

*Tuesday,  
12th March, 1918*

**ABSTRACT OF THE PROCEEDINGS**  
**OF THE**  
*Council of the Governor General of India,*  
**LAWS AND REGULATIONS**

**Vol. LVI**

**April 1917 - March 1918**

**ABSTRACT OF PROCEEDINGS**  
**OF**  
**THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA**  
**ASSEMBLED FOR THE PURPOSE OF MAKING**  
**LAWS AND REGULATIONS,**

**April 1917 - March 1918**

**Vol. LVI**

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**& Debates Section**

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GOVERNMENT OF INDIA.  
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER  
THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915  
(5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on  
Tuesday, the 12th March, 1918.

PRESENT :

The Hon'ble SIR GEORGE LOWNDES, K.C.S.I., K.C., *Vice-President, presiding,*  
and 57 Members, of whom 52 were Additional Members.

QUESTIONS AND ANSWERS.

**The Hon'ble Maharaja Sir Manindra Chandra Nandi** asked :—

1. "Has any Indian ever been appointed a permanent Chief Justice in any of the High Courts or Chief Courts in India? If not, will Government be pleased to state if there is any statutory bar to such an appointment?"

Appoint-  
ment of an  
Indian as  
Chief  
Justice.

**The Hon'ble Sir William Vincent** replied :—

"Such records as the Government of India possess do not show that an Indian has been appointed substantively as Chief Justice in any of the High Courts or Chief Courts of India. There is of course no statutory bar to such an appointment; and, as the Hon'ble Member is no doubt aware, Indians have, from time to time, been selected to officiate as Chief Justice or Chief Judge."

**The Hon'ble Maharaja Sir Manindra Chandra Nandi** asked :—

2. "(a) Are the Government of India aware that the Government of Bengal have exempted from income-tax all premiums taken by landlords for settlements of waste or abandoned lands with tenants?"

Exemption  
from in-  
come-tax of  
Premiums  
taken by  
landlords in  
Bengal.

(b) Is it a fact that fees levied for recognition of a transfer of agricultural land from one tenant to another are liable to income-tax?

(c) Is the same principle followed in the matter of income-tax administration by the other Provincial Governments?

(d) If not, in what particulars does it differ in the different Provinces, and why?"

[ *Sir William Meyer; Nawab Saiyed Nawab Ali Chaudhri Khan Bahadur.* ] [ 12TH MARCH, 1918. ]

**The Hon'ble Sir William Meyer** replied :—

" (a) The Government of Bengal have ruled that a premium taken by a landlord for granting settlement of waste or abandoned lands with a tenant is similar to *salami* taken on the creation of a *patni* or other tenure, and is therefore not liable to assessment under the provisions of Act II of 1886, being either the price paid to the proprietor for a portion of his rights, or an advance payment of rent.

(b) Fees levied for the recognition of a transfer of land from one tenant to another are not agricultural income for the purposes of the Income-tax Act, 1886, and are therefore liable to income-tax.

(c) and (d) The Government of India have no information as to the practice followed in Provinces other than Bengal."

**The Hon'ble Nawab Saiyed Nawab Ali Chaudhri, Khan Bahadur,** asked :—

Retirement  
of Govern-  
ment  
Servants.

3. " (a) With reference to the recent amendment of Article 459 of the Civil Service Regulations, regarding retirement of Government servants who have reached the age of 55 years, will Government be pleased to state the reasons which have led them to distinguish, for the first time, between ministerial officers and officers other than ministerial ?

(b) In making the amendment, did Government take into consideration—

(i) the nature of the work which ministerial officers have to perform throughout the year ;

(ii) their poor scale of salary ;

(iii) the question whether the operation of the new rules is likely to bring about a serious block in promotion, and

(iv) the possible practical effects of a sudden permanent change in the conditions of service and prospects of such officers ?

(c) Were Local Governments consulted in the matter of the exception made in the case of ministerial officers, and did they accept the Article, as amended, in its application to ministerial officers ?

(d) Is it the intention that, in all cases where a ministerial officer is considered efficient, he should be retained in the service of Government until he attains the age of 60, and the Head of the office will have no power to retire him at his discretion if he considers that course necessary for reasons and considerations other than inefficiency ?

(e) Do Government propose to consider proposals for the increase of salary and the introduction of a time-scale of pay of ministerial officers on the ground that a block in promotion is likely to result from the adoption of the new rules ? "

**The Hon'ble Sir William Meyer** replied :—

" (a) A distinction has been made between ministerial and other officers because the duties of the former can usually be discharged with efficiency by an officer whose age exceeds fifty-five.

(b) (i) The answer is in the affirmative.

(ii) The Government of India do not consider that the scale of salaries affects the question how and when officers should be compelled to retire.

(iii) No change in substance has been made in the rules so far as ministerial officers are concerned. Article 459, as it stood before the recent amendments, made it clear that really efficient officers should not ordinarily be required to retire on attaining the age of 55. The same criterion is applied to ministerial officers under the new rules.

(iv) The Government of India are unable to admit that any substantial change has been made in the conditions of service and prospects of ministerial officers:

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[ *Sir William Meyer; Mir Asad Ali, Khan Bahadur; Sir George Barnes; Sir William Vincent.* ]

(c) When Local Governments were consulted the reference was made in general terms. The distinction between ministerial and other officers was specifically proposed by one Local Government.

(d) The authority having power to fill the appointment (if vacant) has power to compel a ministerial officer to retire for reasons other than inefficiency. The use of the word 'ordinarily' in clause (a) of the present Article 459 covers this point.

(e) The Government do not propose to consider an increase of salaries and the introduction of a time-scale of pay with reference to the ground stated by the Hon'ble Member, since, as above indicated, there has been no substantial change in retirement conditions and promotion prospects."

**The Hon'ble Mir Asad Ali, Khan Bahadur, asked :—**

4. " Will Government be pleased to state—

Percentage  
of Alcohol in  
country  
spirits.

(a) whether the percentage of alcohol in country spirits and fermented liquor varies in different parts of the country, and, if so, in what proportion ;

(b) the actual percentage of alcohol present (i) in each kind of country liquor, (ii) in fermented liquor such as toddy or paohwai, and (iii) in country beer; and

(c) the retail selling prices in the principal cities of India of (i) country spirits, (ii) toddy, and (iii) beer, as well as of each kind of foreign liquor ? "

**The Hon'ble Sir George Barnes replied :—**

"The information for which the Hon'ble Member asks in parts (a) and (b) of his question will be found, so far as it is available, in Major Bedford's Report on alcoholic liquors in India, a copy of which I will be pleased to lend the Hon'ble Member if he so wishes.

A statement of the retail selling prices of country spirits and toddy in the principal cities of India will be laid on the table when the information has been collected. It is impossible to give this information in regard to beer and foreign liquors as they are sold in a variety of qualities, at prices which vary accordingly."

**The Hon'ble Mir Asad Ali, Khan Bahadur, asked :—**

5. " Will Government be pleased to state the names and the number of copies of the Indian and Anglo-Indian newspapers, journals, and other periodicals which are required for departmental purposes ? "

Indian and  
Anglo-  
Indian  
Journals  
required by  
Govern-  
ment.

**The Hon'ble Sir William Vincent replied :—**

"A statement\* is laid upon the table embodying the information asked for by the Hon'ble Member."

**The Hon'ble Mir Asad Ali, Khan Bahadur, asked :—**

6. " Will Government be pleased to state for each of the last five years (1912 to 1917), Province by Province—

Consump-  
tion of  
Toddy,  
Paohwai  
and other  
Liquors.

(a) the total quantity, as far as available, of (i) toddy, (ii) paohwai, (iii) other fermented liquor, and (iv) beer consumed in India ;

(b) the total quantity of each kind of foreign liquor imported into India ;

(c) the total quantity of all kinds of liquor exported from India ? "

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[ *Sir George Barnes; Mir Asad Ali, Khan Bahadur; Sir William Vincent; Rai Bahadur B. D. Shukul.* ] [ 12TH MARCH, 1918. ]

**The Hon'ble Sir George Barnes** replied :—

"The complete figures desired by the Hon'ble Member cannot be given, but statements\* are laid upon the table giving all the information that is available."

