is so intricate that it is impossible to put a figure on that particular competition. There is another point with regard to buses. We must remember that when a bus runs, it does not mean that it is definitely taking away traffic from the railway. From my own personal experience I can say that a great percentage of that is new traffic, and I am glad to see that Messrs. Kirkness and Mitchell refer to that particular point.

Now, Sir, with regard to railway rates. We all dislike railway rates being put up and we are not at all convinced that this raising of railway rates is sound. We always get the reply from the Railway authorities: "Prove that we shall get more traffic by lowering the rates and we will give you these lower rates at once." It is very difficult to prove, because a shipper is not going to ship goods on consignment in order to prove to the Railways that he can sell those goods profitably at a lower rate of freight. But with the rates in force, he says: "I cannot do any trade." The Railway authorities say: "We do not know why that is so." I am glad to see that the railway authorities are evidently now alive to that position. This is what the Chief Commissioner for Railways says:

"The result will be the saddling of Railways with a load of debt which would require to be met with a further increase in rates and fares, a contingency which we are particularly desirous of avoiding as it must react on trade and industry and delay their revival."

That is a very important point, and I hope that the Railway authorities and the Honourable Member will keep that definitely before them. I think I am divulging no secret when I say that in the Ottawa Committee stress was laid on the particular point of railway rates to ports for export business. Some of my Honourable friends will confirm this. My Honourable friend, Mr. Ghuznavi, mentioned about the Railway-owned collieries. I have had a great deal to say about this matter in the last two years, but I will only mention this, that in the accounts for 1933-1934 items appear of 5½ lakhs for the Talchar coalfield and three lakhs for Kurasia coalfield, which are certainly amounts greatly in excess of what I expected, and I do hope that the Railway authorities will keep down the expenditure on development to the very lowest possible point.

With regard to the capital expenditure, some attention has been drawn to the fact that the Railway authorities have allowed 11 lakhs for M. and S. M. Salt Cotours Yard and Hubli station remodelling, but, as a member of the Railway Standing Finance Committee, I should like to inform the House that these items were gone into very carefully with the Financial Commissioner and, in approving of the project, we were satisfied that

[Mr. G. Morgan.]

these 11 lakhs had to be spent in order to retain the present traffic. There are still 19 lakhs of rupees to be found some time to complete these projects.

Now, Sir, with regard to amenities for third class passengers. I happen to have been a member for some years of the Eastern Bengal Railway Advisory Committee, and the question of amenities for third class passengers was one which was brought up at every single meeting so far as I can remember. So much so, that the Agent at each meeting gave a statement showing what had already been done on the proposals put forward by members of that Advisory Committee, and I may say, Sir, that, so far as my experience goes, we were quite satisfied with the sympathetic, and not only sympathetic, but practical results of the efforts of the Agents and the staff with regard to the third class carriage amenities. I am not only talking about the Eastern Bengal State Railway. It is important that all Railways should keep this definitely before them; if they are going to compete with buses, they must give the amenities which buses provide, and I am told,—I have never travelled in any of these buses—but I am told that the bus amenities are certainly better than third class amenities. We must, however, remember that there are practical difficulties. You cannot scrap the entire third class rolling stock to provide something which would necessitate the building of a new carriage. Therefore, Honourable Members must have patience. Keep on pressing the point so that when replacements come along, we can have a better type of carriage for third class passengers. After all, the basis of the profit in passenger traffic is the third class passenger.

Sir, last year, the then Leader of the European Group, Sir Hugh Cocke, mentioned the question of the administration of transport. I will not enlarge on that now, because it is a matter which must be held over meantime, but it is absolutely essential that as we are going into the question of road and railway working and co-ordination, we should have a definite Executive, controlling and co-ordinating railways, roads, inland steamers, and motor transport; only in that way can we get transport throughout India put on proper basis.

I would like to ask one question from the Honourable the Commerce Member. In the British Trade Commissioners' Commercial Bulletin for January, there is a very interesting note on the railway motor engine, and I should like to ask the Honourable Member whether any investigations with regard to these Diesel Oil Engine locomotives has been taken in hand by the railway authorities. Of course we all know from the figures how cheap they are to run, but we must always keep our eye on the source of the supply of fuel, and as the fuel will be oil, and unless we find that this experiment, which has been carried in the United Kingdom of obtaining oil from coal, is going to be satisfactory, we would be dependent on the oil companies for our supplies, who may be philanthropic but still very large combines. I hope that the Honourable Member in his reply will give us some information on that point.

Sir, that is all I have to say on the general discussion.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Chairman (Sir Hari Singh Gour) in the Chair.

### MESSAGE FROM H. E. THE VICEROY AND GOVERNOR GENERAL.

**Mr. Chairman** (Sir Hari Singh Gour): I have received the following Order of His Excellency the Viceroy and Governor General:

(The Assembly received the Message standing.)

*"In exercise of the powers conferred by rule 2 of the Indian Legislative Rules, I, Freeman, Earl of Willingdon, hereby appoint the Honourable Sir Joseph Bhore, 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 Monday, the 20th February, 1933, on the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.*

(Sd.) WILLINGDON,

Viceroy and Governor General."

New Delhi;

The 20th February, 1933.

### THE RAILWAY BUDGET—GENERAL DISCUSSION.

**Mr. D. N. O'Sullivan** (Bombay: European): Sir, if the public press of this country is any real index of public opinion, there seems to be a bit of optimism about this Railway Budget introduced by the Honourable the Commerce Member. Personally I do not think this is a matter of congratulation for this Budget. It is a Budget of an official assignee. I congratulate the Honourable the Commerce Member on the very able way in which he has presented this Budget, but I do not think his powers of prophecy are a matter for congratulation.

I remember once hearing Lord Reading, when he was Chief Justice of England, saying with reference to the statement of a certain man, that he was meandering in the Elysian fields of doubtful hypothesis, and I think that term can very aptly be fitted as a description of this Budget or rather not the whole of it, but to the Budget Estimate. I would refer to one portion of his very able speech. The Commerce Member has said:

"In the hope that we have plumbed the lowest depths of the present period of economic depression and we may anticipate a slight recovery, we are placing our estimate of traffic earnings about 1½ crores or barely two per cent. above the current year's figures."

Why two per cent. above the current year's figures? Why not five per cent. below the current year's figures? What is the reason for this optimism? On what does he base his premises? We all know that there is a world wide economic depression. That is not his fault, nor the fault of anybody in this House; but I think it is universally agreed among people, with any knowledge of economy, that we are far from having plumbed the lowest depths of the economic depression. We are not on the upward grade, and we can never be on an upward grade until the finances of the world are put on a settled basis. These are matters outside our province. The Honourable the Commerce Member has said in another

[Mr. D. N. O'Sullivan.]

portion of his speech that the 800 crores of capital of the Indian Railways are earning three per cent. My humble submission is that this is purely fictitious, and a perusal of his speech will bear me out. However, there has to be a certain amount of bolstering up. It is very unfortunate that it falls to my lot to make these criticisms, because I am afraid I cannot agree with the declamation that has preceded me this morning and I do not propose actually to proceed any further in this vein, because the Honourable Member has a very uphill task, and I have no doubt he will find very great difficulty in answering the various—I will not say accusations—statements that will be brought forward tomorrow by a number of my expectant friends, I mean the Honourable Members here. I can see them looking forward in anticipation to tomorrow when the demands for grants will be taken up. I will leave them to it and Sir Joseph Bhore to his task. My real reason for trespassing upon your time, Sir, and upon the time of this House is to endorse what my friend, Mr. Morgan, said this morning about the depressed condition of some of the lower ranks of the staff of the Railways. I notice from the speech of Sir Guthrie Russell in another place that he says:

"Staff Benefit Funds, which were introduced on State-managed lines in 1931, have been, or will shortly be, introduced on all Company-managed lines, and a Lower Paid Staff Fund, to relieve indebtedness among the lower ranks of the staff, is now in existence on the East Indian and the North Western Railways. . . ."

These measures are quite inadequate to cope with the deplorable state of affairs existing among Railway servants in all the Railways in India today. It is a very serious state of affairs. It has been said that from the cradle to the grave the Indian peasant is in the hands of the money-lender. That is as it may be. But I think I can say with some authority that the Indian Railway subordinate is in the hands of money-lenders from the time almost he joins the service to the day when he leaves it. The need for money arises from various causes naturally—extravagance in some cases, and the genuine need for money in other cases, sickness and matters of that kind; and the path of the Railway subordinate is indeed rosy to begin with, but later on it is a bed of thorns. The first step is generally an application to one of these various credit societies. Railways run co-operative credit societies. The name varies on different Railways. They get a loan; their pay is cut and then the trouble commences. They get a very small proportion of their pay cut and then they fall into the hands of money-lenders, and then the inevitable happens. They find themselves owing several times more than they borrowed. Decrees in Courts of law follow with inevitable attachments on their pay and I understand the law department of the Railways and the accounts department are kept continually busy dealing with these attachments. We all know—the lawyer Members of this Assembly well know—the Code of Civil Procedure confers certain protection in these matters. Railway servants drawing Rs. 40 a month have their pay exempt from attachment. Those drawing from 40 to 80 rupees—in their case the first forty rupees is not liable to attachment; and those drawing over 80 rupees a month can only have half of their pay attached. But who can live on half his pay, least of all the Railway subordinates? Most of them are married: the Indian marries early. Anglo-Indians form a large number of those employed on the Railways all over India. Many of them, presumably finding themselves in a somewhat secure position, embark on matrimony with the attendant liabilities and, Sir, to come to



the point, you have this terrible loss of efficiency as a result of this indebtedness. It is colossal. There is no question about it. Apart from any other considerations, considered from the human point of view, no man can put his best in his work in such circumstances. I shall give you an instance. There is an enormous waste of time in respect of Court attendance. On one system alone, you can conceive what the waste of time would be like, assuming that about 30 per cent., and I think this is a very conservative estimate, of the lower paid employees are in the hands of money-lenders. They have constantly to apply for leave. It is a further hardship. Take the case of a man stationed at Lahore. He borrows money, gets into difficulties. He is transferred, say, to the other extremity of the line, Karachi. He receives a summons through official channels. How can he proceed there? He may or may not get the leave. If he proceeds to Lahore, it is a waste of public time. If he does not proceed to Lahore, enormous difficulties arise as far as he is himself concerned. Then there are other hardships involved. There is a rule in force on some Railways that if a man's pay is attached for a period more than one year, he is liable to dismissal and this leaves the man again at the mercy of the money-lender who is always ready with a further loan and he uses that lever as much as he can. The ultimate result is possibly the Official Receiver, before the Railway subordinate can take the protection of the Insolvency Court. He has to take special permission. This permission is frequently granted, and when it is granted, it means further waste of time, as he had to dance attendance at the office of the Official Liquidator, involving loss of efficiency and consequent loss of money to the Railways. These are all matters which require looking into. They may sound trivial, but they are not. I submit that the most stringent legislation should be taken in hand to deal with this pressing question. I see Sir Henry Gidney is taking notes. I hope he will endorse what I say.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): How does he spend the money borrowed?

