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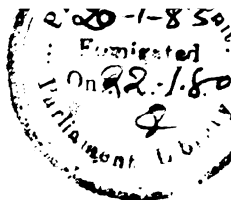
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LEGISLATIVE ASSEMBLY.

Tuesday, 22nd February, 1927.



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

MEMBERS SWORN.

U. Khin Maung, M.L.A. (Burma: Non-European); and
Sir Clement Daniel Maggs Hindley, Kt., M.L.A. (Chief Commissioner for Railways).

QUESTIONS AND ANSWERS.

CLASSIFICATION OF TELEGRAPH PEONS AS MENIALS.

550. **Mr. Chaman Lall:** Will Government state:

- (1) whether telegraph peons are classed as menials,
- (2) whether their duties are not of a similar nature to those of postmen,
- (3) what reason there is for not treating the service of telegraph peons as "superior"?

The Honourable Sir Bhupendra Nath Mitra: (1) Yes.

(2) No.

(3) The Government do not demand the same educational qualifications for telegraph peons as for postmen nor are the duties and responsibilities identical in both cases.

Mr. Chaman Lall: Are the Government aware, Sir, that the duties of telegraph peons are much more arduous than those of postmen?

The Honourable Sir Bhupendra Nath Mitra: That, Sir, is a question of opinion and I have already expressed the Government's opinion on the point.

Mr. Chaman Lall: Are Government aware that telegraph peons have to deliver telegrams late at night often and in all sorts of weather?

The Honourable Sir Bhupendra Nath Mitra: The opinion of Government has been arrived at after full consideration of all the circumstances.

Mr. Chaman Lall: May I ask the Honourable Member whether it is not a fact that telegraph peons have to perform arduous work at night time and in all sorts of weather?

Mr. President: The Honourable Member has already replied to the question.

AMOUNT OF HOUSE RENT GRANTED TO TELEGRAPH PEONS WHERE NO
QUARTERS ARE PROVIDED.

551. ***Mr. Chaman Lall:** (1) Will Government state the amount of house-rent granted to telegraph peons where no quarters are provided for them?

(2) Will Government state whether this amount has any relation to the high rents prevailing in important urban areas?

(3) Will Government state whether the quarters provided are complained of as being inadequate for the needs of a telegraph peon and his family?

The Honourable Sir Bhupendra Nath Mitra: (1) The amount of house rent allowance per month varies between Re. 1 and Rs. 8-8 according to local conditions.

(2) Yes.

(3) Government have no information of any such complaints.

MINIMUM PAY OF TELEGRAPH PEONS.

552. ***Mr. Chaman Lall:** (1) Will Government state the present minimum pay given to telegraph peons apart from extra earnings?

(2) Will Government state, whether it has any intention of fixing, instead of the present rates, a minimum of rupees thirty-five to start with rising to rupees forty-five with an annual increment of rupee one per annum?

The Honourable Sir Bhupendra Nath Mitra: (1) The Honourable Member probably refers to task work peons who are not on fixed rates of pay. Their subsistence allowance, apart from extra earnings, varies between Rs. 8 and Rs. 12 according to locality.

(2) No.

CYCLE ALLOWANCE OF TELEGRAPH PEONS.

553. ***Mr. Chaman Lall:** Will Government state:

(1) what the amount allowed as the cycle allowance to telegraph peons is?

(2) whether Government are prepared to consider the question whether the amount of rupees eight per mensem is not nearer the amount necessary for expenses and depreciation?

The Honourable Sir Bhupendra Nath Mitra: (1) No cycle allowance is paid to telegraph peons.

(2) Does not arise.

REDUCTION OF THE ALLOWANCE PER MESSAGE PAID TO TELEGRAPH
PEONS.

554. ***Mr. Chaman Lall:** Will Government state:

(1) whether there are stations which used to pay pies 12 per message to telegraph peons?

(2) whether the Government have reduced this allowance?

The Honourable Sir Bhupendra Nath Mitra: The information is being collected and the Honourable Member will be furnished with it in due course.

DELIVERY BY TELEGRAPH PEONS OF MESSAGES BEYOND A FIVE-MILE RADIUS.

555. ***Mr. Chaman Lall:** Are Government aware that sometimes messages have to be delivered by telegraph peons to places up to and beyond five miles? If so, have Government considered the advisability of paying annas four per hour for the delivery of such messages by telegraph peons?

The Honourable Sir Bhupendra Nath Mitra: Messages are not required to be delivered by telegraph peons beyond a five-mile radius. For delivery within five miles of a telegraph office, the telegraph peons employed on the task work system are paid a certain amount for each message delivered. The rate of payment varies according to stations, and peons serving under these conditions get, in addition, a monthly subsistence allowance. Government do not consider it necessary to fix the rate on an hourly basis.

ELIGIBILITY OF TELEGRAPH PEONS FOR GRATUITIES AND PENSIONS.

556. ***Mr. Chaman Lall:** Will Government state the reason for counting the period of service of telegraph peons at 32 years instead of 20 years?

The Honourable Sir Bhupendra Nath Mitra: Like all other inferior servants the telegraph peons become eligible to gratuity after a service of 5 years and to pension after a service of 30 years. I do not understand the Honourable Member's reference to 20 years and 32 years.

PROVIDENT FUND FOR TELEGRAPH PEONS.

557. ***Mr. Chaman Lall:** Will Government state if they have instituted a provident fund for telegraph peons?

The Honourable Sir Bhupendra Nath Mitra: No such fund has been instituted.

Mr. Chaman Lall: Will the Government consider the advisability of instituting a fund of that nature?

The Honourable Sir Bhupendra Nath Mitra: I believe the whole question is under consideration of my Honourable colleague, the Finance Member.

AMOUNT OF PENSION PAID TO TELEGRAPH PEONS AFTER 32 YEARS' SERVICE.

558. ***Mr. Chaman Lall:** Will Government state the amount of pension paid to telegraph peons after 32 years' service?

The Honourable Sir Bhupendra Nath Mitra: Rs. 6 per month.

Mr. Chaman Lall: Does the Honourable Member, Sir, consider that to be a sufficient amount in the way of pension?

The Honourable Sir Bhupendra Nath Mitra: That, Sir, again is a question of opinion.

AMOUNT OF PENSION PAID TO THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS ON RETIREMENT AFTER FULL SERVICE.

559. ***Mr. Chaman Lall**: Will Government state the amount of pension paid to the Director General of Posts and Telegraphs on retirement after full service?

The Honourable Sir Bhupendra Nath Mitra: (i) If a member of the I.C.S., Rs. 10,666-10-8 per annum, subject to a minimum of £1,000, if drawn in England.

(ii) If a member of any other service—a pension not exceeding Rs. 9,500 per annum convertible at a minimum rate of 1s. 9d. per rupee if drawn in England may be granted, the precise amount depending on the circumstances of the particular case.

Sir Hari Singh Gour: May I beg to inquire since what date this pension is convertible at the rate of 1s. 9d. to the rupee?

The Honourable Sir Bhupendra Nath Mitra: I cannot state the precise date, Sir, but I should say for the best part of half a century.

Sir Hari Singh Gour: May I inquire whether in view of the fluctuations in exchange any change has been made in the convertibility of pensions?

The Honourable Sir Bhupendra Nath Mitra: Not in recent years, Sir.

Sir Hari Singh Gour: May I beg to inquire whether the pension is not payable in rupees?

The Honourable Sir Bhupendra Nath Mitra: The pension is payable in rupees in India; it is payable in England in sterling at a fixed rate of exchange.

Sir Hari Singh Gour: May I beg to inquire if this is part of the contract entered into by the incumbents of this office?

The Honourable Sir Bhupendra Nath Mitra: That is one of the rules contained in the Civil Service Regulations, Sir.

Mr. Chaman Lall: May I ask the Honourable Member whether he would consider the advisability of paying the Director General only Rs. 6 a month as pension.

The Honourable Sir Bhupendra Nath Mitra: That question does not arise.

Mr. President: Order, order. It is not for the Honourable Member to say that the question does not arise; he must submit his objection to the Chair for its orders.

The Honourable Sir Bhupendra Nath Mitra: I do not propose to answer it.

Sir Hari Singh Gour: May I beg to inquire if the Government will see that in all future contracts a clause is inserted that the pension shall be payable in rupees and not convertible at a high rate of exchange such as 1s. 9d.?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member's question, Sir, is I submit one for action and not for information.

Mr. Chaman Lall: When do Government intend to take action in this matter?

The Honourable Sir Bhupendra Nath Mitra: I do not quite understand what matter the Honourable Member is referring to.

Sir Hari Singh Gour: May I beg to inquire whether any question is out of order because it seeks to elicit certain information as to the future conduct of Government?

Mr. President: That stage is passed.

Mr. Chaman Lall: May I ask, Sir, if the Honourable Member intend to take action in regard to the suggestion made by my Honourable friend?

The Honourable Sir Basil Blackett: This seems to be a question applying generally to all the employees of Government and not merely to the Post Office; the answer is that they do not intend to take action.

CLOTHING SUPPLIED TO TELEGRAPH PEONS.

560. ***Mr. Chaman Lall:** Will Government state what clothing and of what quality is supplied to telegraph peons?

The Honourable Sir Bhupendra Nath Mitra: A list showing articles of clothing supplied to telegraph peons and their quality is laid on the table.

Besides the clothing mentioned in the list, telegraph delivery peons are supplied with waterproof capes and caps biennially in places where the rainfall is heavy.

Statement showing the schedule of each item of clothing and the period of wear.

Material.	Item and supply.	Period of wear.	Item and supply.	Period of wear.	REMARKS.
<i>Cotton.</i>					
Khaki drill . . .	1 Coat (a) .	12 months .	2 coats .	18 months	(a) 18 months if a woollen suit is also provided.
Do.	1 Knicker (a).	Do. .	2 Knickers .	Do.	
Khaki Pugree cloth	1 Pugree .	Do. .	2 Pugrees .	Do.	(b) 18 months if woollen puttees are also provided.
Khaki Puttee . . .	1 Puttee (b)	Do. .	... .	...
Blue Drill	1 Jumper .	Do. .	2 Jumpers .	Do.	
Red and Blue Pugree cloth.	1 Pugree .	Do. .	... .	...
Green drill	1 Jumper .	Do. .	2 Jumpers .	Do.	
Bleached drill . . .	1 Chapkan .	Do. .	2 Chapkans .	Do.	
Kullahs	1 Kullah .	Do. .	... .	...
<i>Woollen.</i>					
Khaki serge	1 Coat .	24 months (c).			(c) Unless 12 months has been specially sanctioned.
Do.	1 Knicker	Do. .	...	...
Do.	Puttees	Do. .	...	...
Blue serge	1 Jumper .	Do. .	...	...
Do.	1 Knicker .	Do. .	...	...
Blue serge Puttee . .	1 Puttee .	Do. .	...	...
Jerseys or Jackets .	1 Jersey or Jacket.	Do. .	...	...

Mr. Chaman Lall: Will the Government consider the advisability of supplying waterproof capes every year and throughout India?

The Honourable Sir Bhupendra Nath Mitra: The matter will receive consideration.

Mr. Chaman Lall: Is the Honourable Member aware that there is a great deal of discontent amongst telegraph peons over their not receiving their uniforms regularly?

The Honourable Sir Bhupendra Nath Mitra: I have no information on that point, Sir, at the present moment.

ALLOWANCES TO TELEGRAPH PEONS DURING SICKNESS.

561. ***Mr. Chaman Lall:** Will Government state what amount is paid, during sickness, to telegraph peons?

The Honourable Sir Bhupendra Nath Mitra: While on leave on medical certificate task work telegraph peons get ordinary subsistence allowance, which varies between Rs. 8 and Rs. 12 per mensem, and fixed pay telegraph peons get absentee allowance under article 147 (iii) of the Civil Service Regulations.

PAYMENTS TO TELEGRAPH PEONS FOR THE DELIVERY OF TELEGRAMS.

562. ***Mr. Chaman Lall:** Will Government state whether there are messages which the telegraph peons are not paid for?

The Honourable Sir Bhupendra Nath Mitra: There are no telegrams for the delivery of which task work peons are not paid.

DELIVERY OF "C. Q." TELEGRAMS BY TELEGRAPH PEONS.

563. ***Mr. Chaman Lall:** Will Government state why Delivery Telegrams Service C. Q. are not given to telegraph peons for delivery?

The Honourable Sir Bhupendra Nath Mitra: The question is not understood. No telegrams in India are classed "C. Q."

PROMOTION OF POSTMEN TO THE RANK OF ASSISTANT POSTMASTERS.

564. ***Mr. Chaman Lall:** Will Government state whether postmen can rise to the position of Assistant Postmasters, and if so, what are the posts to which Telegraph peons can rise?

The Honourable Sir Bhupendra Nath Mitra: Postmen can rise to the position of Assistant Postmasters if they have rendered the necessary approved service, have passed the prescribed test and possess the requisite qualifications. Telegraph peons can rise to Class III of the clerical cadre of Telegraph Offices if they possess the requisite educational and other qualifications.

Mr. T. C. Goswami: Sir, with your permission, I do not propose to put questions Nos. 565 to 571 standing in my name as substantially the same questions were asked by Mr. Chaman Lall and answers were elicited.

GENERAL DISCUSSION OF THE RAILWAY BUDGET.

Mr. President: The House will now take up the General Discussion of the Railway Budget.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, the Budget which we are discussing to-day is one which has various aspects of very great importance to the country. I do not propose to spend a long time in preliminary remarks, but will go on at once to the two speeches of the Honourable the Commerce Member and that of the Honourable the Chief Commissioner for Railways which he delivered in the other House.

I would like to congratulate the Railway Department and the Honourable the Commerce Member on the decision of the Railway Department to give us this year a programme which may be called an Agricultural Railway Programme. That after the Railways having been in existence for the best part of three quarters of a century the Railway Department should even now turn to a programme of extension of railways which will serve the needs of the agricultural population of India is something which may be noted with satisfaction. I feel that, whether the receipts under this extension are small or adequate during the first few years, in the long run, if this programme is persisted in on the modest lines on which alone it can pay, it will pay itself several times over not only to the Railway Department but also as far as the agricultural prosperity of the country at large is concerned.

There are several important items touched upon in the two speeches referred to by me. For instance, there is some very startling but very welcome information regarding discoveries of the Railway Board in connection with standardization, bridge design, locomotives and their surplus number, the more economical use of wagons and their surplus number, and workshop reorganization. I greatly appreciate, Sir, the frankness with which the Railway Department have taken us into their confidence under each one of those heads. I wish to repeat my appreciation, Sir, of their boldness in not keeping such information behind the usual "purdah" behind which similar discoveries till now successfully used to be concealed. But, Sir, one cannot help being struck whether this may not be called locking the door after the steed has flown. We are told, Sir, that as far as the wagons alone are concerned, there is a surplus of very nearly 30,000 wagons costing about 15 crores of rupees. I also understand, Sir, that, as far as locomotives are concerned, there is surplus of a considerable number of them. Unfortunately, I have not been able to get even an approximate figure. When the War was over, we had an enormous quantity of surplus stores. As to how these stores were disposed of, there is some very, almost equally startling information in the Raven Committee Report. That Committee say frankly that in the North Western Railway at least, the stores which were disposed of under the campaign of disposal of surplus stores, were almost strewn about either in the workshop or even in the streets. I feel tempted to ask whether the Railway Board do not think the tax-payer of India has lost enough money in depreciation of prices after 1918 to tolerate in addition to that loss a system of complete disappearance of the stores to be disposed of as surplus. We are now told of a discovery that we have surpluses under wagons and locomotives. As to the expense incurred by the tax-payer not only in the purchase of these at rates when money could be borrowed only at rates dearer than to-day and therefore the consequent high rate of interest, but also the expense incurred in looking after and housing the

[Sir Purshotamdas Thakurdas.]

various articles and for their general maintenance, the figure may perhaps run into the best part of a crore per year. I feel, therefore, Sir, that as far as the tax-payer is concerned, whilst he may congratulate himself that the Railway Board have made some useful discoveries even now, he cannot help sighing that these should have been made only in the year of grace 1926, that is at least 50 years after the railways can be said to have been well established here. I do not wish to minimise the credit due to the present personnel of the Railway Board for their thought of looking into this matter at all. But, Sir, the enormous loss suffered by the tax-payer all these years cannot of course be overlooked. May I ask, Sir, whether the Honourable the Commerce Member does not remember his speech in which he asked the Assembly about the year 1921, I think it was, for 150 crores to be spent in five years for arrears of maintenance and renewals. He will probably remember that when he made that speech he spoke with immense confidence of the necessity of this amount being spent and of his conviction that unless these amounts were spent the Railways of India would suffer terribly in the little efficiency they then had. May I ask him whether, if these remarks are read to-day, they may not justifiably make us on this side of the House feel suspicious of any statement which may be made as to what is the correct requirement of the Railways of India? I do not wish to labour this point, Sir. I am only trying to put before the House an obvious lesson which may be drawn from this exposure of the want of management of certain departments of the Railway Board in India.

As far as compensation for claims is concerned, this has gone down materially. That is satisfactory. But I would suggest that when we are given figures of the amount of compensation paid, we may also be given the total number of claims lodged and also the number of claims entertained. My point is this. There is still a fear lurking in the minds of many that in claims for either losses or shortage during transit, a large number at any rate of those from the ordinary middle class shopkeepers, are treated very lightly, and that only the more influential section have their claims attended to either in time or adequately. I would suggest that in this matter a leaf may be taken out of the system introduced by the Bombay, Baroda and Central India Railway. The Agent of this Railway submits to the Local Advisory Committee, either monthly or every three months, I forget which, a statement of the total number of claims and the total amount of same lodged, stating at the same time figures of the number of claims met and the amount paid.

Sir, I should very much like to discuss a few more of such items relating solely and specially to Railways and for which this discussion is intended particularly. But I must pass on, Sir, to the question of the result of the working of Indian Railways, a question which brings up the question of the ratio which, to my mind, Sir, unjustifiably and very unnaturally, has been kept hanging in the fire until the two Budgets are submitted to the House this year. The result of the working of Indian Railways, Sir, as far as the current year and the budget figures for the next year are concerned, seem very unmistakably to bear marks of the disastrous effects of the currency policy that has been followed since October, 1924. Sir Charles Innes in paragraph 6 of his Memorandum says that it seems to him a serious matter that he should have to cut rupees 4½ crores off the budget estimates of gross receipts, but railway earnings, he says, "depend so largely on factors outside railways, or rather I should say human control

that we can never be sure of our budget estimates of gross receipts not being falsified." Besides railway factors, the one thing which really looms large in the whole tale of the falling off of receipts in the current year and of the very modest outlook for the next year, the question of the way in which the ratio has been artificially maintained during these periods stands out quite unmistakably. I have in that connection, Sir, very carefully perused Mr. Parsons, the Financial Commissioner's special Memorandum. Mr. Parsons, Sir, if I may say so, has tried to put in the Memorandum all the various aspects which can possibly be named either as immediate or remote, extending over a period of either 5, 10, or perhaps more years, as likely to be affected by the correct ratio of 1s. 4d. being put on the Statute instead of the artificial and propped-up ratio of 1s. 6d. which is sought to be substituted. I see that in the very first paragraph he proposes to ignore for the moment the possible effect of such an alteration of the ratio on the volume of goods and passenger traffic. I will, therefore, Sir, deal with that at a little later stage. He passes on in paragraph 2, Sir, to tell us the effect on Indian Railways financially, in so far as sterling expenditure is concerned, and in number 2 (a) he refers to rupees 74 lakhs more which would be required to meet our sterling interest charges. Nobody could possibly differ with him there. In (b) he refers to the interest charges on sterling expenditure on stores for capital account and while the figure that he names is rupees 20 lakhs he overlooks the fact that this increase could come on only at the end of the quinquennial period of five years. Now, there are several other similar increases that he has included in his Memorandum which can accrue only after a period of three, four or five years. I do not know, Sir—it would be more perhaps for the Finance Member to say than anybody else—as to how long it takes for a ratio to completely adjust itself, but it would strike one that, if the Finance Member to-day maintains—although I do not agree with him—that the 1s. 6d. ratio has adjusted itself completely or approximately completely within a period of less than two years, I fail to see how my Honourable friend, the Financial Commissioner for Railways, is justified in including in the items of increased expenditure those which will only accrue after three or five years, that is, at the end of the quinquennial period. I therefore will only say, Sir, that, as far as the one crore and 33 lakhs which he includes under the head of Charge on Railway Revenues from the effect of sterling transactions, the only items which can be admitted are Rs. 74 lakhs under 2 (a) and Rs. 24 lakhs under 2 (d), that is, revenue from stores bought abroad, and perhaps Rs. 8 lakhs under 2 (e) salaries, including overseas pay and leave and salary and pension allowances.

The more interesting point, Sir, comes in the second part, namely, beginning at paragraph 4 where the Financial Commissioner refers to the increase in railway rupee expenditure which would come on owing to the increases which he thinks are inevitable from the 1s. 4d. ratio being put on the Statute as against the higher one of 1s. 6d. The first one, Sir, is the question of wages and labour, and whilst he gives figures which take us to the neighbourhood of 4 crores of rupees, he himself thinks that 2½ crores would be sufficient for that purpose. I wonder if the Honourable Member has overlooked a very important debate, Sir, which took place in this House on the Resolution of Mr. Acharya on the 27th of January, 1925. Mr. Acharya, Sir, then wanted an inquiry into the grievances of the railway staff and that included with other things, Sir, the question of consideration of the adequacy or otherwise of wages. I will read, Sir, what Sir Charles Innes said

[Sir Purshotamdas Thakurdas.]

in quite unequivocal terms on that debate from page 335. Sir Charles Innes said:

"I have just told the House that in 1919-20 we gave very liberal increases of pay to all railway servants in India. Now, that is not a mere figure of speech. In 1921, in response to certain representations made to us, we appointed not a railway officer but an expert officer of the Finance Department to examine the increases of pay we had given to all the railways and report whether those increases were adequate or whether we should give more. That officer reported to us that his deliberate opinion was that we had treated railway servants more generously than any other class of Government servants. That was in 1920 and since then it is a matter of common knowledge that prices have fallen."

Of course since January 1925 prices have fallen still further but that is only by the way. Then, Sir Charles Innes goes into details saying:

"We have increased the wages of our men, taking it broad and large, by 50 per cent."