**The Hon'ble Mir Asad Ali, Khan Bahadur**, asked :—

Securities deposited under the Press Act, 1910.

7. "Will Government be pleased to lay on the table a statement for each of the last three years (1915, 1916 and 1917), showing Provinces by Province—

- (a) the names of Urdu and Anglo-Urdu newspapers, journals, and other periodicals (i) from which securities have been demanded under the Press Act of 1910, and (ii) the securities of which have been forfeited and the Presses confiscated to the State under the same Act;
- (b) the number of such papers as have stopped publication;
- (c) the number of such papers as have been exempted from the payment of deposits under the Act, as well as the number of existing papers to which the Press Act has not been applied ? "

**The Hon'ble Sir William Vincent** replied :—

"The information asked for is being collected from Local Governments and Administrations and, when it is complete, a statement will be laid on the table."

**RESOLUTION *RE* INCREASE OF THE EDUCATION GRANT FOR THE CENTRAL PROVINCES.**

11-12 A.M.

**The Hon'ble Rai Bahadur B. D. Shukul** :—"Sir, the Resolution which I beg to move is that :—

"This Council recommends to the Governor General in Council that the sum provided in the budget under the head of education for the Central Provinces be increased by rupees 4 lakhs for the establishing of a University at Nagpur."

"I do not think any apology will be needed from me, when I venture to make this modest demand of 4 lakhs of rupees for the establishment of a University at Nagpur in the Central Provinces, especially at this time, when all the resources of the State are being strained for the successful prosecution of the war. Sir, the matter is as important as it is urgent and deserves a most sympathetic consideration at the hands of the Government and this Council. We, the Indians, are already grateful to Government for the striking proof that has already been given of the high regard in which the Government holds the cause of University education in this country, by the promptitude with which action has been taken to establish the two Universities at Benares and Patna, during the pendency of the war. The University education is the highest blessing that the British rule has conferred upon the people of India, and the people are now wide awake to the benefits of higher education and are eager to have it as easily and as cheaply as they possibly could. Sir, the signs of a general intellectual awakening are visible all round, which is a hopeful augury of the bright future that awaits India. The people of the Central Provinces also are desirous of joining hands with their fellow brethren of the other sister Provinces and keeping abreast with them in the march of progress that they are making. We belonging to the Central Provinces and Berar recognize as clearly as others that it is University, a University alone that provides the best teaching over the entire field of knowledge of which its own resources and the progress of science may admit; that offers this teaching to the widest range of students and moulds and shapes them not merely by the

\* Not included in these Proceedings.

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FOR THE CENTRAL PROVINCES.

[ 12TH MARCH, 1918. ] [ *Rai Bahadur B. D. Shukul.* ]

training of intellect, but by the discipline of spirit so that wherever they go, they may be worthy citizens or worthy servants of the State'. It was the noble desire of bringing 'through the natives of India the vast moral and material blessings which flow from the diffusion of knowledge', that impelled the Court of Directors of the East India Company 60 years ago to establish Universities in this country. Of all the older Provinces in India, ours is the only 'ill-fated' Province, which has not been as yet blessed with its own University. The Government, we are glad, has already recognized the necessity of reducing the unwieldy jurisdiction of the present affiliating Universities, by means of establishing in different Provinces new Universities of a kindred type and at the same time of founding at suitable centres, in different typical areas, Universities of a type, congruous with the prevailing conditions of the present times. Sir, it will be by this means only, and not otherwise, that it will be possible for the Government to give full effect to the pious wish of our beloved Sovereign that a net work of colleges and schools be one day spread all over this land. It is in pursuance of this already accepted policy of the Government of India, that I, on behalf of the people of the Central Provinces, request the Government that over and above the sum provided in the Financial Statement for expenditure under education, a sum of 4 lakhs should be allotted for the establishment of a University at Nagpur.

"Sir, a short history of the attitude of the Government towards the establishment of a separate University for the Central Provinces may not be out of place here. In this connection, I may be permitted to inform the Council at once that the question is a very old one. Hopes for the establishment of a University at Nagpur were held out to us, when the idea of some of the Universities which have but lately come into existence was not even conceived. The contemplated University for the Central Provinces was referred to in the Report of the Education Commission of 1882. The Universities Commission of 1902 also adverted to it in paragraph 29 of their Report and bore unequivocal testimony to the fact that 'the proposal to create a new University at Nagpur had received both official and non-official support.' Later on, the Government of India in their Resolution dated the 21st February 1913 while declaring the educational policy assured, that with a view to satisfy the aspirations of the people they contemplated the establishment of a University at Rangoon, Patna and Nagpur. Not long after that, the Central Provinces Government by their Resolution No. 682, dated the 8th July 1914, appointed a strong Committee consisting of officials and non-officials to consider a scheme for the creation of the University at Nagpur. The Committee, Sir, gave a very close and thoughtful consideration, and after seven months' labour produced an elaborate report, embodying a detailed scheme for the constitution of the proposed University. The Local Government invited public criticism on the said Report and gave the people an opportunity to express their own views on the subject. The Report was discussed threadbare at the meetings of the 4th Provincial Conference, Central Provinces and Berar, held at Nagpur in the year 1915 at which I have had the honour to preside, and a deputation was arranged to wait upon the Hon'ble the Chief Commissioner and place before his Honour the views of the Conference. This was done and a favourable and a sympathetic reply was received from the Government. Since then, the people have waited and waited very long and waited in vain. The people are becoming anxious, disappointed and almost hopeless, and yet the scheme has been hanging fire. For so many years past, and this in the face of repeated assurance from the Government and in spite of the sympathetic attitude which they have maintained towards this question all along.

"The Hon'ble Mr. M. R. Dixit, Bar-at-Law, who is also Secretary of the Graduates' Association, Central Provinces and Berar, interpellated the Local Government on the subject on March 18, 1916, and received the following reply :—

(a) The Government is not aware that the proposal for the Doacca and Patna Universities and for a University for Burma, have reached the advanced stage which is mentioned in part (a) of the question.

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(b) and (c) With regard to parts (b) and (c) of the question, I would refer the Hon'ble Member to the reply which was given by the Chief Commissioner to the deputation which waited on him in January to present the resolution of the Provincial Conference. The reply was published in the press. The Chief Commissioner is aware of the interest that is taken in the subject in the Province, that in view of the voluminous criticism received and of the necessity at a time like the present for putting forward proposals which should be as practicable as possible, he must wait the detailed report on the scheme which is to be furnished by the permanent Director of Public Instruction; until the report has been received and considered, it is impossible to make a further statement on the subject.

"Sir, I do not know of any statement having been made by the Local Government as yet although it is nearly two years that have passed since then. In compliance with the wishes of my constituents I asked the Government on 19th September 1916, if they had received any definite proposal regarding the establishment of the University at Nagpur from the Local Government, and the reply received, as the Council must be aware, was in the negative. I repeated my question on the 12th September last and further asked the Government as to when a Bill for the establishment of a University at Nagpur was likely to be introduced in the Council. My friend on the opposite, the Hon'ble Member in charge of Education, then replied to the effect that 'proposals have been received from the Local Government for the establishment of a University for the Central Provinces and are now under consideration. It is therefore undesirable to publish the proposals at present and impossible to give a definite reply to the question when a Bill for the establishment of the contemplated University will be introduced.' Very nearly six months have elapsed since then and nothing is known as to what has been the fate of these proposals. It was expected that provisions for the establishment of the proposed University would be made in the ensuing year's budget; but that has not been done, even in the face of the bountiful surpluses at our disposal. Sir, this means another year's delay and the Council may take it from me that this indefinite postponement of such an important measure pertaining to the immediate welfare of the Province from time to time, is having a very discouraging effect upon the minds of the people which should not be ignored. Sir, there is ample material in the Province for the growth of the University atmosphere. At present there are seven colleges in the whole Province including the newly sanctioned college for the Berar at Amraoti. Further, there is an agricultural college, a medical school for the training of the Sub-Assistant Surgeons and an engineering school, all located at Nagpur. The latter two institutions, however, have been established but lately, and it is expected that these will soon be raised to the status of a college.