**Mr. D. N. O'Sullivan:** I suggest, Sir, that legislation should be taken in hand to deal with this matter. The provisions of the Civil Procedure Code are not sufficient to overcome this evil.

I see that I have got only two minutes more. I should like to make one observation with reference to the Budget speech. I see that there is no reference made to Local Advisory Committees. I do not know whether Government have taken into consideration whether they are really worth the money they cost. I may be courting unpopularity in making this statement, but there is a tendency in these days to appoint ten men to do the work of one. The press in this country is far more powerful today than it was ten years ago and I suggest that the press can be utilised more fully in order to carry out the objects of these Advisory Committees and I suggest that this point should be taken into serious consideration and Government should abolish these worthless Committees.

**Lala Rameshwar Prasad Bagla** (Cities of the United Provinces: Non-Muhammadan Urban): Mr. Chairman, this is the first occasion when we have the pleasure of seeing a distinguished Indian presenting the Railway

[Lala Rameshwar Prasad Bagla.]

Budget in this House since its inception, though unfortunately an unhappy Budget. I feel I should have congratulated him but for such a heavy deficit. The gloomy picture presented by the Honourable the Commerce and Railway Member hardly justifies the steps contemplated to be taken to restore partially the cut in salaries. Being a commercial man myself, I can never think of a losing business concern increasing the emoluments of the servants. Sir, I would not mind, or, as a matter of fact, none would mind paying the servants as highly as it is consistent with the financial position. None grudges the earning man, but no instance can be found either of an individual or a concern increasing the wages of the workers even when it is persistently losing heavily. It is high time when the Government should take notice of it and, after thorough scrutiny, properly handle the situation, otherwise they will land themselves in such depths where it will not be possible to emerge from.

Sir, so long as the net revenue is not sufficient to meet the interest charges, the most stringent economy is absolutely essential. It is not any real consolation that the Government do not propose to take any further expansion in hand though warranted by the circumstances. There are still many such tracts in the country which, because of the lack of proper means of communication and transport, are far behind the mark. Sir, it has often been urged on the floor of this House that the increase in freight and fares is, to a considerable extent, if not greater extent, responsible for the fall in income, but has not yet met with favourable consideration from the Government. It does not require any super sense to understand that the reduction will increase the traffic and bring it within the reach even of the poor which will result in enhancing the income. This is a well established truth that the less the charge the more the customers, resulting in greater profits. The old system of issuing weak-end intermediate class tickets should be re-introduced. If, however, it is not feasible to do away with the condition of 100 miles journey, it should be reduced by half. The system of issuing Coupon Books, which considerably helped the business and in return earned a fair amount to the Railway, should also be re-introduced. The axe of the retrenchment and reductions should be laid against the fat salaries and not the low paid who in reality are the mainstay. The Lee concessions, which were granted by the Government in bright circumstances, should in the present adverse circumstances be withdrawn.

Sir, in spite of the top-heavy administration, it has not succeeded in eradicating the corruption in the services, but has simply duplicated the work. The Railways should be run more on business lines than on administrative. The minimum of expenditure and maximum of comforts should be the watch words.

**Mr. N. M. Joshi:** This Budget like several of its predecessors is a very depressing one. Unfortunately the Government of India, instead of learning any lesson by their past experience of some years, have continued to follow their mistaken policy, with the result that, instead of getting rid of the depression and the deficits, they are getting deeper into it.

Mr. Chairman, the Government of India, in my humble judgement, in these difficult times, are following a policy which I may call a policy of defeatism. They surrender themselves to the first difficulty with which they meet and follow a policy on account of which they are getting

deeper into the mire. They make retrenchments, they cut down the salaries, with the result that there are fewer purchasers for goods in the country and the depression deepens. They increase the rates and fares, with the result that the goods transported and the passengers transported go down in quantity and in numbers. I, therefore, feel, Mr. Chairman, that the Government should now give serious consideration to the policy which they are following. I feel that, instead of following this defeatist policy, they should follow the bolder and more forward policy which successful industrialists do under similar circumstances. Let them not cut down their programme of construction. Money is cheaper, and it is much better under the present circumstances to borrow money and to undertake larger programmes of construction. Instead of retrenchments of staff, let them provide increased employment for the staff and, instead of cutting down rates and fares, let them give encouragement to traffic, both passenger and goods.

Mr. Chairman, I feel that there is no doubt that the present deficits are due to the world depression, but the world depression is not the sole cause of the difficulty of the Government of India in the management of their Railways. I have felt for a number of years that they have been following a wrong policy, based upon a wrong principle of management of the Indian Railways. What is their policy? The principle underlying their policy is to give more to those who already have much and take more from those who possess very little. It is on account of following that policy that the Railways in India have got into a difficulty. I quite realize, Mr. Chairman, that the Government of India may not agree with the views which I hold as regards the management of the country's industries which are under the control of the Government of India. I myself hold that the Railways were introduced and have been maintained by the Government of India not to provide profit, but to provide means of transportation for the people in this country; and, if the Railways are a national service, then they should be conducted on principles that are proper for conducting such national and social services. They should for these services make people pay according to their ability to pay and to give to people according to their need. Mr. Chairman, this is the principle I would urge on Government with regard to the management of the Government industries. This is the way of conducting industries on moral lines, but I am told, Mr. Chairman, that the Government want to conduct their industries not on high moral principles, but on business and commercial lines. Sir, although I do not agree with this principle, I am quite willing to examine the question whether the Government of India are managing our Railways on commercial and business lines. What is a business or a commercial principle of management? You must make people pay for the services which you render to them.

Now, Mr. Chairman, I would like to examine some aspects of the Railway management to see whether they are really conducted on these principles. I shall take for my examination the passenger traffic. The Government of India derive a large part of their revenue from Railways from the third-class passenger traffic, but what are they doing for the third-class passenger? The Government's policy is not based upon, what I may call, business or commercial principles. The first-class traffic pays them the least; I may even say, it does not pay its way, while the third-class traffic, on the other hand, pays them the most. But, in the matter

[Mr. N. M. Joshi.]

of attention paid to the needs and comforts of the third-class passenger and the services rendered to him, that is in inverse proportion of what he pays. Mr. Chairman, I am sure, when the Honourable Member gets up to reply, he may point out to me several pages of the Report which they have published and to the plentiful statements that are made about what has been done for the third-class passenger. Mr. Chairman, I am not satisfied with these stray things. What I should like the Government of India to tell me is this, namely, to state what amount they receive from the third-class passengers, and what accommodation in carriages is provided for them. I would like them to give us figures as to what they receive from the first-class passengers and what amount of accommodation is given to the first-class passenger, and I would like them to convince this House that the first-class passenger is not given more than what he should be given on account of the money that he pays. Mr. Chairman, I do not wish to go into figures on this question, but I shall deal only with one figure. A third-class seat costs Government Rs. 260, while a first-class seat costs Government Rs. 4,000. I have gone into the figures of what Government earns from each third-class seat and from each first-class seat. Now, while by investing Rs. 260 on a third-class seat Government make Rs. 241, by investing Rs. 4,000 on a first-class seat Government make only Rs. 208!

**Mr. F. E. James** (Madras: European): How do you work that out?

**Mr. N. M. Joshi:** I shall go into the figures when I speak as regards the grievances of the third-class passengers, but you may take these figures from the report published by the Government of India. Now, to make Rs. 240 on a capital of Rs. 260 and to make Rs. 208 on a capital of Rs. 4,000 is certainly not a business or commercial principle. Sir, I do not wish to go into details, but what I should ask the Government to do is this, namely, to give me a definite statement as to what accommodation they give on the railway station to the third-class passengers, say, by way of waiting room, and what is the space given to the first-class waiting room, then what is the space given to the third-class refreshment room and what is the space given to the first-class refreshment room. I also want them to tell me what revenue they earn from third-class passengers and what revenue they earn from first-class passengers. If they can convince the House that they are giving his due to the third-class passenger, and not more than his due to the first-class passenger, then certainly they are running their railways on commercial or business principles, but if they are not doing it, then they are not only not conducting their Railways on the principle that I have enunciated, the principle of morality, but they are also not conducting their Railways even on the very low principle, namely, that of business or commerce. Mr. Chairman, the Government of India have followed this policy not

only in this matter of the treatment of passengers, but they <sup>3 p.</sup> <sub>w.</sub> have followed the same policy of giving more to those who have more and less to those who have less in the matter of the treatment of their employees. Look at the salaries paid to the European officers and look at the salaries paid to the lower subordinate staff. Mr. Chairman, my colleague has already spoken about the difficulties of the railway employees. Their difficulties are due, firstly, to this wrong principle which the Government of India follow, namely, that they give more to those who already have more; they pay their officers very large

salaries without the least necessity for them. If you are really running your Railways on business and commercial lines, you will advertise for your officers and pay them according to the market rates. You are not willing to do that for your officers, but you only apply the principle of market rates in the case of your subordinate staff. You cannot make your Railways profitable by applying one principle to your European officers and higher officers and another principle to your lower subordinate staff. I consider that this policy of the Government of India to show favour to the higher classes in the administration of your Railways in the matter of accommodation and comfort and not giving the same treatment to your employees of all grades is at the root of your difficulties. To show favour to one class in the manner in which I have shown is a sort of corruption on account of which you are bound to get into difficulties. Sir, when the Government of India themselves, who are at the top of the affairs, follow a principle which is clearly a principle of corruption—I ask for the pardon of my Honourable friend for using this word, but when a man shows special favour to one class of people without following even the ordinary business principle, certainly I am entitled to call that policy a policy of corruption. It may not be a corruption on account of which the Honourable Member in charge of the Department derives benefit for himself, but it is a corruption because you give benefit of your policy to one class at the cost of another class. Now, Mr. Chairman, when the Government of India themselves follow a wrong policy, how can they except their officers to follow a better policy in this matter? Your officers are bound to follow a policy of showing favour to one class at the cost of another and you can never get purity in the administration of your Railways. Mr. Chairman, I do not wish to go into the details of this question, but I do feel that if this wrong principle and wrong policy have to be changed, there is one thing absolutely necessary. That thing is that the administration of the Indian Railways must be made responsible to the Legislature and to the people of this country. I have heard hundred times stated that the Railway Officers, the Railway Agents and the Railway Board, are all responsible officers. When I bring to their notice the grievances of certain poor employees, they tell me that they must after all trust their responsible officers. May I ask, Sir, to whom are they responsible, and how are they responsible? If you ask me whether the Agent of a Railway or the Member of the Railway Board is a responsible officer or a subordinate employee of the Railway is a responsible officer, I shall without hesitation say that the subordinate employee, who is liable to lose his job, because of the bad management of the Railways or a deficit in the Budget, is more responsible than those officers whose jobs are made secure on account of the guarantees given by the Secretary of State.

