

Chapter 10.
Jurisdiction over Postal and Telegraph
Establishments.

In 1863* , when the Baroda Government consented to the British Indian Postal Department opening Post offices in Baroda territory, they stipulated among other conditions that the correspondence on the service of the State should be conveyed free of charge. (Vide Baroda Government's Yadi No. 337 dated 22nd March 1863; Residency Yadi No. 322 dated 25th March 1863; and No. 516 dated 11th May 1863 and also subsequent correspondence). The procedure giving effect to the arrangement was that the correspondence at Baroda was handed over to the Resident for being franked for free conveyance while the District officers affixed postage stamps on their correspondence and a refund of the amount spent on postage was obtained by submitting statements every month to the Residency. This arrangement continued more or less till 1872, but thereafter it remained in abeyance till 1909. From 1873 % , surprisingly the arrangement that had existed and described above was set aside by the Government of India without communicating any reasons.

In 1907, His Highness the Maharaja Gaekwad wrote personal letters to His Excellency the Viceroy and to the Secretary of State enclosing notes on certain matters in which the Treaty Rights of the State were adversely affected. One of the notes related to the Postal arrangements and in this a request was made that the original understanding of 1863 that the State correspondence should be

*H.P.O. Selections 'Postal Arrangements' Pp. 285-286

% H.P.O. Selections Part IV.

conveyed by the British Postal Department free of expense should be given effect to by the supply of British service stamps free or in any other manner as may be found practicable. The Note is worth quoting as it will clearly show the nature of the Treaty stipulation. Its heading is 'Post offices'.

*"When His Highness' Government consented to the British Government, opening Post offices in Baroda territories in 1863, it was stipulated, among other conditions, that the State correspondence between the Central offices and the District officials and between the local officials 'inter se' or, in other words, the official correspondence relating to the whole State should be conveyed free of any charge. This arrangement was continued more or less till 1872. Subsequently it was set aside by the Government of India without communicating any reasons. The consequence has been that His Highness' Government have to incur large expenditure at present in purchasing British Service stamps for affixing the same to State correspondence, that has to be despatched by post. Besides this, they have to maintain mounted escorts at great expense for the protection of British Mails while in transit through the Baroda territories. Some other Native States are allowed favourable concessions in this respect, and in view of the consideration that the British Postal Department derive enormous gains from the establishment of Postal service in Baroda Territory,

* H.P.O. Note on Postal arrangements. Printed papers.

and that other facilities are accorded to them from time to time, His Highness' Government request that the original understanding of 1863 under which the British Post Offices were allowed to be opened in this territory, Viz. that the State correspondence should be conveyed by the British Postal Department free of expense should be given effect to by the supply of British service stamps free or in other manner as may be found practicable."

An official representation was also made to the Government of India (Vide Minister's letter No. R- 959 dated 25th November 1907)*. On this the British Government informed the Baroda Government that a grant of service stamps of the value of Rs. 6000 equal to cost of free conveyance of 10 tolas of correspondence from every post office in the State would be made to them. This step was taken by the Government of India in 1909%. Afterwards, however, on further consideration of the Note and representation they informed the Baroda Government that they had decided in future to make a free grant of service postage stamps of the value of Rs. 36,000 a year; that the grant was based on the average annual quantity of service stamps purchased by the Baroda Government during the preceding 10 years and that its amount would be subject to revision after five years. In 1914, i.e. after 5 years, this grant was increased to Rs. 40,000 a year@ the average expenditure of the preceeding 5 years on the correspondence of the State, and it was stated that this

*H.P.O. Selections 'Postal arrangements' Page 11.

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also would be revised after 5 years. Again in 1919, the grant was increased to Rs. 85,000* a year, and it was stated that it would be reduced if the postage rates were reduced.

It will be seen from above account of the relation of the State with British Government that the British policy was generally based on firstly, on consideration of security, unity in such an important branch of communication and also efficiency^{cy}, secondly economic considerations also appear to be of great importance and this view will be strengthened when we refer to the question of profits accrued to the British Government from Savings Bank system in the Post offices. Also Imperial considerations outweigh all other considerations.

The Baroda Government's jurisdiction over Postal employees in accordance with Indian Post Office Act was recognised. *

The Darbar also demanded the following independent jurisdiction in this matter presumably on the ground that it was one of the first class States and was bound to the British Government through treaties and engagements:

"The Baroda Government, consider that they should be allowed to have a Postal convention with the British Government under which they should work the Postal system in their territories. So long as the present arrangements continue all postal revenues accruing in the State including profits from Savings Bank

operations should be handed over to them after deducting the expenses of working."