Then he says how the increases have been 167 per cent., 158 per cent., 156 per cent., 157 per cent., and so on. He further says, "but the story does not end there", and he refers to the housing accommodation that a large proportion of the railway staff is being given. Then Sir Charles Innes quotes the expert of the Finance Department:

"I did not commence the investigation, as a result of which this note has been written, with the object of trying to prove that railway servants had received more than others. My endeavour was to get at the truth. It has surprised me more than it will surprise some of those who read this note to find how much really has been done in recent years—at, of course, enormous cost, present and prospective to the State—to make the lives of railway servants easier and their prospects brighter."

That was written in 1921 and since then Sir Charles Innes said, Sir, that prices have fallen. I could multiply these quotations, if the House wanted it. But I want here, Sir, to make my position clear. I am not urging that there should be no increases given to the bulk of the 700,000 labourers employed on the Railways in India. In fact, Sir, nobody will be more glad than I to see that these workmen are paid not only adequately but are paid in a manner that their standard of living may be raised steadily. But the point is this. Let that not be done, Sir, on the issue of the ratio which has to be fixed in the best interests of the whole country including the labouring classes, for, on the question of the ratio, Sir, and the artificial increase in it, I see not only no prospect of the standard of comfort of the labourer being increased but I see the gravest fear of increased unemployment amongst these classes. It is doing a disservice to the labourers of India to say that by artificially increasing and pushing up and maintaining the gold value of the rupee

The Honourable Sir Basil Blackett (Finance Member): Artificially increasing?

Sir Purshotamdas Thakurdas: Most artificially, if my Honourable friend will want me to say that.

The Honourable Sir Basil Blackett: I might say artificially depressing.

Sir Purshotamdas Thakurdas: Artificially depressing? I urged the Honourable Member to bring up and have settled this all-important question before the Budget. Not having done so it does not lie in his mouth to interrupt me to-day when he knows my time is limited. He had not the courage to put the question before the House at the correct time and

he sought piecemeal consideration. My time is limited to permit me to go into all aspects of this question with which I expect to deal later.

My point is this. I do not want that there should be any misconception about it. I will be the first, Sir, to advocate and to support increased charges for labourers provided, Sir, we are assured that that increase is a stable increase and that increase, Sir, will not mean less number of labourers being in continued and constant employment. I submit for the Financial Commissioner's very serious consideration whether he has not overlooked Sir Charles Innes' own figures and facts given in 1925 and whether he is not trying to paint the picture bigger or blacker, whichever he may like, than it can justifiably be put. In 1925 this question of the ratio in which the Government of India is now personally, Sir, so much interested was not on the tapis and the Commerce Member said, "No increase is justified; we are treating our hands very liberally". How does it lie, may I ask, in the mouth of the Financial Commissioner of Railways to-day, when the cost of living has gone down further over what it was in 1925, to say that he of all others, the watch-dog of the finances of Indian Railways, even sees any chance or justification for increasing the wages of these men, unless it be merely for the purpose of prejudicing the whole question of the ratio? Let us consider it, Sir, in an impartial light which is clear and let us not consider it in a light which is brought in merely for the purpose of exaggeration on this issue.

Under 4 (b) the Financial Commissioner for Railways refers to an increase of 2 crores owing to revenue stores purchased in India in rupees. Now, Sir, if this estimate is correct, I think that is a sure indictment of the Government of India, Sir, for having trifled with our currency ratio. Does it mean, Sir, that by pushing up the ratio from 1s. 4d. to 1s. 6d., as the Finance Member undoubtedly has done, as now proved by documentary evidence, the Government of India have hit the Indian industries and have been at the bottom of this very serious state of Indian industries generally? How does this issue affect the Railways of India? Do I understand that with a slight increase in the rates of stores or in the rates of coal the Railway Department put up their freight rates?

The third item referred to by the Financial Commissioner is "Interest charges on capital expenditure in India". There again he refers to the quinquennial period and I have already dealt with it.

Under "Appropriation from revenue for depreciation" there is an item of Rs. 16 lakhs which again is one which may come on as the higher rupee expenditure is incurred but would not come all together.

As far as what the Financial Commissioner says under 7 (b) is concerned, namely, the initial dislocation of trade which would follow a sudden disturbance, I would really like to know, Sir, from my Honourable friend what dislocation of trade it is that he apprehends. But I will, Sir, name to him another charge in trade which he at any rate must very much welcome. I have, Sir, looked

Mr. President: The Honourable Member will only compel me to fix a time limit.

Sir Purshotamdas Thakurdas: I am afraid, Sir, the clock having stopped, (referring to the clock in the Assembly Chamber) I am rather at a disadvantage. But I am quite prepared to abide by your wishes.

Mr. President: The clock is working. It has not stopped.

Sir Purshotamdas Thakurdas: Is it, Sir?

(*An Honourable Member:* "It is not working correctly.")

Sir Purshotamdas Thakurdas: Is it now ten past nine, Sir?

The Honourable Sir Basil Blackett: The clock's ratio is not correct. (Laughter.)

Sir Purshotamdas Thakurdas: Which is this ratio which the Honourable Member has in mind?

Mr. President: The Honourable Member has taken 25 minutes. I propose to fix 15 minutes for all speakers.

Sir Purshotamdas Thakurdas: I will finish, Sir, as soon as I have finished with this point. I will not take more than five minutes.

I have had a few figures worked out as to the mileage . . . (*Honourable Members on the Government Benches:* "The clock is now moving.") (Loud laughter). If the Treasury Benches interrupt me like that will you extend my time, Sir? I have examined a few figures with a view to finding out the mileage and the gross earnings of Indian Railways since 1920. In 1921-22 the mileage, Sir, was 37,265 and the gross earnings were 81.82 crores, yielding an average per mile of gross revenue of Rs. 22,113. In 1922-23 the mileage was 37,615 and it yielded an average per mile of Rs. 26,554. In 1923-24 the mileage was 38,039 which yielded an average per mile of Rs. 24,907. In 1924-25 the average per mile was Rs. 26,390—that was the peak year, Sir—and in 1925-26 it was Rs. 25,402,—here a decline has set in. In 1926-27 it was Rs. 25,181 and in the budget year, according to the estimates of the Commerce Member, Sir, it is put at Rs. 24,923,—a figure which is close to the figure of 1923-24. I will conclude, Sir, with what the Railway Board themselves say in their Reports. I am now reading, Sir, from the Report of the Railway Board, Volume I, paragraph 26. for 1924-25. They say:

"The year was therefore a favourable one for trade generally, and this is reflected in the fact that the total earnings of all railways increased by the phenomenal figure of nearly 7 crores."

This is in spite of the visible balance of trade as measured by statistics of merchandise and treasure only being Rs. 61 crores in favour of India, as compared with Rs. 96 crores a year ago and Rs. 109 crores a year later. In the Report of 1925-26 they say in paragraph 21:

"The decline in the earnings of the North Western Railway is due to the heavy drop in the export of grains through Karachi. This loss of long distance traffic is reflected in the North Western Railway figures of ton miles of general merchandise, which dropped from 2,412 millions in 1924-25 to 1,648 millions in 1925-26, and it is the falling off in this class of traffic that has brought about the large decrease in ton miles on Indian Railways, notwithstanding an increase in the number of tons carried."

In the Report for the year 1922-23 the Railway Board said:

"The earnings of railways are dependent on the general prosperity of the country which in the case of India is most easily measured by the agricultural position and the returns of foreign trade."

The Honourable the Commerce Member himself says in paragraph 8 of his speech :

“We have had a comparatively poor year marked by exceptional floods, partial crop failure amounting to scarcity in parts of the country and slackness of trade evidenced by the fact that up to the end of December last our total foreign trade was nearly 50 crores less than in 1925-26 and 60 crores less than in 1924-25.”

The whole question, then, is that whenever you manipulate the currency and specially the ratio in a manner that it either hampers or substantially comes in the way of exports and also of your imports—because, after all, imports can only come in when there is a market here, and there can only be a market for imports when people have the purchasing power—therefore by any method by which you devise a check or interference with these two, the railways of India are bound to suffer. The Honourable the Commerce Member, therefore, has no reason to think that the Budget which he presented to this House with a heavy heart was dependent only on factors outside railway control. He might usefully bear in mind and examine the factors which were not only under human control but under the control of the Governor General in Council. I feel that this all-important aspect should not be overlooked, and if the Railway Department do not get the Finance Department to straighten the facts and remedy them, I am afraid that, so far as the Railway Budgets of India not only for the next year but for the next few years are concerned, there may be nothing but a sad tale to put before this House unless something very unforeseeable happened. I therefore feel that it is a very very sad commentary on the policy adopted by the Government of India in connection with the currency and the first reflection of it is perceived on the Railways of India.

Mr. President: I think I ought to fix a time limit, which should be 15 minutes for every speaker.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, I did not quite hear how many minutes you allowed to each speaker.

Mr. President: 15 minutes.

Lieut.-Colonel H. A. J. Gidney: I thank you. Sir, I wish, in all sincerity, to congratulate the Government of India, the Honourable Member in charge of this Department and the Railway Board on the Budget and the associated papers that have been presented to this House. In my seven years' experience of the Legislative Assembly I have never been able so clearly and so fully to understand the intricacies of the figures associated with Budgets that are presented to us as I have with this Budget. Indeed, it is not only instructive, it is very fascinating reading and, if I may be permitted to particularise, I think the most noticeable feature in it is the speech delivered in the other House by my Honourable friend, Sir Clement Hindley. I would go further and say that in his speech Sir Clement Hindley has shown that he knows what we exactly require for the Railways in India. He has shown statesmanship of a high order and great courage in admitting the failures and deficiencies of the Railway Board and the many Departments connected with the Railways and he has not been slow in remedying these. Great credit I think is due to him for the speedy manner in which he has effected necessary reforms and for the courageous way in which he has subjected every department of the Railway to the strictest economy and examination. The results as have been shown in this year's Budget I would say are startling. I refer particularly to the speeding up of work in the workshops, and to the improved transportation arrangements which have made it possible to carry increased traffic.

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with less rolling stock. In his speech last year the Honourable Sir Charles Innes in paying tribute to the Railway Board said that we should give honour where honour was due. I am not going to follow my Honourable friend Mr. Srinivasa Iyengar who said yesterday that he could only give ironical compliments and congratulations to the Honourable Member. I believe, Sir, that the Members of the Railway Board have merited our unstinted thanks and gratitude, and the Honourable Sir Charles Innes particularly deserves our grateful thanks for all he has accomplished during the 5 years of his office as Commerce Member. I wish also to present yet another bouquet to my Honourable friend Mr. Parsons for the able way in which he has managed the revenue part of this Budget and for the great skill which he has displayed in presenting it so lucidly to us. "Sober optimism" and "striving towards economy" are its watch-words. Mr. Parsons has ably followed in the footsteps of Mr. Sims, but I hope he will not follow his footsteps and leave us in a short time. Last but not least, I have particular pleasure in congratulating another Member of this Honourable House and a member of that Holy of Holies, the Railway Board—I mean my Honourable friend Mr. Hayman. Working under the direction of the Financial Commissioner Mr. Hayman has presented us with a set of papers and books which show a complete mastery of his subject and has given ample evidence that the Railway Board can with safety entrust the highest duties to an Indian—I use the word "Indian" for it includes statutory natives of India as Anglo-Indians are to-day. One of the Members of this House asked a question yesterday, "How many Indians (not including Anglo-Indians) are in receipt of Rs. 200 p. m. and above?" Well, Sir, whether I am included as an Indian or a statutory native of India, I have great pleasure as an Anglo-Indian in expressing to Mr. Hayman who is also a member of my own community, how proud Anglo-India is of him and his record of work and how proud India is of him. (Loud cheers).

In reading through the figures in this Budget I feel I can say that we should entertain no feelings of pessimism or despondency about the future of our Railways. Indeed I think this Budget entitles us to entertain a feeling of great optimism. But one cannot help noticing certain matters which I think should be brought to the notice of the House and the Honourable Member. It is said that the Railway Board can only exercise a financial and technical control over Company Railways. Sir, I think it would be greatly to the advantage of the Railway Administration in India if the Railway Board were able to exercise a larger control over all Company-managed Railways. For instance, I take the Bombay, Baroda and Central India Railway. Hedged in as it is and lying in contact with three important State Railways I can see the difficulty that must exist in the dovetailing of one administration with the other, especially when I add that in the Bombay, Baroda and Central India Railway the transportation system as practised in the Great Indian Peninsula and East Indian Railways is not in vogue.

Sir, it was regrettable to read of a loss of about 126 lakhs in lower class passenger traffic. I would like to ask the Honourable Member one question in connection with this. I notice that the reduction in these fares is almost entirely confined to State-managed Railways and that the Company-managed Railways are not participating in it. I ask, Sir, is the Railway Board afraid of the Board of Directors of these Companies or are

the dividends of the shareholders sacrosanct? I think, Sir, the Railway Board should see that all Company Railways fall into line in this respect.

Sir, with reference to the capital expenditure of 1926-27 in which I notice that an additional crore is anticipated, I regret to note that the slow progress of some of the new lines under construction has been due to unhealthy conditions under which construction work had to be carried on. I speak as one who has been employed as Chief Medical Officer of a railway extension and I can certainly speak with some experience on this matter. I desire to strike a note of warning. Do not neglect your Medical Department in playing your game of intense economy on the Railways. I know the medical relief that is sometimes afforded to the labourer working on railway extensions is of a very primitive nature. At times it is hours before medical relief is obtained and even then it is not of a high order. It seems clear that the Railway Board, like most other Governments, devotes too much attention to its finances and wealth and too little to the health of its employees. In my opinion it is high time that the various Railways devoted more money to their Medical Departments. And here, I should like to ask a question of the Honourable Member. Will he kindly tell us when we may expect the publication of the enquiry report on the Railway Medical Services undertaken by Colonel Needham? It is now over a year since this report was submitted to Government and I think it is time it was published. We would not object to the Railways spending crores on the improvement of their rolling stock provided they spent more money on their Medical Department. In this connection I would like to say a word or two about the drinking water supply on Railways. The Honourable Member knows that one of the greatest fears passengers entertain is in regard to quality or purity of the drinking water supplied on Railways. I should like to know how much of the 1½ crores allotted will be devoted to this purpose, Sir! I am not going to be so airily optimistic as to think that the Railway Board is ever likely to be replaced by an Air Board but I regret to notice that no provision whatever is made for aerial connections between Railways where a gap exists and a railway extension is not possible, and I think the Railway Board would do well to give this matter their serious attention.

Another question that strikes me forcibly is that relating to the training of railway engineers. I ask why should India be the only part of the British Empire whose sons are required to go thousands of miles away to another country to spend thousands and thousands of rupees to receive a training and to be qualified for work in their own country. For decades there have been big railway administrations in India and yet the Railway Board has not thought fit to establish proper training workshops and engineering colleges in India where the sons of the soil could be adequately trained as well as an English qualified Engineer. This I consider to be a standing disgrace to the Railway administration in India. I am however pleased to see an attempt is afoot in this direction, but this is only nibbling at the question. India should supply all her railway engineering staff and need I thoroughly agree with what my friend Sir Purshotamdas Thakurdas has said in this connection. It is very encouraging to read Sir Clement Hindley's statement about the 100 new projects of increasing the railways in India. To call this an "agricultural railway programme" is very apt. In it one can see the hand of His Excellency Lord Irwin and we are grateful to him, I feel sure that these extensions, which will bring the Railways to the doors of the agriculturists, will go far to establish peace and prosperity and will considerably benefit the villagers.

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On the question of the standardisation of locomotives, I have very little to say, not being a technical man, but I understand it will be difficult to get all Company Railways to accept a standard locomotive. The Bombay, Baroda and Central India Railway in its metre gauge I understand is making its own engines at a cheaper cost. I am also informed that a firm of Indian engineers of repute is desirous of supplying railway engines to India at a cheaper cost than is procurable in England. I cannot understand why for all these years we have spent millions and millions of pounds in getting our stock from England. Why have we not by now established up-to-date Engineering works in India to make our own locomotives? If this is the studied policy of the Railway Board and the Government of India then I gladly join with the opposite side in calling it British preference. Sir Clement Hindley in his address before the Council of State stated that an engine works only as many hours in the 24 hours of which a human being was capable of working but that owing to certain improved repair methods, and improvement in Engine designs, cleaning and handling it was found that 900 miles could be travelled by two engines, whereas before it was necessary to employ 6 engines. With all respect to the Honourable Member who knows more about locomotives than I do, I wish to tell him that he appears to be paying too much attention to the life of his engine and too little to the life of the driver and his crew. I know for a fact that in one district on the Great Indian Peninsula Railway—and particularly mention this railway—there is a run between Bhusawal and Nagpur, a distance of 244 miles, which one driver is made to do to-day. It takes 16 hours and more and one driver and three *agwallahs* have to carry out this work. I ask, Sir, what amount, if any, of efficient work can you expect from a man in charge of a railway engine for 16 hours at a stretch? To add to this it appears that, if he should refuse again to go out on duty, after a short rest, his increase is stopped and in time he is considered an undeserving man and is discharged as such. I call this inhuman treatment of your staff and if economy is being effected at this cost, it is reprehensible. The Railway Board should take serious notice of this and make inquiries. It is not only on the Great Indian Peninsula Railway that this state of affairs exists. There are parts of the Bombay, Baroda and Central India Railway where goods trains are so delayed that drivers are on the foot plate from 12 to 18 hours and more. Sir, I object to the difference of service conditions between engineers recruited in England and those recruited in India as temporary officers. Why should an officer recruited in England be given a three years' guarantee and an officer recruited in India only one year.

I now come to the most important grievance of railway men and that is the insecurity of their service on Railways. I propose briefly to refer to this subject to-day, leaving details to when the Demands for Grants come up. Sir, I stand here as the representative of a community that is largely employed on Railways and as one who is grateful to the Railway administrations for all that they have done for my community, but this does not prevent me from stating that security of service on the Railways in India is practically nil. I look upon the one month's notice as a bond of slavery. I do not blame the Railway Board. They have not the staff to look into such detailed matters—I refer to dismissals, discharges and reductions—although the Honourable Member told this House in reply

to one of my questions that he had an adequate staff. Why, Sir, the preparation of this Budget has I hear occupied every man in the Railway Board for the past few months working at high pressure and yet it is said the staff is adequate to carefully examine all appeals. Impossible!! I submit with all the emphasis at my command and with all respect to the Railway Board that there is no security of service on the Railways and that such insecurity does not exist in any other department of labour in the various Governments. Sir, men are dismissed without trial or very perfunctory attempts at an enquiry. There are certain rules which control such dismissal but these are seldom observed. There is a very thin tissue paper between "dismissal" and "discharge" as practised to-day on all Railways in India. Does this House know of the number of men who are discharged and the number of Railway officials who possess this power? They would be surprised if they did know. I do not plead for the undeserving or the undesirable employee or the inefficient workman. I plead for the man, a good workman but who has displeased his superior and is discharged and who is faced with the spectre of unemployment and its horrors of to-day. I plead for the man with a wife and family, one who cannot afford to take the risk of a dismissal or discharge and therefore no matter how unjustly he has been treated has to remain quiet. It is time that the Honourable Member realised that there is a real and widespread unrest on the railways and that the reason why this is not more in evidence is the fear of unemployment, and which the junior Railway official is cheaply toying with in his injustice to his men. I believe in constitutional redress. I do not believe in strikes, but I wish to tell the Railway Board that there are ample reasons for them being organised or bruited. Men have a limit to their patience. Men have a limit to their endurance of hardship and injustices and even to their constitutional methods of seeking redress. I do not blame the Railway Board so much nor do I attribute so much blame to the Agent. It is the junior officer who is at fault and who discharges the men on the slightest provocation. It is the human element that I find deficient in some of these railway officers when dealing with their men. At times these discharged men are deprived of their gratuity and bonus. I repeat it is the human element that is found wanting in these officials. Sir, if I were to open my railway files, I could show to this House such a number of cases the injustices and miseries of which would astonish it. I asked the Honourable Member a question the other day why Mr. M. D'Cruz, of the East Indian Railway, a statutory native of India—I must call him that—and four others were dismissed without a trial. The Honourable Member tried to explain it. I refuse to accept his explanation and I am determined to come back to the fight again and again till I get justice. I was not defending a criminal for all accused are innocent till proved otherwise. Say he is a criminal and guilty, why not prosecute him criminally? This you refuse, an enquiry also you refuse. You are ignorant of who is guilty, yet you dismiss these men untried, undefended and disregard the Government Rules controlling such matters. Why even a Controller of Stores on the East Indian Railway was dismissed without an adequate trial. I am not prepared to say whether he was guilty or not. But, Sir, there is a principle involved here, one which no self-respecting Government or Department can violate or evade and so on behalf of the railway employee I demand some security of service on the

12 Noon. Railways. When the highest officials are dismissed, however serious be their crimes, with a disregard of all rules, I ask what chance has a poor humble subordinate? It is not a question of pandering

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to sentiment on my part nor do I seek cheap advertisement at the expense of railway officials. I do not desire to undermine discipline or to foster a spirit of unrest, but what I want this House to realize is that the time has come when the Government must institute an inquiry into the grievances of the railway employees. It has evaded this for the last two years. The Honourable Member has adduced as his chief reason against such a Committee his fear that it may have a reaction on the men employed on the various Railways and as a result create discontent. Why does he apprehend this? The grievances of other services have been enquired into and these have not resulted in any reaction or discontent: the Posts and Telegraphs, Police, Customs, the Lee Commission, which was an I. C. S. inquiry, none of them resulted in any unrest. Surely he is not afraid that this committee will expose some of the misdeeds and irregularities of the junior railway officers. Thank God, there are not many such officers, but it is just these few who create this atmosphere of mistrust and discontent. I urge upon the Honourable Member to take my remarks in the spirit in which I make them and I beg of him to reconsider his decision on this matter and to appoint a committee of inquiry so that the men may feel more secure in their service and peace and contentment may be established.

Mr. President: The Honourable Member must conclude his remarks now.