Mr. Chairman, the other day I spoke about the debits against the Railway clerks on account of the mistakes they may make.

**Mr. Chairman** (Sir Hari Singh Gour): The Honourable Member has exhausted his time.

**Mr. N. M. Joshi**: I shall finish in a minute, Sir. If you raise debits against your clerks on account of the mistakes they make and the losses they cause, I would like to know whether the Member of the Railway Board or the Member in charge is going to pay for the losses which they are causing. If they are not going to pay, let them admit that they are

[Mr. N. M. Joshi.]

irresponsible people, and the sooner they become responsible to the Legislatures and the people of this country the better for us all.

**Mr. S. O. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): Sir, at the very outset let me congratulate my Honourable friend, Mr. O'Sullivan, on his very fine maiden speech and also on the fact that he has chalked out a new plan that is not usual with the gentlemen of the European Group, namely, to speak out boldly when they differ from the Government.

Sir, I do not feel happy when I say that I cannot congratulate the Indian Commerce Member on the presentation of his first Railway Budget. Though I cannot commend this Budget, I do not find anything in it to condemn it either, because I find that it is almost an inevitable Budget. He has not made the bed on which he has to lie now. He is not really responsible for this Budget, in any way, and, I hope, in future this Assembly will get more balanced and better Budgets from the Honourable the Commerce Member. It is no use saying that we may be content with such a Budget. For the current year and for the last year we have deficits of more than nine crores each time; even before that, we had a deficit of five crores and more in the previous two years. In the face of all these, I think it is rather optimistic to say that we have at least touched the rock-bottom and that the recovery may soon follow. Sir George Rainy, while making his Budget speech, also spoke in the same strain. Referring to the Budget of 1931-32, he said:

"We were on a reasonably safe ground, . . . for 1930-31. Unfortunately our hopes have been falsified and our receipts are actually considerably worse."

I am afraid that the same fate may await the present Budget also. In any way, I think that, as practical politicians, we should judge by the present and not rely on future expectations. The loss of revenue is attributed mainly to the world depression and the other cause is the falling off of the Railway revenue due to competition with motor buses. In regard to both these factors, there is no guarantee that the world depression will cease next year, or the competition with motor buses will not remain the same as it is now; or, rather, it may become worse with the progress of time. So, from the point of view of sound financial consideration and when we look at the Railways as a commercial concern, it is difficult to expect a balanced Budget next year. We must find out means, however, to see that there will not be a deficit of such huge sums as nine crores that we had during the course of a year.

We had in our reserve fund more than 18 crores which have all been exhausted. We have theoretically in our Depreciation Fund about 35 crores and odd. Of course, a large part of it has been borrowed and it stands now at 13.72 crores. As regards the Depreciation Fund, I am glad that the Honourable the Commerce Member has agreed to go through the whole matter in detail. If it is discovered that we are putting more into the Depreciation Fund than is really needed, then we should reduce it, and we should settle it, but to argue every time that we are putting more money into the Depreciation Fund and that, therefore, we need not take proper care to balance our Budget is, I think, to say the least, indiscreet. We find that ordinarily the depreciation is roughly about 18 crores a year. Formerly, in some of the years, nearly 10 or 11 crores were taken for

expenses, but this year it has been shown as only five crores and odd. As regards the depreciation, I think it is a general principle to see that though from year to year the necessary repairs and replacements are made from that fund, yet at the end of a certain period when the life of these assets is exhausted, when the sum required for the wear and tear and repairs is exhausted, when they are to be replaced altogether, then a very large sum is necessary, and for these reasons a very larger Depreciation Fund is considered necessary than is ordinarily required to meet the expenses of wear and tear and ordinary repairs in a year ordinarily. I say, this is one point of enquiry, but if Government still think that the estimates that have been made about the life of assets were under-rated, in that case there should certainly be a re-adjustment of the whole fund, but we should not advocate, every time, when there is a deficit, for borrowing as a legitimate way to make up the deficit. One can borrow in bad days from their Reserve Fund but it is unsound to borrow from the Depreciation Fund on that score.

My friend, Mr. Joshi, suggested, and I think my friend on my left also did the same,—that Government should now adopt a bold forward policy in their railway programme, but I beg to differ from them. I warn the House that they should not commit themselves to such a plan; because that now we can borrow at a lower rate of interest is no reason that we should borrow largely and go on increasing our capital expenses. I think, it is not a sound policy. If you look 10 years back, you will find that the interest charges were less by 10 crores, and had we adhered to that limit of borrowing, I think, even with this depression in trade, there would have been no necessity whatsoever for a deficit Budget of nine crores. Government must justify their borrowing of more than nearly 200 crores during these 10 or 12 years, and prove that all this money has really been spent on productive expenditure or for merely re-modelling new stations, new yards and for such other things which are not really productive expenditure, because, in my opinion, the present deplorable financial condition of our Railways is entirely due to their unwise policy in the last few years.

I find that even in India there are Railways which pay dividends. I am told that the Bengal and North Western Railway paid 18 per cent. dividend last year. Whether the dividend declared this year is so high or not, I am not in a position to say, but the fact that Company-managed Railways are in a position to declare dividends even in these days of depression shows that it is not impossible to manage our Railways more economically. I was reading the figures of some of the English Railways in the *Hindustan Times*, and I find that though they are also going through the same kind of trade depression, still they have been able to declare a dividend of one or two per cent. In any case, I think, Sir, when Company-managed Railways are able to declare a dividend in India, is it too much to expect the State-managed Railways not to run their Railways in these lean years so extravagantly banking on the false hope that the trade returns would improve, that the exports and imports would improve, when there can be possibly no justification for entertaining such a belief owing to the conditions of trade all the world over?

My friend, Mr. Joshi, observed that the reason for this unduly heavy expenditure was that our Indian Railway system was top-heavy. I shall deal with that question when the cut motions are made, but I should like to say a few words about this expert Committee. More than one Honourable Member on this side pointed out that these expert Committees really lead to nothing. But if we are to have expert Committees at all, is it necessary every time that we should go to England?

**An Honourable Member:** No, no.

**Mr. S. C. Mitra:** I know the Railway systems of Japan; and, there, so far as the Company-managed Railways are concerned, their condition is not bad, and, therefore, we should try to have experts from those countries where the system of Railways follows more or less our railway system. All our experts are trained in the English system, and so we should have experts, if we are to have them at all, from the United States or Japan, or from Canada, if we are to have experts from the Dominions. If England has to give us any expert advice, we can have it from our own experts. I think the Honourable the Commerce Member will give due consideration to my suggestion and accept the advice of experts from those countries where the Railways are run without loss and will not look always for experts to England.

As I have pointed out, we have in our present programme the re-modelling of the Hubli railway station. Honourable Members know already that we have beautiful stations at Cawnpore and Lucknow. My friend whispers to me that more than two crores were spent for these two stations only. When we have excess Budgets, I do not mind spending on such beautiful and costly stations, but in lean years, in deficit years, we should not encourage the Railway Board to spend such huge sums on the re-modelling of Railway stations, not at all productive and which will mean addition to our capital expenditure, because the interest charge will be growing bigger each year. Even in the present year's programme, though no new work has been undertaken, I find in the speech of the Honourable the Commerce Member that there is a proposal to spend money for the re-modelling of the Hubli station. I appeal to Government that special care should be taken to see that unproductive expenditure in these hard times is not undertaken.

Now, I should like to say just a few words about the Rates Tribunal. I find from the Railway Administration Report that there were only two cases in the year 1931-32. As regards the first case, the complaint was withdrawn after the first hearing, and the second case was being continued. And, for these two cases, what was their expenditure? In the year 1931-32, it was a lakh and 34 thousand, in the previous year it was a lakh and 64 thousand, and in the year previous to that it was a lakh and 56 thousand. I know Government have now accepted the shorter programme of curtailing it to Rs. 50,000. But I think the Honourable the Railway Member should now consider whether there is any necessity of having a permanent or half-yearly Rates Tribunal at all. Before they appoint the future President for the Rates Tribunal, I urge on Government to consider whether this work can be done in any other way not involving such huge expenditure.

As regards the cut in salaries, I should just like to say one word. The Honourable the Railway Member said that he did not like to make any differentiation between Government servants of other departments and the Railways. I should like only to say that Government also treat the Railways as a commercial concern, and the provision for provident funds is much better than the provision for pensions for Government officers. Then, Railway officers are allowed free passes which is a great advantage and there are many other things where they are really not treated like other Government officers. May I ask the Honourable the Railway Member, whether he is agreeable to put all the Railway officers on the pension basis



as it obtains with Government officers in other Departments or as regards the privilege of free passes and other amenities? Then only he can claim that they are like other Government officers and there should be no discrimination.

Sir, my time is up and I do not like to take up the question of Indianisation which I will have to discuss later on. With these few remarks, I will bring my speech to a close.

**U Ba Maung** (Burma: Non-European): Sir, I rise to make some observations with regard to the Budget for the Burma Railways which specially concerns my province. Before doing so, I should like to have the privilege of congratulating the Honourable the Railway Member on his putting before the House a vivid picture of the Railway Budget for the year 1933-34, although there is a deficit of 17 crores for two years. My first suggestion with regard to the Burma Railways is this. On page 11 of the Burma Railway Budget, we find under "Traffic Department" the two items of "Superintendent of Catering and Advertising" and "Assistant Superintendent of Catering and Advertising". Sir, in my opinion, these posts can be done away with as they are not at all necessary. As far as I know, this branch is losing heavily on account of these highly paid posts which I think do not require much brains. Moreover, advertising work can be done by some other departments which have done such work there in the past when the Burma Railways were in the hands of the Company only a few years ago. As regards catering, I think the question is mainly of choosing firms of good standing and repute and leaving them to do the work satisfactorily on pain of having their licences cancelled. Sir, I cannot see the need of a Superintendent on a salary of Rs. 1,375 per month and an Assistant Superintendent on Rs. 950 per month for supervising the catering. Any intelligent passenger can tell the Agent whether the catering in the refreshment rooms is good or bad. In this connection, I hope, the Railway Member will give an assurance that he will look into the matter carefully and see whether it will not be possible here to effect a much needed saving.

Sir, as my second suggestion, I earnestly request the Railway Member to take more Burmans into the higher services of the Burma Railways and, in making the selection, preference should be given to Burmans. Sir, due to the present economic depression and the low prices of paddy and rice, many educated Burmans are without employment and the question of unemployment has already started in Burma where it was unheard of before. Therefore, I hope, the Honourable the Railway Member will be good enough to communicate instructions to the authorities of the Burma Railways to take Burmans in all vacant posts, high and low. Sir, whatever may have been the case in the past, higher education has now made some progress in Burma. There are many able and well-qualified Burmans seeking employment on the Burma Railways and it is disheartening to see in the list of appointments a great preponderance of European names.