"As regards the progress of education, the number of students in receipt of collegiate education is increasing by leaps and bounds. The Central Provinces University Committee observed in their Report that 'the existing colleges contain about 1,100 students exclusive of undergraduates in the Training College. We, therefore, provide for an increase of approximately 850 students. In the quinquennium ending in 1912, the number of pupils in the High School class increased by over 50 per cent. in the number of students.' In the matter of secondary education as well the Province has made rapid strides during the preceding few years. The Hon'ble Mr. A. Mayhew, the Director of Public Instruction, Central Provinces, while speaking on this subject, stated in the Local Legislative Council on the 4th September 1915, that 'last year six High Schools were opened, three under private agency and three under Government. A large number of educational sections were opened in Government Middle Schools and some standards were added. 471 additional pupils were admitted to the High School classes and 20,708 pupils were admitted to the Middle School classes in these Provinces. Thus the time has come when the educational needs of the Province demand that the University already promised should no longer be denied to us.

"Before I conclude, I shall say just a few words in justification of the allotment I have asked for and I have done. The sum of 4 lakhs is indeed a very small amount in view of the needs and requirements of the entire University Scheme as drawn up by the Committee, but for the time being I



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[12TH MARCH, 1918.] [*Rai Bahadur B. D. Shukul; Sir Gangadhar Chitnavis; Sir C. Sankaran Nair.*]

would request the Government to provide 4 lakhs only, with a view to meet the cost of acquiring the necessary land, laying out sites and filling of quarries, etc. The Committee have estimated Rs. 3,25,826 for this purpose, but I have raised it to 4 lakhs in view of the considerable rise that has taken place in the prices of building materials and wages since the outbreak of the present war. As we all know the process of land acquisition is rather a long and dilatory process involving much delay, I hope the Government of India will not grudge to provide for the allotment I have asked for with a view to enable the Local Government to acquire land, etc., and be prepared to arrange for the construction of new buildings and the provision of necessary equipment soon after the Bill with regard to the Nagpur University is enacted. I do not think the acceptance of this Resolution will mean any financial embarrassment to the Government, as the requisite amount could be easily got either out of the surpluses or by the curtailment under the head of Civil Works.

"Sir, we stand on the eve of momentous changes, and in order that each Province may be in a position to work out its own salvation under the altered circumstances to be brought about by the constitutional changes now under contemplation, it is but in the fitness of things that every Province should be made self-contained, and as a prelude to that I hope and believe that this crying need of my Province will be immediately supplied."

**The Hon'ble Sir Gangadhar Chitnavis:—**"Sir, I beg to support this Resolution. The Nagpur University, which is so much desired by both the Government and the public, as all the new Universities in India, must conform to the higher ideal of a teaching and in some respects even a residential university. Necessarily its needs are great. Funds cannot indeed be too liberally spent to put it in a fit condition to discharge the important functions that will be assigned to it. There is everywhere in the Central Provinces a great demand for education, especially high education and education of a technical character. More colleges and more universities and more faculties are obviously required to meet the growing demand. Without ample funds no university can perform its duties according to modern ideals. It is only therefore just that we should have a larger grant for our university, and the figure suggested by the Hon'ble Mover is modest. More than half of this proposed grant will be required for the acquisition of grounds, and as prices of land are going up, it will be a good thing if the site is acquired as early as possible. This grant will enable the authorities to have this done." 11-23 A.M.

**The Hon'ble Sir C. Sankaran Nair:—**"Sir, the Government desire the establishment of the Nagpur University at a very early date. The reasons for the delay I shall now explain at once. In 1913, we contemplated the establishment of a university at Nagpur, and invited the Chief Commissioner to submit his proposals for the establishment of that university. Later in the year, about November I think, he submitted a broad outline of the proposed university which he had in contemplation and informed the Government of India that he proposed to appoint a Committee to go into the whole question and submit a report to him. He submitted their Report in about November 1915. The cost according to the Report of the Committee amounted to about 90 lakhs capital and 8 lakhs recurring. He realised that it was impossible in the financial conditions now prevailing to start the university according to that scheme, and accordingly submitted a more modest scheme which required an outlay of 13½ lakhs capital and 2½ lakhs recurring. The Chief Commissioner came up to Simla and we had a conference with him; we had also the Patna University scheme before us; there were questions concerning the type of the university whether it should be of the unitary type as opposed to a collegiate or federal type; questions concerning the elective element on the Senate and Syndicate, and questions concerning the power of the executive Government to interfere. All these questions arose as I said also in connection with the Patna University and Hon'ble Members are aware of the great differences of opinion that 11-25 A.M.

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[*Sir C. Sankaran Nair; Rai Bahadur B. D. Shukul; Sir George Barnes.*] [12TH MARCH, 1918.]

existed on all these various questions. A compromise was no doubt arrived at with reference to the Patna University, but that was a compromise which, though accepted no doubt by the representatives of Bihar here, official and non-official, was unacceptable to the representatives of other universities with reference to other universities. The result was that we felt that these questions required very careful consideration; at that time the Calcutta Commission was appointed. Even with reference to the Patna University the question arose whether it would not be wise to defer the consideration of the Patna University scheme pending the report of the Calcutta Commission. In those circumstances, the Government felt that it would not be right to go on pending the report of the Calcutta Commission who were expected to deal with all those questions. Further, we also hoped that we might be able to submit the Nagpur University scheme, if not to all the members of the Calcutta Commission, to some members at least. Therefore, we have put it off till the receipt of the report from them. That is the reason of the delay. We have already, as Hon'ble Members are aware, made provision for the acquisition of a site for the university. We have allowed the Chief Commissioner the amount which was required by him for the acquisition of that site. Whether any additional sum would be required, as my Hon'ble friend seems to think, I am not now in a position to say. At any rate the Chief Commissioner has not asked for any increased grant. The Hon'ble Members will, in these circumstances, agree with me that so far as this Government is concerned, we have given indications of our earnest desire to go on with the establishment of the university. I assure them that the Government will do all they legitimately can to establish the university at an early date. With this assurance I trust the Hon'ble Member will be satisfied and will see his way to withdraw his Resolution. There are technical difficulties with regard to the Resolution as he has put it forward, but I do not want to refer to them. If, however, he wishes to press the matter to a division, then I have to oppose the Resolution."

11-30 A.M.

**The Hon'ble Rai Bahadur B. D. Shukul :—**"Sir, I thank the Hon'ble Member in charge of Education for his relating the short history of the whole scheme as it now stands, and, in view of the definite assurances given by him and the situation explained, I beg to withdraw my Resolution. I do not mean to press it."

The Resolution was, by leave of the Council, withdrawn.

## THE FINANCIAL STATEMENT, 1918-19.

11-33 A.M.

**The Hon'ble Sir George Barnes** introduced the following heads of the Financial Statement for 1918-19 :—

<i>Revenue.</i>	<i>Expenditure.</i>
Salt.	Salt.
Excise.	Excise.
Posts and Telegraphs.	Customs.
Stationery and Printing.	Posts and Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

"Sir, I beg to introduce the heads of the Financial Statement for 1918-19 which stand below my name. As has been the practice in former years, I will ask my Hon'ble friend, the President of the Railway Board, to deal generally with the subject of Railways. I cannot, however, pass railways

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by without emphasising the great importance of the special reserve fund of £20 million sterling which is being made this year. This provision will enable us to embark on fresh railway construction directly materials are available. I know that my friend Sir Hugh Bray regards this 20 million sterling as an inverted form of conscience money, and doubtless he also regards the provision for railways in the coming year as a very meagre one. I agree that it is meagre, but it is not meagre because of any stinginess on the part of our Finance Member, but owing to the necessities of the position. My instructions to the Railway Board were to frame estimates for the coming year up to the maximum which could be spent with advantage. The figure which appears in my Hon'ble Colleague's Financial Statement represents the whole of what we are able to spend. My Hon'ble Colleague has been anxious to help the railways to spend all that they can usefully spend, and I know that it has been a great disappointment to him—perhaps the only disappointment,—that owing to the war we have not been able to make more rapid progress with railway development in India. The Government as a whole fully realise that the building of more railways in India is vital to the best interests of this country.