While discussing this question the temptation to quote Sir Manubhai Mehta's remarks over this problem of Savings Bank operations cannot be resisted. He says, "Under the guise of Postal Savings Banks British India takes away a large amount of cheap money from the people of the States and the States are unable to run their own Savings Banks in competition. Their credit is often lowered and kept precarious in the public estimation." This adequately indicated the poor lot of a Native State in this regard.

Telegraphs.

There was no separate understanding with Baroda regarding the free conveyance of Telegrams but it was all along understood that the same arrangements as in postal matters applied to the construction of lines of telegraphs and opening of telegraph offices, for the transmission of public and private messages in Baroda State. Previous permission for the construction of lines and opening of telegraph offices was obtained from the Darbar.

In 1885, the Government of India raised the question of making the Indian Telegraph Act applicable to Telegraph lines in the State including those on the Railways owned by the State. The Baroda Government offered to pass their own Telegraph Act on the lines of the British Indian Act. The Government of India, however,

stated that their policy was to secure control over the whole telegraph system both in British India and the Indian States. The Baroda Government thereupon made the British Indian Telegraph Act applicable to Baroda territory including the provision that the authority to establish telegraphs vested in the Governor General-in-Council. *

Baroda's contention had all along been that the authority to grant sanction for Telegraphs in the State should be with them. They also held that they were entitled to acquire the ownership of all existing Telegraph lines in the State and to work them in conjunction with the British India System under an arrangement to be entered into with the British Government for the purpose. "If for a time, they prefer to let the ownership and management of Telegraph remain in the hands of the British Government," it represented "they consider that all the net earnings from telegraphs in Baroda territory should be paid to them."

Baroda, therefore, in transferring the jurisdiction over these important branches of communication not only lost the jurisdiction over them but also had to suffer from heavy loss of revenue accruing from them.

There was yet another step taken by the Government of India with regard to telegraphs by which Baroda again stood to lose.

In 1918, the Director General of Post and Telegraphs informed the Baroda Government that the Government of India had extended

*H.P.O. Tele graph Selection Part I P.89.

to all Indian States which had been authorised to use service Postage stamps, the privilege of using such stamps in payment of telegraph charges or customs fees and had arranged to allow Indian States which received free grants to purchase such stamps at face value when required over and above their free grant. In 1919, therefore, when proposing a revision, the Baroda Government requested that the free grant should include also a sufficient amount to cover charges on telegrams on the service of the State. In view of the similarity in arrangements between Postal and Telegraph offices, the Baroda Residency was prepared to support this request but the question of addition to the grant for Telegrams was not considered then as the Baroda Government had stated that they wanted to acquire ownership of and manage the Telegraph lines in the State. (Vide Baroda Government's letters Nos. R.1706 dated 11th February 1920, 2716 dated 22nd June 1920; and R 2935 dated 13th July 1920)*. Meanwhile, Baroda Government submitted an estimate of the ~~xx~~ cost of conveying telegrams on the business of the State free. The matter was, however, not pursued as the Baroda Government found that the grant of Rs. 85,000 was sufficient to cover expenditure on telegrams on the service of the State.

The above resume from the past correspondence shows that the understanding with the Baroda State was that its whole correspondence including Telegraphic messages should be carried free of charge by the Posts and Telegraphs department. The grant of service stamps was made because the Government of India found that method

*H.P.O. Telegraph Selection Part I Pp.43,44,47

of giving effect to the arrangement more convenient than the method of ~~xx~~ giving effect to the arrangement more convenient than the method of carrying the correspondence without the affixing of postage charges. The grant was liable to revision when it was found that it was not sufficient to cover the cost of conveyance of the correspondence or when the rates were substantially reduced. It was also true that when the grant could be diminished with reduction in rates, it could very well be increased when the rates went high up. The grant was not fixed once for all like the other grants. A committee, later on, appointed by the Government of India observed with regard to postal arrangements and particularly grants which were based on the privilege of conveyance of official correspondence free that "the ~~x~~ immunities arise out of the terms by which the State in question accepted postal unity and any arbitrary withdrawal of them would in our opinion be unjustifiable." *

*"It is on these grounds," the Darbar therefore maintained "that Baroda's case is different from that of other States, which receive a free grant of service stamps and its consideration requires its own merits to be taken account of."

* H.P.O. From a 'Note on Postal Arrangements.'