Lieut.-Colonel H. A. J. Gidney: Sir, I have very little more to say except to ask the Honourable Member to realize the acuteness of the unrest amongst the staff on the Railways in India. I have no desire to paint this picture blacker than it really is, but I wish to impress on him that he must do something to remedy these ills—these acts of oppression and injustice. I desire to say a few words with regard to certain administrative departments, especially on Company lines. I refer particularly to the Bombay, Baroda and Central India Railway, where British preference is certainly being practised to-day. I refer to the appointments of Foremen and Assistant Foremen in the Railway Workshops at Ajmere. Most of these appointments are given to Europeans either covenanted or recruited in this country. The claims of equally or better qualified Anglo-Indians are being overlooked and as a result great discontent prevails. This railway accepted Indianisation of its staff yet it refuses to practise it. I do not blame the officer in charge. I blame the administration for not observing its trust. This invidious distinction should cease. Almost the same state of affairs obtains at the Jamalpur workshops. I desire to say just a few words in regard to leave. I consider there should be no leave distinctions whatever. I am prepared to make an exception in the case of covenanted men, but every one else recruited in this country should be treated on equal terms. I object to subordinates being used in an officiating capacity as officials for years as obtains on the East Indian Railway and Great Indian Peninsula Railway. And last but not least I would urge the Honourable Member to give more thought to his staff and in his anxiety to safeguard and increase the finances of the Railways in India to give just a little more thought and consideration to the welfare and contentment of the staff who labour for him and by whose labours he has been able to present such a favourable Budget to this House this year.

Mr. M. S. Sesha Ayyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, I feel thankful to the Honourable Member for Railways for having given us his railway literature, the statement of revenue and expenditure on foolscap and the other literature in pink, white and blue books, with a view to giving us a fair idea of the development of the railway administration. I also feel thankful, Sir, for the fact that he acknowledged that economy and efficiency form the ideal of railway administration, and I shall in a moment deal with the question whether or not that ideal is being maintained in practice. Sir, in the Budget for 1927-28 the Honourable the Commerce Member has budgeted for 99.24 crores and 101.91 crores as gross traffic receipts and gross receipts respectively and expenditure 91.7 crores, of which the capital expenditure comes to about 25 crores and the working expenses 65.52 crores. Now, Sir, the working expenses must bear a reasonably definite ratio to the gross earnings. That is the real crux of the problem. For the past many years, it has been the rule more or less, that this average ratio, the operative ratio as it is called—the relation which the working expenses bear to the gross receipts—has been fixed, time after time from the year 1891 to 1917-18, at 44, 48 or 50 per cent. at the utmost. Now what do we find? In the years 1891—95 it was 46 per cent., in the year 1920-21 it was 65.54 per cent. and in the Budget year 1927-28 it is 67.49 per cent. I would also tell the House that so far as the contracts, between the Government of India and the minor companies, for working of branch lines are concerned, the maximum charge for working expenses has always been 50 per cent. and not more. What is the reason for this great increase in the operative ratio which now stands at 67.49 per cent.? That does not point to economy. Certainly the working expenses must bear a lesser ratio to the gross receipts and unless they are put at a lower figure we cannot call it economy in railway administration. Then, Sir, in the matter of the capital expenditure of 25 crores, which is sought to be expended on new construction of open lines, account has not been taken of the fact that certain railways have been working at a definite loss for a very considerable time past. The Assam Bengal Railway is an illustration in point. I take the period 1923-24 which just preceded the year of the separation of railway finance from central revenues. Now in 1923-24 he provided for a fresh capital outlay of 37.46 lakhs. Already there had been an expenditure of 18.5 crores on capital outlay which did not really take into account the enormous figure of 10 crores of rupees which had already been taken to be a definite loss on the working of this particular railway. Now in the year 1927-28, in one of the pink books, we find that in the current year there is a fresh capital outlay intended amounting to 99.25 lakhs, and the loss which is definitely likely to occur in the administration of this railway is put at 16.45 lakhs, while the working expenses come to 77.84 lakhs.

The Honourable Sir Charles Innes (Member for Commerce and Railways): What railway is the Honourable Member referring to?

Mr. M. S. Sesha Ayyangar: The Assam Bengal Railway. Now in spite of the fact that the railway administration itself particularly shows that this railway has been going on working at this deliberate loss, what is it that makes the railway administration push on with further expansion on this railway also? That again hardly points to economy. I do not think their policy would impress any one with an ideal sense of their economy both as regards the average working ratio and also in regard to

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the expansion and development of this kind of railway administration. On open lines also, I find that there is want of economy. Now as regards the capital expenditure which is proposed to be expended on new lines I wish to bring an important factor prominently before the House. We see from the map that is attached to one of these pink books that almost the whole of India is traversed by railways; and why does the railway administration want to have more and more of railway expansion? I am not against railway expansion; but there is a certain stage at which we must cry "Halt", and the pace of the further extension is conditioned by the state of the country's finances and the general condition of the population. We have already about 38,000 odd miles of railway exploitation, and the one reason that is advanced time after time for this new construction is the one which is reflected on page 21 of the Explanatory Memorandum:

"Will serve to open up an area full of possibilities, both in regard to passenger traffic and in regard to goods traffic in cotton and dry grains, the production and export of which the new line is expected to stimulate very considerably."

Then lower down the same page it is said:

"It is an important chord connection which will serve the flourishing towns of Chinot in the Jhang District, and Shahpur now without rail connection of any kind, and will traverse a rich agricultural area now under perennial irrigation."

The whole crux of the question is that they want to exploit. Wherever there are agricultural resources ready for the export of raw produce, the railways must go there to help in the exploitation. We must certainly at least be alive to the fact that this reckless expansion of railways must certainly come to some stop till, at least, we take stock of the real situation as it is and then see if it is possible and necessary to extend it further; and we are not told in any of these budget figures, in any of these books, as to the means by which these exploitation requirements are to be met; whether from borrowed capital these extensions are going to occur or otherwise, and, if from borrowed capital, what is the rate of interest at which the funds are to be borrowed. Unless that information is given to us, it is not possible for us to apply our minds to see the percentage that is really intended to accrue from this capital outlay and to see whether it is working at a loss or at a profit. I submit, therefore, that so far as the working expenses and the capital expenditure are concerned, there is no economy, which is said to be one of their cherished ideals; but what we see is just the opposite. Now, Sir, it is asserted that efficiency is also one of their cherished ideals. Now mention was made by the Honourable Sir Purshotamdas Thakurdas of the Raven Committee. Now that Committee has definitely found that the maintenance of rolling stock has been neither economical nor expeditious and there is a staff in excess of requirements. The percentage of cost of supervision on cost of workers varied from 14.25 to 37.51 per cent. in locomotive workshops and from 10.52 to 25.47 per cent. in carriage and wagon workshops. Now if this administration is suffering as it does from top-heaviness, and if the Raven Committee has found definitely that this state of things is due to the paucity of supervision, is not that an example of want of efficiency, I ask? And it is also said that for every man employed in the railways in England, the Indian railway workshops employ 3.80 men in locomotive workshops and 6.90 men in other workshops. I submit, Sir, that this is top-heaviness in the administration in the

number of officers we have. The Raven Committee has discovered that it is suffering from paucity of supervision, and that certainly shows that it is not as efficient as it ought to be.

Now, Sir, we are told also that the Commerce Member cannot now at this stage think of the reduction of fares this year, and the reasons given are somewhat interesting. In paragraph 15 of his speech the Honourable the Railway Member says :

“ The reductions on the two State-managed lines are substantial, and third class passenger fares for ordinary trains are now down to 2 pies per mile for distances over 300 miles.”

Now it is a well known fact that in India the average passenger mile is 40 to 50 miles. I submit, Sir,

The Honourable Sir Charles Innes: Does the Honourable Member mean the average distance a passenger travels? I think it is about 33·3 miles.

Mr. M. S. Sessa Ayyangar: Then it makes my point stronger. I thank the Honourable Member for the correction. If it is 33·3 miles, that is the average distance travelled by a passenger, then there is no good making reductions of fares for long distances of 300 miles and over. Now I think this is one of those cases where the lower the fare, the more will that give rise to an increasing or expanding revenue in proportion to the decrease of rates. It will be the increased consumption which will give us an increased expansion also in revenue; and if the average passenger mile in India is 33·3, there is hardly any benefit conferred upon the poor people,—after all, the earnings from lower class passengers alone considerably contribute to the railway exchequer, and this kind of treatment accorded to them is certainly not satisfactory. But as a matter of fact, Sir, from the speech of the Honourable Member it is clear that the present fares and freights are really high. Now I will refer the House to paragraph 8 of his speech. This sentence was read out by my Honourable friend, Sir Purshotamdas Thakurdas. In spite of the partial crop failure, exceptional floods and slackness of trade and all that, “we hope to earn this year a net return of 4·77 per cent. on the capital at charge enabling us to pay our interest charges and to pay all but 7 lakhs of our contribution to General Revenues.” Now what does that indicate? It indicates that the fares and freights are high; otherwise it would not be possible to earn so much in spite of so many odds enumerated above; and I would certainly submit therefore that there is a case made out from their own figures for a further reduction of rates and fares.

Now lastly I submit that the railway is taken to be one of the greatest commercial undertakings in the world. Now from the Budget that we see, we are not able to see anything like a commercial annual statement. Now where are the assets and liabilities shewn? We talk of a depreciation fund, of a reserve fund: what about the huge railway debts towards which we are bound to spend so much annually in the shape of interest charges? And then there seems to be no sinking fund by which we can seek to reduce or avoid the debt. Now a commercial Budget would certainly require something of that kind. I was talking this morning to my friend, Sir Pushotamdas Thakurdas, who is a commercial magnate on this side of this House, and I asked him if this is a commercial Budget. He said, no. Then so far as the revised estimate

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of 1926-27 is concerned, in paragraph 6 of the speech the Commerce Member said :

“ Between 1st September and the 29th January, 1927, only 36,000 tons of cotton were exported from Karachi, compared with 61,000 tons last year. I have thought it worth while to take this one instance of cotton by way of illustration, but the drop in our gross earnings, especially in goods traffic, reflects just the fact that trade has not been as good as we expected.”

May I suggest to the House that this is due in no small measure to the manipulation of keeping up the rate of exchange artificially? I know, Sir, that my constituency is very rich, very fertile so far as cotton production is concerned. I know that there are many dealers there stocking their cotton because of the fall in prices due to the high exchange: so that those low earnings which are mentioned are in no small measure attributable to this high rate of exchange that has for sometime past been artificially kept up. And then again lower down we find, with reference to the reduction of fares :

“ It is not that there has been no increase of passenger traffic, but it has fallen short of our estimate and in spite of the increase in traffic, we expect to earn 57 lakhs less from passengers this year than we did in 1925-26.”

Now so far as those estimates are concerned

Mr. President: Order, order. The Honourable Member is now exceeding his time limit.

Mr. M. S. Sesha Ayyangar: Sir, I will take not more than a minute. Invariably, from the budget figures of 1927-28 I see, invariably the Budget figures are all pitched high. They have no relation to the ascertained figures as seen from the revised estimates of the current year or the actuals of the previous or even the average of the previous five years. You fix up the figures high, and then you say that there is a reduction in gross earnings, and you further say that this is due to the reduction in the lower class passengers and certain other things. Absolutely no test is adopted in budgeting these figures so high. I submit, Sir, that these things should be taken into consideration.

Sir Victor Sassoon (Bombay Millowners' Association: Indian Commerce): Sir, although this is a general discussion I do not propose to roam over the subject generally but to confine myself specifically, not only to the memorandum of my Honourable friend, the Financial Commissioner, but also to two points in it. I shall come straight to those two points without throwing any bouquets first. I suggest that the House should look at page 4 and they will see it said there :

“ It is not improbable that a reduction in the ratio from 1s. 6d. to 1s. 4d. would tend at the outset to raise the rate at which the Government of India could borrow.”

I frankly admit, Sir, that I cannot understand that sentence. From what I have seen lately, the tendency of the Government has been to raise the rate of interest of the Imperial Bank, and how that is supposed to help the Government to borrow more cheaply is beyond my poor comprehension. But of course it may be that the Financial Commissioner thinks that if we go back to the 1s. 4d. rupee the whole credit of India will crash to the ground. I am glad to see he shakes his head. Well, if he is not going to take up the point that the credit of India will be affected by the drop to 1s. 4d., I would suggest that it is more than likely

that the drop of the ratio is likely to enable him to borrow money a little more cheaply than if he keeps to 1s. 6d. But I will tell him one thing and that is that in my opinion, whether you have a 1s. 6d. rupee or whether you have a 1s. 4d. rupee, you will still have to pay more for the money that you propose to borrow than you did in your last issue and I will tell you the reason why. It is because the return on Indian Government rupee security has not been as much as the return which you can get on British Government sterling securities, on British Government gold-dollar security, on even Government of India sterling security, with the obvious result that you are having an exodus of capital from this country, which is naturally going to invest itself in high class securities that give a bigger return. In fact the only surprising thing about it all is that the exodus should not have been larger than it has been—should not have been more pronounced; and I think that is partly due to the ignorance of the investor in this country and partly due, up to now, to the lack of facilities that he has had for investing in foreign securities. But lately the weekly reports of brokers are giving the net return on Government of India rupee securities and they are also giving the net return which the investor would get on foreign gilt-edged securities; and it may even be that, in the reports sent by that anonymous firm of brokers which appears to have so much influence on the administration of the financial policy of Government, that information has also reached their ears. I therefore say that I think the Government will find it difficult to obtain money at a low rate of interest until the return on their future issues approximates more nearly to that of gilt-edged securities in foreign countries.

Now, let us turn to my second point which is at the bottom of page 2 and which refers to the wages of labour. It will be seen that my Honourable friend has given us a mathematical calculation enabling us to see at a glance what 12½ per cent. of the labour bill will come to. I notice, however, that he does not appear to consider that the country has completely adjusted itself to the 1s. 6d. rupee, because although it gives the figure at 3·89 crores, he apparently is only budgeting for an increase of Rs. 2½ crores.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): On a point of explanation, Sir. Those figures in paragraph 4 show the eventual effect, not the effect in the budget year.

Sir Victor Sassoon: Rs. 2½ crores is the increase for the budget year?

Mr. A. A. L. Parsons: No. Rs. 2½ crores is the eventual effect; you will find the figures for the budget year in paragraph 7.

Sir Victor Sassoon: That makes my point rather stronger, that even eventually the Honourable Financial Commissioner does not think that the cost will be more than Rs. 2½ crores, whereas if he had added 12½ per cent. to his wages bill it will be nearly 4 crores. That merely strengthens my argument. In any case I think that my Honourable friend has fallen into an error in considering that even to the extent which he has laid down here real wages have risen; and I must here interject that I am the last man who has a right to criticise my Honourable friend for falling into this error, because I myself have fallen into the same error and have dealt with the same assumption when I gave my evidence before the Royal Currency Commission. The fact is that we as manufacturers found ourselves penalised in exactly the same way as if we had increased wages by

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12½ per cent. in our competition in the Levant, Egypt and in our competition in this country with commodities that were directly competing with us and I fell into the error of thinking that as we were suffering as if we had actually been paying these wages so the labourer would be benefiting by getting some of this rise; and that is where I admit I was wrong and that is where I beg to say that it seems to me that the Financial Commissioner is also wrong; because we suffer from having to take the wholesale rate for our commodities at which the foreign manufacturer is able to lay them down or rather bring them into the harbours of this country. That is the price we have to sell our goods at, and we have therefore to adjust our prices at once to the higher ratio. But the case of the millhand or the salaried employee is very different. He can only gain if his cost of living goes down; he does not gain merely because we get less money for our products; he only gains if his total cost of living goes down, and this is affected by retail prices—not wholesale prices—and is also affected by items such as rent which do not alter.

Now, I am one of those unfortunate beings who, like the Leader of the House, go through life with a smiling countenance amidst the commiseration and sympathy of our more fortunate fellow creatures because we are only bachelors. I have no wife to control my own home budget; but I have friends who are lucky enough to have very charming, amiable and efficient consorts and these charming ladies have told me that, with the exception of what their husbands remit home, the cost of living in this country has not gone down at all. That is as far as the better classes are concerned.

Now, let us take the labouring classes. I have here got the *Bombay Labour Gazette*, and though I generally view such index figures with suspicion, in this case I must admit that the figures given are borne out by inquiries that I have been able to make. These give us, not index figures for wholesale prices, but the working class cost of living index, which includes retail prices and items such as rent and so on; and if we take the average figure for 1926, we find that the figure is 155 against the pre-war figure of 100. If we take the same figure for 1924, when exchange was at 1s. 4d. gold we find that that figure was 157 or a difference of 2 points—in other words the labourer or the working man in this country has benefited by one and one-third per cent.—not 12½ per cent.; the substantial adjustment to the higher rupee is one and one-third per cent., and I am inclined to think that that figure is very nearly what the real rise in wages has been all over the country. And this is borne out by the analogy of England. If we take the effect in England during the 10 per cent. rise that took place in the sterling dollar exchange, what do we find? We find, if I may quote the figures of a well known economist, that at the port wholesale prices have dropped by 13 per cent., whereas the cost of living has only dropped by 4 per cent.—only by 4 per cent. in a country where they import most of their foodstuffs, in a country which has the most efficient form of commercial banking, civilisation and produce markets, and what is perhaps more important, where the distances are by no means as large as in this country; and if the drop in prices at ports of 13 per cent. is only reflected by a drop of 4 per cent. in the cost of living, then I think I am safe in saying that in this country with its large distances, the drop in the cost of living will be well under 2 per cent. If that is so, what is the obvious corollary? That if you bring the rupee back to 1s. 4d. all that your wages would justifiably go up by would be some

amount approaching one and one-third per cent. I know, Sir, that the theoretical upholders of the 1s. 6d. rupee will tell me that the reason it did not drop was because otherwise it would have gone up by 12½ per cent. less one and one-third—that is what we will be told. If that were to be true, taking it to its logical conclusion, the day we have 1s. 4d., everybody in this country receiving a fixed wage or fixed salary, from His Excellency the Viceroy complete with Council, down to the unfortunate man on the railway who only makes Rs. 9 a month, will get his salary and wage raised by about 11 per cent. We know that is not likely to be true. We know that wages do not go up easily just as they do not go down easily, and I think that we can take it that any drop in the ratio will not affect the wages, where the wages would not have risen for other reasons. I am certain of this, that even my friends Mr. Chaman Lal and Mr. Joshi would be perfectly prepared to say on behalf of the railway workers who are now on strike. We asked the Government for a hundred or hundred and fifty per cent. rise, but we will be prepared to accept 12½ per cent. less if we can get the balance.

Sir, I am afraid I am exceeding my time or am getting very near it, and so I will sit down by asking this House to take this memorandum with the greatest of reserve. I do not think that the figures that we see in the memorandum are likely to be borne out by facts. If the ratio is lowered I doubt whether any increase in the cost of railways would come to much more than what my Honourable friend Sir Purshotamdas Thakurdas said the other day when he suggested that the increase would not be more than a crore of rupees.

Khan Bahadur Haji Abdullah Haji Kasim (West Coast and Nilgiris: Muhammadan): Sir, I congratulate the Honourable the Commerce Member on his able presentation of the Railway Budget. It is a matter of great satisfaction to me, Sir, that he has provided funds for carrying out surveys of new lines, the construction and completion of which will lead to great prosperity of the country as a whole. But, Sir, I must strike a note of regret, that, so far as my district is concerned, its claims for a railway line have not received adequate attention. On going through the pile of books which have been supplied to us, relating to the Railway Budget, I find that only Rs. 74 lakhs have been provided for the survey of the Mangalore-Malpe line, which will be taken up in 1928-29, and that the line will not be ready before the year 1931. I had expected that the survey of this line would be taken up this year and that adequate funds would be provided in this year's budget for the survey of this long deferred line, but, Sir, I have been disappointed in this. All the same, I am thankful to the Honourable the Commerce Member for providing funds for carrying out the survey in 1928-29 from Mangalore to Malpe. But I hope, Sir, that this will not meet with the same fate as some of the other lines, which, as the House is probably aware, were abandoned after the completion of the survey. I may point out that the development of the port of Malpe will go a long way to foster and stimulate the trade of the South Kanara District and Mysore. In this connection, I may quote here an extract from the Home Board's letter No. 107, dated London, the 10th March 1915:

"If, however, it is true that there is safe anchorage at Malpe at all seasons of the year for vessels drawing 25 feet of water, the prospects of the extension would be very considerably improved and, judging by the example of Mormugoa, Malpe might become a very important centre."

The Board are therefore of opinion that it would be desirable to make a proper survey for a line from Mangalore to Udipi, and on to Malpe.

[Khan Bahadur Haji Abdullah Haji Kasim.]

The line would apparently be the whole way within the jurisdiction of the Malabar District Board, and as that Board is now interesting itself in questions of railway extensions, it might be disposed to have this project investigated with a view of getting a railway entirely within its own borders with the prospects of a good harbour which will attract to itself all the traffic of the West Coast. If the District Board are unable to provide the funds for this survey, the Board think the Government of India might well be asked to authorise the expenditure against head "41—Miscellaneous Railway Expenditure."

Closely allied to this question, Sir, I have also in mind the question of connecting Mangalore with Hassan in the Mysore State by a railway line. I shall briefly allude to the history of this scheme. This project was first mooted by the commercial community of Mangalore in the year 1888 in an address to Lord Connemara. They pointed out that Mangalore was the traditional port of Mysore and warmly supported the solemn wish of the late Maharaja of Mysore and of the planting community of Mysore and South Kanara for a direct railway communication. The Government of Mysore was also of opinion that for the full development of the great resources of Mysore and especially for the planting and mining industries of Mysore a direct railway connection with a port on the West Coast was absolutely necessary and they proposed the line from Arsikere to Hassan and thence to Mangalore to serve ultimately as a connecting link between the capital of Mysore on the south with the Southern Mahratta Railway on the north and east, and Mangalore on the west. In 1895-96 under notification, Government of India, P. W. D., No. 416, dated October 27th, 1894, an elaborate and complete survey was carried out by an expert body of engineers at a cost of about 2 lakhs of rupees. From that time onwards up to the present, ceaseless and urgent representations have been submitted to the Governments of Mysore and Madras by (1) the Representative Assembly of Mysore, (2) the United Planters' Association, (3) the commercial community of Mangalore. In support of this scheme the United Planters' Association passed an important resolution as far back as 1907 emphasising the need and importance of a regular line. As a result of these representations the Government of Mysore lost no time in investigating the possibilities of a new line from Arsikere to Hassan and being satisfied with the survey report, constructed the line and it has since been successfully working. In this connection I may mention that the District Board of South Kanara had been levying a cess of 3 pies in the rupee since the year 1913, with the sole object of appropriating this amount towards the construction of a railway line from Mangalore to Hassan and this amount, I understand, has accumulated to about Rs. 5 lakhs. In the year 1908 the demand for a railway line connecting Hassan was strongly advanced by (1) the South Mysore Planters' Association, (2) the Hassan Municipality, (3) the representatives of the Manjarabad Taluk, (4) the representatives of the Belure Taluk, (5) the representatives of the Arsikere Taluk, and (6) the representatives of the Nagar Sabha. In response to the numerous representations the Railway Board of the Government of India in their despatch on the railways in South India agreed with the principle underlying the demand and in paragraph 20 wrote:

"The demands of Mangalore, Coorg and the planting districts which would be served by a line from the Southern Mahratta Railway at Arsikere to Mangalore will have to be met at no distant date."