"To turn then to the subject of Posts and Telegraphs, I do not propose to weary Council with any repetition of the figures which have already been laid before them, but I think that it would interest Council to know the very heavy calls which have been made on the Department in connection with the war and to be told of the large number of the postal and telegraph staffs who are at present serving in the field. It has been with the utmost difficulty that the Director-General of Posts and Telegraphs has been able to comply with the very heavy demands which have been made upon him. At present the total postal establishment with the various Expeditionary Forces consists of 23 Supervising Officers, 756 postmasters, inspectors and clerks and 659 menials, while there are 127 field post offices. The number of field post offices a year ago was 112.

"With the great increase of work both in the field and in India, it has been found that the General Post Office at Bombay is no longer able to combine its ordinary functions with that of Chief Base Office, and a separate Base Post Office for overseas forces has had to be opened there. It may also interest Council to hear one of the results of the curtailment of shipping facilities owing to the shortage of tonnage. The result to which I refer is the increased recourse which has been had to the foreign parcel post to some places, owing to the lack of tonnage. In some directions the use of the parcel post has expanded far beyond its legitimate scope. The abuse became so serious that in some cases restrictions had to be imposed. As an instance of the way in which the parcels post is used, I may mention that on one occasion a single individual in Basrah by a single post received 5,101 parcels from India weighing altogether 24 tons.

"Demands on the Telegraph Branch have continued to be heavy throughout the year, but I am glad to be able to say that these have at all times been met, although generally with considerable difficulty. At present roughly 2,500 members of the engineering and 700 of the traffic staff are working with the various Expeditionary Forces. The chief of these of course is Mesopotamia. As I mentioned last year, the unit charge for ordinary inland telegrams was raised from 6 to 8 annas. This had the desired effect of checking the rate of expansion of the traffic, but notwithstanding this, the traffic has shown a small increase over the figures for the corresponding period last year. This has imposed a severe strain on the operative staff of the Department, and I can safely assert that had not the rate of increase of traffic been checked by the enhanced tariff, it would have been impossible to have had it dealt with efficiently by the staff, depleted as it is by the large number of men who have been deputed on field service. As regards engineering work during the year, in accordance with the policy which has been in force since early in war, no extra lines have been erected when these could possibly be deferred, but it was found that some additional lines were required in various parts of the country for the prompt disposal of the increased traffic, and that the provision of these could not with safety be postponed any longer. Accordingly, a certain number of

[ *Sir George Barnes.* ] [ 12TH MARCH, 1918. ]

important lines have been sanctioned, and their erection is now nearly complete. From the foregoing it will be seen that, notwithstanding the adverse circumstances, the record of the Department has been one of continued progress and the volume of the work has continued to expand. For this the staff of all grades deserve the greatest credit, and the way in which they continued to carry out their duties merits the highest praise. Government decided, I am glad to say, to ask the sanction of the Secretary of State to the grant of the same bonus to the staff of the Post Office and Telegraph Department as was given to the railways, and I am glad to say that the recommendation has been accepted. These two Departments have earned this special consideration by reason of the strain imposed on them ever since the war started.

"In particular, I should like to call the attention of Council to the good work done by Sir William Maxwell throughout the year in successfully meeting the extraordinary demands which have been made on the Post and Telegraph service not only in India, but throughout Mesopotamia. It is difficult to exaggerate the burden which has fallen on him in this respect and in the work of piloting the Department through a time of great stress and strain. I am only sorry that owing to sickness he is not here in his place to-day to hear what the Government, and I am sure all of you, think of his services.

"I turn now to the next item on the list, that of salt.

"In dealing with the subject of salt, I unfortunately find myself in the same position as I was last year in stating that one of our principal anxieties has arisen from the abnormally high prices which have prevailed. The rise in prices is no doubt due mainly to a curtailment of the normal supplies of foreign salt owing to tonnage difficulties. This, however, by no means accounts for the very rapid and speculative rise which took place in November and December last. We have taken every practical measure to cope with the situation. The first steps taken were steps in the direction of increasing the supply of salt, and with this end in view we secured rather more than a year ago what we believed was the best advice to be obtained in India, namely, that of Mr. Glen George, a highly skilled colliery engineer. Mr. Glen George gave us a very valuable report showing how the output of the Khewra mine could be increased with safety to the mine, and I may add that his services were generously placed at our disposal without remuneration by Messrs. Yule of Calcutta. Mr. Glen George's report has since been acted upon, and I myself paid a visit to the mine in October last. I hope that the net result of the improvements which have been made and are being made will be to double the previous output by the middle of next month. Apart from the Khewra mine, the largest internal supply of salt for Northern India has been the Sambhar Lake in Rajputana. In this case, unfortunately, there is no possibility of increasing the output this year owing to the heavy floods of the last monsoon and the consequent difficulties of evaporation. Apart from internal supplies, we are endeavouring to secure the assistance of the Shipping Controller in providing tonnage for increased supplies of salt from Aden and Port Said. In order to meet the efforts of the speculators in salt, we took powers last November to give priority at the salt mines and at the Sambhar Lake to indents by any local authority, and we wrote to the various Local Governments concerned urging that salt depôts should be established for the sale of salt at reasonable prices. In consequence of this suggestion, salt depôts have been opened by many of the Local Governments, and I think that you may find an example in Delhi of a depôt opened by my Hon'ble friend, Mr. Hailey, the Chief Commissioner. We have further taken powers to control the price of salt, where necessary, in the interests of public safety, and these have already been acted upon in the Presidency of Bengal. The result of these steps has been a welcome fall in the price of salt throughout the country. We all recognise how important the price of salt is, and no efforts will be spared to keep the price of salt down to a reasonable level.

"The question of the high price of salt leads me on to the high prices of other commodities. I know that Hon'ble Members take a deep interest in the difficulties which are being felt by the poorer classes on account of the high

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prices of cotton cloth. The Government of India have been considering this difficult question with anxiety, and this anxiety, has been increased by the recent outburst of speculation in raw cotton. Any control of prices, the Government feel, can only be carried out with the co-operation of the persons interested in the trade, and with that end in view, Government have appointed a Committee consisting of :—

1. Mr. R. H. Brooke of the Bombay Company.
2. Mr. N. B. Saklatwala of Messrs. Tata Sons and Company.
3. The Hon'ble Purushottam Thakurdass.
4. Mr. O. N. Wadia.
5. Mr. Mangaldass Girdhardass.
6. Mr. J. P. Ohrystal of Messrs. Ohrystal and Company.
7. Mr. Pestonji N. Masani of Messrs. Masani and Company.
8. Sir. Bezongjee Dadabhoy Mehta of the Empress Mills, Nagpur.
9. Mr. Thomas Smith, Managing Director of the Muir Mills Company, Cawnpore.
10. Sir Clement Simpson of the Buckingham Mill-Company, Madras.

Mr. Silver, Controller of Textile Supplies with the Munitions Board, and formerly Director of Industries in the United Provinces, will also be asked to join the Committee. The Committee will be presided over by an officer to be appointed by the Government of Bombay, and will begin their sittings in Bombay as soon as possible, and will among other things advise Government whether it is possible to fix a scale of mills charges for cotton piece-goods, and whether for this purpose it will be necessary or practicable to control in any way the price of, or operations in, raw cotton.

"In conclusion, there is one point to which, I think, I ought to draw the attention of Council in relation to the Customs figures. You will notice a reduction in the estimated receipts from Land Customs. This, though of no financial importance, has a certain significance, as it is mainly due to the abolition of the Kathiawar Land Customs Line—a change which has long been supported by several members of this Council. The Kathiawar Customs barrier has been a long-standing question of considerable difficulty, and I personally welcome its final disappearance, and am confident that the action which has been taken will be a considerable step forward in advancing the industry and commerce of the Kathiawar States. Passing to the more important figures of the Customs estimates, we all realise the effect upon our import and export trade of freight difficulties and of the restrictions which it has been found necessary to impose for military reasons. I do not, however, wish to pass from the subject without once more paying a tribute to the patriotic and ungrudging spirit in which all these restrictions have been accepted, and all these difficulties have been faced by the commercial community in this country. It is right too to express again my appreciation of the work of the Customs staff of all ranks upon whose shoulders a heavy burden of work and responsibility has been thrown."