Lastly, I wish to draw the attention of the Railway Member to the fact that in the Burma Railway Advisory Board representation is given to Government, local bodies and the Burma Legislative Council. This is all right as far as it goes, but the Burma Legislative Council has no voice in the administration of the Burma Railways whereas this Legislative Assembly is directly responsible for Railway expenditure. Therefore,

[U Ba Maung.]

I would respectfully suggest that, say, two Members of the Legislative Assembly who are from Burma should be appointed on the Burma Railways Advisory Committee. Sir, I fervently hope that the Railway Member will carefully consider the suggestions that I have made just now.

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural):

Sir, I must congratulate the Honourable the Railway Member on presenting the Budget which he has presented in the present circumstances. We know that for the present Budget or for the financial circumstances he has no responsibility as they had been forced upon him. If there is a deficit in the Budget for next year, he could not help in any other way but to meet the present circumstances. However, Sir, one thing which one would like to tell the Honourable Member, who has taken over charge of the Commerce Department and of the Railways, is that it is essential for the Government to consider and to give full thought about these continued deficits. There was a deficit some two or three years ago, and a sum of money was taken away from the Reserve Fund and it was expected at that time that the money which had been taken from the Reserve Fund would be met next year out of the surplus which was hoped to be forthcoming. Now, Sir, that did not happen the next year, and we found that the next year came up as gloomy as it was in 1930-31, and we had again a heavy deficit and that deficit wiped off the whole of the Reserve Fund. Besides depleting our Reserve Fund, we find that we have exhausted all our Reserve Fund and are taking loans from the Depreciation Fund and we are not paying towards the general revenues. If this state of affairs exists for another two or three years, we do not know where we shall be standing. It is time that it should be seriously taken into consideration, and we should not stand for the future good hopes. Undoubtedly, Sir, there were certain years when about 52 crores of rupees had been saved as a surplus within the last decade. They were better years. There was prosperity everywhere in those days, and that was responsible for the railway stations which had been referred to by my Honourable friend, Mr. S. C. Mitra, and that is why these two stations at Lucknow and Cawnpore had been built at such heavy cost. There was a time when these would not be grudged, and I wish to inform my Honourable friend that no such expenditure should be estimated to be incurred either in this year's Budget or in the last year. I do not think the Honourable Member should indulge in spending money on building railway stations at this cost when he cannot find sufficient money to meet the minor expenses.

Sir, my fear is that I do not find one thing in the speech of my Honourable friend, the Commerce Member—he will perhaps enlighten the House when he gives his reply—that although we are having these deficits and we are not earning so much money as we used to earn, what are the real causes for our getting lesser income. In what commodity we lessen our income? There is a general trade depression, but what do we find? The customs are not lessened so much nowadays. Is this the outward transport of the Railways which is bringing this loss or is it the passenger traffic which is bringing this loss, and in what commodities are we really lessening in the shape of our income? We on this side of the House have been impressing on the Government for a long time that the purchasing power of the country is going down steadily, and, as the purchasing power is going down to this extent, there should be

some kind of facility for the people to meet that contingency. If any duty is increased, or if the people, the producers, cannot find sufficient market for their crops, then certainly their commodities will be kept back and will not find their way on the railways and that will affect the railway income to a great extent. Price of wheat has gone down to a great extent, and, instead of in 1930-31, when it was selling something like eight seers to a rupee, it was selling in June, 1932, at 23 seers to a rupee in Delhi and it was selling at Rs. 1-6-0 per maund at Lyallpur. Naturally, Sir, if it was sold at so low prices, it could not be expected that this commodity will be finding its way in a larger quantity to places like Calcutta and Bombay where the price of imported wheat was much below. That was the point, which we represented to the Honourable Sir George Rainy when the Wheat Bill was coming as a protection to the wheat growers, that no time-limit should be given to the people who had entered in the contracts before October, 1930, that being very dangerous, as it would reflect at the time of the harvest, because those contracts will be fulfilled at the time of the Indian harvest and that was a great factor in determining the level of prices of wheat. At that time it was supposed to be a great hardship on the people who had entered into contracts—a handful of those people. Of course they were saved, because it was unjust not to let them have their contracts in which they had entered into, but that brought the calamity to the whole of India, because wheat is the real medium which determines the prices of all different commodities in this country.

I think that if my Honourable friend will enlighten us as to the causes of this income being lost, there will be found some solution and there will not be so much misapprehension in the minds of the Members who think that there is no ground for hoping for the better. At present it appears that there is no likelihood of improving the income from the Railways within the next five or six years and that we are going to have deficits every year. Therefore, Sir, we should make real effort to reduce the expenditure. We must cut our coat according to our cloth. We should seriously consider the question whether, under these present arrangements, or whether, under the circumstances, if they continue to be so, we can afford to go on having the present system of administration or whether we require a change.

I do not want to take up the time of the House or to dilate on the question of the cut in salaries which has been restored to the extent of five per cent.—whether it was desirable or undesirable at the present moment—because this is a question that has to be dealt with along with other similar questions in other departments. But an effort should be made, and without that effort I do not see that there is any likelihood of bettering the prospects of the Railways in India. India requires a great deal more enlargement in the lines; still there are many tracts where the railway has not gone and where the commodities, which are produced there, do not find their way to seaports or outside their own particular sphere; but, at the same time, we find that it is next to impossible to think of any such thing in the present circumstances when we know that the Railways are earning only three per cent., which is probably the best in the whole world which we are getting at present. But the Government are borrowing at four per cent.; and if capital is borrowed at four per cent. and invested in the Railways which may bring only three per cent., then the tax-payer will have to pay about one per cent. from his pocket, which

[Mr. Muhammad Yamin Khan.]

is not advisable. But, leaving this question aside, how are we going to tackle this further question? The Honourable Member said that 800 crores cannot be borrowed at the rate of four per cent. and that he was quite willing to reduce the interest charges if it could be possible by getting money at the rate of four per cent. and paying off the old debt which is at  $5\frac{1}{2}$  per cent.; this would bring a net saving of about  $4\frac{1}{2}$  crores. The Honourable Member may not succeed to the full extent of 800 crores; but if he succeeds even to the extent of 200 crores, even that would bring some relief: and if he cannot get the interest charges reduced by  $4\frac{1}{2}$  crores, he might at least be able to get them reduced by  $1\frac{1}{2}$  crores; and considering that the first loan was over-subscribed within half an hour's time, there is some hope that he will be able to succeed if he launches on a loan of at least a quarter of that sum, that is, 200 crores. If he is able to launch that scheme, he will be able to reduce his interest charges. I think that is not the only way, but there are many other ways of dealing with this question, but the time at my disposal, viz., 15 minutes, will not suffice to deal with even one question. I only want to suggest to the Honourable the Commerce Member that as this is his first budget which he has presented, I hope that the next budget which he will present will be a much happier budget and will be more satisfactory to the House, and we can hope that he will do his best in meeting these continuous deficits, and that next year we will have a much better budget.

**Lieut.-Colonel Sir Henry Gidney** (Nominated Non-Official): Sir, I am sorry I cannot join previous speakers in offering a bouquet to the Honourable Member in charge of this Department. I certainly offer him my sympathy for having found himself in the midst of a Railway Board that has certainly presented us with a record of work for which the Railway Board has no reason to be very proud. But I do offer him my whole-hearted sympathy. Indeed there is no need to give Sir Joseph Bhore a bouquet, for all in this House know that whatever he undertakes, he always does well. He certainly has extricated himself from the financial and administrative dilemma, and I congratulate him on the successful efforts. What struck me very forcibly, when reading the first part of the Honourable Member's speech—and may I for the information of this House read it:

"But there are legitimate grounds for hope that we have at last touched rock bottom and that, though recovery may yet be delayed, we have in all probability experienced the worst. On that assumption we have built our estimates."

Sir, hope is not a very good foundation stone on which to build or forecast Railway estimates. These stones often turn into soap-stones which are known to be soft and crumbling. Sir, I am driven to a couplet:

"If hope deferred maketh the heart grow sad  
Another Railway Budget on hope will again go bad."

Sir, we have had presented to us with great force and with great emphasis a serious indictment against the Railway Board. I shall join issues with that Member—I refer to the Honourable Member from Bengal who unfortunately is in the land of nod, but I should like to say that the Honourable Member made a most serious indictment against the Railway Board. If that charge is true, the Railway Board is responsible and

must give an answer to this House. If a saving of Rs. 20 lakhs has been effected on coal in this year's expenditure, and if this is the result of a change of policy in the purchase of coal, then I submit that my Honourable friend, Mr. Ghuznavi, has established his charge to a certain extent. But, be that as it may, the charge faces the Railway Board for an answer and for an explanation as to why it still continues to send its coal by steamer and not by rail, and at a loss? If the Railway Board wanted to help a Company-managed Railway, as it should do, surely it has not forgotten that blood is thicker than water or, to be more apt, as between a steel rail line and the ocean. "A steel-rail line is thicker than water" and surely charity begins at home. I do not know whether the Railway Board made this contract with a Shipping Company or whether the officer in charge of the Railway Coal Department in Calcutta did it: but, whoever did it, it is certainly not playing the game or being square and fair with the Bengal Nagpur Railway. Let me tell you why.

The Bengal Nagpur Railway is crying for traffic. It has many unemployed men; many of its engines are rusting in the sheds and hundreds of its wagons are lying idle in the yards; whereas, if this Railway had been used to carry this enormous quantity of coal, it would have increased their traffic and revenues. It would have offered work for the unemployed; locomotives, instead of rusting, would have been running, and idle wagons would have been used. I repeat, if this charge is true, it is a serious indictment and must be met by the Railway Board.

I shall not refer to any question of high finance indulged in by my friend, Dr. Ziauddin: I prefer to leave him in those flights; but I shall come down to something more practical. This House remembers that last year an important Committee toured throughout India—the Railway Retrenchment Committee—I was co-opted on that Committee. That Committee carefully investigated Railway retrenchments and submitted a report. Among many of the recommendations, I shall refer to a few. I believe there was a strong expression in favour of a change from the Divisional to the District systems of Railway Administration. I want to know what has the Railway Board done in this matter. The Railway Board has as its own members officers who have been Agents of Railways who favour the Divisional System. If this House were in a position to compare the expenditure of the Divisional System of Railway Administration today with what it was—the District System—ten years ago, its eyes would be opened. When the District System was in force, the Railway Official knew his servants. He was the *Ma-Bap* of his subordinates, there was the human touch. Today the Railway Agent does not know even his officials; and I know of one Railway Agent who disdains to look at or recognise his officials outside his office—the super-autocrat. This is the position today with the Divisional System. It has resulted in an enormous increase in the number of officials, increase in their pay, indeed it has resulted in lavish expenditure at the expense of the Indian exchequer. The introduction of the Divisional System has been one of the greatest causes of increased Railway expenditure and labour unrest, and the Railway Board know it. But it refuses to act, because it is advised by its Members, who were formerly Agents and who are surrounded in the office of the Railway Board by under-officers on fat salaries who resist any change, lest it should prejudice their own interests, and so this financial profligacy continues, despite these blatant facts staring them in the face. The Divisional System, Sir, stands condemned, if on nothing

[Lieut.-Colonel Sir Henry Gidney.]

else, at least on the grounds of inefficiency and extravagant expenditure. When this system was introduced, it claimed over the District System two main advantages,—one was economy and the other was efficiency. The comparative high cost of maintaining an army of high officials on inflated salaries negatives economy and the Budgetary losses, outside world wide trade depression, as also the great labour unrest proves inefficiency.