This is what the Railway Board has said. Sir, with the Mangalore Hassan Railway open the whole of Mysore is at once practically in immediate proximity to the rich grain-bearing territories of South Kanara and Malabar, for the freight of the grain supplied would be almost nominal, the time taken for the transit measured by hours and the supply would always be abundant and certain. Without the railway and in present circumstances, the supplies might as well be 1,000 miles away and the cost of transport in times of famine would almost be prohibitive. The Government survey report shows that the freight of two tons of produce (one ton up and one ton down) would be $7/8$, while the cost of cartage which the planters have now to pay for one ton up and one ton down amounts to Rs. 45. The House will recognise what this difference means in times of famine. More than this, Sir, the railway freight of Rs. 3-12-0 per ton for grain carried up the ghat would always be constant even in times of famine whereas the cartage of Rs. 45 for the one ton up and one ton down be thrown on one ton carried up. Moreover the mortality among the cattle and the difficulty of providing fodder in times of famine will always cause cartage to rise immensely in such times. In order to appreciate the value of the line for stimulating the commerce of Mysore and other territories a mere glance at the map will be more than sufficient. I am sure, Sir, where a planter now brings up one ton of produce, he will, when the line is constructed, bring up several tons and yet save money over it. Perhaps the Madras and Southern Mahratta Railway will oppose this scheme, because, it would deprive them of long haulage of 330 miles from Arsikere to Mormugoa and only give them in return the short haulage of 137 miles from Arsikere to Mangalore. I believe there would be no such loss as the net profits on the shorter haulage would be greater than on those on the longer haulage to Mormugoa. Further, Sir, a glance at the rates now charged by the Company for freight of manganese ore confirms what I have said about the more profitable character of the short haulage. This would mean a charge of $6/4$ per ton to Mormugoa according to the schedule rate and Rs. 4-2-6 to Mangalore, a distance of 137 miles. The resulting difference would be sufficient to render the profitable working of the mines that are closed down owing to these heavy railway freights. I hope, Sir, that these important points will be carefully considered. In conclusion, I trust, Sir, I have established the claim for the construction of a railway line from Hassan to Mangalore, although this scheme was abandoned in 1917 owing to the financial prospects not being favourable then; but, Sir, conditions have changed considerably for the better since then, and I hope the Railway Board will see their way to reconsider the whole question and give us a line at an early date, which will be a great boon to the commercial, mining, and planting committees of South Kanara and Mysore. I again appeal to the Honourable Member to see his way to reconsider this question more sympathetically and give us a railway line between Mangalore and Hassan at no distant date which will immortalise the name of the Honourable Member in the minds of the people of the West Coast, where he was for sometime, and of Mysore.

Mr. Varaha Sri Venkata Jogiah (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, it is with very great pleasure that I read in paragraph 15 of the speech made by the Honourable Member for Commerce that every year an addition of about 20 crores is being made to the capital in the matter of Railways and that it means a net earning of about 1 and

[Mr. Varahagiri Venkata Jogiah.]

1/5th crores. While appreciating this, I cannot help stating that some of the railway funds should be diverted to the benefit of the travelling public.

The most crying need that is felt is with regard to the fares of third class passengers. Most of the passenger income, I am told, is derived from the fares paid by the third class passengers. If that is so, there is no reason why the comforts and conveniences of these passengers should not be increased. The third class compartments are generally overcrowded and, so far as the compartments are concerned, they are kept unclean. As for the reduction of the fares for third class passengers, I remember last year there was a reduction made in all the State Railways, and it is stated in this year's speech that some Company-managed Railways, such as the East Indian, the South Indian and the North Western Railway, have reduced their rates. But there is no reason why this reduction should not be applied to all the railways in this country. The Agents of these Company-managed Railways, the East Indian and others, stated as their considered opinion that by reducing these rates eventually the income of these Companies will not suffer. Further, there is no use in reducing those rates only over certain distances. As has already been pointed out, the poor passengers will benefit only if this rule, about restricting the reduction in proportion to the distances, is modified. So that I plead on behalf of these poor travellers that the rate at 2 pies per mile should be introduced irrespective of distances.

Another matter which I wish to place before the Honourable the Member for Commerce is with regard to return tickets. Until a few years ago, return tickets, weekly, fortnightly, monthly, and six-monthly, were issued. But we find now that on several railways this has been abolished. It would tend to the great convenience of the passengers if these return tickets are again introduced.

Another crying demand is with reference to the salaries of low class officials and subordinate employees on the Railways. The unskilled labourers now get a minimum wage of Rs. 9 per month, and clerks and others get from Rs. 25 to Rs. 28 per month. The family budgets, which were put before Railway Administrations show that it is not possible for railway servants to get on with anything less than Rs. 30 a month, so far as labourers are concerned, and Rs. 45 to Rs. 50 per month, so far as clerks and others are concerned. They have not only to live themselves, but they have to support their families which, to put it at the least, may be taken to consist of three other members at least—a wife, a child and a dependant. In these days, when prices have gone up, it is not possible for anybody to live on a pittance of Rs. 9 to Rs. 15.

A comparison of this country with others shows that the proportion between the pay of low-paid servants and that of the high-paid is exceedingly in favour of the high-paid servants. From the statistics of maximum and minimum salaries in force on Railways in India and other countries such as Japan, China and the Continental countries, it is evident that the proportion of the maximum to minimum in India is 1 to 66, in Japan it is 1 to 22 . . . (An Honourable Member: "1 to 666 in India.") I beg your pardon; it is 1 to 666 in India, in Japan it is 1 to 22, in China 1 to 32, and in the Continental countries it is as low as 1 to 5. These figures, I submit, show beyond all doubt that the lower staff on the Indian Railways are kept down on starving wages. I therefore appeal to the Commerce Member to take

into consideration the low wages that are now paid and increase the wages and give the poor employees at least a living wage.

***Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I do not propose to go into the various aspects of the Budget to-day because we will have opportunities to-morrow and on the succeeding days of going into certain aspects of the Budget. (*Mr. B. Das*: "Louder, please.") I take this opportunity, Sir, of bringing to the notice of the Commerce Member, for it is appropriate when the general discussion of the Budget is going on, certain vital grievances of people who have not the opportunity of going to the Commerce Member with the same facilities with which we can place certain matters before him. Sir, I am referring to a question which has been deeply agitating the minds of the railway employees in Lucknow. Sir, a memorial was submitted to His Excellency the Viceroy on the transfer of the railway employees from Lucknow to Calcutta because of the amalgamation of the Oudh and Rohilkhand Railway with the East Indian Railway. This transfer, Sir, was effected as a breach of the appointment agreements. Many of the railway employees affected joined service on the specific understanding that they would be in Lucknow, but they were transferred, though hopes were extended to them that the offices of the Oudh and Rohilkhand Railway would not altogether be transferred to Calcutta. Now, Sir, there is an opportunity of redressing the grievances of these affected people. I believe about 2,500 people have been transferred to Calcutta. A certain amount of justice could be done to these people in this particular manner and this too, Sir, has been brought to the notice of His Excellency the Viceroy in the memorial submitted by these people. That relates to the opening of a clearing house. Sir, the clearing house has been tried as an experimental measure and I think the Commerce Member has come to the conclusion that a clearing house should be established. I do not know if he has decided whether it should be established either in Delhi or in Calcutta. But, Sir, I submit that this clearing house should be established in Lucknow and the reasons for submitting this are firstly, the ground of economy, secondly, expeditious working, and thirdly, the ground of doing justice to people who are really groaning under an injustice. Sir, in the memorial that was submitted to His Excellency the Viceroy they have clearly shown how it could be an economic proposition. There is already a big building of the Oudh and Rohilkhand Railway. Here you have to erect a new building. Therefore you will save the money which will be wasted in the erection of a new building. I think there are more buildings than one in Lucknow of the Oudh and Rohilkhand Railway which could be utilised. Secondly, the gentlemen who have been transferred from Lucknow to Calcutta get an extra allowance and all that kind of thing. If they come back to Lucknow they will do the work without the extra allowance, which means that the Railway will be able to save a certain amount of money. There are other points also urged in their memorial which I shall not go into at present. Even from the standard of efficiency I submit, Sir, that a clearing house in Lucknow will be much better than a clearing house either in Calcutta or in Delhi. Sir, I will read to you here one part of a statement that has been made to me by some of the affected people. They say:

"Taking first the Railways of Northern and Eastern India, Delhi is served by the North Western and East Indian Railways whereas Lucknow is served by the East Indian, Rohilkund Kumaon and Bengal and North Western Railways and is nearer to the

*Speech not corrected by the Honourable Member.

[Mr. C. S. Ranga Iyer.]

Eastern Bengal, Assam Bengal, Bengal Nagpur, and Burma Railways and Steam Navigation service by about 12 hours. Again the Southern India Railways, i.e., South Indian, Mysore, Madras and Southern Mahratta and Nizam's Guaranteed Railways carry their traffic to Northern India through the Bengal Nagpur or Great Indian Peninsula Railway. In case of the Bengal Nagpur Railway the traffic is received *via* Calcutta and their route is nearer to Lucknow and in case of the Great Indian Peninsula it all concentrates and passes *via* Jhansi. The distance from Jhansi to Delhi is 259 miles and to Lucknow it is only 181. So Lucknow is nearer to Southern India than Delhi. Among the Western Railways, it is the Bombay, Baroda and Central India, Rajputana, and Gujrat Railways which are nearer to Delhi but as three-fourths of the Indian Railways are nearer to Lucknow, Delhi can under no circumstances compete with it and cannot claim to be more centrally situated."

Sir, I hope that the Honourable the Commerce Member will take this matter into consideration and listen to the grievances of the affected employees at Lucknow and when he replies to this discussion I hope he will agree to have the clearing house in Lucknow.

Sir, the other aspect, which is a very common aspect, and commonly urged and equally commonly neglected, is the grievances of third class passengers. I wish the Honourable the Commerce Member on his way back to his motherland will travel third so that he will have an experience of the enormous difficulties to which the third class passengers are exposed. (*An Honourable Member*: "His last trip.") I do not know if that will be his last trip. He might come back as Chairman of some Commission and so on to this country. But he could form an idea of how callously the Railway Department have neglected the third class passengers. Sir, the third class passengers are the backbone of the Railways, but whenever you open the Budget, whenever you find schemes of improvement, you always find that the second class and first class passengers are more favoured, speaking broadly, than the third class passengers. Sir, the great majority of the people of this country travel third class. Even those who can afford to travel by a higher compartment do not do so.

Sir, apart from any other consideration, I cannot understand why people should be packed like so many animals or worse than animals,

1 P.M. why people should be packed in those compartments, almost choked. If only the Honourable Member could have an idea of the sufferings to which the third class passengers are exposed, I am sure he would have presented to us—if he only knew, if he only thought over it—an easy solution. And the solution is not a very difficult one. I can place before the Honourable the Commerce Member a scheme by which this overcrowding could be solved. Instead of having the present compartments, why could you not have wooden partitions just as you have on Continental railways, just as you have, for instance, on the Express between Poona and Bombay for first and second class passengers? Why don't you have the system of seats introduced so that overcrowding might not be possible and it might be in the power of the railways to prevent this overcrowding. Well, it may be said that this might interfere with sleeping accommodation. There is no sleeping accommodation at all in the third class compartments, but these wooden partitions might be made removable, and the sleeping accommodation difficulty would be solved. I am placing this matter before the Honourable the Commerce Member for his consideration, because if an attempt is made to solve the difficulty under which the third class passengers are labouring the Government will certainly earn the gratitude of the people of India. Apart from the question of gratitude, they will be doing what is expected of them. Take away the third class passengers and where are your Railways? This is a grievance which

has been urged for the last so many years. Every year when the Railway Budget is brought forward this grievance is also brought forward and every year it is thrown into the limbo of oblivion. Sir, I expect Government to do a little more justice, a little less injustice than they have been in the habit of doing to the third class passengers.

Last but not least I must refer to the question of railway extension. I know opinion is divided in this House as to whether Government should go on with their policy of railway extensions or whether they should not. So far as I am concerned I have got certain specific matters to bring before this Government in regard to railway extensions. I placed them before Sir Clement Hindley in my budget speech last year. He was not sure at that time whether there were people living in the most densely populated district of Bijnor, but he subsequently said that people did live there. I am sure that he has subsequently realised that it is one of the most important centres, an important trade centre, an important education centre and also an important agricultural centre. It is one of the most prosperous districts in the United Provinces and there is no railway. Even the district headquarters is not connected by a railway. I thought that a survey of this place was made, I knew that a survey was made. Up to Chandpur there is a railway and I believe Sir Clement Hindley has an idea, now that he has come to know Bijnor and its possibilities from a railway point of view, of further extending the railway from Chandpur to Bijnor. I hope he will make a statement to that effect. I know that some enquiry has been made with regard to it. Sir, there is also the question of Karanprayag to which heaps of pilgrims go every year. I know that some favourable statement was made by Mr. Parsons the other day and I am sure that Government Members will during the course of the debate make it clear that they are going to give this railway extension to Karanprayag and thus alleviate the difficulties to which innumerable pilgrims are exposed.

With these few words I will conclude my speech.

Colonel J. D. Crawford (Bengal: European): I do not propose at this time when the Railway Budget is down for discussion to enter into a controversy over the ratio question, but I do want to say that those stalwart exponents of the 1s. 4d. ratio—Sir Purshotamdas Thakurdas and Sir Victor Sassoon—are of course bound in so far as they can to belittle the figures put forward by the Financial Commissioner. But if we are to give a vote intelligently on this question of the ratio it is certainly right that we should understand all the possible implications which that particular ratio may have on our Railway Budget. I am sorry that my Honourable friend Sir Victor Sassoon is not present at the moment, because I would have liked to twit him with the fact (*An Honourable Member*: "He is in the Gallery.") that he is forced to depend on the financial experience of his charming lady friends to support his contention that there has been no fall in prices. Had my Honourable friend been amongst those whose fortune it is, shall I say, to be selected for the high honour of marriage he would have had a truer appreciation of the financial working of the female mind. As regards husbands, wives are in much the same position as the various Departments of the Government to the Finance Member and their point of view on finance

Mr. President: I take this opportunity of informing Honourable Members that the Visitors' Gallery is intended for visitors and that it is not desirable that any Honourable Member should go and occupy any seat in the Gallery for any length of time.

Colonel J. D. Crawford: I bow to your ruling and will drop that particular matter as I do not want to go on at this stage with the particular question of the rate.

As one who has toured over many thousands of miles on Indian Railways each year I am sure of the increasing state of efficiency to which those Railways have come. I would say that my only real grievance against the Indian Railways is the dust and that I believe is a grievance which the Honourable the Commerce Member cannot get over at the present moment. May be there will be a day when we shall be able to oil our permanent way as we are oiling our ordinary roads. The other point which has attracted my attention is one which vastly affects the third class passengers, and that is the enormous delay which occurs on all railway stations in the booking of tickets. To start with the ticket-babu has to work out the mileage and the calculation as regards rupees, annas and pies which has to be made, then enter it in three different columns of four different books, then write it on the railway ticket and eventually issue it to the passenger. When you go to the third class booking office where there are many passengers waiting, this procedure is a very great inconvenience to them. I believe there is at the present moment an electrical machine which is capable of doing all this work by itself by just pressing a button and doing all the calculations itself. I do not know to what stage of development it has got, but I believe there are samples in India and possibly Sir Clement Hindley is already experimenting to see whether they can be put to practical use in India or not. If they could, it seems to me that it would be a very great convenience to the general travelling public.

As I tour round the country the question that seems to predominate most is the great need for further development of the Railways and I was therefore gratified to see that during the current year we have spent, according to the Commerce Member, a crore more than was provided for. But I notice that Sir Clement Hindley speaking in another place said:

"It would perhaps be out of place to forecast any further, but if our present quinquennial programme does not come in for very drastic revision either for financial reasons or other difficulties there is no reason to anticipate any serious dropping off from this figure of 1,000 miles as the rate of progress for several years to come."

I hope that they will not confine themselves only to that limit of 1,000 miles a year, good as it is, because there is a great demand for railway development and if they can develop the practice of using private contractors for important railway works I think we might even reach a larger figure than the 1,000 miles given here. I have particularly in mind certain railway extensions in Southern India which I have heard spoken of—one particularly for the Annamalai's which I believe might pay, and another in Assam where the Railway Department are already carrying out a survey of railway along the north bank of the Brahmaputra, which I understand is only likely to go at the present moment as far as Teipur and which I trust they will consider the possibility of extending to Bishnath and even further along that bank of the river. I am convinced that our whole railway policy should be courageous in the matter of development.

I would like also to refer here to a matter in respect of which I was not fortunate enough, Sir, to catch your eye the other day when a motion for the adjournment of the House was moved in connection with the Kharagpur strike. I believe that this House would be well advised to

refrain, as far as possible, from interference when various portions of our railway may have industrial disagreements with the railway authorities.

Mr. T. C. Goswami (Calcutta Suburbs: Non-Muhammadan Urban): Thank you for the advice.

Colonel J. D. Crawford: I believe that in taking too great notice of these industrial disputes and making them questions of national importance, the House is liable to do very real and grave damage to our Railways. The labourers have very definite representatives in this House who can get into direct touch with those controlling the Railway Board and who can do very much to bring about a settlement. But when little strikes at any point on the railway are to be magnified into questions of national emergency and to receive undue consideration at the hands of this House, then I believe we are on the road to generally damage our railway seriously. Whilst here I would like to make also an appeal to the Railway Board in support to some extent of what my friend Colonel Gidney said. I do think that when they are doing so much to improve their machinery all along the line they will also do what they can to bring a little of the human element in and to think a little bit of the human machine. I have had a good number of instances of things which appear to me on the surface to be rather hard, where I felt that the Railway Board has perhaps thought more of efficiency than sometimes of humanity.

There is one other question which I would like to bring up at this moment. I shall not refer to it at length now as I shall refer to it later during the debate on the Demands for Grants with a view to concentrate the attention of the House on this particular point and that is the high freight at present charged on petrol. The House is aware that I am one of those who is exceedingly interested in the development of motor transportation throughout the country, not in competition with other means of transport but as a supplement to those means of transport, be they canals or railways. It is one of the movements which I believe will do more to revolutionise India and to assist it forward than anything else. When I come up into the mofussil from the ports, I find that the price of petrol is practically prohibitive and this is mainly due to the very heavy railway freight. I will go into the details of this question when I move my cut on the particular Demand and so do not wish to refer to it any more at this particular moment.

Before closing my remarks I would like to pay a compliment to Sir Charles Innes, the Commerce Member, who is shortly leaving us. Personally, at all times, I have found that whatever he has had to say has made the whole of these very difficult problems clearer to a layman like myself and I feel that no matter how much he may belong to the Satanic Government all of us in this House will very really miss Sir Charles Innes and his personality and his tremendous power of explanation when he leaves us in March.

Mr. C. Duraiswamy Aiyangar (Madras ceded districts and Chittoor: Non-Muhammadan Rural): I am not generally in the habit of congratulating people and showering praises upon them for doing their duty much less when they have not been doing their duty properly. At any rate on this occasion I am bound to say a few words in regard to the Honourable Sir Charles Innes. Last time he said that that was his last speech and he has now made an extra speech. On the occasion of his going home it is but proper that we should express that he will carry with him our kind wishes

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not as the Honourable Member for Commerce and Railways but as Sir Charles Innes. I quite realise the difficulty under which he is labouring, quite as much as we are. Sir, when we from this part of the House sometimes criticise the bureaucracy and point our fingers to this or that gentleman on the opposite Bench, it is because we want to express it in order that they may realise also what position they occupy in that bureaucracy. Sir, the bureaucracy is after all a chain of links of which individually they form parts and my Honourable friend Sir Charles Innes forms one link in that chain. If we are bound by the chain, they are bound within the chain. When this chain is broken into pieces both you and we will be free. It is difficult to understand this mysterious form of administration in which it is difficult to see in which safe is locked in the power to do good while the power to do evil is found in every pigeon-hole.

Sir, before proceeding further, let me dissociate myself from what my Honourable friend Mr. Sesha Ayyangar said in regard to the policy of railway expansion. Whatever might have been the faults in the past in the matter of over-speedy development of railways in this country irrespective of commercial development and commercial prosperity of the people, we are not now at a stage when we should condemn the expansion of railways. My friend Mr. Sesha Ayyangar was evidently looking at the clock opposite to him which was recording 9-10 when it was 12 and he wanted to set the clock back in the Railway policy also by saying that railway expansion must be put a stop to. We are now in the stage of expansion by aviation and what is the meaning of Mr. Sesha Ayyangar saying that expansion of railways ought to be stopped. If it were, the exploitation would properly be taken up by aviation.

With reference to the general view which the Honourable Members take of the railway policy and railway finance, I am afraid that the real purpose of railways is ignored and forgotten. This question of commercialisation of the railways must not be carried to extremes. We have got in this country three classes of railways, the commercial lines, the strategic lines and luxury lines. We have got the luxury lines in the Kalka Simla Railway, the Hill Railway between Mettupalaiyam and Ootacamund. We have also got the electrified lines. We pay attention to these strategic and luxury lines irrespective of profit or loss and when we meet with loss we pass it on to the commercial lines and throw the burden on the poor third class passenger. When you meet with any loss, you always make it up by raising the fares and raising the freights for goods. In 1922 and 1923 you wanted to raise 5½ crores by raising the fares chiefly of third class passengers and six crores by raising the freights. That is not the manner in which you ought to carry on business. You ought to know that there is another way by which you can make up the losses. It is by means of retrenching the expenditure. It is by demolishing the topheavy portion of it and if you ask this House once for all for a sum of 5 crores in order to demolish the topheavy portion of it and send away those who are a burden we are prepared to vote the money.