**The Hon'ble Sir Robert Gillan :**—"Sir, for the reason just stated by the Hon'ble Sir George Barnes the Financial Statement with which we are now dealing is one of great interest and importance to railways. The Hon'ble Finance Member has always been most sympathetic to the development of railways in India. He has recognised, as every one must, the severe disability under which the railways have recently been placed inevitably as regards development. But he has not been satisfied with recognising a fact: he has provided a remedy. By reason of the reserve which he is laying by, railways and trade equally will view with more equanimity a difficult future.

"In the general debate, so far as railways are concerned, which arose out of the Financial Statement, two matters mainly emerge.

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"The first is the enhancement of passenger fares, but as this has been made the subject of a separate Resolution, it is not necessary for me to deal with it now. I should like to refer to the second which is the development in this country of railway industries. As I explained in speaking on a Resolution moved by the Hon'ble Mr. Sastri railways have in the past been hampered by the defective development in India of what from their point of view are the primary industries. But our hopes for the future are bright; we shall shortly get in the country the different kinds of steel which we require, plates and so on, and railways, I am sure, will do their utmost to take advantage of the change in the situation and develop the industries which this change makes possible. We have recently given a substantial indication of our desire to move in this direction by making the announcement to which I am glad that the Hon'ble the Maharaja of Kasimbazar referred, of a guarantee of 3,000 wagons a year to be built in India for ten years. We hope that this guarantee will enable the wagon industry to be established on a firm foundation in India.

"But now, Sir, to turn from our recent debate I venture to hope that I may be permitted on this occasion to deal with the subject of Railways in rather a special manner. The position of railways at the present time is altogether special, and I should like to take the opportunity of explaining it.

"In the first place, it is obvious that railways could not before the war have equipped themselves for duties which it had never been foreseen that they might be called on to perform. If there was want of foresight in this respect it is scarcely the railways that can be blamed for it: the fault, if fault there was, is common to the whole Empire. But apart from this I desire to lay stress on the fact that the railways are not merely what they have been made in say the last ten years. The materials in them and their rolling stock may be five years old or thirty; their administrative methods may go back a long time or may be recent improvements. But while there has been enormous growth there has been continuity. In the matter of personnel particularly, which is of supreme importance, if we are to understand the railway position, we must remember that railways are rather what they have made themselves in the last 50 years. The railway staff have inherited an ancient and honourable tradition.

"Now we have to consider how railways have met the present crisis. A review which I saw in a newspaper the other day, of our Administration Report, was headed in large letters 'Splendid war work.' That is the kind of appreciation which railways value in the midst of many discouragements and disappointments. To understand the part that our railways have played in the war we must not confine our views to India; we must look, I was going to say, over almost a hemisphere—Mesopotamia, Palestine and East Africa. In Mesopotamia the railways are Indian, lock, stock and barrel; in Palestine the rails that have taken the line as we were told the other day as far as Jerusalem are Indian rails; and much stock and material has gone to East Africa also. In the matter of personnel also, and it is on personnel throughout that I wish to lay stress, we have given much help. Altogether railways can well claim that their share has been one of the most considerable items in India's contribution to the war.

"Next as regards the internal situation. Sir, it gave me much pleasure to hear the other day the handsome compliment which the Hon'ble Finance Member paid to railways in this Council. On behalf of our railways, I thank him for it. I can best illustrate his statement in which he said that the railways have rendered splendid service by a reference to our revenue figures.

"The Accountant General, Railways, told me that not many years ago he consulted a railway officer about the estimate he was making of the Railway Revenue in the coming year. The officer who was a very capable and experienced man said that he thought the Accountant General's figure was excessive, because railways simply would be unable to carry so much traffic, the figure in question was 56 lakhs, and the estimate for next year is 70 lakhs, a clear addition of no less than 25 per cent. ...."

[ 12TH MARCH, 1918. ] [ *Sir William Meyer ; Sir Robert Gillan.* ]

**The Hon'ble Sir William Meyer:—**"My friend means crores, does he not?"

**The Hon'ble Sir Robert Gillan:—**"I beg your pardon, 56 crores and 70 crores. I think the results have fairly astonished railway men themselves. They have been achieved by unremitting attention directed to ease the position wherever the pressure of traffic indicated a want of capacity; they have been accomplished only by the exercise of much ingenuity and above everything else by sheer hard work. And hitherto the railways have been able to claim—not indeed that there have been no inconveniences—I do not wish in any way to minimise the inconveniences which have been great, but that they have in one way or another taken all the traffic that came. In the last Administration Report the Board said: 'On no occasion, whether called on to undertake an entirely new work such as the manufacture of shell, to carry out against time the construction of new railways or to deal with a sudden press of essential traffic, have the railways failed to do what was required of them.' I am jealous that railways should not now lose credit, because requirements are rising to a point which constitutes an impossible demand on them. The primary fact which is well recognised no doubt, but which must be emphasised for any proper understanding of the position, is that immediately on the outbreak of the war the withdrawal of shipping threw on to the railways a very large amount of traffic which used to go by sea. We dealt with the position by giving preference to certain classes of traffic, coal, military stores, and so on; other traffic had to move when it could, but in spite of interruptions and inconveniences, the system worked because there was on the whole room for other traffic. The shipping difficulties, however, have gone on increasing, and the preferential traffic is constantly growing till now there is *not* room. A new situation is thus created, and I cannot conceal from the Council that there are very difficult times ahead of us. For this situation there is no heroic remedy possible. We are trying to meet it in three directions. In the first place, the departments of Government concerned are effecting all possible economies in preferential traffic. This is a very large matter, involving in fact, as the Council will recognise, the co-ordination of requirements with the sources of supply so as to require the minimum amount of railway transportation. Secondly, we have consulted Local Governments with the idea of setting up a provincial machinery which will enable railways to discriminate the essential movements in what we have hitherto regarded as general traffic, for such movements must under the conditions which we have now to face be given a definite and in fact a high degree of preference; on the other hand, they may be able to eliminate other movements as unnecessary. Lastly, the conditions which have now arisen justify us in pressing again and more strongly either for relief to be given to railways by the provision of a certain amount of more shipping or by the provision of more rolling stock. Under this last head, we must acknowledge that the difficulties are extreme, but we may hope that something will be found possible. I do not pretend that our difficulties will be removed; on the contrary, I must say plainly that they will increase and become more and more acute as time goes on. But when troubles come as they must come, let us remember this. It would be absurd of me to talk of railways adopting a selfish policy, or, on the other hand, of sacrificing their interests. It is a matter quite obviously not of railway policy, not even of Government of India policy, but of Empire policy. We have taken and hold Baghdad, we have taken and hold Jerusalem. These are truly Koh-i-Noors added to the Crown of Empire. Soldiers won them, but it was the railway man—the Indian railway man—who helped the soldiers.

"In conclusion, may I go back to the railway staff. The machine is much, but it is the men behind the machine that counts, and it is the question of staff which therefore is paramount. I may begin with a railway man who has got to the very top. I saw a paragraph about him the other day in a newspaper. It was headed the Geddes Family.

"A painful impression, it said has been created by a revelation which comes from Scotland. It appears that in that gifted country there is another Geddes brother who is

[ *Sir Robert Gillan ; Pandit M. M. Malaviya.* ] [ 12TH MARCH, 1918. ]

not a member of the Government or even the chief of any administrative commission ! He is merely plain Mr. Geddes, the head of a large mercantile concern. 'How' it is justly urged, 'can we expect to win the war if we neglect the obvious precautions for national safety ?'

