

23rd February 1937

**THE  
LEGISLATIVE ASSEMBLY DEBATES**

**(Official Report)**

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**Volume II, 1937**

*(23rd February to 13th March, 1937)*

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**FIFTH SESSION  
OF THE  
FIFTH LEGISLATIVE ASSEMBLY  
1937**



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1937**

# Legislative Assembly.

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# LEGISLATIVE ASSEMBLY.

Tuesday, 23rd February, 1937.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair

## MEMBERS SWORN.

Mr. K. Santhanam, M.L.A. (Tanjore *cum* Trichinopoly: Non-Muham-  
madan Rural); and

Mr. Mead Slade, M.L.A. (Government of India: Nominated Official).

## QUESTIONS AND ANSWERS.

### GRANT OF CERTAIN CONTRACTS ON THE NORTH WESTERN RAILWAY.

433. \*Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will Government be pleased to state, or lay on the table of this House, if there are any rules or a set of procedure for the grant of various contracts on the North Western Railway, for the convenience of the passengers for—

(i) stalls at Railway stations;

(ii) running refreshment and tea rooms; and

(iii) the sale of aerated waters and ice in the trains and on station platforms?

**The Honourable Sir Muhammad Zafrullah Khan:** I would refer the Honourable Member to paragraphs 1, 2, 3 and 6 on pages 48 to 52 of the Railway Board's memorandum No. 357-T., printed in the Proceedings of the Meeting of the Central Advisory Council for Railways held in October, 1936.

### CONTRACT FOR THE SALE OF ICE AND AERATED WATERS ON THE NORTH WESTERN RAILWAY.

434. \*Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Is it a fact that certain persons and firms from Lahore offered the Agent and the Commercial Manager, North Western Railway, very cheap rates for ice and aerated waters, if the contracts for sale were given by tenders?

(b) Did they also offer to pay certain amounts to the Railway if the contracts were given to them by auction or otherwise on lease?

(c) Will Government be pleased to state what reply, if any, was given by the North Western Railway authorities to the offers made by them?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) and (b). Yes.

(c) The Agent states that the reply sent was to the effect that it was not then intended to auction these contracts.

**CONTRACT FOR THE SALE OF ICE AND AERATED WATERS ON THE NORTH WESTERN RAILWAY.**

435. \***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Have contracts for the coming summer for the sale of ice and aerated waters, etc., on the North Western Railway been given? If so, to whom and on what rates?

(b) Were any applications or tenders invited before the contracts were given? If not, why not?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) Yes, to the same parties to whom the contracts were given last year and at the same rates as were then in force.

(b) No, as it was not intended to make any change.

**STAFF RETRENCHED ON STATE RAILWAYS.**

436. \***Mr. Amarendra Nath Chattopadhyaya:** (a) Will Government be pleased to state the number of menial, subordinate and superior staff retrenched on different State Railways up to date on the grounds of economy during April, 1936, to December, 1936?

(b) How many Europeans and Anglo-Indians have been appointed during the period of retrenchment on different State Railways?

(c) Will Government state the amount of savings made by retrenchment and the amount of extra expenses incurred by new appointments referred in parts (a) and (b)?

**The Honourable Sir Muhammad Zafrullah Khan:** I am collecting information and will lay a reply on the table of the House in due course.

**INADEQUACY OF PROTECTION GRANTED TO THE INDIAN SILK INDUSTRY.**

437. \***Mr. N. M. Joshi** (on behalf of Mr. Mathuradas Vissanji): Will Government be pleased to state:

(a) if it is a fact that for the last two or three years there have been repeated complaints about the inadequacy of protection granted to the Indian silk industry;

(b) whether representations have been received by Government from the Indian Merchants Chamber, Bombay, from time to time, as also representations from the Mysore Chamber of Commerce and the Bombay Silk Mills and the Shri Vishnu Silk Mills, Bombay, drawing their attention to the same;

(c) whether they are aware of the fact that during the last six months there has been considerable rise in the price of raw silk, thus increasing the cost of production for the Indian silk piece-goods industry; and

(d) whether they contemplate taking immediate and effective action to give adequate measure of protection to the Indian silk industry to save it from threatened ruination?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) and (b). Yes.

(c) There has been some increase in the average declared value of raw silk imported during the six months July to December, 1936, as compared with the corresponding period of the previous year; but there has also been a corresponding increase in the average declared value of imported silk piece-goods.

(d) The Government of India are not satisfied that the measure of protection accorded to the indigenous silk piece-goods industry under the Indian Tariff (Textile Protection) Amendment Act, 1934, is inadequate.

**DISCONTENT AMONG THE STAFF OF THE RAILWAY CLEARING ACCOUNTS OFFICE.**

438 \***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Are Government aware that at the time of inauguration of Railway Clearing Accounts Office, Delhi, the staff requisitioned from the different Railways was much less as compared with the volume of work that was to be performed?

(b) Is it a fact that for many years the procedure of work as laid down in the Office Manual had not been followed? If so, why?

(c) Is it a fact that since the last year orders have been issued that the work in the office should be done according to the Office Manual?

(d) Are Government aware that the staff is forced to sit late hours and attend office even on holidays in order to finish the work on due dates?

(e) Are Government aware that the staff is severely punished, even for the slightest mistakes or omissions?

(f) What is the number of staff who have been punished or censured in this office since its inauguration, and the number of those punished during the last one year only?

(g) Is it a fact that the Assistant Accounts Officer of Goods 'B' Section in this office summoned on the 27th January, 1937, all the sub-heads working under him and ordered them that in future they should not test-audit the work of the clerks under them as a routine, but should somehow or other find fault with their work and suggest punishments for them?