I would here like to touch briefly on another point,—I sent a full Note on it to the Railway Retrenchment Committee,—I refer to the separation of Audit from Accounts. Years ago when this separation was presented to this Honourable House by the Financial Commissioner, Railways, it was proclaimed to be a great scheme, a great advance, conducive to economy and efficiency. It was also stated then that the initial extra cost would be about a lakh after which there would be considerable economy. In the Note I submitted to the Railway Retrenchment Committee, I proved conclusively that it was no measure of economy, but on the contrary, it cost an additional 20 lakhs annually, and this charge still stands uncontradicted, and those two Departments are still operated and remain separately.

And, then, as one of the Members pointed out, there is the question of the closing down of the Clearing House. I do not want to dwell on it at this stage as other Honourable Members have already dealt with it.

Now, Sir, I come to another point. We have in Calcutta,—I am leaving aside for the moment the B. N. Railway, a Company-managed Railway,—the termini of three Railways, and two State Railways, the Eastern Bengal and the East Indian. Side by side these Railways are administered, their lines often run parallel, and cross each other in places. Each one has a highly expensive administrative staff. Each one has an Agent with his army of Deputy Agents and an enormous staff; each one employs hundreds of clerks; each one has an enormous Stores Department and each one, if you please, has a Chief Medical Officer. And the offices of these two Railways are almost in the same street and in the same City. In short, there is a duplication of labour, staff and expenditure. The Railway Retrenchment Committee recommended that these two Railways should be united as far as the administration of their offices was concerned. But what has the Railway Board done? I believe a committee sat, and the two Chief Medical Officers submitted a report which no doubt has been put into the waste paper basket. But, Sir, there are many valuable things to be got out of the waste paper basket, and this suggestion of the Railway Retrenchment Committee is one and I want action to be taken on it. Sir, what are the facts? There are two Chief Medical Officers today, one each for the E. I. and E. B. Railways. One Chief Medical Officer has, I think, to look after three Medical Officers and he draws twice their salary, the other Chief Medical Officer, who also draws a fat salary, is so busy that he has ample spare time to fill the office of the Vice-Chancellor of the biggest University in India. (Applause from the Non-Official Benches.) I ask this House,—is that real economy or is it financial profligacy? Can this one C. M. O. efficiently fulfil these two onerous duties? I submit, he cannot and that one or the other must suffer, or be sacrificed. Is that the way to look after the money of this country or is that the way to squander it needlessly? Sir, it is high time that this House passed a very big cut on this Railway Budget, and demanded economy in various directions, because there is considerable

room for economy which would not in the least affect efficiency. Sir, I would be the last person to recommend any economy at the sacrifice of efficiency.

There are other matters which have been taken up by other Honourable Members who know more about them, but there are some matters which have been brought to my notice, *e.g.*, there is an enormous amount spent on the third party in the matter of contracts, construction of embankments, repairs to embankments, and building and other works, on station coal contracts which latter I personally brought to the notice of the Railway Board. In one station, I refer to Bhusaval (G. I. P. Railway), I asked whether the coal contract was given without advertisement to a favoured Company year after year. I ask, what has the Railway Board or the G. I. P. Railway Agent done in the matter? I have brought these matters to the notice of the Railway Board, and what have they done? Nothing. As a man who is interested in the exchequer of his country, I again repeat these grievances and I submit that it is the duty of the Railway Board to rectify such things. I now call them to account for it.

Then, coming to the question of retrenchment, the Railway Board say: "We have retrenched staff in the Superior Services". Let me tell this Honourable House that these retrenchments are not real retrenchment, but consist of jobs which have been held in abeyance. What one might humourously call "economy postponed". Postponement of economy is not real economy; it is camouflage of economy.

Then, Sir, there is another point that requires attention. I come, again, to the Railway Board itself. The Railway Board, while it preaches economy, does not practise it. It has issued Circular after Circular showing Railway Staffs how to effect economy, but it has not practised economy itself. I hope to show, Sir, tomorrow that the Railway Board has yet to practise what it screeches. The Railway Board has certainly, to my mind, not practised what it has preached so far as its own Members are concerned. That I shall show tomorrow when I move my cut, and I hope it will be accepted by the House. . . .

**Mr. K. Ahmed** (Rajshahi Division: Muhammadan Rural): You must remember that you belong to the European Group.

**Lieut.-Colonel Sir Henry Gidney:** Your remarks are not only impertinent, but irrelevant. Now, Sir, I come to another matter, I mean separation of strategic Railways from ordinary commercial Railways. I submit, Sir, with all the emphasis I can command that the inclusion of the cost of strategic Railways in the general Railway Budget is wrong. If our Railways are to be a business undertaking, why should you not separate the cost of the strategic Railways used for the Army, and add it to the Military Budget? I go further and ask,—why do you make these concessions to the Army? I go still further and ask, why do you make any concessions to any Government Department? Are you a Government business department working for a profit, as you claim to be, or are you a department working for the benefit of the services,—say so. If you proclaim to be a business concern, why do you include the cost of strategic Railways in your estimates? I submit, Sir, that is a wrong policy. I would really like to know how much money has been lost to the Railways every year in these service concessions. It would be very interesting to know.

[Lieut.-Colonel Sir Henry Gidney.]

Now, Sir, I come to the question of experts. Is it not a very extraordinary thing that the Railway Board which is supposed to consist of a body of expert Members, Members who are experts or specialists in the special departments, they are not superficialists, should always be crying out for one expert Committee after another? They want one expert Committee to enquire into their finances, another to enquire into road transport, and now, in the year 1933, they come and say, let us have another Committee. Who can say that at this rate it is likely it will ask for a Committee to enquire into how bullock cart traffic has injured their revenues. Sir, we are getting fed up with these expert Committees. Why does not the Railway Board alter its Board of Members and get together a body of practical business men from this House or elsewhere and form a business like Railway Board? Today they have to depend on the advice of their ex-Agents who are their Members and who are not business men. These Agents are administrators of Railways. They are splendid fellows and as Agents are fit for such jobs. I have nothing to say against them, but they are not the right persons to be on the Railway Board, as they have had no business experience, for a Railway Board is a business body, it is a Board which deals with millions of money, and to have inexperienced Agents as Members on this Board is to invite a waste of the money of this country,—a state of affairs which, I submit, this House cannot support.

Now, Sir, my other point is indebtedness. My friend, Mr. O'Sullivan, raised it. The question of indebtedness is the curse of the Railway Administration. I talk from personal experience. None will deny that on the pay day the man, who is the closest friend of most of the families of the community which I represent, is the Kabuli money-lender. This point was forcibly brought to the notice of the Labour Commission and the Chairman of the Labour Commission, I understand, left with the Government of India the draft of two clauses of an Act in which he recommended that Government should take action to prevent the pay of any servant of Government or Railways being attached by the court for debt. What has been done to it? Has the Railway Board acted on these lines?

**Mr. Chairman** (Sir Hari Singh Gour): The Honourble Member has exceeded his time.

**Lieut.-Colonel Sir Henry Gidney**: Nothing has been done. Sir, I sent a full Note to the Railway Board on this question of indebtedness. It is now three years. What has been done? I am told it is being considered. I shall return to this matter later on. I shall not talk of the E. I. R. stores. Its appalling condition is proverbial. It is known to the Railway Board. But I do say it is high time that this House did take action so as to enforce from the Railway Board a policy different to that which it has followed in the past. We have today, as the head of the Railway Board, an Indian of great eminence, one who is fully able to administer his portfolio, but I suggest to him to change his Board. If he wants a Board of experts, we are prepared to give him such a Board, for, with such a Board, I do believe, the next Railway Budget will show a credit and not such a huge loss as at the present Budget.



**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I am afraid I must agree with my Honourable friend, Colonel Gidney, in not congratulating the Railway Member. There has been such a chorus of congratulations that I think a little bit of medicine, even in a small dose, would do him a great deal of good. It is not possible to understand the grounds upon which my Honourable friends have congratulated him. No doubt, as Colonel Gidney said, he deserves our sympathy; but so far as his position is concerned, he has not told us one thing that we should expect from this Government Department which my friend, Mr. Yamin Khan, asked as to where all these deficits were coming from and under what head and how to remedy it. As against that, there is a statement at the tail end of the first paragraph that Colonel Gidney read that he hoped that the corner has been turned and that, God willing, something might turn up which might be favourable for next year. That, I very respectfully submit, is not the way to face the position in such a great earning department like the Railways, and that is not the way by which you can satisfy this House as to what has got to be done if you have got to convert this deficit budget into a surplus or at least a balanced budget. It may be, circumstances are beyond your control. It may be, the conditions are such that you cannot really bring about this consummation of a surplus budget. What are those conditions? Have you investigated them? If you have, why don't you place them before this House and say "we cannot help it. Here are the conditions which make it impossible for us to present before you even a balanced budget, leave alone a surplus budget". That has not been done, and as Colonel Gidney pointed out, he has been greatly handicapped by the absence of expert advisers, and what best he could do he has done.

I have got a few points to make as against the Board and I will reserve them for tomorrow when the cuts will be considered, but there is one important point that I must bring to the notice of the House, and that is about the rates. Down South, there is a railway system called the South Indian Railway. We, in the rice producing districts of South India, depend for our market in Ceylon. For the last four or five years, that market has been completely closed to us. We have been breaking our heads with the Government in order to find out what was the cause. Of course they are investigating. They want a Committee, and a Committee, as you know, is an indirect way of finding out what everybody knows. Even that Committee has not come into existence. Colonel Gidney said that he was sick of these Committees. It is easy for highly paid Government servants to sit for half an hour to solve the problem. However, they have not brought their minds to bear upon that and what is the result? The Deputy Director of Agriculture in Madras having gone into this question completely has come to the conclusion that the action of the South Indian Railway in raising the rates and placing all sorts of impediments in the export of rice from the rice producing districts has destroyed the Ceylon market. That is the result of the action of the Railway Company and I do not know if the Railway Board sitting here in Delhi and cooling its feet for six months in the year at Simla has ever had this matter brought to their notice. The Members of the Railway Board travel in their magnificent saloons, look at the country and feel satisfied that everything is going on all right. I would very respectfully invite the attention of the Railway Member to this particular point and ask him to make inquiries and to remedy the trouble, if

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possible, by asking the South Indian Railway Company not to put us to further loss.