I come next to the amenities of third class passengers. The Honourable Sir Charles Innes told us that the development made on railway stations, the remodelling of lines, all these must be taken to the credit of the third class passengers' amenities. These are not the ways of dealing with the amenities of third class passengers. I could give you a catalogue

now. I shall not go into them in detail because there will be occasion to go into them in the course of the coming four days. I may simply give him a list of them—reduction of fares, through carriages at junctions, waiting accommodation, non-crowding of carriages, safety of property, refreshments and water supply, and the printing of tickets in the vernaculars. These are all matters which ought to be taken into consideration by the Railway Administration in treating of the amenities of third class passengers. It is no good to say that you have given them a concession when they travel over 300 miles. How many passengers have to travel over 300 miles? Last year I asked a similar question; I asked how many third class passengers had taken tickets for a distance of more than 50 miles at a time, at least from any one station and I was not given the figures. I want you to be prepared with figures at the voting of Demands. Then with reference to through carriages at junctions, if you want to know the several inconveniences of third class passengers on long journeys, what they suffer in coming down from one train with all their children and goods when they have to wait for perhaps three to four hours before they can change into another train at midnight, I will mention it at the voting of Demands. Then in the matter of crowding of carriages, you will find that a second class compartment for 8 passengers is very big and yet it pays you only the equivalent of 24 third class tickets at the most, but in the same space, Sir, you are crowding at least 72 third class passengers.

Sir, in the matter of goods traffic I want to make one suggestion to the railway authorities. I would suggest to you that a policy may be started by which concessions in railway freights, rebate on railway freights, may be paid to those firms who are carrying on infant industries in this country and have to carry their goods from one place to another. If coal has to be carried from Bengal to Bombay you ought to give concession rates. The other day the complaint was made that Tata's steel is not reaching Madras, Bombay, Rangoon, Karachi and other places, and Honourable Members of this House then suggested various methods, various permutations and combinations of the tariff rates in order to adjust the burden of protection but not one has suggested that Tata steel must be accessible to all these places also by making the railways give a rebate upon the goods that they carry to those stations so that Tata's steel may also become popular in places where it has not reached as yet.

Sir, in the matter of the deficit in the Budget I wonder what honest attempts have been made to reduce the expenditure, and I hope you will not mind, Sir, if I suggest that you may standardize expenditure on administration. Last year I pointed out the case of three railways which are very nearly equal in mileage but which show a very great disparity of expenditure on administration. The South Indian, the Eastern Bengal and the Burma Railways have very nearly the same mileage, but the expenditure for administration on the South Indian is 67½ lakhs, on the Eastern Bengal 96½ lakhs and on the Burma Railways 62 lakhs. Why should there be that large disparity? Last year when I put that question, the Honourable Mr. Sim answered by saying that there are jungles and forests on the Eastern Bengal Railway and if I were to travel in that country I would find it out. But what does it matter if there are jungles there so far as the administration is concerned? How can it make a difference of several lakhs in the cost of administration? I want, Sir, to take as a standard a basis

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of, say, 10 per cent. of the gross earnings and to set it apart for administration. There should not be this enormous difference between one railway and another, a difference extending even to 30 lakhs, while in other respects also they are showing expenditure which cannot but be characterised as extravagant. Sir, the railway authorities are now saying that they are learning how to economise expenditure, how to economise fuel, etc. The Raven Committee have disclosed several irregularities about which the authorities themselves are ashamed. They themselves say in advance before we criticise that the publication of the report would cause a great deal of criticism. What has the Railway Board been doing all these years, that Railway Board which has been maintaining that not a single Indian is competent to be on the Board and which they alone are competent to fill? They have a large inspection staff under them and a large number of costly agencies. What have they been doing all these years? Until the Raven Committee came and disclosed so many irregularities we knew nothing about it. Sir, I suggest that the losses be recharged against the salaries of these people who are responsible at the top. I ask the Audit Department to be independent and to say how much loss has been caused in the past by the non-supervision of this Railway Board. And Sir, when this expenditure has to be curtailed in any one year the burden is it once thrown on the third class passengers. That is the only remedy which the Railway Board knows.

Sir, in the matter of Indianization what have you done? That is another important point. About 224 appointments were made last year. Out of that 133 Europeans have been appointed, 63 Hindus, 10 Muslims and 15 other classes. My friend Colonel Gidney comes under the "other classes", and why, because he never goes into our lobby for voting. If only he could make up his mind to vote with us I would give him a separate class to himself and call him an Indian, and I would not want a separate class for Hindus. In the matter of this percentage of new appointments, the Bengal Nagpur Railway has introduced 81 per cent. of Europeans, the Bengal and North Western 85.7 per cent. and the Burma Railways 75 per cent. during the last year. And that after the agitation for Indianization of the services has been going on for so many years. Is that just?

Then, Sir, in the matter of accidents, they have increased in number. Collisions of passenger trains amounted to 65 and other trains 375. Derailments of passenger trains numbered 947, of other trains 4,397. All kinds of accidents last year numbered 22,094. And with all their inspectors and inspecting staffs what care are they taking, what steps have they taken to avoid all these accidents. The passengers killed numbered 377, injured 1,323; 402 railway servants were killed and 3,323 injured. Are these the figures about which we should sit calmly and quietly here without asking for an explanation from the Railway Board, which pretends to be superhuman in intelligence, which thinks that all Indians are worth nothing when compared with its own personnel?

Sir, I am not going to deal with the ratio question. Sir Purshotamdas Thakurdas and Sir Victor Sassoon have already dealt with it. But, Sir, one word I wish to say and it is this. That is not a question which can be settled as a side issue like this. It cannot be decided as a compartmental question. It ought to be decided when the whole subject is before us—not only the Railway Budget, not only the Budget of Sir Basil Blackett, but

when the budget of producers, consumers, exporters, importers, labourers, etc., are before us at one view. Sir, I desire to ask three questions of my friend Mr. Parsons. He says that the sterling expenditure on capital stores is no less than £5,300,000; and he says out of this only £300,000 will be purchased in India and five millions worth must be purchased elsewhere. Has he made up his mind about that? Then with regard to the revenue stores, he says that £1,760,000 has to be spent, of which only £250,000 will be spent in India. And the third point is that you will have for your new lines new recruits from England. I should like to ask my Honourable friend if he has made up his mind to spend all this sum in England. If so, what does it matter to us if we are to give two pence more? If we are to lose such large sums, why grudge a two-penny more? Pumpkins are lost—why search for a missing mustard?

Mr. M. Ruthnaswamy (Nominated: Indian Christians): Sir, if I rise to speak so early in my career as a Member of the House it is with the object of calling the attention of Government and of the Railway Board to the comparative neglect in regard to railway construction from which my Presidency has been suffering. If one looks at the excellent map attached to the Explanatory Memorandum furnished by the Financial Commissioner, one will notice that one of the biggest gaps in railway construction, in fact I may say the biggest gap in railway construction is to be found in the northern districts of the Madras Presidency. Describing a semi-circle round what is going to be the very important harbour of Vizagapatam one will find that there has been there very little construction of railways ever since railways began to be built in India. Even what has been proposed by the Railway Board has not been executed with the expedition that one would have expected of it. As regards the Raipur-Parbatipur Railway which is to connect the harbour of Vizagapatam with the northern districts of the Madras Presidency and the Central Provinces, we find this very disquieting sentence in the Explanatory Memorandum:

“In addition, the commencement of work has sometimes been held up by the necessity for deciding problems of some complexity before sanction could be given to the project. The Raipur-Parbatipur Railway is the principal sufferer, and against the provision of 125 lakhs for this line expenditure of only 24.66 lakhs is now anticipated in 1926-27.”

If the Vizagapatam Harbour is to become one of the most important harbours in India, it is necessary that like Bombay, Calcutta and Madras ought to have a net work of railways round about them, and I think that one of the first objects to which the Railway Board should direct its attention and energies in the coming years is to fill up this very big gap in railway construction in India. With regard to other minor matters also, Sir, I must point out the neglect from which the Madras Presidency has been suffering. In regard to the electrification and doubling of lines of the Madras suburban railways, we are told that the question of electrification is still under investigation. I believe the investigation has been going on for the past two years. In spite of the fact that Sir Charles Innes, who is bringing to an end a distinguished career in the public service of this country, hailing from the Madras Presidency, and in spite of the fact that he has been in charge of this portfolio for five years, the development of railway construction in the Madras Presidency has not been as satisfactory as possible. I wish Sir Charles Innes had shown to his first love greater fidelity than he has, and it is sad to note that the meretricious beauties of his new love at Delhi and Simla have made him forget the

[Mr. M. Ruthnaswamy.]

foundations of the distinguished career which he is now bringing to an end. Sir, if I took up another matter, the question of the policy of encouraging railway construction by District Boards, I might be understood as countering the argument for further expansion of railways which I have just now advanced. But it seems to me rather peculiar that the Madras Presidency should be the only Presidency where the construction of railways by District Boards is being encouraged. The more legitimate work of District Boards, I should have thought, would be the construction of roads, and I cannot help thinking that the spending of energy and money on the construction of railways is diverting the District Boards from a more legitimate work, which is the building up of a better system of roads. (*An Honourable Member*: "Question?") The taking up of construction of railways by District Boards is more profitable because we can make profits out of railways, but you cannot make profits out of roads. But it seems to me that first things have to come first, and the building of roads by District Boards ought to have precedence over the building of railways. I think I am right in saying that in no other country in the world, and in fact in no other province in India have District Boards taken up the construction of railways. It is rather late, Sir, at this hour of day for my Honourable friend, Mr. Sessa Ayyangar, to sound a note of warning in regard to the further building of railways. I should be degenerating into reading a schoolboy essay on the advantages of railways if I spoke about the advantages of a more active construction of railways in India. We are very far behind even the most backward country in the rest of the world in regard to the building of railways. One of the ideals, one of the standards, by which the state of communications in an advanced country is judged is that for every one square mile of area, there should be one mile of communication, either by road or by rail. Judged by this standard, no one will doubt that India is one of the most backward countries in the world. In fact it is by the development of communications whether by rail or by road—and we are at present upon the question of railways that most of the problems of unity and prosperity and even of self-government and liberty can be solved. One of the greatest obstacles to the political unification of India in the past has been exactly this, the vast territorial extent of the country. India has been too great a country for political unification and for development in liberty and in self-government; and I think a more active building of railways, a more active railway policy, will help in the unification of the country which is necessary for the political development of the State. (Applause from the official Benches.) Much talk has been in evidence in recent months about the backward tracts in India. This is not a question for debate now, but certainly no one can doubt that there are various strata of civilization which remain backward through the existence of these backward tracts, and one of the best ways in which these backward tracts can be illuminated is by pursuing an active railway policy in those tracts. I therefore commend to the Government and to the Railway Board this policy of not crying a halt to railway development but of increasing its railway activities and of distributing its railway activities impartially throughout the country. It is true that Madras is far away from Delhi and Simla, but it seems to me that one, especially a statesman, should look beyond his nose, and although Central India is very much under the nose of the governors of India, I would appeal to them that the development, the material development of the distant tracts of India is as necessary

for the progress and the prosperity of the country as the development of those tracts which are nearer to the Capital. (Hear, hear.)

The Assembly then adjourned for Lunch till Twenty-Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty-Five Minutes to Three of the Clock, Mr. President in the Chair.

Pandit Hirday Nath Kunzru (Agra Division: Non-Muhammadan Rural): Mr. President, the cardinal feature that strikes a new comer about the Railway Budget is the separation of the railway from the general finances. At the time that the Assembly agreed to the separation of railway finance, a Resolution was passed embodying the conditions on which the Assembly agreed to the arrangement, and one of the conditions was that the arrangement shall be subject to periodic revision, but shall be provisionally tried for at least three years. The Honourable Member for Commerce taking part in the Railway Budget debate in 1925 said that the convention was experimental and that after a term of three years it would have to be reconsidered. I, therefore, thought, Sir, that the arrangement arrived at between the Assembly and the Government would be placed before the Assembly again this year. I know that the condition embodied in the Resolution passed by the Assembly in September 1924 states that the arrangement brought into force shall be tried for at least three years, and that, therefore, there is nothing technically speaking to prevent Government from continuing the present arrangement for more than three years. But what the Honourable Member for Commerce said in 1925 led one to hope that Government would of their own motion bring this matter before the Assembly as soon as the period of three years was over. I know that the Assembly agreed to the present convention in September 1924; but the separation of railway finance was practically carried out from the 1st April, 1924. Now, this House being a new House, I do think that Government might have taken the initiative themselves. Instead of leaving it to Honourable Members to ask that the matter should be brought up again before the House they should themselves have invited the Assembly to reconsider it if it wanted to do so. I am not asking why this procedure was not followed only for theoretical reasons. Since the contribution to be made to the general finances depends mainly on the capital at charge, it is necessary to arrive at a correct view of the capital invested in our commercial railways. Now, the Incharge Committee, which recommended a return of 5½ per cent. on the capital at charge, took into consideration the entire capital, not excluding either the capital invested by the railway companies or the capital invested in the strategic lines. And although we might ask that the capital on strategic lines be taken into consideration. . . .

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Why not?

Pandit Hirday Nath Kunzru: I said although we might ask. . . .

Mr. A. Rangaswami Iyengar: I propose to do so.

Pandit Hirday Nath Kunzru: Although we might ask for it, as the general revenues have borne considerable charges in connection with the

[Pandit Hirday Nath Kunzru.]

payment of interest and the grant of land, etc., I am not for the present raising that question; I leave it to my Honourable friend, Mr. Rangaswami Iyengar to do so. But what I do suggest is that the capital, redeemed by means of annuities and sinking funds, should certainly be taken into account in determining the total amount of the capital at charge. I am aware that the Inchcape Committee actually deducted this from the total capital at charge when it suggested that efforts should be made to obtain a revenue of 5½ per cent. on the total capital at charge. But since Government have deducted the capital spent on strategic lines and the capital contributed by the railway companies from the total capital, I do think that the amount redeemed by means of annuities and sinking funds which have come out of the revenue should be added to the total of the capital regarded as at charge at present. Now, it may be that the railway revenues will not be able to go on contributing to the general revenues at the same rate as now if the capital at charge were increased. I am not, saying for the present that that contribution in future should be at the same rate as now, but when we are considering whether our railways are a commercial concern or not, we must certainly take the sum redeemed by means of annuities and sinking funds into account in determining their paying capacity.

The other point that I wish specifically to bring to the notice of the Honourable the Member for Commerce in this connection is that the charge for land and subsidy and surveys should no longer be debited to revenue, and that the interest to be paid on capital employed for new construction should be charged to the capital so long as the new railways do not become a paying concern. In order to point out the importance of this matter, I would for a moment try to compare the figures of 1923-24 with the figures for 1927-28. Now in 1923-24 our gross traffic receipts amounted to about Rs. 92·87 crores and the working expenses and interest charges together to Rs. 81·91 crores. In 1927-28 the budgeted revenue is Rs. 99·23 crores and the working expenses and interest charges together amount to Rs. 89·51 crores. Thus during these years while there has been an increase in revenue of about 6·37 crores, there has been an increase in expenditure of about 7·6 crores. I am aware, Sir, that the figures of the two years in the form in which I have given them are not exactly comparable. On the revenue side we have to take account of the fact that during the last two years reductions in fares and freights have been made. But, on the other hand, we must take into consideration the cheaper cost of fuel and the reduction of prices since the year 1923-24 which has been considerable. On the expenditure side, taking working expenses alone, there is a difference between the working expenses for 1923-24 and the corresponding budget figures for 1927-28 of about 4½ crores. Now, a greater part of this is due to the fact that the provision for depreciation is about 3½ crores more than it was in 1923-24. We have also to take into account the additional expenditure due to the Lee concessions, and if those elements are taken into consideration, I do not think it can be said that the working expenses have increased substantially since 1923-24. But there is certainly a great increase in interest charges amounting to about 8·19 crores. This is undoubtedly due to the large amount of capital expenditure incurred during the last five years. This suggests to me, Sir, that we have been perhaps proceeding in this direction a little faster than we might have done. We would like to know in this connection what are the

railways that have been completed during the last five years and when the completed projects are likely to yield an appreciable return on the capital invested in them? In the second place, if the interest due to the capital employed in new construction were charged to capital, as it would be in a commercial concern, and not to revenue, not merely shall we be keeping our accounts on a correct basis, but we shall be allowing our revenues to benefit thereby, as they should. I notice that in the Explanatory Memorandum of the Financial Secretary, the return on the capital is calculated not merely after taking into account the capital invested in the new projects but also the net loss on account of interest incurred before they become fully paying. If that is so, there should be no difficulty in debiting the charge on account of interest to capital and not to revenue.

The next question that I should like to place before the House is in connection with the form of the Budget. Honourable Members on the other side who are experts in this matter perhaps cannot easily realise the difficulty in which we find ourselves in dealing with so huge and complex a matter as the Railway Budget. The Provincial Governments deal with a smaller amount of income and expenditure. Nevertheless, anybody who looks at a provincial Budget will realise that it deals with the various items of expenditure with great wealth of detail. Now, here we have the Railway Budget dealing roughly with a hundred crores of revenue and expenditure, and we are not given anything like the detailed information that is given in a provincial Budget which deals with a much smaller amount. I should in particular like to point out in this connection that it would be a great convenience if the figures relating to the individual railways were compiled in such a way as to enable us to study them on a comparative basis. It is at present difficult to compare the growth of revenue and expenditure in the different railways. It can be done only after spending a great deal of time in examining the various figures; but if Government could give us the various figures in one volume, as, for instance, the figures relating to the Provincial Governments used to be given in previous volumes of the Finance and Revenue Accounts, it would be of great advantage to the Members of the House and also to those outside who might like to study this question.

Just one more point, Sir, before I sit down, and it is in connection with the purchase of wagons. In March, 1918, Government guaranteed to purchase in India 2,500 broad gauge and 500 narrow gauge wagons annually for 10 years with the desire of establishing "on a solid basis in India the industry of wagon construction." Four years after this came the Inchcape Committee which pointed out that the increase in wagons had been greater than the increase in ton miles, and recommended that the wagon programme should be largely curtailed particularly on unremunerative lines. Now, this Committee reported, I believe, on the 1st of March 1923, and in June 1924 Government issued another communiqué stating. . . .

Mr. President: Order, order, the Chair regrets to have to draw the attention of the Honourable Member to the fact that his time is up.

Pandit Hirday Nath Kunzru: This is my last point, Sir, and I shall deal with it very briefly. In June 1924 Government withdrew their original communiqué of 1918 on the ground that the passing of the Steel Industry (Protection) Act had considerably modified the position. There have been a number of questions in this House in the past in connection with this

[Pandit Hirday Nath Kunzru.]

matter, and I should like to ask Government how many wagons have been purchased since March, 1923, that is, since the Inchcape Committee recommended. I should like to know what is the total addition made to the stock of wagons every year since the Inchcape Committee reported, and as it is a matter of importance, I hope that either the Financial Commissioner for Railways or the Honourable Member for Commerce will give us the information asked for.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, this is the third Budget that the Honourable the Commerce Member has presented since the scheme of the separation of the railway from the general finance was adopted by a Resolution of this House. We see from the budget figures that on the 31st of March, 1928 we would have put by about 11.28 crores of rupees as a depreciation fund and about 11.33 crores of rupees in the reserves, making altogether a total of 22.61 crores of rupees. When one studies these figures, one is naturally tempted to ask how this enormous sum of 22.61 crores of rupees is invested and where this money is kept. I have been told that this balance in the depreciation and reserve funds is merged in the general cash balance of the Government of India, and that the Government of India pays to the railway administration a certain percentage of interest on these funds. One would like to know what exactly is the percentage of interest that the Government of India gives. In the Railway Budget it is shown under the item of receipts of interest on the depreciation and reserve funds. But we are not told what exactly is the percentage of interest given and we are not therefore in a position to know whether the railway administration is getting from the Government of India an interest which might be considered to be reasonable, taking into consideration the condition of the money market for the time being. In this connection, I would like to suggest to the railway administration to examine the desirability or otherwise of investing this money in more permanent Government securities. Sir, we have been told that the railways are being managed as a big commercial concern, and I would impress upon the Honourable Member for Commerce the desirability of giving in future to this House a regular balance sheet showing the assets and the liabilities of the administration. I am aware of the fact, that Sir Arthur Dickenson is at present engaged in investigating into the system of accounting on the railways as a whole; and I do hope that this point would be referred for his examination and that some action in this direction would be taken by the railway administration in the presentation of future Budgets.

Sir, a study of the budget figures of this year is very instructive in enabling us to realise more the extent of the losses incurred by the railway administrations than the actual gain made by them. A number of papers have been supplied to us, but I should think that the most important budget paper of this year has not been made available to the Members in general,— I am referring to the Report of the Raven Committee. My Honourable friend, the Commerce Member, referred to the remark of certain people in speaking of this Report as a general indictment of the railway administration. Whether the Report of the Raven Committee is an indictment of the railway administration or not, I must certainly congratulate the railway administration on the remarkable courage that it has shown in publishing this Report for general information. Even though I must confess that

a great part of the Report is too technical for a layman like me to understand, it is very clear that at least in the management of the Railway workshops the condition of affairs is anything but desirable. When the Inchcape Committee investigated the financial condition of the Government of India, they brought to the notice of the Government the enormous amount of money that was locked up in the stores balances of the railways. I believe that at that time it stood somewhere in the neighbourhood of 35 crores of rupees. The interest charges on this huge sum alone came to more than a crore and a half of rupees per annum and the Inchcape Committee urged upon the Government the desirability of bringing about a drastic reduction in the stores balances. Later on we had been told that the railway administration had turned its attention to this question. In the Explanatory Memorandum supplied to us with this year's Budget it is mentioned that at the end of 1927-28 it is anticipated that the balance of stores held by railways will be brought down to 11 crores or less than half the stock at the end of 1925.

Mr. A. M. Hayman (Railway Board: Nominated Official): I beg to rise, Sir, to a point of explanation. The figure of 11 crores is a mistake. I shall be obliged if the Honourable Member will read 13 crores instead of 11 crores in that Memorandum.

Mr. R. K. Shanmukham Oshetty: Whatever it is, in reading this statement one is naturally tempted to congratulate the railway administration on having brought about this drastic reduction in the stores balances. In fact, Sir, when I read the administration report of the Railway Board last year and also this year, I thought that the railway administrations had really given effect to the recommendations of the Inchcape Committee in this respect. But then what is the state of affairs that has been disclosed by the Raven Committee? On page 81 of the Report they say as follows:

3 P.M. "We feel it necessary to place on record the difficulties we experienced in our investigations owing to the general practice that has obtained on all the Indian State Railways of keeping a fairly considerable stock of stores in running sheds and other places which had been charged off and debited to running expenses."

And they further proceed to say:

"We have been told that this is a result of the campaign of reducing stores balances but we cannot accept this explanation. No book-keeping method of reducing stores balances could go to the root of the evil."