(h) Is it a fact that certain sub-heads have in so short a time made unfavourable test-audit reports against some of the clerks?

(i) Are Government aware that there is great discontent among the staff on account of the abovementioned officer's vindictiveness?

(j) If the reply to part (g) be in the affirmative, what action do Government propose to take against the officer concerned?

**Sir Raghavendra Rau:** With your permission, Sir, I shall answer questions Nos. 438, 439, and 440 together. I am obtaining the information required and shall lay a statement on the table in due course.

**NON-CONFIRMATION OF MUSLIMS IN THE SUB-HEAD GRADE IN THE RAILWAY CLEARING ACCOUNTS OFFICE.**

†439: \***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will Government please state the number of clerks who have been confirmed in January last in the sub-head grade in the Railway Clearing Accounts Office, Delhi, and the number of Muslims among them?

†For answer to this question, see answer to question No. 438.

(b) Is it a fact that certain Muslim clerks have been superseded and that junior Hindus have been confirmed out of turn? If so, why?

(c) Is it a fact that the Muslim clerks superseded had officiated in the sub-head's grade for about six years each and were drawing the maximum of that grade when they were reverted?

(d) Is it a fact that the careers of the Muslims superseded have been blotless?

(e) Is it a fact that one of these Muslims was asked to demonstrate the working of the machines before the Railway Enquiry Committee on the 2nd February, 1937, as no other sub-head (including those recently confirmed) was considered competent to do so?

(f) If the replies to the preceding parts be in the affirmative, do Government propose to institute an enquiry into the whole affair?

#### INCREASE IN THE VOLUME OF WORK IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

†440. \*Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Is it a fact that of late the volume of work in the Railway Clearing Accounts Office, Delhi, has greatly increased on account of the enforcement of the Office Manual, which had been a dead letter before?

(b) Are Government aware that the clerical staff in that office is overworked and has to sit late hours on working days and attend office on holidays without any compensation?

(c) What are the concessions enjoyed by the Government of India Secretariat staff who attend office on holidays and sit late hours?

(d) Are Government prepared to concede similar concessions to the staff of the Railway Clearing Accounts Office? If not, why not?

(e) What working hours are observed in the Government of India Offices? Are Government prepared to issue instructions for the observance of the same office hours in Railway Clearing Accounts Office, Delhi? If not, why not?

#### ABOLITION OR REDUCTION OF STAMP DUTIES ON INLAND BILLS OF EXCHANGE.

441. \*Babu Baijnath Bajoria: (a) Is it a fact that the Royal Commission on Indian Currency and Finance in 1926 and the Central Banking Enquiry Committee recommended abolition of stamp duties on Inland Bills of Exchange?

(b) Is it a fact that the Reserve Bank of India in its report has recently recommended reduction of such stamp duties from four annas per hundred rupees to two annas per hundred rupees?

(c) Have Government received representation from commercial bodies urging abolition of stamp duties on Inland Bills of Exchange?

(d) Do Government propose to abolish or reduce these stamp duties at an early date? If not, why not?

**The Honourable Sir James Grigg:** (a) Yes. But the Indian Central Banking Enquiry Committee recommended that the initial step should be the reduction of the stamp duty on all bills of less than one year's usance to a uniform rate of two annas per thousand rupees.



(b) The Reserve Bank of India, in paragraph 30 of their report on the Agricultural Credit Department, has recommended that Schedule I to the Stamp Act should be amended on the lines suggested by the Banking Enquiry Committee, i.e., to reduce the duty on bills of less than one year's usance to two annas per thousand rupees.

(c) Yes.

(d) The matter has been taken up with the Provincial Governments, who have to be consulted as their revenues are affected.

**NON-RECOGNITION OF AUDITORS IN GOVERNMENT SERVICE FOR THE PURPOSE OF ENROLMENT ON THE REGISTER OF ACCOUNTANTS.**

**442. \*Rai Bahadur Seth Bhagchand Soni:** (a) Is it a fact that the experience of auditors in Government service in different commercial and quasi-commercial undertakings is not recognised for the purposes of enrolment on the Register of Accountants maintained under the Auditors Certificate Rules?

(b) Are Government aware that such a concession is allowed to Government servants in Great Britain by the Society of Incorporated Accountants and Auditors in their bye-laws?

(c) Will Government please state, since the present rules came into force, how many Government servants applied for registration, and with what results and what were the qualifications of the applicants?

(d) Are Government prepared to consider the advisability of permitting Government servants who possess necessary recognised technical qualifications and have sufficient audit experience of the Government commercial or quasi-commercial concerns, to be registered as auditors?

(e) Will Government state the reasons for refusing recognition to their own auditors working under the Auditor General and giving preference to private auditors working in even small firms of auditors?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) Yes.

(b) Yes.

(c) Eleven have applied, but none was accepted for enrolment. Five of these applicants possessed the requisite theoretical qualification, but none satisfied the necessary requirement relating to practical training.

(d) In such matters, Government are guided by the advice of the Indian Accountancy Board which has already considered the matter on more than one occasion and has not found it advisable in the interests of the accountancy profession and of the investing public to recommend the grant of any such concession.

(e) Any person possessing the requisite qualifications can get himself enrolled on the Register of Accountants, irrespective of whether he is or is not a Government servant.

**RUMOURED TRANSFER OF THE RAILWAY WORKSHOPS FROM AJMER.**

**443. \*Rai Bahadur Seth Bhagchand Soni:** (a) Is there any proposal by Government to remove or transfer some parts of the Railway workshops from Ajmer to some other place in the event of the taking over of the Bombay, Baroda and Central India Railway?