Sir Eric Geddes truly has had an astonishing career. It is not as if he had been a Member of the Railway Board or even the Agent of a railway ; he was Traffic Manager on the Rohilkund and Kumaon Railway. But Sir Eric Geddes is only one example, there is General Nash who was Secretary to the Agent, East Indian Railway, and who, if not so well known to the public, has in the Railway Administration in France followed close behind Sir Eric Geddes. Then there are numerous Royal Engineer Officers, who have distinguished themselves in the same field of work, and if these officers belong to a world-wide corps, the fact remains that they got all their railway training in India, and it is a matter of much satisfaction that they should in competition with the best men from Home have so distinguished themselves. Nor are Railway Officers without honour in their own country. When a Munitions Board is formed Sir A. Anderson has to be one of its Members. When control over coal becomes necessary Mr. Godfrey is the man chosen for an extremely important and difficult task. But I can mention only a few names, and we have to think of the whole great army of hundreds of thousands of railway workers throughout India under all their officers. It is these men who bear the burden and heat of the day and deserve the credit of whatever railways have been able to achieve, whether on war work proper or railway working. As regards war work, I may take as an example the East Indian Railway, since within the last few days I have received a fresh copy of their list of officers and men serving in the war. This shows a total of 663 men, on active service, on Government service in East Africa or Mesopotamia and on Munitions work. I congratulate my friend to my right that in this fine list there are five Banerjees. Of these East Indian Railway men 16 have been killed in action, 20 wounded, 15 died ; 2 have received the D. S. O., 6 the Military Cross, 1 the D. C. M., 6 have been mentioned in despatches ; 26 received commissions in the British Army, 41 in the I. A. R. O. Thus our railway men are in touch with the heart-shaking events of war. Many of their comrades, many of their relatives have gone to the front. As regards railway working the Board said in their Administration Report—

'The results are a tribute to the efficiency of the staff as a whole and were rendered possible only by the co-operation of all ranks from the highest to the lowest. The Railway Board desire therefore to conclude their report with an acknowledgment of the devotion to duty of all grades of the railway staff and of the success they have attained.'

"Let me add a reference to what I said at the beginning of my speech. An army is worth nothing without morale, but the Indian railway staff have inherited as I said an ancient and honourable tradition. That tradition they have throughout times of extreme stress and difficulty nobly maintained. As one who has intimate knowledge of all the facts I claim that Government, India and the Empire owe to this staff a great debt of gratitude."

## RESOLUTION *RE* REDUCTION OF RAILWAY FARES.

12 P.M.

**The Hon'ble Pandit M. M. Malaviya :—**"Sir, I beg to move the following Resolution, namely, that—

'This Council recommends to the Governor General in Council that he should be pleased to direct the Railway Board to order the withdrawal of the enhancements made during the year 1917 in the rates of the passenger fare over the Indian Railways.'

"It will be obvious, Sir, that my Resolution confines itself to the enhancements made during the year 1917 in passenger fares. I do not refer here at all to the Freight Tax or any other profits which have been made during the last year in addition to those which were expected. The enhancements to which



[ 12TH MARCH, 1918. ] [ *Pandit M. M. Malaviya.* ]

my Resolution refers were introduced, as I said in my speech at the first stage of the financial discussion, on the ground that they were necessary to discourage travelling. I pointed out that it was not necessary in order to achieve that object to enhance the rates, as that object had been partly achieved by the curtailment of the train services and could be further achieved by a restriction on the issue of tickets and, where necessary, by return of the fares which people might have paid for tickets when they could not obtain accommodation in the trains. I do not know, Sir, upon what ground it could be justified, but so far as I can see the reason which has been assigned for it certainly did not in my opinion justify the enhancement of fares. Now what has been the result of the enhancement? We find it stated at page 91 of the Financial Statement that while 62 crores was budgetted as the estimate for last year, the result has proved more favourable, and the revised estimate was placed at 68.25 crores; and now we have the estimate for the next year at 70.50 crores. This substantial improvement, the Statement explains, occurred on almost all the principal railways, and was due mainly to larger receipts from the carriage of troops and military stores and from wheat and coal traffic. But the enhancement of rates and the withdrawal of concessions have also contributed to a certain extent towards the railway earnings of the current year. Owing to the courtesy of the Hon'ble Sir Robert Gillan, I hold in my hand an abstract showing what amount of increase has been earned by railways on account of these enhancements. The result shows that, as compared with the corresponding period of the previous year (1915-1916), the third class shows a decrease of 29 million passengers, or 13.05 per cent. in the earnings. Taking the whole of the passenger traffic in all the four classes there was a decrease of 36.70 millions in the number of passengers, of which 80 per cent. was in the third class; while the earnings showed an increase of 61.92 lakhs, of which 95.8 per cent. was contributed by the third class.

"Now, Sir, the third-class passenger, as I showed the other day, contributes largely to the profits of the railways, and I showed that he has been contributing to a very large extent compared to the expenditure incurred on his behalf by the railways. Even when you take account of the interest charges and of the Sinking Fund, the profits earned are not unsatisfactory. But the result of this further enhancement has been that 61.92 lakhs, of which 95.8 per cent. came from the third class passenger, has been taken from the pockets of the travelling public and added to the revenues of Government. A further result of this has been that, while the larger portion of the revenue has come to Government, we read in the Financial Statement at page 91 that under surplus profits paid to the companies there was an increase of 11 lakhs due to the profits earned in the second-half of the current year, payment of which will be made next year. While, therefore, the larger portion of the profits has come to Government, a very substantial portion has been added to the profits of companies owing to the enhancements effected in passenger fares. I do not see, Sir, how these enhancements were justified, and it seems to me that they ought to be discontinued in the next year. It has never been said that this was done with the object of obtaining greater revenues; and if it was not, but merely results in larger revenues being obtained, then the matter ought to be re-examined. What was earned last year was earned; but during the present year, both in view of the surplus in hand, and in view of the fact that it is not necessary, in order to discourage people from travelling, to keep up these enhancements, they should be withdrawn.

"If that is my objection to the enhancements already effected I have also an objection to the manner in which it was done. The Railway Act does not, so far as I can see, provide or lay down any rules by which the rates of fares should be determined. Neither the Act nor the rules made under section 47 contains anything as to who should fix the rates and rules for passengers, etc. In the contracts which have been entered into by Government with companies there is a provision fixing the maxima and the minima rates. I may refer, for instance, to the latest provision that is to be found in the contract between the

[ *Pandit M. M. Malaviya.* ] [ 12TH MARCH, 1918. ]

Secretary of State in Council of India and the South Indian Railway Company, dated 21st December 1910. There it is laid down that :

'The Secretary of State shall from time to time authorise maximum and minimum rates within which the Company shall be entitled to charge the public for services rendered by way of or in connection with the conveyance of passengers or goods on the undertaking and shall prescribe the several classes and descriptions of passengers and goods to which such rates shall be respectively applicable, as well as the extent to which, within the maxima and minima so authorised, the Company may vary the said rates in respect of the distance or weight or special conditions under which such conveyance takes place or services are rendered.'

"I should like to know, Sir,—I hope the Hon'ble President of the Railway Board will tell us something of the procedure by which the variations between the maximum and minimum rates are secured. Evidently what happened, so far as the report of the Railway Board shows, was that the Railway Board felt that traffic should be discouraged, and they held a meeting at which they agreed that as a general principle fares and rates should be enhanced to their maximum in order to discourage travelling with a view to avoiding overcrowding and curtailing train services, and at a subsequent meeting they brought about these enhancements. I should like to know whether the matter was considered only by the Railway Board, or whether the Executive Government were also asked to consider the matter and accorded their sanction to the proposal. It seems to me, Sir, that the procedure by which this enhancement has been brought about, and can be brought about, is open to great objection, because here it is in the power of the Railway Board, acting in consultation with the Agents of the Railway Companies, to impose what undoubtedly is a great deal of extra taxation on the people. I quoted the other day the opinion of Major Conway Gordon, who said that any amount taken in excess of what was required was undoubtedly extra taxation; and I submit that here we find the Railway Board, either with the consent or without the consent, of the Executive Government, imposing a very heavy extra taxation without the matter at all coming before the Legislative Council and without the public who are concerned in the enhancement of these fares being given any opportunity to have any say about the matter. In the matter of freights, Sir, as there is no provision about the increase of freights in the Railway Act, I find that the Government felt it necessary last year to have an Act passed, and the Freights Tax Act—or rather, the Railway and Steam Vessel Tax Act, XIII of 1917, was accordingly passed to enable the railways to take a surcharge on the goods traffic.