Another matter is about the freight for goods where there are two or three lines. There is always a competition and the shortest route and the longest route charge the same rate. I do not know whether it is done by maund or hundredweight. Whatever the route, the charge is the same Rs. 4-3-6. How does that come into existence? Whose business is it to find this out and to give relief? That is a point which the Railway Board ought to consider and which has not been considered.

Another matter and probably a trivial one in the opinion of Government is about the refreshment rooms. We, who have to travel long distance, feel the absence of proper facilities in these refreshment rooms. Unfortunately I do not know what happens in these English refreshment rooms. Years ago, when Sir Reginald Glancy and I were travelling, he was very sorry he did not bring his cook and he said that the food supplied to him in the English refreshment rooms he was not able to touch and he was going hungry all the way from Hyderabad to Delhi. I am not concerned about that. Those who use these rooms are strong enough to take care of themselves, but it is the Indian refreshment room and the provision made for it that I am complaining against. In some railways, they are supposed to run a restaurant car or buffet. I do not know what difference there is, but I know in actual fact there is one-third of a third class carriage in which all sorts of sweets and biscuits and things of that kind are kept and how anybody is able to get any food out of them I do not know. Then, Sir, you want some milk on the wayside station. The first trouble is with the guard of the train in order to induce him to telegraph to the station asking that some milk be kept ready. You may be a first class passenger or a third class passenger, but he does not care. After a good deal of fight, if he does telegraph, you come to the station concerned only to find that there is no milk. You have got to go to the English refreshment room and that man puts his own charge, a ridiculously high charge. You have got to put up with it. The train stops only for 15 minutes or so. Either you buy the milk or go without it. In that way, the item of refreshment gives us trouble and time after time there had been complaint made. There is always a manuscript or a printed post card to say that your complaint is being dealt with. It is still being dealt with, and like John Gilpin's hat, it is still on the road—this investigation—and it has never reached its destination. I do hope that some sort of relief will be given to those people whose misfortune it is to conform to old ways and not to go straight to the English refreshment rooms, take what they can get there and then get into the train.

**An Honourable Member:** Then change your ways.

**Raja Bahadur G. Krishnamachariar:** Thank you. Then there is another matter of importance that I want to bring to the notice of the House. The trains which run in Northern India run so well and so fast that there is not the least inconvenience to passengers; for instance, if you leave Delhi on an evening, the next evening you arrive in Calcutta, and it is a distance of 900 miles and odd. Now, take the case of the Grand Trunk Express which leaves Madras in the morning. It comes all

right as far as Bezwada, and what happens between Bezwada and Belharshah I cannot understand. I know the Nizam's State Railways have got most powerful engines and I know that between Kazipet and Hyderabad we take the shortest time—2½ hours—and we are there. All the lines have been renewed by putting on very heavy rails and these engines can work very well, but it takes such a long time for them to reach Belharshah that at least two to two and a half hours are wasted on that section. That is not all. Anyhow, whether by making up or some such thing, they come to Agra at half past five or 6 o'clock in the morning. Now, between Agra and Delhi, if you go by motor, I think you can go in four hours or 3½ hours' time, whereas it takes exactly six to six and a half hours to arrive at the Delhi Main. Then you get down at half past twelve, you go home, and as you have got to cook your food, you cannot get it till very late and, even if food is ready, it is at a somewhat late hour to eat and unless you want to spoil your stomach, you have got to go without meals at all till the evening time comes. I wrote to the G. I. P. They said something about some examination which they made as to whether this speed could be increased or decreased and eventually they came to the conclusion that it could not be done. I will tell you how it can be increased. Between Agra and Delhi, they stop at every station aimlessly for 15 to 20 minutes. It is not known why should that be done. That is only one instance. You go down South. You have got the most ideal system of the slowest transport that you have got on Railways,—and yet they complain that the buses compete with them. What else shall I do, except to travel by bus? I said at the time when this question of bus *versus* railway was being discussed in Simla, that they often adjust the time-table so nicely that five minutes before the arrival of one train, the connecting train leaves the station. Now, there is absolutely no connection, for instance, between Secunderabad and Calcutta via Bezwada, unless it be this way that you leave Secunderabad at half past one in the day, arrive at Bezwada at 10 o'clock in the night and then wait until the Calcutta Mail comes from Madras at 5 A.M. Sir, I ask, is a railway for the convenience of the public or the public for the convenience of a railway? And yet you complain here and say that "the passenger traffic has gone down and, for that, the political situation is responsible". Sir, I have on a previous occasion related the story of the fat merchant being held responsible for a wrong action of the gold smith.

**Mr. Chairman** (Sir Hari Singh Gour): The Honourable Member has reached his time limit.

**Raja Bahadur G. Krishnamachariar**: I shall finish immediately. I have not got very much to say and there is only one thing and I ask for just one minute. I will simply say that the rotten condition of our first and second class carriages is such that it is absolutely impossible for any decent man to travel in those carriages, and yet the fares are maintained at a high figure. That, Sir, is all that I can say now, because my time is up.

**Mr. K. P. Thampan** (West Coast and Nilgiris: Non-Muhammadan Rural): Mr. Chairman, it seems to me that the position of the Indian Railways is not so rosy as the Honourable Member in charge of this subject wants us to believe and I, therefore, make certain observations for his due consideration.

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Sir, in spite of the fact that the revenue receipts have been budgeted for an increase of over 1½ crores, there is still a deficit of about Rs. 7.7 crores for the year 1933-34. In view of the experience of the last year, when the revenue fell short of our anticipations by about 1½ crores, the chances are that it will not be possible to realize this increased 1½ crores next year, and, in that case, the deficit will be about nine crores. I, therefore, consider that the optimism which the Honourable the Railway Member has exhibited and wanted us to share with him is rather unwarranted. He says in paragraph 7 of his speech :

"Nor must we forget the fact that this figure of net traffic receipts is arrived at after providing for the full calculated depreciation on our assets, and that the amount paid into the depreciation reserve fund is at the present moment about eight crores higher than the amount required during the year to meet that portion of our expenditure on renewals and replacements which the fund is expected to meet. If, instead of taking the calculated amount of depreciation, we were to take only the actual amounts required to be drawn in cash from the fund during the current year, our net traffic receipts would have amounted to 32 crores. This would have given a return of 4 per cent., on the capital invested, and our total deficits during the two years, taking both commercial and strategic lines together, would have been reduced to barely a crore. Taking commercial lines alone, we should have had profits of over two crores. I doubt whether any Railway in the world of a comparable character could at the moment show such results."

Sir, for the quinquennium ending with 1934, there has been a colossal deficit of Rs. 38½ crores and, if we do not realize the increased Rs. 1½ crores from the revenue side, as has been budgeted for, the deficit for the period will be 40 crores. It is not a small matter, and, therefore, it is time for us to have a thorough diagnosis of the whole Railway system made to find out where the complaint lies. I am one of those who believe that this so-called depression and civil disobedience are not so much responsible as other causes for this enormous deficit. The political disturbances are the order of the day throughout the world and the civil disobedience movement, so far as India is concerned, has not materially contributed to make the railways a failure. The real cause is the defect in our own system. In the first place, it is the top-heavy expenditure that is universal in our Railways that is responsible for this large deficit. It must be apparent to any one who looks into the previous budgets of the Railway Administrations that during those good times, when they were having large revenues, the expenses were inflated to such an extent that it is found very difficult to reduce them now. Until and unless we revert to the scale of expenses which prevailed in 1918-19, it will not be possible to make any profit hereafter. I would, therefore, suggest that strenuous attempts should be made to reduce the top-heavy expenses and particularly those of higher officers as much as possible.

In this connection I would like to refer to the state of affairs of the Madras and Southern Mahratta Railway with which I am more concerned than any other. Look at the enormous increase in the working expenses during the last 15 years. In 1918-19, the working expenses went up by nearly 24 lakhs over the previous year's figures, while the income increased only by 30 lakhs. In the next year, the income increased by 80 lakhs only, while the expenditure went up by 50 lakhs. In the following year also, the earning increased by only nine lakhs and odd, but the expenditure increased by 78 lakhs. In the next year, again, the expenditure rose yet higher by 49 lakhs although the earnings rose by only 81 lakhs. It is the same tale year after year. Now, that is what obtains more or less in the

case of all other Railways as well. Speaking about the Madras and Southern Mahratta Railway, I might refer to the appointment that was created sometime ago, namely, the Personal Officer attached to the Agent, as an earnest of the so-called retrenchment effected in that Railway. It was said that it was only a temporary appointment and, therefore, even the consent of the Finance Committee was not obtained. So far as his qualifications were concerned, he was only a steward in the Guindy races. I never knew that the stewardship in the Guindy races was a qualification for the Assistant Traffic Manager's post in a Railway. He started on a salary of Rs. 1,600 per mensem. This appointment was made more than two years ago and this gentleman is still continuing there.

**Sir Cowasji Jehangir:** His appointment has not yet been retrenched?

**Mr. K. P. Thampan:** Not yet. As a matter of fact, he does nothing, but only forwards his papers to the District Superintendents for disposal or confirms their orders. He was appointed particularly for the purpose of hearing appeals from dismissed employees. I will refer to two letters that I have got with me in order to show how the work of this officer is unnecessary and sometimes even overlapping.

**Mr. B. V. Jadhav:** Does not the work go at a race speed?

**Mr. K. P. Thampan:** One employee was dismissed for the reason that his salary was attached for a Court decree. I may say that the attachment of salary was a thing which was very much condemned by the Labour Commission and that is a thing which ought to be immediately stopped. However, it is a different matter and I will not go into the merits of the case. This gentleman appealed.

**Mr. K. Ahmed:** This is the general discussion of the Railway Budget.

**Mr. K. P. Thampan:** Anything can be discussed here even including the relevancy of the interjection of my Honourable friend. The Chief Traffic Manager wrote to say in his letter of the 24th December, 1932, in reply to an appeal preferred by the employee that he was not prepared to forward any appeal from him which did not deal with facts. But, in connection with the same letter, the Personal Officer, acting for the Agent, replied in another letter of the same date that full consideration had already been given to his case and he saw no reason to interfere with the decision arrived at. Whom is one to believe? That is the kind of work done by this officer. Still, the Railway Board permits that officer to continue there.

**Mr. K. Ahmed:** You should keep these remarks for your "cuts".

**Mr. K. P. Thampan:** Let me refer to another instance, namely, the post of the Additional Traffic Manager in the Assam Bengal Railway. Let us first examine what the condition of this Railway is and then see if the appointment to which I am going to refer was justifiable or not. The gross earnings of that Railway in the year 1928-29 were in thousands, Rs. 2,80,76, which came down to Rs. 2,10,44 in 1930-31. While the total expenses of that period went up from Rs. 1,22,05 to Rs. 1,32,18, there has been an increase in expenditure of nearly 10·13 lakhs for a decrease in earnings of about 20·30 lakhs. The expenses of the Traffic Department

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during the time also mounted up by two lakhs. The stores balance has also increased. The goods and passenger traffic were considerably less and the income from them consequently much less. All the same, as a matter of retrenchment, the Railway Board sanctioned this new appointment. That is precisely what is obtaining throughout the railway system in India. The Railway Board do not care to find out, in sanctioning these whether the income justifies the appointment or not. It is particularly so in regard to all higher appointments. They are merrily going on creating new and higher appointments.