And again they say on page 82:

"In some cases these materials have been received on capital account, charged off to work for which they have been received long before the commencement of any building or erecting operations and kept lying about the shops without any apparent check whatsoever. We are told that this is a recent practice adopted in order to bring about the reduction of stores balances we have already heard mention about. It is obviously ineffectual to resort to such practice where the resulting reduction in stores balance is merely artificial and fictitious."

Sir, comment upon this passage is superfluous. To put it in plain and blunt words, it comes to this that a reduction of stores balance has been brought about by throwing away stores from the stock. And I ask, is this a matter on which the railway administration can congratulate itself? I see, Sir, the Honourable the Chief Commissioner for Railways indulging in a superior laugh, as is usual with the Honourable Members on Government Benches, and I shall await what explanation he has to offer in justification of this reckless policy that has been pursued in these workshops.

[Mr. R. K. Shanmukham Chetty.]

There is one other point, Sir, to which alone I will draw attention at this stage. Ever since the year 1921, the railway administrations have launched upon a huge programme of workshop construction. From the figures given in the Explanatory Memorandum we see that workshops costing very nearly 7½ crores of rupees are in the process of construction and that nearly 4½ crores of rupees have already been spent on the construction of these workshops. Sir, this scheme of construction of workshops was undertaken mainly with a view to overtake those arrears of repair into which the railway administration fell during the Great War. They have been engaged for the last seven years in this task and yet in one of the footnotes of the Demands for Grants we are told that the arrears of repairs on many railways have not yet been fully overtaken. This House has given very extensive powers to the railway administration to spend enormous amounts of money to overtake these arrears of repairs. A huge amount of money was voted in the year 1921 and yet, in the year 1927, we are told that arrears of repairs on many railways have not yet been fully overtaken. May we ask, Sir, the railway administration to tell us at least at this stage with some precision as to how many years more it will take for these railways to overtake the arrears of repairs? Another question naturally arises out of this. In this huge programme of workshops construction, were proper estimates prepared at the time when these schemes were sanctioned and has the railway administration satisfied itself that a proper outturn will be got for this huge capital that is being invested? I would like to know, Sir, some facts about these. This question becomes very important especially in the light of the revelations about workshop management made by the Raven Committee. I shall have more to say about these revelations at a later stage. But at present I would like to know, whether the workshops on the lines managed by Companies are also asked to give effect to the recommendations of the Raven Committee. We are told in the Explanatory Memorandum that a special officer has now been appointed to see that effect is being given to the recommendations of this Committee, and I would like to know whether it will be within the competence of this special officer to enforce these recommendations in the workshops on the Company-managed lines also?

These are, Sir, a few of the points which I thought I might bring to the notice of the railway administration at this stage and more I shall reserve for a later stage.

Mr. T. C. Goswami: Sir, not having even half as many minutes to traverse the entire Railway Budget as the Psalmist has allotted us years, during which we may probably have to watch helplessly the disastrous consequences of the railway policy of the present day, I hope I shall be forgiven if I do not tarry long over what I hope was not sarcastically described as the "fascinating speech" of Sir Charles Innes. The romance of railways as revealed in the speeches of Sir Charles Innes and Sir Clement Hindley I shall reserve for private enjoyment. I could, however, congratulate Sir Clement Hindley and Sir Charles Innes on their usual facility in window-dressing, for after all, all these Budgets, as far as my experience goes, have invariably an unreality about them which oppresses one. The figures given are generally in the nature of *suppressio veri suggestio falsi*. I could also refer to some general principles, to some

old complaints, such as differentiation in the matter of railway rates. It is an old complaint, Sir, that rates have been fixed arbitrarily to suit the shipping companies whose interest it is for India to export more raw materials and to import more manufactured articles. That is an old complaint, and I think the mere mention of it is quite enough at this stage. There is another old tale which will also bear repetition, and which will serve to remind the gentlemen in charge of the Railway Administration that the credit of the tax-payer has been pledged to the extent of 142 crores involving interest charges of nearly $7\frac{1}{2}$ crores. That also, as I have said, is an old story; but it is a good reminder in discussing the Railway Budget. We are told that the Railways are run on commercial lines. Let me therefore remind you of something which may almost sound platitudinous but which, again, may be helpful when we discuss the Railway Budget in greater detail during the next few days,—namely, that a commercial concern which has a monopoly involves taxation just as much as ordinary direct taxation. After all, the Railway Department is handling revenues which in amount are not much less than the revenues that are handled by our Chancellor of the Exchequer. Sir, I come at once to a matter of immediate interest at the present moment. And if I do not follow the admonition of my Honourable and gallant friend, Colonel Crawford, I hope he will pardon me. He has referred to strikes as little industrial disputes. Sir, a strike involving 30,000 men is not a small industrial dispute. The great strike, which is now in progress, on the Bengal Nagpur Railway, is a matter of national concern, in spite of what Colonel Crawford may say and in spite of what that octogenarian dandalo of the Bengal Nagpur Railway Company, Sir T. Wynne, may say. I understand this gentleman has been telling the aggrieved employees that he has the right as an employer to treat his employees, that is, the employees of the Bengal Nagpur Railway, in the same way as a private master treats his servants. Sir, that is a very dangerous proposition. It is true that the Bengal Nagpur Railway is a Company-managed railway, but at the same time this Bengal Nagpur Railway is a public utility concern. It is protected not only by the bayonets of the Gurkhas and the Auxiliary Force, but it is also propped up by the credit of the Indian nation, of the Indian tax-payer. Sir, that analogy, that vicious analogy of the relation between the employer and the employed in private life, is not only misleading but, if accepted, may result in grave public wrong. I believe that when this subject was mentioned here a few days ago, when I had the misfortune of being absent from this House, there was a regular orgy of laughter on the other side of the House. What is more, that laughter was raised, I am told from credible reports, when it was mentioned that some of the strikers had received serious injuries as the result of a bayonet attack and that indiscriminate firing had taken place. Human life is a matter about which I should have expected some respect shown even on the other side of the House. Let this House commit itself to this proposition that the life of the meanest Indian coolie is as sacred as the life of the highest English official in this country. (*An Honourable Member: "And vice versa".*)

Mr. President: Does the Honourable Member intend to revive a discussion which had taken place only the other day?

Mr. T. O. Goswami: I do not wish to revive any discussion, but I do desire to draw pointed attention

Mr. President: I understand the Honourable Member's anxiety as he was absent from this House when the matter was taken up. But the matter had already been thoroughly discussed for over two hours and I am not disposed to permit a revival of the discussion on the same subject.

Mr. T. C. Goswami: Would you not allow me to mention . . .

Mr. President: The Honourable Member may mention in a general way, but to make that as a point and go on discussing it is objectionable.

Mr. T. C. Goswami: Thank you. I will just say that the Kharagpur strike is a matter which the Railway Administration should take up immediately. After all, the demand which the Union and the employees have made is a very reasonable demand,—namely they want a committee of inquiry, which does not necessarily commit the Railway Administration to an admission of the reasonableness of the grievances. If you forbid all discussion on a matter of such great importance in railway administration, I cannot help it; I regret your decision very much . . .

Mr. President: Order, order. The Honourable Member knows very well that a full discussion had taken place only the other day, and is it right for him to suggest that the Chair forbids discussion? The Chair had already given ample opportunity to this House to discuss that subject for more than two hours and it is hardly fair on the part of the Honourable Member to suggest that the Chair forbids discussion.

Mr. C. S. Ranga Iyer: Was it permissible for Colonel Crawford to refer to the strike, and is it not permissible for an Honourable Member on this side of the House to reply to it?

Pandit Hirday Nath Kunzru: May I ask whether it is permissible to discuss a matter again in connection with the Railway Budget though it was a matter which has already been discussed as the subject of a Resolution?

Mr. President: When the question arises, the Chair will give its decision.

Mr. T. C. Goswami: I have no desire to dispute the ruling of the Chair. Still I will say that this is a matter which I hope the Railway Administration in the interests of the country will take up immediately and settle before the matter becomes seriously aggravated. I do not think, Mr. President, I shall say anything more under your ban.

Mr. Jamnadas M. Mehta (Bombay City: Non-Muhammadan Urban): Sir, I would like to say that we all bid a regretful farewell to my Honourable friend, Sir Charles Innes. Although I know that he is a part and parcel of the Satanic Government and a typical bureaucrat to boot, there is no question whatever that the application and industry which he brings to bear on all questions for which he is responsible to this House and the mastery and ease with which he presents the case are at once an example and an inspiration to everybody who has had the privilege of knowing him, and to that extent I very much regret that a career so useful and so brilliant is now coming to an end. May I be permitted to wish him a long and happy life in his home overseas.

Sir, I might also congratulate my Honourable friend, Mr. Hayman, on his elevation. He knows that I had a great share in getting him that post, and I hope that he will not follow the example of Colonel Gidney. My Honourable friend, Colonel Gidney, is like the ostrich which poses both as a bird and a beast. When the privileges of the bird are to be enjoyed he will deny that he is a beast, and when the privileges of the beast are to be enjoyed he will deny that he is a bird. And I honestly trust, Sir, that if my Honourable friend, Mr. Hayman, wants to make a success of his career the first thing he would avoid is the tactics of Colonel Gidney. I will leave the matter there and will straight off jump into the bearing of the exchange question on the railway finances.

My Honourable friend, Sir Purshotamdas Thakurdas, has given us a clear statement as to the consequences of 1s. 4d. on the Railway Budget and I do not think it will be at all necessary to dwell at length on this matter after what he and my Honourable friend, Sir Victor Sassoon, have said. For one thing, I think the Railway Administration has been caught napping when they said that the rate of interest would rise if a reversal to 1s. 4d. was decided upon. Let them refer to the minutes of evidence when Mr. Pherozeshah Merwanji Dalal was under examination. The Chairman of the Commission then said agreeing with Mr. Dalal that a reversal to 1s. 4d. would really make the rate of interest lower. After that, it is really an amazing thing that the Railway Administration should seriously put forward a document in which they say that the rate of borrowing would rise, if we went to 1s. 4d. But the thing which clinches the issue is the return of gross receipts during the last 5 or 6 years. If my Honourable friend, Mr. Parsons, will refer to the receipts of the year 1924-25, and that is the year when the ratio was at par, i.e., at 1s. 4d., gold—that was the old par—he will find that the receipts from railways were, on a mileage of 38,270 miles, Rs. 101 crores, and the average earning per mile per year was Rs. 26,390. There has since been a steady deterioration and in spite of the increase of mileage the income has come down till in the budget year that is now before us, over a mileage of 39,817 there is an income of Rs. 99 crores and even if that is really borne out by the working of the next 12 months, the mileage return is reduced from Rs. 26,390 in 1924-25 to Rs. 24,923 in 1927-28, and it results in a deficit of Rs. 5,83 crores. If we had been on a ratio of 1s. 4d. to-day, we would have earned in 1927-28 a revenue not of Rs. 99 crores, but a revenue of Rs. 105·8 crores. That would have been the figure in the budget estimates instead of Rs. 99·25 crores, and, Sir, the loss amounts to Rs. 5·83 lakhs, a result directly traceable to the alteration of ratio which reduces the movement of commodities and thereby reduces Railway receipts. Strange to say, in this country which produces wheat we have the information that in Calcutta only recently no less than 16 lakhs pounds sterling worth of wheat was imported from Australia. It is really painful that on account of a fall in prices the movement of commodities in this country should become so prohibitive that it pays the foreign exporter to dump the articles of which India is the main producer. I think this single fact ought to convince everybody that the fears entertained by my Honourable friend, Mr. Parsons, are groundless. I do not of course agree with his figures but I will take them as absolutely correct; he fears that under 1s. 4d. on the revenue side there will be an increase of expenditure of 3 crores and 12 lakhs annually; but it will be counterbalanced by the

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increased receipts, *i.e.*, Rs. 5·83 crores which we are now losing owing to the higher ratio. That clinches the issue that so far as the results of the reversion to 1s. 4d. are concerned they will be more on the right side and not on the wrong side of the Railway Budget.

Then, Sir, I will go straight off to two other important points and they have been raised by my Honourable friends Mr. Kunzru and Mr. Chetty. I entirely agree with Mr. Kunzru that it is necessary that the convention under which the separation of railway finance took place in 1924, should be reconsidered. The convention provides that after three years it might be reconsidered. We have now had three Budgets since that convention was established; we want to appraise the results of the working of that convention on the railway finances as well as on the general finances of the country. It will further furnish us an opportunity to find out whether the huge expenditure of Rs. 142·58 crores which we have incurred on the rehabilitation of our Railways during the last five or seven years has led to their improvement and made their working economical or whether the old methods are still being pursued. I wholeheartedly agree with my friend Mr. Kunzru that interest on new constructions, until these new ventures have become paying, should be charged to capital and not become a burden on the revenue. I further suggest that the interest on open line works, on the marshalling yards, strengthening of bridges and all workshops and other works where capital is sunk, should during the period of construction be charged to capital and not to revenue. Until we have this, the really correct way of assessing the incidence of expenditure, we will never know whether the rates and fares we are paying are reasonable or excessive. We do not know what the real cost of transport is to-day. We do not know what the true cost of constructing a line is. We do not know the true cost of working a line. These three things ought to be known quite clearly and succinctly if we are to judge correctly whether the burden of rates and fares is light or heavy. We are not able to know these because of these camouflages, namely, that the interest during construction on new lines and an open line works is charged to revenue. Consequently we cannot see in a correct perspective their bearing on the revenue position and therefore we cannot have a correct idea of the working of Railways. For investigating these three things, we must have this convention reconsidered in the course of the next Session. The burden on the tax-payer will be clear from the fact that during the last five or six years the traveller and the trader have paid on account of interest and profits a sum of Rs. 62 crores and 12 lakhs which should really have been paid from capital or not paid at all. There is for instance 26 lakhs and 57 thousand of interest on capital works, 26 crores and 13 lakhs payment to the general revenues and 11 crores and 32 lakhs to the reserves. All these amounts have been a burden on the railway customer which he is not bound to bear. The Railway Commission in New South Wales made it quite clear that the railway administration had no right to charge a single pie more than the cost of running the service and depreciation. Nothing more should be charged on transport. A great deal of lip sympathy was displayed when this separation of railway finance was under consideration that the tax on transport was a vicious thing. We find that in the course of three years the cost of transport has been improperly increased to the extent of 64 crores and 12 lakhs which the traveller and the trader

have borne. For that reason I would certainly like that the re-examination of this convention should be undertaken before the end of the next Session.

(At this stage Mr. President vacated the Chair which was occupied by Mr. M. A. Jinnah, one of the panel of Chairmen.)

We also want to know whether as a result of the examination of this convention we can see whether the railway industries have been encouraged as it was promised that they would be encouraged. I find that as a matter of fact the encouragement of railway industries is still to come. In the course of 5 years, on the rolling stock alone Government have spent 35 crores and 21 lakhs. Out of these 35 crores and 21 lakhs the amount spent in India is only 4 crores and 40 lakhs. I suppose nobody would seriously argue that this is encouragement of Indian industry when out of a total expenditure of 40 crores on rolling stock in the course of the last five years only 4 crores and 40 lakhs should have gone towards encouraging Indian industry. We will find out if we re-examine this convention why it was that the promise of encouragement of Indian industries has not been carried out. The question of Indianisation has always led to the bitterest controversy. Government maintain that they are Indianising. We maintain that they are Indianising in the wrong way and there is a bitterness behind this question which can only be assuaged if we go into committee and there consider whether there has been real Indianisation or not.

One further question remains and I want to dwell upon it at some length. My friend Mr. Chetty has rightly referred to the Report of the Raven Committee. I called it an indictment of the Railway Administration and I did not expect that this word would hurt the susceptibilities of the Honourable the Commerce Member and the Chief Commissioner for Railways so much that they would complain of it in both Houses simultaneously. But rightly or wrongly indictment it is. If any one had asked the Railway Board two years ago whether their stores policy and their workshop policy required any improvement they would have denied it hotly because the Railway Board are like the Pope infallible. Until they are found out they never admit that they made a mistake.

Sir Clement Hindley (Chief Commissioner for Railways): Who found it out?

Mr. Jamnadas M. Mehta: The Raven Committee.

The Honourable Sir Charles Innes: Who appointed the Committee?

Mr. Jamnadas M. Mehta: You never counted upon that, I am sure. At any rate two years before this Report you would never have admitted that your workshops and your stores reduction campaign were such rotten and hollow things. But so far as the stores reduction campaign is concerned it really amounts in the words of this Raven Committee to a sort of fraud on this country and the Legislature. What is it that your reduction campaign comes to? The amount of stores which the Incheape Committee found as excessive was not 25 crores but 34 crores, if you will see page 38 of the Incheape Report. Every year we were regaled with stories that it was being reduced, a special officer had been appointed on this campaign, and so on. Now the cat is out of the bag. The reduction amounted to nothing more than this, as Mr. Chetty pointed out, merely throwing away the stores out of the capital account and throwing it away it did not matter where. This Raven Committee is really compelled to say that this is not the way to reduce stores. They have in so many

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words told the Government that this method of reducing store balances is not an honest or a straight method and does not represent facts. Until now we were losing only interests on these huge stores balances; we are now being deprived practically of the stores themselves because we do not know how much of this 23 crores worth of stores which we are told is reduced, has been really lost and how much is accounted for. The Raven Committee says that nobody is really in a position to say anything definitely. Therefore this stores reduction campaign has been found out to be a campaign which was merely eye-wash.

I am bound to say, Sir, that the Memorandum accompanying the Budget is not the Memorandum which we considered in the Finance Committee. Whatever may be the merits of that Memorandum it is not the Memorandum which we have considered. The figures we are now told are the correct figures were not the figures we were told were the figures then.

Mr. A. M. Hayman: May I rise to a point of personal explanation, Sir, in the absence of Mr. Parsons. The figures differ because Mr. Parsons distinctly told the members of the Standing Finance Committee that he would alter the figures of the revised estimates if necessary because he had to take into consideration the approximate actuals up to a later date. He also explained that the alteration of the revised estimate figures might in consequence make it necessary to alter the budget estimate figures of next year slightly. He gave an undertaking that if the figures of the next year were altered appreciably he would consult the Finance Committee again.

Mr. Jamnadas M. Mehta: The question then really hangs on the fact whether they have been altered appreciably. With all respect to my Honourable friend, Mr. Hayman, I would point out that at least on the capital side there is hardly any figure which is not altered, and the alteration often amounts to lakhs. I have not made up the total, but the alterations are on every page and in almost every figure. However I have no time now to indulge in a dispute on this point, otherwise I should have gone into it. One important thing we have discovered is that the Assembly's authority over the Railway Budget is somewhat doubtful. In this very Budget we find that the delegation to the Agents of certain powers as a result of the separation of Railway Finances has led to disappointing results. We find much to our surprise that it has resulted in a transference of power which should belong to this Assembly to the Railway Agents. Here is the statement of the Great Indian Peninsula Railway Agent, and I congratulate him on his frankness which alone could have brought out this fact so clearly. He says it is now within the Agent's power to sanction works which cost under one lakh of rupees. There is no limit to the number of works. There may be 30 works, but so long as each is under one lakh the Agent can spend nearly 30 lakhs, even though not one may have been sanctioned by this House. Similarly, if only the Railway Board has sanctioned the programme, not the estimates, this Agent can spend a sum not exceeding 5 lakhs on any number of works; thus he may embark on 200 different works and so long as each of them does not exceed 5 lakhs he can spend 10 crores of rupees on works on which this House has never had an opportunity to express an opinion. It comes to this, that instead of the House voting on the Budget, it is the Agent who is using these delegated powers

to frame the Railway Budget for this country in the way he likes. I think, Sir, this, if nothing else, is a proof that the re-examination of the convention on which we entered 3 years ago has become absolutely imperative. Similarly we find that the Railway Board is going in for some 83 works of survey, about which the Assembly was never informed, during the debate on the current year's Budget; the amount of money to be spent on them is somewhere near 7 lakhs; after survey the programme is drawn up and if it is sanctioned by the Railway Board the Agent can spend money thereon. Where does the Assembly come in? 83 schemes of survey undertaken without the Assembly knowing anything! Last year we were asked to vote certain funds for survey. We voted them. Now we find that 83 new schemes of survey are undertaken which were never mentioned. (*An Honourable Member*: "Did they not inform you?") They never informed us until it was too late. I think, Sir, this is a scandal. It really deprives the Assembly of the power which the law gives it. The Agent spends money, the Railway Board spends money, and after all that has been cooked up this House is called upon to sanction it. The Railway Finance Committee is powerless. For all these reasons the time has come when a committee of this House should investigate this convention and re-examine whether the rights of the Assembly which were promised under the convention are substantially still accruing to the Assembly or whether they have gone back to the Railway Board and been usurped by the Agents.