(b) Are Government aware that the rumours about the removal of the workshops have caused a great sensation and apprehension in the minds of the people of Ajmer owning lands in the Railway area and who largely depend upon the Railway population?

(c) Are Government prepared to contradict these rumours to allay the feelings of the people of Ajmer?

(d) Are Government aware that there are very few industries and very little business in Ajmer and the prosperity of the town is dependent upon the existence of the Railway workshops?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) The reply is in the negative.

(b) to (d). Do not arise.

#### DISREGARD OF THE RULES FOR THE SUPPLY OF ROAD DRESSING MATERIALS FOR MILITARY PURPOSES.

444. \***Mr. F. E. James:** (a) Are Government aware that the rules for the supply of articles required to be purchased for the public service, laid down by the Government of India in G. O. No. S.-217 of the Department of Industries and Labour have been disregarded lately in regard to the supply of road dressing materials for military purposes?

(b) If not, are Government prepared to cause enquiries to be made through the Indian Stores Department?

**Mr. G. B. F. Tottenham:** The required information is being obtained and will be laid on the table in due course.

#### UNSTARRED QUESTIONS AND ANSWERS.

##### NON-PROMOTION OF ASSISTANT STATION MASTERS AS GUARDS IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

30. **Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) whether it is a fact that in all divisions of the East Indian Railway, except in the Allahabad Division, Indian Assistant Station Masters are promoted as guards;
- (b) whether it is a fact that in the Allahabad Division they are not generally promoted as guards;
- (c) how many Assistant Station Masters in each division of the East Indian Railway have been promoted to the higher grade of Platform Assistants, Assistant Yard Masters, Yard Controllers and Guards, during the last three years;
- (d) whether it is a fact that the relieving chances as Platform Assistants, Controllers, Assistant Yard Masters and Ticket Inspectors at important stations are given to relieving guards and not to the senior Indian Assistant Station Masters;

- (e) whether it is a fact that since 1952, the posts of relieving guards have been abolished and changed into relieving Assistant Station Masters? If so, why are guards appointed to these posts instead of the Assistant Station Masters;
- (f) whether it is a fact that the promotion of about 400 Assistant Station Masters in the Allahabad Division is blocked at their maximum pay; and if so, why;
- (g) whether the railway authorities received representations from the Assistant Station Masters of the Allahabad Division regarding their grievances in the matters referred to in the preceding parts of the question; and
- (h) whether they propose to give fresh consideration to the subject matter of this question?

**The Honourable Sir Muhammad Zafrullah Khan:** With your permission, Sir, I propose to reply questions Nos. 30 and 31 together.

I am collecting information and will lay a reply on the table of the House in due course.

PROMOTION OF ASSISTANT STATION MASTERS IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

†31. **Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) the procedure of selecting Indian Assistant Station Masters for promotion to the higher grades;
- (b) whether the seniority of the Indian Assistant Station Masters is not taken into consideration in the Allahabad Division; if so, what is the reason; and
- (c) whether it is a fact that the promotion of the Cabin Assistant Station Masters in the Allahabad Division is blocked at the maximum of their grades, i.e., Rs. 85?

LETTING OUT OF CONTRACTS FOR SWEETMEAT, BREAD AND REFRESHMENT ROOMS ON THE NORTH WESTERN RAILWAY.

32. **Mai Bahadur Seth Bhagchand Soni:** (a) Is it a fact that on certain stations of the North Western Railway the contracts of sweetmeat, bread and refreshment rooms are given to one and the same contractor?

(b) Are Government aware that the contractor who is given such contracts, sells inferior quality of sweetmeats and bread in order that the passengers should go to the refreshment room and dine there where the rates are higher?

(c) Are Government, in the interest of the poor class of passengers, prepared to let out the contract of refreshment rooms to one contractor and that of sweetmeats and bread at the same station to another contractor?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) Yes.

(b) The North Western Railway Headquarters Office have not received any complaints to this effect. Sweetmeats sold by platform vendors are not ordinarily obtainable in refreshment rooms.

(c) The Agent states that the necessity for taking action on the lines suggested has so far not arisen.

### STATEMENTS LAID ON THE TABLE.

*Information promised in reply to starred questions Nos. 1025 and 1026, asked by Khan Bahadur Shaikh Fazi-i-Haq Piracha on the 10th October, 1936.*

#### MONEY CIRCULATING SCHEME STARTED BY CERTAIN FIRMS.

*Question No. 1025.*—(a) Yes in some of the places mentioned.

(b) A statement containing the information asked for with regard to firms in Calcutta is laid on the table. Similar information with regard to firms in the other cities is not available.