"Well, that was a matter of surcharge and they may have felt that there was a special necessity for having legislation on that point. But I do not see why there should not be some provision in regard to the enhancement of fares. In England, there is a provision in the Railway and Canal Traffic Act, 1888, in regard to proposed increases in reference to goods traffic, and it is provided that the revised classification should not come into force unless it has been enacted by the Houses of Parliament. The provision shows that the Act of Parliament confirming any provisional order which the Commissioners under the Act are authorised to pass shall be a public general Act, and the rates and charges mentioned in the Provisional Order as confirmed by such Act shall, from and after the Act coming into operation, be the rates and charges which the railway company shall be entitled to charge and make. When the Provisional Order is passed, the public have an opportunity of having their say as to whether the proposed enhancements are right and proper, and then the matter comes up before Parliament before those increased rates and charges can be brought into operation. I think, Sir, that there should be some such provision in our Railway Act, too. But, however, at present I am speaking without full knowledge of what procedure was adopted in those circumstances. I hope my friend, the President of the Railway Board, will enlighten the Council on this point. In any event, so far as the present enhancements are concerned, I would ask the Finance Member of the Government to consider whether the enhancement should not be withdrawn in the next year."

[ 12TH MARCH, 1918. ] [ *Sir George Barnes.* ]

**The Hon'ble Sir George Barnes :—**" Sir, my Hon'ble friend the President of the Railway Board, has dealt with the heading of railways to-day, but he tells me that he feels a delicacy in replying to the Hon'ble Pandit Madan Mohan Malaviya's Resolution because of the way in which it is framed. The Resolution, you will notice, asks that directions should be given to the Railway Board by the Government, and consequently it is, perhaps, better that the resolution should be dealt with by myself. I will, however, ask the Hon'ble Sir Robert Gillan to say a few words about the legal aspect of the matter to which the Hon'ble Pandit referred just now. The Resolution asks 'that the Railway Board should be directed to order the withdrawal of the enhancement made during the year 1917 in the rates of the passenger fares over the Indian railways.' The great fact we have to keep in mind is that owing to the heavy demands which are made upon railways as some of the results of the present war, they are unable to carry all the traffic which is offered. This is partly due to the fact that coal which was formerly carried from Calcutta to Bombay and Karachi by sea has now to be taken across India in railway wagons. As His Excellency informed Council in his opening speech, no less than 40,000 wagons are continually occupied in this way. There are further heavy demands of a purely military character, and we are at the present time unable to carry by railway a great deal of merchandise which is necessary for the comfort and well-being of the people of this country. In these circumstances, we decided to take the step which is being taken in England and France in a far more drastic way and cut down our passenger service to some extent. The subject was thoroughly discussed with the different railways, and reductions were made which finally amounted to 16 million train miles a year, that is over a million and a quarter train miles per month. The reduction in capacity, however, was not so much as these figures would indicate, for if the trains were fewer, they were heavier, being run at reduced speeds with heavier loads. There was, however, of course a large reduction in capacity. It was impossible for Government to accept the situation in which it was certain that the trains would be besieged by passengers far beyond the capacity of railways to carry them; not only in such conditions would there be great inconvenience to everyone desiring to use the railways, but the risk of serious accidents. It was essential in the circumstances to reduce travel, and the Government took the only economic step at their disposal, namely, that of slightly enhancing the fares. The measures taken have been in some degree effective. In the half year ending 30th September 1917—the latest figures which I have—the number of third class passengers on 14 of the principal lines was 80 million less than in the corresponding half of 1916. But, in spite of this reduction, there has, I regret to think, been serious overcrowding. The number of people wishing to travel has not been reduced in proportion to the capacity of the trains to carry them. The Hon'ble Pandit, if I follow his argument rightly, says—

"Your object in enhancing the fares was not to make revenue, but you have made revenue, and therefore you ought to withdraw the enhancement."

I must point out to him that if fares were now to be reduced to their old level, we should immediately be faced with the difficulties I have described. I recognise fully the inconvenience to which the public travelling in every class are put at the present time. As the Hon'ble Mr. Surendra Nath Bannerjee said the other day, we have increased the fares while reducing facilities, but I hope that it will be clear to him from what I have said that the two things really go together. I recognise also the hardship involved in an enhancement of fares to the poorer classes of the community. It was in fact a measure to which we were only with reluctance brought, but it is a necessity of the war, and in this connection I should like to point out that India in the way of travelling facilities as in every other way is suffering far less than any part of Europe and than any of our Allies with the exception perhaps of Japan. I regret, Sir, that it is not possible for Government to accept this Resolution."

12-12 P.M.

[ *Sir Robert Gillan; Pandit M. M. Malaviya.* ]

[ 12TH MARCH, 1918. ]

12-18 P.M.

**The Hon'ble Sir Robert Gillan:**—"Sir, as desired by the Hon'ble Sir George Barnes, I may say a few words with regard to the point that was raised by the Hon'ble Pandit. It seems to me that he was really raising in his speech the very largest constitutional questions. He desires, as I understand him, that the maximum rates and fares should be fixed by legislation. That seems to me....."

**The Hon'ble Pandit M. M. Malaviya:**—"May I interrupt my Hon'ble friend, Sir. I did not say that the maxima should be fixed by legislation. I said that there should be a provision that when fares are raised, it should be by legislation."

**The Hon'ble Sir Robert Gillan:**—"It seems to me to be very much the same thing. And at any rate it seems to be irrelevant to the present discussion. The method under which fares are dealt with at present may in the Hon'ble Pandit's view be objectionable; but there is no question about its legality. As he read out to us, the companies are restricted in dealing with rates and fares within certain maxima which are fixed by Government, and it is naturally within the power of Government to enhance these maxima when they consider it necessary. I should like to add that the increase of the maxima in regard to the third class was in fact a very small matter. We allowed the maximum to be raised only for mail and fast passenger trains, because some of the Agents considered that that would be desirable. Other Agents have met the difficulty by not allowing intermediate and third class passengers to travel by mail and fast passenger trains who are going for less than a certain distance, and there is in fact only one Company, the Great Indian Peninsula, who to some extent have taken advantage of the opportunity to raise, their fares and they have introduced for trains of this kind a fare of 3½ pies instead of 3 pies which was the old maximum."

12-20 P.M.

**The Hon'ble Pandit M. M. Malaviya:**—"With regard, Sir, to the remarks which my Hon'ble friend the Member for Commerce and Industry has made, I wish to emphasise that I do not complain of the curtailment of the train services. I recognise that in war time curtailment of the train services is necessary. My complaint is that when the services were curtailed, it was not necessary to enhance the rates in order to prevent over-crowding. The Hon'ble Member himself has said that in spite of the enhancements made there has been a great deal of over-crowding. Now the method that has been adopted to remedy over-crowding shows that enhancements were not necessary to effect that object, nor have they been successful in doing so. The means to remedy over-crowding are provided in the Act and in the Regulations of Railways. A certain number of seats are to be occupied in every compartment. Why not enforce that provision? The accommodation is limited in every train, and if the Railway authorities will take a little care they would be able to see that the number of men that can find accommodation in the trains do really enter. There has been a sore complaint for a long time that there has been a great deal of over-crowding. I am sure the Hon'ble Member for Commerce and Industry and other Members of the Government will have read the letter of Mr. Gandhi which was recently published on that question. It is necessary that over-crowding should be prevented, and in order to do so what is needed is to issue strict instructions to the railway authorities in order to see that there is no over-crowding. Enhancement of the fares was not necessary to attain that object, and it has not been able to achieve that object."

"Then, Sir, with regard to what the Hon'ble Member said that 30 millions of people travelled less, I submit that here again it was not on account of the enhancement, but it was because there were no trains available."

[12TH MARCH, 1918.] [Pandit M. M. Malaviya.]

"Then my friend said the complaint is that if the revenue were given up now, the difficulties which he has mentioned of over-crowding would arise again. I submit they would not. Try it, and you will find that when the number of trains is limited, when the compartments are limited, there cannot be too much of an over-crowding, particularly if you take steps to prevent it.

"Then the Hon'ble Member said that India was suffering far less than the allied countries. Now, I do not dispute that, but India is suffering to the extent that she is, and she certainly does not want to see more suffering. The question is whether in view of the high prices that prevail, whether in view of the great hardships which are already being suffered by the great bulk of the people of this country owing to the war, it is right and proper that so much more should be added to their suffering by the enhancements in question. Nobody can deny, and I am sure the Hon'ble Member for Commerce and Industry will not deny, that the people in general are undergoing very serious hardships. It is lucky that the hardships are not of the same severity as in other allied countries, but that does not afford any justification for adding to their discomforts in a way which is not justified by the requirements of the public. If it was necessary to raise a larger revenue, and if the matter was taken up by Government from that point of view, I could understand it; but, I submit, that these enhancements were necessary in order to discourage traffic has not been shown in any way. If that is so, then I submit the enhancements should be withdrawn.