Another thing which is responsible for the decrease of revenue is the enhanced rates and fares. My own opinion is that we have raised the fares so much that the law of diminishing returns has already begun to operate. The withdrawal of concessions is another matter to which the attention of the Railway Board should be invited. I am told 80 per cent. of passengers in England are concession-holders. Why should we not aim at that state here? Even the system of return tickets for *Dipawali* and Easter has been abolished and also the issuing of commercial coupons. With reference to the commercial coupons, it was said that they were abused by the mercantile firms. I do not know where the abuse comes in so long as the man guarantees or undertakes to travel 3,000 miles within the period of six months. What does it matter to the Railway Company whether the journey is performed for a commercial purpose or not. The only thing that matters is, whether the man concerned is prepared to undertake to travel 3,000 miles or so within the stipulated time. Sir, I am one of those who think that the issue of coupons ought to be extended to other class of persons such as vakils and other professional men, and ought to be revived.

The question of motor traffic also has been trotted out as one of the factors which contributes to the decrease in the revenue. It is said that the Railways have parallel with them metalled roads to the extent of 48 per cent. Sir, it was the roads that came into existence first in this country and not the railways. So, the people who were responsible for the alignment of railway lines ought to have duly considered the question then and, therefore, the theory that the motor bus service is competing with the railways does not deserve to my mind any consideration at all. If the motor service is more popular, it is the inherent defect and lack of efficiency of the Railways which is responsible for it. Surely the remedy is in our own hands and there are many other points of this aspect of the question which I wanted to discuss, but as my time is up I shall try to deal with them in detail during the discussion on the voting on demands.

**Mr. B. Sitaramaraju** (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, while I yield to none in my esteem and regard for Sir Joseph Bhore, I have, on the floor of this House, always considered it my religious duty to ignore the personalities on the Treasury Benches and only look to them as mere Members of the Government of India with whom I am concerned. No doubt personal reflections must be very embarrassing to the Railway Member and I hope that none of us will ever think of him as Sir Joseph Bhore in this House, but only as the Railway Member. Sir, I propose also to forget the fact that he, as the first Indian Railway Member, has presented his first Railway Budget, because the tale of woe which he has narrated is nonetheless dismal, because it is delivered by an Indian.

Sir, the financial administration of the Railways of this country is unfortunately in a very bad state. Of the four years' financial results, which are now under review, we find from the statement that has been given to us that during the last two years the deficits amounted to 17 crores while, in the first two years, the deficits amounted to about 14 crores, the total being 31 crores. This statement is no doubt very startling, but that is not all. We find the Railways first giving up their annual contributions to the general funds, then we find them wiping the reserves and lastly we find them depleting the depreciation fund also. Notwithstanding all that, the Honourable the Railway Member was pleased to state in the other House only the other day that the position of the Railways was very sound. Sir, that reminds me very much of the war correspondents we had some time back during the Great War saying: "all is quiet on the Western Front". Unable to retrieve the position which he has inherited very much like a law suit in Chancery and unable to stem the tide of the increasing deficits, what is it that the Railway Member proposes to do? No substantial economies are made. It is indeed very pathetic to find the Honourable the Railway Member turning his attention to these little pink books in his search for economies. May I respectfully ask the Railway Member that his zeal for economy in this direction may not go further in the direction of the print and that we may be enabled to read his information in better type. I may inform him that we found considerable difficulty in reading his printed speech in small close type printed on both sides.

Sir, Honourable Members are fully aware of the fact that the various facts which have been furnished and the great trouble which has been taken by the Railway Member in his Appendices to give us full information, for which we must necessarily be thankful, have been telling us their own story. It is not my purpose to repeat them. I merely want Honourable Members to note them just as mere examples to illustrate the incompetency of the Government of India to administer even a commercial department like the Railways on a sound financial basis. The depletion of the depreciation fund, the wiping of reserves and the borrowing of loans, just to make both ends meet, does all that show the hall-mark of financial propriety and administrative ability? Sir, my Honourable friends in front of me were asked only the other day what financial safeguards they would give if we were to have constitutional advances. Sir, is this the hall-mark of financial competency? What safeguards do they propose to give us?

Sir, in the short time at my disposal all that I propose to say now is with regard to the depreciation fund. No doubt Honourable Members have already said something about it and what I propose to say is something in addition to what has already been said. Sir, where is this depreciation fund? In what shape is the depreciation fund? Is it in the shape of stores? Is it in the shape of some investment? If it is in the shape of some investment, what interest is it fetching? Such information has not been furnished to us and I hope the Honourable the Railway Member will be pleased to tell us in what shape it is and how it is employed at the present moment. I hope he will, if not today, at any rate during the course of the next four days, give us some information on that point. Sir, I always understood that the depreciation fund is not only a reserve fund, but something more than a reserve fund. It is intended for a specific purpose; it is intended by yearly set-offs to provide for any sudden catastrophe we may sustain and also to

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provide for the renewals of our assets. If the contribution to the depreciation fund is unduly large, I for one would certainly say that the position must be examined. I do not deny the need for examination, but I question their assuming the fact that they are bloating the depreciation fund, until it is examined. They cannot assume that they are contributing more than they ought to contribute, and they cannot take that as an excuse for depleting that fund now. What is the depreciation fund now standing at? It is in the neighbourhood of 13 crores. What is the amount that is invested in our assets? I think it is in the neighbourhood of 850 crores. If, in the period of ten years, they have accumulated only 13 crores for the assets worth 850 crores, I for one find it difficult to believe that we are yearly bloating this fund. However, Sir, I am prepared to agree that the question should be examined.

Again, Sir, they talk of some defects in the accounting. If that is merely a statement that the Government of India in this department are as bad accountants as they are bad administrators, I have no quarrel at all; but if it were to be suggested that this accountancy, if properly examined, would materially alter the position, I would certainly like to hear either the Financial Commissioner or Sir George Schuster, who is a financial expert, to come and tell us that the accountancy in this department is such that if it is re-examined, then instead of bankruptcy which we are now facing we will be in affluent circumstances. Sir, the Railway Member himself has admitted that no substantial economies can be effected up to the present, however much they may want it, and that no amount is spent on capital expenditure to any appreciable extent now. He has held out two things for us: one is hope and the other is Pope; hope, that we may get our receipts better; and Mr. Pope, that he may be able to tell us how economies can be effected. Sir, the Chief Commissioner for Railways told us the other day in the other House that there were two ways of retrieving the position, one by increasing the rates in order to get more money, and the other was decreasing the rates to attract more traffic. Thus both ways are to be tried. That reminded me very much of Dick Whittington's lines:

"One foot up and one foot down,

That is the way to London town".

**The Honourable Sir Joseph Bhole** (Member for Commerce and Railways): Sir, I have listened with the greatest care and attention to all the criticisms that have fallen from Honourable Members during the course of the general discussion. The House will appreciate that I am sufficiently new to the administration of this Department to legitimately adopt the attitude that I would prefer to pause to examine and to consider criticisms, suggestions and proposals that may be made here instead of attempting a reply on all points without the necessary personal experience which should fortify such a reply. If therefore, Sir, I appear today, and during the next few days, to pass by matters untouched which have been referred to in the course of the debate, I would ask Honourable Members to rest assured that all these matters will later be carefully examined, scrutinised and considered by me.

Now, Sir, the Budget which circumstances, over which we have no control, have forced me to present to this House, I admit, is one which at first glance provokes a feeling of pessimism, but I would ask my



Honourable friends after that first glance to give a careful and detached consideration to the detailed figures that have been placed before this House, and I feel sure that, when they do so, they will come to the conclusion that, having regard to the extremely difficult circumstances which have confronted us, we have administered the vast organisation committed to our charge in a way that has not materially weakened the strength and soundness of its position or its recuperative capacity.

Now, Sir, I should like first of all to touch on an important matter to which my Honourable friend, Mr. Joshi, referred. It is a matter of considerable importance, and a good deal of reference has been made to it both inside this House and outside. We, Sir, are fully conscious of the advantages that would accrue to Railways if cheap money could be used for further capital expenditure, and we are also aware of the advantages that would accrue to the connected industries which an extended capital programme might help to assist in this period of stagnation. The importance of this matter, therefore, Sir, is beyond question. Nevertheless there are considerations, and serious considerations, of which the fullest account must be taken before we embark at once on any extended programme of capital construction. We must be assured, so far as it is possible to be assured beforehand, that further capital investment is an economic investment or that it is absolutely essential in the interests of the country.

We have given this matter our most careful consideration and we have come to the conclusion that, on the data at present before us, we are not justified in at once embarking on a larger programme of capital works than have been provided for in the current year's budget. I would, Sir, in view of the importance of this question, like to go into the matter in a little more detail if I may. Take first, the question of the construction of new lines. We have here two projects of major importance. Now the data already compiled and the estimates which have been prepared might perhaps justify the assumption that these are projects which are ready to be proceeded with, but, Sir, those estimates were made sometime ago and we are not prepared to embark upon these projects until we have re-examined the traffic estimates and surveys. This we propose to do at the earliest possible opportunity, but I think the House will agree that we are justified in adopting a policy of caution in this matter.

Then, Sir, there are a number of smaller branch and feeder lines. Here also the estimates and prospects will have to be reconsidered, and the most potent factor which necessitates such reconsideration is the problem introduced by the competition of motor traffic. We are, as the House knows, hoping to hold a Conference, after the close of this Session, at which representatives of Local Governments will also be present, and we hope it will be possible then to discuss the whole question of the possibility of doing away with the uneconomic competition of road with rail and of ascertaining, if we can, the best method of arranging our transport facilities in the best interests of the public. We hope, Sir, that that Conference may have fruitful results and that conclusions may be arrived at which may enable us to proceed with the policy of railway development with some assurance that wasteful competition will not upset our calculations. Here, again, we do not propose to act until we are absolutely satisfied that our estimates are such as we can place with confidence before the Standing Finance Committee or before this House.

[Sir Joseph Bhore.]

Then, Sir, there may be sundry smaller projects and I merely refer to them, as Mr. S. C. Mitra made some reference to two projects for remodelling stations and station yards. Here let me admit at once that the mere availability of cheap money is not the only consideration. Such remodelling must be proved to be an economic investment, or that it will really increase efficiency. Of course the rate of interest at which money is available is undoubtedly a relevant factor which we must take into account in making that calculation. I want to assure the House that on the one hand we do not propose to embark upon a programme of enlarged capital expenditure without the fullest investigation, while, on the other, we are quite aware of the fact that it would be uneconomical for us to allow the opportunity which is afforded by cheap money to pass in the case of projects which are definitely remunerative.