#### *List of Chain Policy Companies registered under the Indian Partnership Act, 1932, in Bengal.*

Date of Registration.	Names.
16th December, 1935	Public Benefit Policy (Reg. No. 4081).
11th January, 1936	The Bhaggodaya Policy Co. (Reg. No. 4147).
17th January, 1936	All India Chain Policy Co. (Reg. No. 4169).
20th January, 1936	Money Making Policy Co. (Reg. No. 4178).
22nd January, 1936	The Evercoming Money Policy Co. (Reg. No. 4185).
24th January, 1936	Great India Policy Co. (Reg. No. 4204).
Do.	The Economic Policy Co. (Reg. No. 4206).
27th January, 1936	The India Mutual Policy Co. (Reg. No. 4209).
Do.	The Ever Running Policy Co. (Reg. No. 4210).
30th January, 1936	The International Policy Co. (Reg. No. 4216).
Do.	Union Policy (Reg. No. 4218).
Do.	Mutual Reliance Policy Co. (Reg. No. 4220).
1st February, 1936	United India Policy Co. (Reg. No. 4225).
Do.	The Oasis Product Corporation (Reg. No. 4227).
3rd February, 1936	The Hindusthan Self-help Society (Reg. No. 4231).
4th February, 1936	Bharat National Policy Co. (Reg. No. 4232).
8th February, 1936	The Bengal Endless Policy Co. (Reg. No. 4255).
Do.	Easy Policy Co. (Reg. No. 4257).
Do.	The General Trading Agency (Reg. No. 4256).
11th February, 1936	Workmen Chains' Agency (Reg. No. 4269).
12th February, 1936	The Calcutta Money-making Policy Co. (Reg. No. 4271).
Do.	The International Policy Co. (Reg. No. 4272).
Do.	All India Everlasting Policy Co. (Reg. No. 4273).
13th February, 1936	Pioneer National Policy Co. (Reg. No. 4280).
10th March, 1936	The All India Good Luck Policy Co. (Reg. No. 4349).
18th March, 1936	Hindusthan Money Circulating Co. (Reg. No. 4388).
23rd March, 1936	Indo-British Mutual Helping Policy (Reg. No. 4399).
6th April, 1936	The Never-Ending Policy Co. (Reg. No. 4438).
8th April, 1936	Matuwalla Policy Co. (Reg. No. 4457).
10th June, 1936	The Golden Indian Chain Policy Co. (Reg. No. 4658).
13th June, 1936	Indian Mutual Distributing Policy Co. (Reg. No. 4666).
15th June, 1936	British Indian Policy Co. (Reg. No. 4667).
22nd June, 1936	Ever Running Policy Co. (Reg. No. 4706).
18th August, 1936	Hammersen Lucky-Coupon Co.'s Everlasting Money-getting Scheme (Reg. No. 4884).
2nd September, 1936	Golden Coupon Co. (Reg. No. 4940).

## MONEY CIRCULATING SCHEME STARTED BY CERTAIN FIRMS.

Question No. 1026.—No.

Information promised in reply to unstarred question No. 262 asked by Sardar Sant Singh on the 16th October, 1936.

## COMMITTEES FORMED FOR THE POSTS AND TELEGRAPHS DEPARTMENT.

(a) Complete information is not available. So far as the information can be collected the following Committees were formed for the Posts and Telegraphs Department during the period from 1900 to 1935. A list showing the personnel of each Committee is appended herewith.

1. The Telegraph Committee, 1906-07.
2. The Telegraph Committee, 1908.
3. The Telegraph Committee, 1920.
4. The Postal Committee, 1920.
5. The Telegraph Committee, 1921.
6. The Office Reorganisation Committee, 1921.
7. The Posts and Telegraphs Department Committee, 1924-25.
8. The Posts and Telegraphs Accounts Enquiry Committee, 1931.
9. The Posts and Telegraphs Sub-Committee of the Retrenchment Advisory Committee, 1931.
10. The Telegraph Establishment Enquiry Committee, 1932-33.
11. The Postal Enquiry Committee, 1934-35.

## 1. THE TELEGRAPH COMMITTEE, 1906-07.

*President.*

Sir Lewis Tupper, K.C.I.E., C.S.I., I.C.S.

*Members.*

- Mr. (afterwards Sir) L. A. S. Porter, C.S.I., I.C.S.  
 Mr. E. A. Leach.  
 Mr. (afterwards Sir) W. Maxwell, I.C.S.  
 Mr. R. O. Lees.  
 Mr. P. T. R. Kellner.

*Secretary.*

Mr. (afterwards Sir) G. Rainy, I.C.S.

## 2. TELEGRAPH COMMITTEE OF 1908

*President.*

Mr. (afterwards Sir) W. Maxwell, I.C.S.

*Members.*

- Mr. H. S. Styan.  
 Mr. C. P. O'Rielly.

## 3. THE TELEGRAPH COMMITTEE, 1920.

*President.*

Mr. H. Heseltine.

*Members.*

Mr. Nigel F. Paton.  
 Mr. W. Sutherland.  
 Mr. J. H. Abbott.  
 Mr. H. Barton.  
 Mr. N. R. Rao.

*Secretary.*

Mr. J. N. Mukerji.

## 4. THE POSTAL COMMITTEE, 1920.

*President.*

Mr. H. N. Heseltine, C.I.E.

*Members.*

The Hon'ble Rao Bahadur (afterwards Sir) B. N. Sarma.  
 Sir Henry Ledgard.  
 Mr. E. A. Doran, C.I.E.  
 Rao Bahadur Srinivasa Rangachari.  
 Khan Sahib Eshan Azim.

*Secretary.*

Mr. P. N. Mukerji, M.A., M.R.S.A.

## 5. THE TELEGRAPH COMMITTEE, 1921.

*President.*

Rao Bahadur Tiruvenkata Rangachariar, M.L.A.

*Members.*

Mr. W. Sutherland, V.D., M.I.E.E.  
 Lt.-Col. (now Sir) H. A. J. Gidney, M.L.A.  
 Mr. A. F. L. Brayne, I.C.S.  
 Mr. H. Barton, M.I.C.

*Secretary.*

Mr. C. G. Hamilton.

## 6. THE OFFICE REORGANISATION COMMITTEE, 1921.

*President.*

Mr. J. R. T. Booth, I.C.S.

*Members.*

Mr. J. Fairley.  
 Mr. P. N. Mukerji.

## 7. THE POSTS AND TELEGRAPHS DEPARTMENT COMMITTEE, 1924-25.

*President.*

Mr. (afterwards Sir) T. Ryan.

*Members.*

Mr (afterwards Sir) G. P. Roy.