"Then the Hon'ble Sir Robert Gillan referred to the difficulties in the way. Now I should first like to ask my Hon'ble friend as to where was the necessity of raising the maxima? I submit that there was no necessity for the maxima being enhanced. That has given rise to a fear that there may be a further enhancement in contemplation, or that it may be resorted to in the future when it is felt that the enhancements already effected are not sufficient to discourage traffic. I should like to know where the necessity for these further enhancements of this maxima was.

"Then, Sir, my friend has spoken of the procedure and said that I have raised a large constitutional issue. Undoubtedly I have. At a time like this when the people are suffering various hardships on account of the war, sufferings which are not unknown and which cannot be unknown to any thinking man in this country, it should not be possible by an executive order to add to the sufferings of the people by taking from them 61 and odd lakhs in one half year from Railways. I do not know what the total will come to. 61 and odd lakhs is only the revenue of one half year, the first half year in which the enhancements were in operation. Probably in the next half year the earnings have been greater. In fact I find it stated in the Statement in paragraph 169 of the budget 'it is anticipated that the favourable conditions of traffic which have contributed so largely to the earnings of the current year will be fully maintained in the ensuing year and that the enhancements of fares and rates introduced for the most part during 1917 will in 1918-19 affect the rates of the whole year, and consequently add more to the total of receipts than they have done this year.'

"Now, I submit, Sir, that this should not be possible, and that if it is not right that it should be so done, then the Government should not sanction the enhancements. My friend has not answered the questions that I put as to how this was actually effected. I did not suggest that it was illegal. I suggested that it was objectionable, and I look forward to hearing that the matter had been considered not merely by the Railway Board, but by the Government of India before the enhancements were sanctioned. In any event as I said before, I submit that the matter ought to be reconsidered and these enhancements should be removed."

The Resolution was put and negatived.

**THE FINANCIAL STATEMENT, 1918-19.**

12-28 P. M.

**The Hon'ble Sir William Vincent** introduced the following heads of the Financial Statement for 1918-19 :—

<i>Revenue.</i>	<i>Expenditure.</i>
Registration.	Registration.
Jails.	General Administration.
Police.	Courts of Law.
Medical.	Jails.
	Police.
	Medical.

" Sir, I do not propose to deal at any great length with the heads of the budget with which the Home Department is directly connected. There is very little for me to say, and the variations in the figures are made clear in the explanatory memorandum.

" Under the head of Law and Justice, the number of Judges in some of our High Courts and Chief Courts has been increased in order to enable those Courts to cope with accumulated arrears. In two Provinces provision has also been made for the re-organization of the pay and grading of the process-serving establishment.

" Under the head of Police, however, I should like to draw attention to one or two points. We are steadily pursuing the policy which has been developed in the last few years of improving, where necessary, the pay and the prospects of the lower ranks. The various schemes provided in this connection are mentioned in the explanatory memorandum. The increased cost of living, and in the case of the military and frontier police, the superior attractions for the army have lately rendered service in these ranks less and less sought after, and in order to obtain recruits of the right stamp and to keep them efficient and contented, it is necessary to assure them of a living wage. With this object the sanction of the Secretary of State has recently been obtained to the grant of local and special allowances to Head Constables and Constables in the Bombay Presidency and City Police and to the police in Sind, and increased allowances have also been sanctioned for the Calcutta police.

" A feature of the several police re-organization schemes with which we have been and are dealing now is that successful efforts have been made to meet the increased cost of salaries by economy in other directions, principally by a reduction of the personnel. We realise in fact that where it is possible it is better to have fewer constables and pay them well than maintain a larger number of men who are underpaid and discontented.

" The task of the police-force grows yearly heavier, and the current year has been no exception to that rule. I need only instance the troubles in Bihar to which reference was made by, I think, more than one Hon'ble Member. These disturbances have necessitated the entertainment of an additional police-force, but I am glad to say that we hope that this expenditure will be temporary.

" Another channel of expenditure under the head Police consists of grants made to philanthropic societies, notably the Salvation Army, to assist them in the reclamation of members of criminal tribes. This movement has been directed with considerable energy and success in more than one Province and is, we believe, resulting in the conversion of many hundreds of these criminal outcasts into honest and peaceful workers.

" In the Medical Department I am glad to say that, in spite of financial stringency and the ever-increasing difficulties of personnel, the administration continues slowly but steadily to expand. As will be seen, a considerable sum has been provided for expenditure on hospitals, dispensaries and grants-in-aid. My predecessor, in speaking under this head last year, made special

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PAPER CURRENCY (AMENDMENT) BILL.

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reference to the very able control and direction of this Department by the late Director-General, Sir Pardey Lukis. And I should be guilty of a grave omission if I did not refer to the irreparable loss which the Department has suffered from Sir Pardey's untimely death. I do not wish to advert on this occasion to his great services and abilities; I have referred to them before and they are well known to all the Members of this Council. I think they will also not be forgotten readily, but I ought not to let this occasion pass without mentioning the great loss which, I believe, the Government and the Council have suffered by his death. I have nothing else with which I need trouble Hon'ble Members under any of the heads which concern me, except perhaps to express my regret that another year has brought the Jail Commission, in the projection of which my predecessor took such interest, no nearer than before. I hope, however, that we may expect great results from this Commission when it is constituted."

**The Hon'ble Sir William Meyer:**—I "beg to introduce the following heads of the Financial Statement for 1918-19:— 12-31 P. M.

<i>Revenue.</i>	<i>Expenditure.</i>
Opium.	Refunds.
Interest.	Opium.
Mint.	Stamps.
Receipts in aid of superannuation.	Income Tax.
Exchange.	Interest on obligations other than the
Miscellaneous.	Public Debt.
	Mint.
	Civil Furlough and Absences allowances.
	Superannuation Allowances and Pensions.
	Exchange.
	Miscellaneous.
	Reduction or Avoidance of Debt.

"I have dealt fully with the Financial estimates in my speech introducing the Financial Statement, and they have been further dealt with in the Secretary's Supplementary Memorandum. So all that I need do now is to take this opportunity of bringing to notice the excellent work which the Mints of Calcutta and Bombay have been doing during the last two years or more. The demands on these mints for coinage, not only of our rupees and other coins, but of coinage for Egypt, Ceylon, the Straits and Australia, have been very heavy, but every demand has been met cheerfully and effectively. I may illustrate the extent of these demands, ours as well as the kindred countries I have mentioned, by stating that in the ten months ending 31st January last, the Calcutta Mint minted nearly 130 million silver pieces, the Bombay Mint over 136 million. The Calcutta Mint in addition coined 124 million bronze coins, of which rather more than 10 million were penny and half-penny pieces for the Australian Government. The copper coinage amounted to 3 million pieces, for the Ceylon Government. The Bombay Mint, in addition to the silver coinage to which I have just referred, also minted some 52 million nickel coins. In all, the two mints between them minted nearly 450 million coins. Besides this the mints have taken their share in the production of munitions, having been engaged in the manufacture of copper driving bands for shells. I think the Council will agree that this is a first-class record."

**THE INDIAN PAPER CURRENCY (AMENDMENT)  
BILL.**

**The Hon'ble Sir William Meyer:**—"I beg to move that the Bill to amend the Indian Paper Currency (Amendment) Act, 1917, be taken into consideration. I explained fully the objects of this Bill and the needs which 12-35 P. M.

[ *Sir William Meyer.* ] [ 12TH MARCH, 1918. ]

have occasioned it, first in my speech on the 1st March introducing the Financial Statement, and then in my supplementary speech on the same date introducing the Bill. I may say that although the Bill was published for criticism, no criticism was offered."

The motion was put and agreed to.

**The Hon'ble Sir William Meyer** :—"I now move that the Bill be passed."

The motion was put and agreed to.

The Council then adjourned to Wednesday, the 13th of March 1918.

A. P. MUDDIMAN,

DELHI :  
The 19th March, 1918. }

*Secretary to the Government of India,  
Legislative Department.*