The Revd. Dr. E. M. Macphail (Madras: European): Sir, it was not my intention to intervene in the debate. There was only one point to which I shall refer. I was extraordinarily interested in my Honourable friend Mr. Jamnadas Mehta's economic remark in connection with the ratio. He told us that wheat was being imported into Calcutta although wheat is grown so largely in India, and he ascribed that fact to the fall in prices. Now it seems to me an extraordinary thing that an Australian merchant should come here, perhaps in order to buy wheat. The one point I want to suggest to Mr. Mehta is that when the rupee falls, if the ratio goes to 1s. 4d., what will happen will be that prices will go up. Consequently, if that is the case, there will be a still further inducement for Australian merchants to bring their wheat and to sell it in Calcutta. I would merely submit that for the consideration of Mr. Jamnadas Mehta.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): Sir, I had not the good fortune to watch the career of the Honourable the Commerce Member during the 5 years that he has been in this Assembly, but from the little that I have noticed, namely, the passage of the Steel Protection Bill, I think he deserves the congratulations of this House. But, Sir, whilst I offer congratulations to the Honourable the Commerce Member, I cannot do so to the Financial Commissioner who was the Chairman of the Railway Finance Committee, because, Sir, it is my duty as a member of the Railway Finance Committee to point out certain irregularities that have occurred in the budget memorandum which was presented to the Railway Finance Committee and that which was presented to this House. The Honourable the Commerce Member has said in his opening speech that we owe the Finance Committee our grateful thanks for the able manner in which they have made a thorough examination of the Budget. Sir, whatever thorough examination of the Budget the Committee was able to make has been thrown to the winds by the alterations that have taken place in the Memorandum since then. I shall point out to this

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House one or two irregularities, as I shall call them after the explanation of Mr. Hayman that the figures have not appreciably changed. I will show you, Sir, irregularities amounting to lakhs and lakhs, and especially in those figures on which this House is so very keen. I shall take, Sir, page 14, in which amenities to third class passengers are mentioned. The figure that was given to us in the old Memorandum was 229.46 lakhs, and the revised figure is 219.58 lakhs. And item No. 7, additions and betterments to lower class carriages, has been reduced from 194.38 lakhs to 176.96 lakhs. The other thing is, Sir, that as regards housing quarters, we were told that the provision for completing bungalows under construction would be only Rs. 27,000, whereas we find here, Sir, in the revised estimates the figure is Rs. 3,23,000. Then, Sir, there is a question which my friend, Mr. Jammadas and myself were very keen to solve, namely, the question that on the one hand the Railway Board say that they are going to charge 4 per cent. on the total amount invested and that they will not be able to get anything for the money except not more than 10 per cent. of the income of a particular officer. In that way, Sir, we recommended that the 10 per cent. rule should be deleted, and this is the result. The moment the Railway Board find that there is an occasion to change the already laid-down policy of the Railway Board in this housing matter, they put up the figure from Rs. 27,000 to Rs. 3,23,000. I think this House ought to understand once for all the responsibility in this matter and the way money is squandered by the Railway Department. I will take another point, Sir. It has been made much of here about Indianization. I want to tell the Railway Board that we want an Indian on the Railway Board for the simple reason, Sir, that we want an Indian who will be on the Railway Board to look at things from an Indian point of view, and it is this. Recently there were several representations before the Agent of the Bombay, Baroda and Central India Railway that we should have a reduction of fares for a certain pilgrimage, and I was told that he definitely turned down the proposal, but as a matter of fact we are having reductions of fares on the occasion of the Diwali holidays. I want to ask whether any commercial man goes out during the Diwali holidays, and still we find that there are reductions of fares on those days, but when we say that we want a reduction of fares because a large number of people wish to travel, then they say, "No, we cannot allow that because it leads to a decrease of revenue." The other point, Sir, which was debated at length in the Railway Committee was the question of the Kalyan Power House and in this connection I must say that the Railway Committee ought to feel thankful to my friend, Mr. Jammadas Mehta, who was good enough to bring this point up, because that point was adopted at a Finance Committee meeting where Sir Darcy Lindsay and Sir Purshotamdas Thakurdas were present. Sir, at that time only a matter of 5 lakhs was mentioned in spite of the recommendation to the contrary, namely, that more facts were wanted. To-day, Sir, we are asked to sanction a sum of Rs. 40 lakhs for that thing. While on the one hand Government tell us that they are going to protect the steel industry and that they will look at the question from the Indian point of view and in the best interests of the country, here it was said that by an agreement they would get the cheapest power, and still they say, "No, we do not want it, we will have our own Power House and spend no less than one crore of rupees for that Power House." Sir, it has been a recognized fact that the railways should give facilities to the commercial people, and I

would like to ask, Sir, what action have Government taken in that direction? What about the reduction of freights for different commodities? I hope here the Railway Board will take that also into consideration in order to facilitate trade which is now in a very bad position. I agree with my friend, Colonel Crawford, about the road transport. I think, Sir, this question also should be taken into consideration which will help the railways rather than that the roads should compete with them. I, Sir, want to bring to the notice of this House one more question, and that is about the Local Advisory Committees. I have been on the Local Advisory Committee of the Bombay, Baroda and Central India Railway, and my friend, Sir Purshotamdas Thakurdas, will bear me out that whatever useful suggestions we were able to make, we were told that they would be subject to the Railway Board's approval, and proposals were simply turned down in most cases, reducing the Committee to nothing but a farce. I will mention one question, and Sir Purshotamdas Thakurdas will bear me out—that is the question of having return tickets. The Local Advisory Committee by a large majority thought that the best way to give facilities to the trade people was to have return tickets on the Bombay, Baroda and Central India line. That was adopted, and the Agent said that he would communicate the decision to the Railway Board. We were quietly told afterwards that that cannot be done because of the decrease of revenue. I hope, Sir, if they want the Local Advisory Committees to work in a spirit of harmony, they will pay full consideration to their working and see that those Committees are really useful, as is hoped by the Honourable the Commerce Member.

Mr. T. Prakasam (East Godavari and West Godavari *cum* Kistna: Non-Muhammadian Rural): Sir, I shall confine my remarks to the policy of extravagance of the Railway Board and the policy of development. The Railway Board came into existence, I believe, in 1905. If we look at the operative ratio, we will know what the increase in expenditure is in proportion to the gross income. No body will be convinced that we are making any real and substantial progress, but on the other hand it will be clear that much of the expenditure which could have been avoided has not been avoided. In this country, which has become so very poor, if only the appeals issued from this Assembly by the great leader, the departed leader, Mr. Gokhale, with regard to this matter 17 years ago and by others during the last 17 or 18 years, were followed, things could have improved considerably. If you compare the figures quoted by Gokhale in the Assembly then with a view to point out to the Government how matters were going from bad to worse year after year and what means should be devised to put a stop to the increasing expenditure, you would be able to know where we stand to-day with regard to this expenditure. What is the remedy? What could have been done? These are very simple matters. If only the Government is one which is really interested in the uplift of the poor tax-payer for whom so much of solicitude has been evinced latterly if only the Government had taken their position into serious consideration, matters would have been different. Now, Sir, in this Budget Demand, No. 1, the total sum for the pay of officers and establishment comes annually to over Rs. 14 lakhs. Japan is a country that is on this side of the world. China is a country that is close to us. If the standard adopted there for the salaries of officers, who correspond to the Chief Commissioner of Railways and the other high officers here, is compared with that prevailing here, you will find a vast difference. It cannot be contended by any

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reasonable person that efficiency is wanting in Japan. I shall just read the scale of pay of officers in Japan :

The Railway Minister gets Rs. 1,020 a month. Another officer called the Vice-Minister who is also the Engineer-in-Chief gets Rs. 812-8-0 a month. The Director of the Central Board gets Rs. 650 a month. Councillors get Rs. 650 each and Divisional Superintendents get Rs. 650 a month; the Engineer gets Rs. 750 a month; private secretaries get Rs. 558-8-0 each; junior secretaries get Rs. 512-8-0; assistant superintendents Rs. 240 each; the lowest employee gets Rs. 46 a month. These are the figures of 1918. That is the scale. If the Indianisation which has been held out for so long a time had been carried out, if Indians had been made responsible for these matters, they could have been working on a similar scale of pay here without having to incur so much expenditure as Rs. 14 lakhs every year. The minimum wage in Japan is Rs. 46 a month. What is the minimum wage in India? On page 3—Demand No. 2—the minimum wage is given as Rs. 9. If you compare the figures, you will find that India stands lowest in this respect. Rs. 9 for one man is the lowest in the whole world. (An Honourable Member: "For four people.") There might be more; those who have known them in their own homes certainly can realise that in India the proportion works out, Sir, at 1 to 666. Whereas in Japan it is 1 to 22, in China it is 1 to 32, in Italy it is 1 to 6, in Belgium it is 1 to 8, in Denmark it is 1 to 5, in Sweden 1 to 5, in France it is 1 to 12, and in Norway 1 to 7, it works out in India at 1 to 666. Putting it in plain words, the highest officer in Norway who corresponds to the Chief Commissioner here who draws over Rs. 6,000 a month or Rs. 72,000 annually—the highest officer there gets for the whole year Rs. 16,665. That is the maximum, while the minimum salary is Rs. 2,250 per annum. The proportion is 1 to 7. In France the annual salary for the highest officer is Rs. 30,000 and for the lowest Rs. 2,375—the ratio is 1 to 12. In Sweden the highest officer gets Rs. 8,750 or 10,500 kronas. In Denmark 12,200 kronas annually is the pay of the highest officer corresponding to the Chief Commissioner here, when converted into rupees it is Rs. 16,000 per annum; while the minimum is 3,986 kronas or Rs. 3,320. In Belgium the highest officer gets Rs. 17,500 per annum while the minimum is Rs. 2,187 or in francs 28,000 francs and 3,520 francs respectively. In Italy the highest officer gets a salary of 27,000 liras or Rs. 16,200, while the minimum is 4,200 liras which is equivalent to Rs. 2,850.

Mr. P. B. Haigh (Bombay: Nominated Official): May I ask the Honourable Member if he could supplement those figures by giving us also the mileage of railways in each of those countries?

Mr. T. Prakasam: I could supply the mileage and everything if my Honourable friend will wait for a minute. The figures I have given are not the imaginings of my brain; they are hard facts; I have collected them from books and the other material also will be supplied. In China the maximum is 9,600 dollars while 300 dollars is the minimum annual salary. In Japan maximum is 666 yen per mensem or Rs. 1,020, while the minimum is 30 yen per mensem or Rs. 46. Now, Sir, I wish to point out to the Honourable Members here that the minimum salary in this country is Rs. 9 a month and starting from that small increases are given.

Now, Sir, what is it that has been the cause of the strike at Kharagpur? My Honourable friend, Colonel Gidney, in the course of the discussion

the other day, pointed out that there was a rule or resolution passed by this very Government that in the matter of dismissals there must be an inquiry and also notice should be given. At Kharagpur the complaint of the labourers was that there were dismissals of 30 chowkidars on one occasion and an equally large number on another occasion, that they did not get any notice and no inquiry was made. That was the first complaint. What did they do after that? They are labourers who are trying to organise themselves. They have not organised themselves yet sufficiently. They had to make representations to the responsible authorities. When they made representations, and hopes were held out for some time that redress would be given and when after all nothing was forthcoming, the only weapon that was left in their hands was to say that they could not get along with the work. That is a legitimate and constitutional weapon; it is a recognised principle that when they go on strike they should be dealt with in a legitimate manner. But what is happening now? I have got here in my hand a paper giving the details of what is happening to-day in Kharagpur, what is being done by this Auxiliary Force

Mr. Chairman (Mr. M. A. Jinnah): I must draw the attention of the Honourable Member to the fact that the President has already ruled that we are not discussing the strike question now.

Mr. T. Prakasam: Nor have I any desire to enter into any controversy over that. But in a matter of this nature, when I was dealing with the minimum pay of the labourers, that is Rs. 9 per head, and when they have got into trouble over it, I thought I must refer to the Kharagpur affairs, and I was only referring to this question incidentally,—it was far from my intention to deal with the strike that is now on, and after the ruling of the Chair, I shall not deal with it. Now, Sir, these poor labourers complain of the inadequacy of their wages, and when they complain, it is the duty of the officers in charge, it is the duty of the Railway Board, it is the duty of the Member in charge of this Department, to investigate into their complaints and do something to remedy them. Instead of that, if the authorities take up an attitude of coercion, what is the remedy for these poor people? This is the most appropriate place where one deals with the minimum pay of these wage earners, to discuss this question, this is the most appropriate place where one deals with the minimum wage of the labourers on whose work the whole of the railway system has been built, to whose labours and to whose labours alone your profits of crores and crores of rupees on your budgets can be traced. It is those who should be kept contented; it is their grievances that should be first looked into and remedied. If they are neglected, then it shows that there is something wrong in the administration of the departments under the Railway Board. Now, this Budget shows to us the minimum pay of Rs. 9 to our labourers and the top salary of so many lakhs of rupees. It is a most miserable state of affairs. I would submit, Sir, the policy of the Railway Board should be to bring it into line with that prevailing in other countries of the world, to which I have already referred. If this ton-heavy administration were changed and if Indians had been made responsible for the administration of the Indian Railways, it could have been carried on at much less cost and the balance of the money could have been found for other and more useful purposes.

Mr. Chairman: The Honourable Member has exceeded his time limit already.

Mr. T. Prakasam: Then I will sit down, Sir.

Mr. Chairman: No, you can finish your speech.

Mr. T. Prakasam: I wanted to say something more, Sir, on other matters, but I shall reserve it because my time is up.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muham-madan): Sir, I have no desire to take up the time of the House at the fag end of the day with lengthy observations of my own. But there are just one or two points which I should like to bring to the notice of the House.

In the first place, Sir, I should like to congratulate the Railway Board for the courage which they have shown in publishing the Report of what is called the Raven Committee. That document, as has been rightly pointed out, is an indictment on some of the methods of railway administration. It reveals a state of things which casts a serious reflection on the Railway Board. May I know, Sir, who is responsible for the loss of crores and crores of rupees which is involved in the policy which the Railway Board have been pursuing with regard to railway workshops and store-balances? It is no doubt refreshing to see both the Honourable the Railway Member and Sir Clement Hindley welcoming the Report, but the point is, why were things allowed to be managed in such a way as to result in enormous loss of public money?

Another point to which I should like to refer is the question of Indianisation, but as this question will form the subject of a separate motion which is coming on later, I shall not take up the time of the House beyond saying that the process of Indianisation has been going on at snail's pace, and in some cases the process has actually been retarded.

I should also like to make a brief reference to the subject of the reduction of railway fares, especially for third class passengers. I am sorry to say that my Honourable friend Sir Charles Innes in the course of his budget speech stated that he was not in the happy position of announcing any further reduction of rates and fares in 1926-27. But what is his achievement in this respect? Railway fares have no doubt been reduced in some cases, but on a few railways only; and then also the lion's share of reduction has gone to upper class passengers. The poor third class passengers who contribute mostly to the earnings of the Railways have as usual been inadequately dealt with. The relief which they have got in the shape of reduction in fares is very meagre, and is only meant for long distance travellers. But I think the average load of third class passengers is about 33 miles, and it is these people who stand mostly in need of relief, and to whom no relief has been given. The Honourable the Railway Member refers to the decline in railway earnings and attributes it to the reduction in fares; but Sir Clement Hindley in course of his Budget speech makes the following observations:

"A late crop, a failure to market or the absence of rain at a critical period may easily affect the earnings of a week by a good many lakhs, while a cumulative loss of a few lakhs a week very soon mounts up to a heavy loss in the aggregate."

I suggest that if the fares of lower class passengers had been substantially reduced and also included within its scope short distance travellers, I venture to think that that would have afforded a great stimulus to travelling and there would have been no falling off in the earnings on this account.

My Honourable friend Sir Charles Innes in the course of his speech says:

"Up to the end of July in spite of reductions in passenger fares and coal freights, we were ahead of the earnings of last year. The monsoon seemed promising, and we had hopes of a really good year. The prospects took a turn for the worse, and now we expect our earnings from goods traffic to be worse than our estimates by 2½ crores and our earnings from passenger traffic to be worse by nearly 1½ crores."

I may here note in passing that whatever reduction in fares might have taken place on some of the other Railways, the Bengal and North Western Railway has done nothing in this matter. In some cases the fares were increased during the War, and they have been kept up to that level ever since. I venture to urge, Sir, that steps should now be taken to bring about an all round reduction in fares, at least for lower class passengers, who form the bulk of the railway customers.

Sir, I shall also, with your permission, refer very briefly to just a few other points, so far as the Bengal and North-Western Railway is concerned. The worst scandal,—I have no other word for it—which was prevailing on that railway was the practice of conveying third class passengers in goods vehicles on occasions of fairs and festivals. I repeatedly brought this evil to the notice of the Government in this House, and I am glad to say that on the occasion of the last Sonepur fair, better arrangements were made, and the use of goods vehicles for conveying passengers was dispensed with. I would like to congratulate the Bengal and North-Western Railway administration on this improvement, and I trust that goods vehicles will never in future be utilised in the conveyance of passenger traffic on any occasion.

The next point to which I should like to refer is the general overcrowding of third class passengers, on all railways, and specially on the Bengal and North-Western Railway; and also their difficulty in purchasing tickets. The third class booking office is seldom open sufficiently early to allow passengers to take their tickets, and the result is that quite a good lot of them are either left behind or are compelled to travel without tickets. This is a point on which too much stress cannot be laid, and I earnestly ask the Government and the Railway Member to devise some effective means by which booking offices for third class passengers may be kept open for 24 hours at important stations and for at least an hour or half an hour at small stations before the arrival of trains.

There are other matters also which I should have liked to place before the House, but as they fall under one or other of the list of Demands, they could be more usefully discussed on those occasions.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I am very glad that my Honourable friend, Mr. Jamnadas Mehta, has after all realised that by agreeing to the convention with regard to the separation of railway and general finance, this House has parted with some powers that it possessed. It is a point which I urged on the attention of this House in the autumn of 1924 when this convention came up for discussion. I pointed out that, while speaking in the Council of State less than a week before the matter came up to the Legislative Assembly, the Honourable the Commerce Member had stated that, unless some powers were taken away from a popular Assembly, it would not be wise to leave it to control a business concern like the railways. Quite a different attitude was taken

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up by my Honourable friend, Sir Charles Innes, in the Legislative Assembly, and he tried to convince us that we were not surrendering a title of the power that we possessed. Sir, again, in 1925, while discussing the Railway Budget I drew the attention of the House to the fact that under the scheme of delegation of authority by the Railway Board in favour of the Agents, this House once more was surrendering some of its powers. This is what I said on that occasion :

“ There has been a beginning made in the delegation of authority from the Railway Board to the Agents and my idea is that this process of delegation may proceed to a far greater extent than would be desirable in the interests of the Indian tax-payer.”

And then later, I said :

“ I want the House to understand what the implication of the complete delegation of authority by the Railway Board to the Agents will be. To the extent that the Central Government delegate their powers to Agents, to that extent we in this House will be relaxing our control over railway management.”

Sir, on that occasion, Mr. Jamnadas Mehta, who followed me, took quite a different attitude from what he stated to-day. He tried to support the Government theory that it was in the best interests of the Railways themselves that this House should surrender some of its powers over the railway administration. This is what he stated :

“ Then, Sir, a great deal has been said about the independence of the Agent. I think it is no use quarrelling over how much power he must have and how much he must not have. The ideal has been laid down very clearly and properly by the Acworth Committee. I think it is impossible for this House to exercise any meticulous control over the Agent if real commercialisation is to materialise—it is impossible much as we should like it.”

Then again, last year, when discussing the Railway Budget, I congratulated the Honourable the Commerce Member for having taken away some of the powers of this House, and that with the consent of this House. I am very glad, Sir, that a change in the outlook of my Honourable friends occupying the Swarajist Benches has been brought about after all. I want to add that I support fully the suggestion that has been made that the convention requires re-examination in the light of the experience gained in its working.

Sir, a melancholy interest attaches to this Budget inasmuch as this will be the last which Sir Charles Innes will present to this House. Sir, a distinguished servant of the Crown is about to relinquish his reins of office, and I pay my tribute of respect and admiration for the great qualities which Sir Charles Innes has shown in the administration of the different subjects under his charge. But, Sir, if I have any complaint against him more than any other, it is that he should be at all presenting the Railway Budget. I am reminded that not less than three successive committees, —the Sir Hubert Llewellyn Smith Committee, which reported on the Government of India Secretariat organisation, the Acworth Committee and the Incheape Committee,—all these three committees were unanimous in recommending that the portfolio of the Railways should be committed to a Member who should be in a position to devote almost his undivided attention to the Railways. The Acworth Committee made a recommendation for the creation of a portfolio of communications including the Railways and the postal and some other cognate subjects. But, Sir, this is one of the most important recommendations which has not been given effect to by Government. And why? Because, as I maintain, according to the Government

view, neither Commerce nor Railways can be entrusted to an Indian; because, if you were to separate the two, either of the two subjects would have to be made over to an Indian Member. We cannot conceive of the Honourable the Home Member or the Finance Member taking charge of any more work. Therefore, we come to this, that either the Railway or the Commerce Department would have to be entrusted to an Indian Member. Sir, that decision of the Government of India not to give effect to the Acworth Committee's recommendation in this behalf typifies their attitude towards the railway question. It is, if not positively anti-Indian, certainly decidedly not pro-Indian—the policy of the Government of India with regard to the railway administration.

Sir, a good deal has been said with regard to the programme of new construction. I do not find my Honourable friend, Mr. Duraiswamy Aiyangar, in the House. He took my Honourable friend, Mr. Sessa Ayyangar, to task for having criticised the policy of extension. Much as we like facilities to travel, I am afraid that this policy of railway expansion is being undertaken quite as much in the interests of Great Britain as in the interests of India. (*An Honourable Member*: "More in the interests of Great Britain.") When Sir Charles Innes took over charge of the Railway Department, Railways were in a chaotic condition. Sir, the railway revenues had been raided on account of the exigencies of the war. Their necessary renewals and repairs had been postponed. Amounts which ought to have been laid by as reserves had been distributed as dividends in England. This was the state of affairs when Sir Charles Innes took charge of this portfolio, and the first attempt which he made to put the Railways on a proper basis was to get this House—rather the predecessor of this House—to agree to a programme of rehabilitation to the extent of 150 crores of rupees. That was in 1922. That was followed by a legislative measure in the House of Commons, the East India Loans Bill, and we find that, while this Bill was under discussion, also on previous occasions, the Members of the House of Commons brought a good deal of pressure to bear on the Government, and asked them to see their way to expedite the railway programme in India. They said: "Here is the report of the Acworth Committee recommending expansion of the Railways: what are you doing? There is unemployment in this land." Members of Parliament pressed the Government of India to give effect to the policy of expansion of the Railways as recommended by the Acworth Committee. One Honourable Member of the House of Commons put it like this:

"Employment might then be found for the people there (that is to say India) and that employment might again percolate to this country through the supply to India of engines and other things they are in need of."

Sir, it is impossible for any one to go through the proceedings of the House of Commons in those days and not to be struck by the insistence with which this question was brought up time after time. One Member, whose ire was roused by the fact that some small contract had been placed in Germany, raised a hue and cry, and suggested that the East India Loans Act itself should be amended in order to make this impossible in future. Sir, in April 1922, we find no less a person than the Under Secretary of State for India making this statement:

"To those of my Honourable Friends—some of whom have approached me privately while others spoke in the Debate—who have expressed apprehension, very largely on account of their constituents, in regard to the purchase of manufactured railway and other material required in India, I would say that there is no reason for their thinking that they will not get the bulk of this business."

[Mr. K. C. Neogy.]

Then he added that it was impossible for him to "lay down as a pledge that the material will be purchased here." But he purported to say "All the same you will get it." That was in 1922. Sir, later when we come to as late a day as July 1925, we find an Honourable Member in the House of Commons suggesting that the British Government should press the Indian Government to go on with the great programme of new railway construction which was so strongly pressed by the Acworth Committee, and later he said:

"It is desirable in India's interest that the railway programme should be put in hand, and it is still more desirable from the British point of view that something should be done with India's consent and co-operation which will help to produce employment in this country."