Mr. J. R. T. Booth, I.C.S.

## 8. THE POSTS AND TELEGRAPHS ACCOUNTS ENQUIRY COMMITTEE, 1931.

*Chairman.*

Sir Cowasjee Jehangir (Junior), K.C.I.E., O.B.E., M.L.A.

*Members.*

Mr. G. Kaula, C.I.E.

Mr. E. F. J. Pearson, I.S.O.

*Secretary.*

Mr. S. P. Varma, M.Sc.

## 9. THE POSTS AND TELEGRAPHS SUB-COMMITTEE OF THE RETRENCHMENT ADVISORY COMMITTEE, 1931.

*Chairman.*

Sir Cowasjee Jehangir (Junior) K.C.I.E., O.B.E., M.L.A.

*Members.*

The Hon'ble Mr. B. K. Basu.

Mr. Amar Nath Dutt, M.L.A.

Mr. Muhammad Yamin Khan, C.I.E., M.L.A.

Mr. F. C. Annesley.

Mr. N. V. Raghavan.

*Secretary.*

Mr. S. P. Varma, M.Sc.

## 10. THE TELEGRAPH ESTABLISHMENT ENQUIRY COMMITTEE, 1932-33.

*Chairman.*

Mr. S. P. Varma, M.Sc.

*Members.*

Mr. A. Brokenshaw, (Vice-Chairman).

Mr. H. Sur.

Mr. J. N. McInnes.

Mr. J. W. Butcher, (Secretary).

## 11. THE POSTAL ENQUIRY COMMITTEE, 1934-35.

*Chairman.*

Mr. M. L. Pasricha, C.I.E.

*Members.*

Mr. Rang Behari Lal, M.A.

Khan Sahib M. Sabihuddin, B.A., Bar.-at-Law.

Rai Sahib J. N. Dar, B.A.

Mr. K. L. N. Iya, B.A., LL.B.

Rao Sahib K. R. Bakhle, B.A., (Member Secretary).

(b) (i) None of the Reports of the Committee mentioned in part (a) of the question is available for sale except that of the Posts and Telegraphs Accounts Enquiry Committee, 1931, the price of which is Rs. 1 and which may be obtained from the Central Publication Branch of the Government of India. As regards the Report of 1908, it was published in the Gazette of India, dated the 6th June 1908.

(ii) None of the recommendations in the reports of the above mentioned Committees relates explicitly to the duty hours and night duties of the staff, though several deal with the conditions of service.

*Information promised in reply to starred question No. 304 asked by Mr. Sri Prakasa on the 26th January, 1937.*

#### SUPPLY OF CLOTHING TO THE STAFF ON THE EAST INDIAN RAILWAY.

(a) Clothing for supply to the staff on the East Indian Railway is purchased and inspected by the Indian Stores Department. The Indian Stores Department maintains a list of approved tailoring contractors. Tenders are invited by public advertisement.

(b) Yes, except the menial staff who are supplied with three standard sizes—Large, medium and small, as the case may be.

(c) Government consider that it would not be in the interests of economy and efficiency to restrict the award of contracts for each Division of the Railway to local tailors.

Contracts are awarded to the contractors who submit the lowest satisfactory tenders.

(d) The annual cost and particulars of clothing supplied to each Travelling Ticket Examiner on the East Indian Railway are :

<i>Summer.</i>	<i>Winter.</i>
Cost Rs. 19-3-0 . . . . .	Rs. 14-3-0.
Coats open neck, alpaca—2 Nos. . . . .	Coat, serge blue—1 No.
Trousers, white drill—3 pairs . . . . .	Trousers, serge, blue—1 pair.
Hat, Sola—1 No. . . . .	Cap.—1 No.
Tie, red—1 No. . . . .	Overcoat—1 No.

All items are issued annually except hat and overcoat. Hats are issued every alternate year and overcoats every four years.

(e) Surrender of uniforms issued to the staff is not insisted on except in cases of termination of service.

(f) Free.

*Information promised in reply to starred question No. 378 asked by Mr. Amarendra Nath Chattopadhyaya on the 8th February, 1937.*

#### COST INCURRED IN THE PREVENTION OF DAMAGES TO THE HARDINGE BRIDGE.

The amount of expenditure that has been incurred in protecting the Hardinge Bridge against damages from the time of its construction in 1915 up to the present date is approximately Rs. 188 lakhs.

#### MOTION FOR ADJOURNMENT.

##### AMENDMENT OF THE RULES OF BUSINESS OF THE ASSEMBLY RELATING TO THE PRIVILEGE OF INTERPELLATION.

**Mr. President** (The Honourable Sir Abdur Rahim): I have received notice of a motion for adjournment of the business of the House from Mr. Asaf Ali. The Honourable Member wishes to move the adjournment of the business of the Assembly to discuss a definite matter of urgent public



importance of recent occurrence, namely, "the prejudicial amendment of the Rules of Business of the Assembly relating to the privilege of interpellation by Members of the Assembly". I should like to know how the Honourable Member gets over Rule 12, sub-rule (3). The matter has been discussed in this House, and, according to that rule, that discussion cannot be revived.

**Mr. M. Asaf Ali** (Delhi: General): Sir, I do not propose to enter into the merits of the rules. I simply desire to censure the Government for having taken the step which they have done. The Governor General published these rules in the *Gazette Extraordinary* of the 15th February, and it reached me on the 17th some time late in the day. I have got the wrapper with me.

**Mr. President** (The Honourable Sir Abdur Rahim): The rules were published in the *Gazette* of the 15th February, but the Honourable Member need not go into that matter now.