Then, a good deal of reference has been made to increased rates and fares, and the proposition has been advanced that a reduction in rates and freights will result in an increase in traffic. Now, I am quite prepared to concede that *a priori* such a contention may be undoubtedly supported. I myself would be prepared to concede that as a theoretic proposition a decrease in rates and freights is likely to result in an increase in traffic. But, let me repeat here what I said the other day. In the first place, the protagonists of this theory are not able to tell us with any approach to accuracy what particular decrease in rates will result in what particular increase in traffic. Further, an increase in traffic may, and in some cases necessarily must, result in increase in working expenses. Therefore, the increase in traffic must cover not merely the increase in working expenses, but it must also cover the loss which results from the decrease in rates on the traffic previously carried. Now, it is quite impossible for us to forecast with any accuracy what this will be and the Railways can take no risks in this matter. But, I can assure the House that this matter is constantly under the consideration of the Railway Department, for they realise that it is essential that they should see that the point of diminishing returns is not allowed to be passed. Incidentally, I would like to refer to the question of the effect of railway rates and fares on industry. It is of course a perfectly reasonable proposition, or rather a perfectly arguable proposition, that Government should assist industries by regulating rates and fares. But if you ask Railways to be run as a commercial concern, then you cannot at the same time say that they shall charge certain preferential rates for certain commodities which, in their opinion, are not economic rates. In these circumstances, the assistance to industries should be given in some other form. Quite conceivably the Government may make themselves responsible for the difference between the preferential rate and the economic rate as was done not very long ago by the Punjab Government in respect of wheat. But I do ask the House to recognise that I am adopting a reasonable position when I say that you cannot demand that I shall pay the sum of 31 or 33 crores as interest as a first charge and at the same time say that I shall not charge rates which we consider are necessary to enable us to pay that interest.

The discussion today has covered a very wide field and it is not possible for me to refer to every point in the limited time that I have. I will endeavour, however, to touch upon some at any rate of the matters

which have come under review today. Dr. Ziauddin Ahmad is our most persistent critic; and if I have not always been able to follow the logic of his figures, that is no doubt due to my inadequate mathematical equipment. But, I would express to him my gratitude both on this occasion and on the last occasion when he moved the Resolution, for having changed his position and assumed the role of a constructive rather than of a destructive critic. I can assure him that I shall bear very carefully in mind all that has fallen from him on this subject on the last two occasions on which he has referred to them. He wished to know where this depreciation fund of ours is kept. It is merged in general balances, and we get on our balances the same rate of interest as is charged on our capital outlay. I hope that will give him the information that he needs on that point. My Honourable friend, Mr. Das, whom I am glad to see here fresh from his laurels at the Round Table Conference, said that any one man, any Member of this House could wield the axe that was necessary to effect retrenchment on the Railways. I am perfectly ready to admit that any man can do it; but it has to be done wisely so as to result in the most effective economy and so as not to lessen efficiency.

Now, let me turn to my Honourable friend, Mr. Ghuznavi. I have always understood that coal generates heat; and in the case of my friend, Mr. Ghuznavi, this has certainly happened. He has raised many points and we shall return to them during the course of the next four days. So, I shall not attempt to reply to them in any detail. But, I would like to make mention of two matters. First of all, he asks whether having regard to the fact that experience has shown that calling for tenders for the raising of coal has resulted in saving, whether we have taken any action. Let me tell him that we have. We have issued a circular to the effect that in future in every such case, where possible, tenders should be called for. Then there was just another point in regard to the surcharges on coal. My Honourable friend contended that the result of the surcharges was to induce African coal to come in in larger quantities. I have just managed to get the figures of imports into this country and I find that whereas in 1931 the total imports of African coal were 39,000 tons, in 1932 they had fallen to 8,620 tons . . . . .

**Mr. A. H. Ghuznavi:** On a point of personal explanation, Sir. I never meant that. What I meant was that the high freights on coal had led to larger imports of South African coal: the surcharge was only recently put on.

**The Honourable Sir Joseph Blore:** I beg your pardon if that was your meaning. I shall no doubt have occasion to refer to this matter later on during the course of the discussion on the cut which the Honourable Member will no doubt move.

The Honourable Mr. O'Sullivan, who made a very trenchant maiden speech upon which I congratulate him, accused me of optimism. Optimism and pessimism are comparative terms and I prefer to be an optimist rather than a pessimist; but I would say this that our optimism has been based on certain facts. We have for instance not based our estimate of receipts on fancy and imagination. What we have actually done is that we have practically repeated the figures of 1931-32. I confess that I was totally unable to understand what my Honourable friend meant

[Sir Joseph Bhore.]

when he suggested that we were camouflaging the real position in suggesting that the Railways were now earning at least three per cent. If there was any camouflaging, I feel certain that my Honourable friend, Dr. Ziauddin Ahmad, would have discovered it at once; and since he has not done so, my Honourable friend's charge leaves me absolutely unmoved.

I would, Sir, in passing, assure my Honourable friend from Burma opposite that while I cannot presume to speak authoritatively on all the details which he mentioned, I would like to express my complete sympathy with his desire for extended Burmanisation, if I may use that term, of the Railway Services in Burma, and I shall take an early opportunity of examining the position so far as the employment of Burmans on the Burma Railways is concerned.

My gallant friend, Sir Henry Gidney, who, I am glad to say judging from his speech today, has returned with unimpaired powers of vitality from the Round Table Conference, asked why it was necessary for us to have expert Committees. If, I remember rightly, Sir, my friend was a member of the Retrenchment Committee which itself suggested the appointment of this expert Committee.

My friend, Mr. Yamin, Khan, made certain suggestions. He suggested that we should examine and ascertain the causes which have led to this fall in our revenues. Well, Sir, that, I think, is a very reasonable suggestion to make and something on those lines has been in my own mind. I can assure him that I shall follow it up and see how far it will lead us.

Sir, before I sit down, I would like to explain to the House that, far from resenting criticism, we welcome it, and especially if it is criticism of a constructive nature which will lead us to improvement in the future. But, Sir, when we find that everything that we do is wrong, that our incompetence is only equalled by our inequities and injustices, then, Sir, I may be pardoned for suggesting that our critics are using glasses which are possibly distorting their vision. I would submit that despite failures, errors and mistakes, I would be the first to admit that these may have taken place in the past. I would submit that the record of Railway administration is really not one of which those, who are responsible for it, need be ashamed of. I would ask the House to analyse, for instance, the figures, the estimates of the current year, a year which has proved so disastrous to practically every Railway in the world, and I would ask them to realise the intrinsic position which lies behind these relevant figures. Taking commercial lines alone, our revised estimates of receipts for 1932-33 is 85.20 crores. We estimate our working expenses at 47.62; interest charges amount to 31.47 crores. Now, Sir, if we provided from revenue for all renewals and replacements not chargeable to capital, we should have to provide another 5.40 crores. With a miscellaneous expenditure of 12 lakhs, this makes a total expenditure of 84.61 crores as against a total receipt of 85.20. This would leave us a small surplus of 59 lakhs if it were not for the fact that we have to pay into the depreciation fund a very much larger sum than we are taking out of it for the current year's renewals and expenses. Now, Sir, I do submit that apart from everything else, these figures do show that my contention that our position is in essence a strong one is definitely borne out,

and I would ask my friends who criticise us to compare the results of the working of the Indian Railways with the results of the working of Railways anywhere in the world for the current year, and I would leave it to them to decide whether that comparison justifies those charges, those extreme charges, of incompetence and inaptitude which are so lightly made against us. I am sure, my friends will agree that these results, which we have been able to show in a period such as we are passing through, do not justify what has been said so often, I may say, so vehemently against us. I do not for one moment say that the administration cannot be improved; I do not for one moment say that the most relentless pressure is not needed in order to secure the maximum efficiency with the greatest economy. I do not say that there may not be ground for criticism.

**Mr. B. Das:** Thank you.

**The Honourable Sir Joseph Bhoré:** I do not say that this annual dissection of our affairs is not beneficial to the Railways, but what I do say is this, that if you dispassionately consider the hard facts which I have attempted to place before the House, I think Honourable Members will agree with me that they are rather inclined to lay too much stress upon the darker side and to ignore the brighter aspects of the picture which is presented by the working of our Railways.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 21st February, 1938.

## APPENDIX \*

Recently tenders have been called for by the Madras and Southern Mahratta Railway for 400,000 tons of coal to be delivered at Madras.

Tenders are to be made for—

		Tons.
Railborne . . . . .		215,000
By Sea . . . . .		185,000

Railway coal despatched to Calcutta for shipment to Madras is treated as export coal and a rebate of  $37\frac{1}{2}$  per cent. of the ordinary rate is given.

In addition Steamship Companies are not bound to charge standard rates and can reduce them to any figure that will make the total cost of carriage of the coal by sea less than the carriage by rail.

From the point of view of the Government of India which is very largely interested in both the Bengal Nagpur Railway and the Madras and Southern Mahratta Railway carriage by sea, instead of by rail, even at a slightly lower cost by sea is a dead loss.

For the carriage by sea actual cash has to be paid.

If sent by rail Government is saved the cash expenditure incurred by using the sea route.

For carriage over the Bengal Nagpur Railway section of the route the Madras and Southern Mahratta Railway pays the Bengal Nagpur Railway, but this payment so far as Government is concerned is only out of one pocket and into another.

For the carriage of the coal over the Madras and Southern Mahratta Railway from Waltair to Madras the Madras and Southern Mahratta Railway avoids expenditure in cash as the Railway pays the freight to itself and the actual cost of carriage is only the cost of the coal, oil and water used by the trains carrying it over the Madras and Southern Mahratta Railway Company's line.

As regards the Madras and Southern Mahratta coal for 1932-33, the financial effect of sending 185,000 tons of coal by sea, instead of by rail, is approximately as follows:

	Rail cum sea route.		All rail route.
	Rs. a. p.		Rs. a. p.
From Coalfields to Kidderpore Docks.	3 7 0 (includes $37\frac{1}{2}$ per cent. rebate and 15 per cent. sur-charge).	Bengal Nagpur Railway	6 5 2
Kidderpore Dook charges . . . . .	1 2 0	Madras and Southern Mahratta Railway.	5 1 10
Sea freight . . . . .	5 1 0		11 7 0
Madras Dook charges . . . . .	1 13 0	Add 15 per cent. sur-charge.	1 11 0
	11 7 0		13 2 0

\*Vide page 852 of these debates.

It will be seen that of the rail *cum* sea rate, Rs. 8 represents a definite cash expenditure on the part of the Government of India and in the case of the Madras and Southern Mahratta coal would amount to Rs. 14,80,000. The all rail route, although Rs. 1-11-0 per ton more than the rail *cum* sea route, does not involve any cash expenditure on the part of the Government of India except the comparatively insignificant sum on the coal, oil and water consumed on the journey.