Sir, that consent we are being asked to give to-day; the consent which we gave last year also and which we are expected to repeat to-day. Sir, on that very day we find no less a person than Sir Alfred Mond making an inquiry as to "whether the British Government by the use of its credit cannot do something to help both our country and the Indian Government." Sir Alfred Mond continued:

"When I was Chairman of the Cabinet Unemployment Committee, a scheme was put forward, and was under consideration by which by the use of Indian Government credit supplemented by our own we could obtain orders for Indian railway programme",

and he made inquiries as to what action had been taken in the matter. Earl Winterton, Under Secretary of State for India, referred to the complaint about the small amount of money that was being spent in India on the construction of railway lines and referring to Sir Alfred Mond's point, tried to reassure the House that everything that was possible was being done. He was so pressed, that he found it necessary to make an apology for the limited resources of India. He said:

"It is quite true that in India, for its size, we have a railway mileage which is very small compared with many countries, but while the Right Honourable gentlemen compared that with countries like Canada, I think it would be fairer to compare it with other countries in Asia, when he would see that it is greatly in advance of the mileage of those countries."

Sir, this is why I say that a new programme of railway expansion has been undertaken as much in British interests as in the interests of this country, and that explains the feverish activities of the Railway Department in bringing up proposals of new construction. Before I conclude, I would urge on the Honourable Member in charge the desirability of having separate accounts maintained in regard to these various new constructions which are being undertaken in order to enable this House to examine as to how far the expectations are realised: because, I may say, with some little experience as a member of the last Standing Finance Committee for Railways, that it is not possible for the Railway Finance Committee to have any proper check over the construction of railways which may not be justified on financial grounds. We are supplied with a statement prepared by the Agent showing what is the likely amount to be spent on the construction. Then there is an estimate as regards probable traffic and then the percentage of profit is worked out. Everything has got to be taken on trust. It is necessary to examine as to whether the estimate of traffic or the estimate with regard to the capital cost of the construction is borne out by experience. And if once you allow the

accounts of these branch lines—these extensions—to be merged in the accounts of the main lines, there will be no basis either for the Standing Finance Committee or for this House to go upon, for the purpose of satisfying themselves as to whether the estimates on which these schemes are based have at all been borne out by experience. Sir, I do hope that this small point will be borne in mind by the Railway Department.

The Honourable Sir Charles Innes: Sir, I am in the usual trouble that every Member in charge is when he attempts to reply to a debate of this kind. So many points have been raised that it is quite impossible for me to deal with them all. Honourable Members in the next few days will have an opportunity of bringing up, possibly in a more concrete form, particular subjects in which they are interested. There have been three questions of more or less general interest which have been raised to-day. One, of course, is the question of the ratio, and its effect upon the Railway Budget. Sir Purshotamdas Thakurdas, Sir Victor Sassoon and Mr. Jamnadas Mehta have all had what I might call little trial spins. They have been sharpening their swords against the great day of the Ratio Bill. Sir, I do not propose to engage myself to-day in that controversy more than I can help, but I must confess that I was interested in some of the remarks of Sir Victor Sassoon. If I understood him correctly, he told us that the immediate reaction of a 1s. 4d. rupee would be no more than a difference in the cost of living of $1\frac{1}{2}$ or 2 per cent. I thought myself that one of the reasons why the Bombay Millowners' Association, which my Honourable friend represents so ably, was anxious for 1s. 4d. was that they will be able to raise the price of their cloth by $12\frac{1}{2}$ per cent. I have always been told, Sir, that another reason why Sir Victor Sassoon and his friends are anxious for 1s. 4d. rupee is that thereby the agriculturist will get $12\frac{1}{2}$ per cent. more for his produce. It seems to me that if these two statements are correct, there must be something wrong in what Sir Victor Sassoon told us this morning. Then, Sir, I come to Sir Purshotamdas Thakurdas. Sir Purshotamdas Thakurdas, if I understood his argument correctly, referred to a certain statement in Mr. Parsons' Memorandum and said as follows. He pointed out, quoting me, that wages in the Railways have been greatly raised in 1919 and in subsequent years also. He also quoted me to show that since those wages have been raised prices have fallen. Therefore, real wages in the Railways now are much greater than they were in 1919. Therefore, I understood him to go on to say, the 1s. 4d. rupee, though it might raise price levels and thereby effect some—I will not say how much—concealed reduction in wages, yet would leave the employees better off than they were in 1919-20, and therefore, as I gathered, the point of his argument was that we need not hesitate to alter the ratio. Well, Sir, the only remark I want to make on that is that whatever rate you may have, whether the reduction of wages—railway wages or other wages—be concealed or open, for the last several years our railway workers have got themselves accustomed to a certain standard of living at their present rate of wages, and if you reduce those wages, whether by concealed reduction or open reduction, I am perfectly sure that there will be trouble. Mr. Jamnadas Mehta quoted certain figures of the mileage earnings and he went on to say that because our earnings per mile had gone down in the last two years it was all due to the ratio. I am afraid the ratio has become an obsession with my Honourable friend, Mr. Jamnadas Mehta. One reason why our earnings per mile were heavy in 1924-25 was, that we had a particularly good wheat

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crop and particularly good earnings on the North Western Railway. The wheat crop in 1923-24 which we carried in 1924-25 was 9½ million tons. Last year and the year before it was a million tons less. I suppose that even Mr. Jamnadas Mehta will not say that the ratio is responsible for the failure of the wheat crop.

The next question of importance that has been raised is this question of the re-examination of the convention. I quite agree with Mr. Kunzru that the House is entirely within its rights when it wants the convention to be re-examined. The terms of the convention are that this separation arrangement shall be in force for at least three years but that it is subject to periodical revision. If there is any general desire in the House that the whole question should be brought under review again the House may take it from me that the Government will not stand in its way. I myself would prefer to wait for some time longer. For one thing I think we have got to give time to this great experiment to work itself out. In the second place, Sir Arthur Dickinson's report may have a considerable bearing on this question, and for that reason I should prefer myself to wait for some time longer before re-examining the whole subject. But as I have said, if the House is anxious to have the whole matter brought under review I myself will certainly see that the Railway Board does begin a preliminary re-examination of the subject. But my only fear when I heard Mr. Jamnadas Mehta's speech was that his object in having that convention re-examined was in order that he might find money to assist what I would call the 1s. 4d. ratio. But I hope that my Honourable friend is not falling away from grace. I remember two years ago his pointing out in this House how merciless the House was in fleecing out of the railway administration every penny that the general Budget could get; and Mr. Shanmukham Chetty only last year expressed his personal disapproval of the general revenues taking any money out of the railways. What they indicated in their speeches then was that the Railway should be required to balance its Budget and no more and if we could earn more than that it should be devoted to improving the services and reducing freights and fares. I do hope that when Mr. Jamnadas Mehta is so anxious to have a re-examination of the convention it is not with the idea of screwing out more money from the railways for general revenues

Mr. Jamnadas M. Mehta: No, no.

The Honourable Sir Charles Innes: And that it is not with the idea of going back upon an arrangement which I am sure every Honourable Member will agree with me in saying has been of the greatest service to the Railways. I need only point out the difference between the Railway Budgets of, say, 4 or 5 years ago and the Railway Budgets now. Mr. Kunzru complained that even now we were not giving the Budget in as much detail as he would like. Before we had this separation I think I am correct in saying that the Railway Budget was put up in two Demands and the House had at the utmost a day or a day and a half for discussion. Now we put up the Railway Budget in 15 separate Demands and the House has a whole week for the discussion of it. That is one of the advantages we get from the separation, and one reason why I am perfectly prepared to have the matter re-examined is that I am sure that the more the House

re examines the separation the more will they agree that it is the right thing for our Indian Railways. Even Mr. Neogy, who has always been a great disbeliever in separation—he was always afraid that separation would relax the control of this House though it does not, not in the very least—even Mr. Neogy admits that in the past the Railways were in a chaotic condition—I use his very words—and they are not in a chaotic condition now and that is very largely due to the separation of the railway from the general finances.

The other subject of more or less general importance which was discussed was the question of our policy of railway development. Mr. Sessa Ayyangar—I do not see him in his place—thought that we were going ahead too fast, and Mr. Neogy inclined to take the same view. But I am glad that most of the other Honourable Members who spoke, from Sir Purshotamdas Thakurdas onwards, all agreed that the right policy for India is to develop our railway system as far and as fast as we prudently can. I myself am a strong believer in that policy and I should like particularly to emphasise what Sir Purshotamdas Thakurdas said himself, namely, that our new development should as far as possible be directed towards filling in the interstices of our present railway system in order that we may bring agricultural tracts within the network of our railway system. And I believe myself that there is nothing that we can do which is better for the agriculturist and therefore India.

Before coming on to Sir Purshotamdas Thakurdas's speech I should just like to refer to the speech which Mr. Neogy made.

Mr. Neogy began with a compliment to me for which I am greatly obliged to him. But, Sir, I must confess that the rest of his speech filled me with depression because it was full of suspicion if I understood him correctly. His first suggestion was that when in 1921-22 I moved that this House should agree to a programme of rehabilitation what I had in mind was the benefit of the British manufacturer, and he has suggested that in all our programme of railway development our sole or main object is the benefit of the British manufacturer. Surely the time is past for making statements of that kind. Surely I can ask the House to believe that when the Railway Board and myself have done our best to bring the Railways back into a proper condition and when we are doing our best to extend the railway system of India our sole thought is to do what is best for India. And let me tell Mr. Neogy, since he has been reading the House of Commons debates to the House, that I myself was taxed on this subject at the Imperial Economic Conference. I sat there at the table with all the Prime Ministers of the Dominions and the question came up whether preference should not be given to British manufactures when we were purchasing in England. The Dominion Premiers one after another all agreed to that principle and all stated that they had already enforced it. And when it came to me—and mind you, at that table I was representing 5 times as many people as all those Dominion Premiers put together—when it came to me I said, "No, we will not do it". I refused to commit India to any preference of any sort or kind. Let the House remember the part it played in that game. Mr. Neogy will remember that in September 1921 Sir Vithaldas Thackersey raised this very question on the floor of this very House and in response to that we issued the clearest instructions to the High Commissioner on this subject. Mr. Neogy also

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knows that twice a year we publish in the proceedings of this House a statement of cases in which the lowest possible tender has not been accepted by the High Commissioner for India, so that this House may satisfy itself of the reasons why those tenders were not accepted. Mr. Neogy knows these facts just as well as I do, and since he knows them I put it to him that it is not right to suggest that in the action that we take and have been taking I and the Railway Board have been actuated by any motive other than that of doing what is right for India.

[At this stage Mr. M. A. Jinnah vacated the Chair which was resumed by Mr. President.]

Sir Purshotamdas Thakurdas congratulated me on my frankness and other Honourable Members have congratulated me on my courage; they were referring of course to the publication of the Raven Committee's Report. You may either regard it as one of the limitations under which the Railway Board works or one of the advantages under which the Railway Board works. But the fact remains that the Railway Board works in the pitiless glare of publicity. I believe myself that even now the railway workshops are probably the finest engineering shops in India. I believe that they are better than any other workshops you may find in India. Nevertheless we happen to have one who, I suppose, is one of the finest mechanical engineers in India, Mr. Wrench. He told us that he did not think that the practice in our workshops was up to modern standards. He told us that he did not think that the equipment of our workshops was up to date. And it was for that reason that the Railway Board appointed this Committee. We put on it a past President of the Institute of Mechanical Engineers and we put on it Mr. Wrench, the very officer who had told us that he did not think that our workshops were completely modernised. Sir, we got, as I said in my speech, exactly the sort of report we wanted—perfectly frank, perfectly outspoken, and I am quite prepared to say, a severe criticism of some of our workshops. But, Sir, surely this House, I think, ought to be grateful to us for not fearing exposures of this kind. We are quite prepared, if it is brought to our notice that our methods are not the most modern, to publish the results of these investigations and then to go ahead and put our shops in order. And I submit, Sir, that it is not wise for this House to discourage either the Railway Member or the Railway Board from following that course of action. I see no reason why I should be afraid of bringing these facts to the notice of the House. I may get criticism and I have no doubt I deserve criticism. The Railway Board no doubt deserves criticism. But the real point is that we get in the end the best results for Indian Railways and that we work constantly and steadily towards efficiency and economy. Mr. Chetty suggested that all this amount of money which we were spending on workshops was being spent in order to enable us to overtake the arrears of repairs. I am not sure whether Mr. Shanmukham Chetty knows that a locomotive goes into a shop once in two or three years. A wagon goes to a shop once in two years; and Sir, the more efficient our workshops, the more modern our machinery, the quicker is the repair of that locomotive. The less time it takes in the shop, the more time it spends on the railway. That definitely makes for a better wagon user and is actually remunerative to us. That is the reason why we instituted this inquiry for bringing our workshops up

to date. Sir Purshotamdas Thakurdas referred to the wagon position. Here again I am quite prepared to admit that we have got ourselves into what I may call a mess. It is perfectly true, as Sir Purshotamdas Thakurdas pointed out, that five years ago we got this House to agree to a programme of 150 crores for rehabilitation. At that time, as Sir Purshotamdas Thakurdas knows, because he was a signatory to the Acworth Committee's Report, the thing that was brought more and more forcibly to the notice of the Acworth Committee was what I may call wagon shortage. I have got here extracts of the evidence given before the Acworth Committee and almost every one refers to the fact that traders and industries throughout the country were being held up for lack of wagons and we did set to work to spend very large amounts of money in buying wagons also. I am quite prepared to admit that the lack of other facilities were brought to notice and that we spent a large sum of money in putting up marshalling yards, regrading lines, in doubling tracks and in making many other improvements. What we did not do was to co-ordinate all our work and it was only last year that the Railway Board settled down to co-ordinating the results of all the work we have done in the rehabilitation of our works. In doing that we were merely carrying out the prescriptions of that Committee of which Sir Purshotamdas Thakurdas was so distinguished a member. The Acworth Committee brought out in its Report that one of the complaints against the Railway Board was that the Railway Board was constantly immersed in detail and that it was unable to go about the country and was unable to sit down and watch and think and plan, to use the words of the Acworth Committee. We have altered all that on the recommendation of the Acworth Committee and the Railway Board has now become what I may call the General Staff of Indian Railways. It has taken up in turn each department of this vast organisation, examined it and tried to find out what is wrong and put it right. It was only last year—I freely admit it—that we really settled down to this wagon problem and began to make a scientific examination of the wagon position and in this we were helped by our new statistics. That is how we discovered this position, that our wagons stock was in excess of requirements. Great play has been made of a phrase used by Sir Clement Hindley, in a speech last year, namely, that there were 30,000 wagons in excess. As everybody knows in the monsoon months our trade drops and we always have a large number of wagons standing idle. In the busier months of the year naturally the number of wagons stabled becomes very much less and though it is a fact that during three months of last year we had 30,000 wagons stabled now we have got nothing like that number idle. I imagine the number of wagons out of use at the present moment is not more than 5 or 6 thousand, this being the busiest time of the year. The real point is this. The outstanding feature is that though we have got surplus wagons at the present time, at any rate, we are not in the position we were in, five years ago, of not being able to meet daily demands for wagons. Members of this House who were in the first House will bear me out when I say that there was nothing in those times on which I was attacked more by every industrialist in the House than that the Railways were unable to meet the daily demands of traders and industrialists in India for the wagons required for the transport of their products. It is possible that the pendulum has swung a little far in the other direction, but the House will realise that it is impossible to do constructive work of this kind without making mistakes.

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Sir Purshotamdas Thakurdas told us that a statement of claims for compensation was put periodically before the Local Advisory Council of the Bombay, Baroda and Central India Railway and he suggested that it might be advisable if a similar procedure were followed in other Railways. I merely mention the point because I want to inform the Honourable Member that we have already issued instructions to that effect. We have asked other Railways to copy the procedure followed by the Bombay, Baroda and Central India Railway in that respect.

Colonel Gidney made the astonishing statement that reductions of fares had been confined to State Railways. I have here—I will not bother the House with it—a list of the Railways in which reductions of fares were made and they include every Company Railway in India—the Assam Bengal Railway, the Bengal Nagpur Railway, the Bombay, Baroda and Central India Railway, the Burma Railway, the Madras and Southern Mahratta Railway and the South Indian Railway. Colonel Gidney also went on to say that there was no security of service on Indian Railways and Colonel Crawford also suggested that it would be advisable for the Railway Board not to think too much of mechanical efficiency and economy but to apply a little more attention to the human factor. Well, Sir, I will take Colonel Gidney first. I have already given the figures to the House before. The suggestion is that dismissals on our Railways are too many. Now, dismissal is an extraordinarily severe punishment. Dismissal means the loss of your provident fund bonus. It is a severe punishment indeed. I have the figures before me. I gave them to the House two years ago. I will read what I said :

“ I may say I have figures here which indicate that dismissal, actual dismissal from railway employ, carrying with it the forfeiture of provident fund bonus is comparatively rare. We have had 1,400 odd cases in the last five years in which that extreme form of dismissal has been given and when you consider that we have over 700,000 employees, I do not think those figures are bad.”

Now, I think that Colonel Gidney suggested that we are constantly dismissing men on Indian Railways.

Mr. N. M. Joshi (Nominated: Labour Interests): He said “discharge”.

The Honourable Sir Charles Innes: He said “dismissal”. I took the words down. Now, Sir, as for what Colonel Crawford said about the necessity of paying attention to the human factor in the Indian Railways I entirely agree with it. But, Sir, it is difficult for us up here to do that side of the work. The human element is a side we leave to the Agents. We must necessarily leave it to the Agents. It is the Agents who come in contact with our men and I wish, Sir, that Honourable Members who criticise me and criticise our Agents knew more of what the Agents did in order to get into touch with their men, and how, generally speaking, they are on the very best of terms with their workmen, though occasionally there may be an estrangement. I do not propose to go into the question of Mr. Jogiah's suggestion that we should reduce third class fares to a low flat rate of 2 pies per mile whatever the distance travelled. I may say that if we were to adopt that suggestion it would probably cost us in the neighbourhood of 10 or 11 crores in the year and I am afraid we cannot afford it. Nor do I propose to say anything about his suggestion that we should immediately raise our wages to a minimum of Rs. 30 a month. If it is a fact that our wages minimum is as low as Rs. 9 a month, I think this

House will agree with me that it is utterly impossible for us to think of raising wages by something like 400 per cent. straight off.

Mr. T. S. Goswami: Cut down the higher salaries.

The Honourable Sir Charles Innes: I shall come to Mr. Goswami later. I noticed that Mr. Prakasam also laid great insistence on the lowness of railway wages. Well, Sir, I suppose the Honourable Member like all good Brahmins comes from some part of the Madras Presidency, and I should like him to tell us the rate of wages paid by Brahmin landholders to their agricultural labourers in the Madras Presidency. I should be very surprised if it is Rs. 9 a month, or even if it is Rs. 5 a month. And, Sir, if the Honourable Member comes and suggests to me that it is a scandal to India that Railways should have men paid so low a rate as Rs. 9 a month, I suggest that he himself should take the lead and examine very carefully what rates of wages are paid to agricultural labourers in his own lands, and if he finds them less than Rs. 9 a month, I hope he will raise them. Mr. Ranga Iyer made the startling remark that 2,500 men had been transferred from Lucknow to Calcutta owing to the amalgamation of the East Indian Railway with the Oudh and Rohilkhand. I have been told, Sir, that that statement is entirely incorrect. The actual fact is that the number of men who were transferred from Lucknow to Calcutta was about 200 to 300. He also suggested that the clearing house should be established at Lucknow. I suggest, Sir, that he may bring that question up on the audit vote, when Mr. Hayman will be able to give him an answer. Mr. Duraiswamy Aiyangar suggested that we should standardize our expenditure on administration. I am afraid, Sir, that a double portion of the spirit of Mr. Rama Aiyangar has fallen on my friend Mr. Duraiswamy Aiyangar. I would remind him that this question was discussed at very great length by the Standing Finance Committee and that the Standing Finance Committee, after examining it very carefully, decided not to pursue Mr. Rama Aiyangar's suggestion. I suggest very respectfully to my friend Mr. Duraiswamy Aiyangar that he should accept that decision. Mr. Ruthnaswamy complained that I had deserted my first love and had neglected Madras. He put in a powerful claim for distributing our railway development programme fairly among the different provinces. Well, Sir, if I pay any attention to that plea I shall have to cut down at once our development programme in the Madras Presidency.

Mr. M. Ruthnaswamy: You are making up for time lost.

The Honourable Sir Charles Innes: I have looked up the programme and I find that our programme comprises some 4,400 odd miles of new construction, and of that well over 1,000 miles is in Madras. So that, whatever may be our laches in the past, I think it will be agreed that we are doing our best to make up for lost time. We had the usual sort of speech, Sir, from my friend Mr. Goswami. Mr. Goswami's speeches always remind me of the title of a book. There was a book that I used to read when I was a small boy called "Some Emotions and a Moral". Mr. Goswami's speeches consist mainly of emotions but no moral at all. He suggested that we had faked our Budget, that the Budgets were unreal, that all he could do was to stand aside and watch the gradual degradation of the Indian Railways. He even, Sir, was driven to such desperation that he had to go back to the old, old fallacy that Indian railway rates were so arranged as to help exploiters to exploit India and down the Indian industries. Sir, I presume that in time the Honourable Member will grow

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up and that he will learn that he will not enhance his own reputation in this House by devoting himself to making what I might almost call gratuitous attacks on other Honourable Members. When he gets a bit older, Sir, he will learn to give credit to other people who are trying to do their best for India. (Applause.) And, Sir, if the Honourable Member when he talks about the degradation of Indian Railways—if he had been longer in this House he would have seen that the progress was entirely in the opposite direction. I suppose, Sir, that when in the old House I was defending the Railway Budget the Honourable Member must have been making speeches in the Oxford Union. Well, Sir, had he been in that House then he would have seen the difference in the Budgets then and the Budgets now. And there, Sir, I think I may leave the Honourable Member.

Now, Sir, I have got a whole lot of other notes, but I do not think that I need speak any longer. Some hard things have been said about me today. In the course of the next week a great many harder things will be said. But, Sir, I do hope that the House will realize that in the last five years we have made some improvement in regard to your Indian railway problem, and, Sir, I am quite sure if we go on in the way we have been going on in the last few years that when the time comes for my successor to make his farewell speech on the Railway Budget the Indian Railways will be a very much better property than they are now. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 23rd February, 1927.