**Mr. M. Asaf Ali**: I do not propose to enter into the merits of the rules at all.

**Mr. President** (The Honourable Sir Abdur Rahim): But how can the Honourable Member censure the Government without going into the merits of the rules . . .

**Mr. M. Asaf Ali**: I want to confine myself to the effect of the rules as they have now been made. Then, there is one other point. These rules had to be laid before the two Houses of Parliament and they are before the Houses of Parliament now.

**Mr. President** (The Honourable Sir Abdur Rahim): That is not the question. The question is that the matter and its discussion cannot be revived.

**Mr. M. Asaf Ali**: I am not reviving the discussion at all: I am only thinking of the effect which it has produced. The discussion is of very great importance in the sense that the Government really violated their pledge of consulting the House.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair cannot allow the Honourable Member to enter into the merits of the question now.

**Mr. M. Asaf Ali**: I am not exactly entering into the merits. I simply want to give the House an opportunity to express their views on the rules as they appear now.

**Mr. S. Satyamurti** (Madras City: Non-Muhammadan Urban): May I also, Sir, speak on this motion?

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair believes the Honourable Member has also given notice of a similar motion. He can speak.

**Mr. S. Satyamurti:** Sir, the rule to which you made reference reads like this:

"The motion must not revive discussion of a matter which has been discussed in the same Session."

Now, what was the matter we discussed last time? The matter was the opinion of the House with regard to certain rules which the Governor General proposed to make. That was the matter discussed; and, on that discussion, Government were asked by distinguished Members like Sir Muhammad Yakub to put the matter off, till such time as the House was full, but the Government did not listen to it. That matter is not now sought to be revived. What is sought to be revived is not the opinion of the House on the proposed rules, but the matter to be discussed is the actual rules made by the Governor General. I submit that you will see the distinction between that stage and this stage. That stage was the proposal stage, when the Governor General had not made up his mind; and, according to the convention entered into by this Government with this House, the Leader of the House chose to consult this House, when it was thin in its attendance. But that stage has passed. The Governor General has now chosen to make rules which, I submit, is a different matter altogether; and, today, we are asking your leave and the leave of the House to discuss the matter of the Governor General having made those rules. I submit that this discussion is very important and relevant, because there is another stage under section 129-A of the Government of India Act of 1919, under which these rules which are made by the Governor General have got to be placed before the Houses of Parliament.

**Mr. President** (The Honourable Sir Abdur Rahim): That was pointed out in the House during the course of the discussion on these Rules.

**The Honourable Sir Nripendra Sircar** (Leader of the House): There was lot of discussion in the House on this point.

**Mr. S. Satyamurti:** I am hoping that my Honourable friend will not object to this motion. I want to draw the attention of the House to sub-section (3) of section 129-A of the Government of India Act of 1919:

"Any rules to which sub-section (1) of this section applies shall be laid before both Houses of Parliament as soon as may be after they are made and, if an address is presented to His Majesty by either House of Parliament within the next thirty days on which that House has sat after the rules are laid before it praying that the rules or any of them may be annulled, His Majesty in Council may annul the rules or any of them and those rules shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder."

My submission to you is that I could not have raised this matter earlier than when the rules have been made, because, at the former stage, it was only a proposal. This has reached the stage of a definite matter, only after it has been published. It is only then it becomes a definite matter, on which I can raise a discussion on the floor of the House, and seek the permission of the House to censure the Government for having made these rules. Further, I submit that if this censure is carried, it will have some effect in England, because certain Honourable Members of Parliament may move for an address to be presented to His Majesty, that these rules may not be given effect to. Therefore, this is not an infructuous motion.

It can be effective. Secondly, I could not have raised this motion earlier, than the publication of the rules. What is the matter which can be discussed? Formerly, there were only proposals.

**Mr. President** (The Honourable Sir Abdur Rahim): At that stage, they were the proposed Rules.

**Mr. S. Satyamurti**: It is not necessary that those very Rules should have been adopted. The Government might have modified them or altered them.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair quite understands the Honourable Member's point. He wants to censure the Government for having passed the Rules. But a discussion on this will necessarily refer to the opinions already expressed by the House on the previous motion.

**Mr. S. Satyamurti**: At that stage, it was only a proposal.

**Mr. President** (The Honourable Sir Abdur Rahim): This is substantially the matter which was discussed.

**Mr. S. Satyamurti**: I have carefully read the words of Rule 12. The word "substantial" is not there. It simply says "a matter". Apart from anything else, I submit, with some confidence and with great respect that the Chair must help the House in upholding its privileges, and not constantly go on the letter of the law. Sometimes, the Chair has got to make precedents and go forward to help the House to assert its rights against the Government which will not listen to any reason, and which simply conforms to the letter of the law and not to the spirit.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair does not want a lecture on its duties.

**Mr. S. Satyamurti**: I am not giving you a lecture at all.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member must speak only on the point of order which has arisen.

**Mr. S. Satyamurti**: I submit this point of order, that, in the House of Commons, Speakers have constantly made precedents.

**Mr. President** (The Honourable Sir Abdur Rahim): That is not the point of order under consideration.

**Mr. S. Satyamurti**: My point is that the matter proposed to be discussed now was not the matter before the House formerly, and, secondly, we could not have raised it earlier, because there were no definite Rules at all. It is only at the present stage that there can be a useful and effective discussion of this matter, because the Rules are before the Houses of Parliament, and they can take action that the Rules may be annulled. I, further, submit for your careful consideration another point. I am told there is a change in the Rules as made now, from those which were proposed before the House. If I am right, you will please bear that in mind. That makes my point clear that there is really a change in the Rules. Instead of "3", it is now "5".

**The Honourable Sir Nripendra Sircar:** It was mentioned in the House before when the Rules were under discussion.

**Mr. S. Satyamurti:** I am not saying that the Government committed any breach of faith in promulgating a different set of Rules. I am simply pointing out the changes that have been effected in the Rules as published and in the proposals that were put forward before the House. The second change is that the date to be fixed is left to the questioner himself. I have given you two examples in which there are changes in the Rules, as originally proposed and as published.

**Mr. President** (The Honourable Sir Abdur Rahim): There are no material changes; these may be merely verbal changes. During the discussion of the matter in the House, the Leader of the House accepted the change from "3" to "5" and something else which the Chair forgets now.

**The Honourable Sir Nripendra Sircar:** As regards the date fixed by the questioner, I said that was implied by the Rules, but that we shall make it express.

**Mr. S. Satyamurti:** My point is not that these changes are not good. I am submitting to the Chair the narrow technical legal point. The proposals which emanated from the Government in the first instance were not the same, as they are found published now. Therefore, it is a different matter. I am not suggesting that these Rules were made behind the back of the House, or that the House was not taken into confidence. I am pointing out the changes in two directions that are made in the Rules published now, firstly as regards the number of questions, and, secondly, with regard to the fixing of dates by the questioner himself. These two alterations or changes make this a matter different from the one placed before the House on the former occasion.

**Mr. President** (The Honourable Sir Abdur Rahim): There can be no doubt that the motion of Mr. Asaf Ali is covered by Rule 12 (iii) of the Indian Legislative Rules which says that "the motion must not revive discussion on a matter which has been discussed in the same Session". It has been argued that this is not the same matter, because the Rules, as a matter of fact, were not enacted until the 15th of this month and that the House had only been consulted on the previous occasion in accordance with a pledge given by the Government. But it is absolutely clear from the language of Rule 12 (iii), as applied to this case, that the matter sought to be discussed now is the very Rules which had been discussed before. The House can only have one opportunity of discussing whether such Rules as these should be made or not and the House already had that opportunity of discussing that. Then, it has been pointed out that there have been changes on two points, firstly as regards the number of questions permitted to a Member on one day as it has been raised from three to five, and secondly, that the fixing of the date should be made by the questioner himself. All these matters were considered at the time, and the Leader of the House during the discussion said that the Government would be prepared to raise the number of questions from "3" to "5" and, as regards the Member himself fixing the date on which he wanted his question to be answered, the Leader of the House also explained the

Government's position in that respect. Therefore, it cannot be said that there is really any new matter which requires discussion. The Chair rules the motion out of order.

## THE RAILWAY BUDGET—LIST OF DEMANDS.

### SECOND STAGE.

**Mr. President** (The Honourable Sir Abdur Rahim): The House will now take up the Demands for Railway Grants: Second Stage.

#### DEMAND No. 1—RAILWAY BOARD.

**The Honourable Sir Muhammad Zafrullah Khan** (Member of Commerce and Railways): Sir, I beg to move:

"That a sum not exceeding Rs. 8,55,000, be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1938, in respect of 'Railway Board'."

**Mr. President** (The Honourable Sir Abdur Rahim): Motion moved:

"That a sum not exceeding Rs. 8,55,000, be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1938, in respect of 'Railway Board'."

Before the discussion goes on, the Chair may mention to the House that the Parties have agreed as to the motions which they want to move and the day when they want to move those motions. As for today, the Chair understands, Mr. Akhil Chandra Datta on behalf of the Nationalist Group will move a cut (No. 46), and, in the afternoon, the European Group will move their cut (No. 85). As regards tomorrow, the Chair understands the Leader of the Opposition will notify to the office and to the Leaders of the other Parties which motion they will move tomorrow.

**Mr. Akhil Chandra Datta** (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): Is there any time limit, Sir?

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair has no power to fix a time limit, but if it is the general desire, it will fix 20 minutes for the Mover and 15 minutes for the others.

**The Honourable Sir Muhammad Zafrullah Khan**: Except that last time you allowed half an hour for the reply.

**Mr. S. Satyamurti** (Madras City: Non-Muhammadian Urban): That is not fair. We have got the initiative in this matter.

**The Honourable Sir Muhammad Zafrullah Khan**: Sir, last year you were pleased to allow half an hour for the reply. After all, half a dozen or more Members might speak on a matter, and there will be a good deal to reply to. I am not objecting to other Members taking longer if they choose to.

**Mr. President** (The Honourable Sir Abdur Rahim): Very well, there will be 20 minutes for the Mover, 15 minutes for the other speakers and half an hour for Government's reply.

#### *General Policy of Railway Administration.*

**Mr. Akhil Chandra Datta**: Sir, I beg to move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

[Mr. Akhbar Chandra Datta.]

The object of moving this motion is to discuss the general policy of railway administration of India. Sir, I want to discuss what that policy should be, and also what that policy actually is. Although it will be repeating an old argument, I still want to say that our railway system is a national property and is the biggest single industry in this country. It is a national industry and a national property,—the property of the nation. If it is a national industry, about which there can be no manner of controversy, I submit that the industry should have a national outlook. But our grievance is, and, for the last quarter of a century or more, our grievance has been, that the outlook of the Railway Administration is anti-national, and not national. A friend here suggests that it is also not rational. I agree—it is neither national nor rational.

Now, Sir, the policy of our Railway Administration, particularly the freight policy, is to encourage foreign industry and discourage Indian industry, to have different rates for internal and external traffic. I shall not dilate on this point now; I discussed it on the occasion of the general discussion. I dealt with it at some length and I gave all possible facts and figures about the difference in rates, in support of my proposition. But I am sorry to say that no serious reply was vouchsafed or attempted by the Honourable the Railway Member. He answered in very great detail to small points raised on this side, even giving the minutest details about them; but it pained me to find that, on a matter like this, a matter of vast national importance, we did not get any reply at all, beyond this that a solution of this problem cannot be expected overnight. My very short reply to that is that this is not a new question. Many many hundreds and thousands of nights have gone; in fact, so far as I have been able to ascertain, we find that this question was raised in the Imperial Council as early as 1912 by Sir Vithaldas Thackersay. This question was raised again in 1915 by Sir Ibrahim Rahimtoola. It was again raised before the Industrial Commission, and that Commission said that the internal traffic rate should be, as nearly as possible, the same as the external traffic rate. Then, in 1920, this question was again raised and a complaint made before the Ackworth Committee. Witnesses were examined before the Industrial Commission and before the Ackworth Committee. The Ackworth Committee remarked that it was an old Indian grievance. It was an old grievance even in 1920. The complaint was repeated before the Fiscal Commission in 1921, and they went to the length of recommending special rates to be granted to new industries. So, Sir, it is not a question of "overnight". It has been hanging fire for over a quarter of a century, and, after a quarter of a century, we are told that we cannot expect to have the problem solved overnight. It is really shelving a question of such importance. I say, there should be a statutory tribunal, a judicial tribunal appointed for the purpose of fixing the rates as between the commercial community on the one hand and the railway on the other. It should be something like a high court of judicature to decide all questions and disputes about freights and classification of merchandise and all other matters affecting trade and industry in this country; and the existing advisory committee should be abolished. That is my first charge, and it is a matter going to the very root of the whole question as to what the policy should be. Our claim is that, being a national industry, it ought to take all possible steps for promoting the industry and commerce of this country.

Next in importance is the question of extravagant administration of the railways. Deficits have become chronic. If it were an ordinary public limited company, it would have gone into liquidation. Economy has been urged again and again. Different committees have been formed from time to time. Every time every committee recommended retrenchment and economy. For instance, the Ackworth Committee of 1920, the Retrenchment Sub-Committee of 1931, the Pope Committee of 1933, and, lastly, Sir Otto Niemeyer has recommended that there must be a thorough-going overhaul of railway expenditure. The question is, although there have been recommendations by the different committees for about quarter of a century, has any effective or substantial step been taken by the railways to effect economy in the Railway Administration? Take one item—the wages bill which constitutes the largest single item of expenditure, the cost of the staff. We find in 1913-14 the basic year before the war—the wages bill was Rs. 13½ crores. Twenty years later, in 1933-34, it rose to Rs. 34½ crores or an increase of 21 crores in 20 years. In this connection, it is very important to remember that, although there was this increase of 21 crores, yet the number of staff was almost the same; and another very important factor is that the prices are lower in 1933-34 than in 1913-14, the index figure having come down from 100 to 86.

**Mr. N. M. Joshi** (Nominated Non-Official) Was there a difference in the mileage of railways?

**Mr. Akhil Chandra Datta:** Not appreciably. There has been some difference. . . .

**Mr. N. M. Joshi:** How much?

**Mr. Akhil Chandra Datta:** I have not got the exact figures here; but the question is not one of mileage: we are considering for the moment the wages bill. The really important factor is the number of workers and officials. . . .

**Mr. N. M. Joshi:** If the same number of people are doing double work, they should be paid double. Don't you think so?

**Mr. Akhil Chandra Datta:** If it is the suggestion of the Honourable Member that in 1933-34 they began to work double the time, I don't know. I have not got the exact figures: but I take it that the number of working hours remains the same

Take another test—the average wage. In 1913-14, the average wage per head was Rs. 221 per annum. Twenty years later, in 1933-34, it rose to Rs. 515 per head: in other words, it was an increment of 150 per cent., or more than double—nearly two and a half times: with the result that 54 per cent. of the earnings were being handed over to the staff. This, I should think, is preposterous, if not monstrous.

There is yet another test. The operating ratio before the war, in 1913-14, was 52 per cent. In 1920-21, it rose to 66 per cent. In 1929-30, it was also 66 per cent. In 1930-31, and in the two following years, it rose to 73 per cent. These are the figures which prove the reckless extravagance of the Railway Administration. The problem is how to restore solvency, because there is no doubt that it is an insolvent institution at the present moment.

[Mr. Akhil Chandra Datta.]

There are two possible remedies. Restoration of the old pay and reduction of the staff. As regards restoration of the old pay, admittedly the present rates were fixed after the war on the basis of the high prices then prevailing. Our suggestion is, why not readjust the present pay scales on the same basis, namely, on the basis of the prices.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Both for Europeans and Indians.

**Mr. N. M. Joshi**: Higher and lower scales of salary?

**Mr. Akhil Chandra Datta**: At least in the case of higher scales. What is the answer of the Government to this question? The answer is "It is a question of vested rights, and we cannot re-open the question". I am not using my own language. Those are the words used by the Financial Commissioner before the Public Accounts Committee in answer to a question by my Honourable friend, Mr. B. Das. I shall not comment on it further. It is enough to state that in the opinion of the Government they cannot reduce the scales of pay, because it is a question of vested interests of the servants or the railway system. Of course, the vested interests of the shareholders, the people of the country, are of no value at all! I want to say this: why do you not go back to 1913-14? The whole problem is then automatically solved. You will have a saving of about 21 crores. Deducting five crores from this, because this is the saving already effected, I say the result will be 16 crores.

Supposing vested interests are allowed to stand in the way, then, my next suggestion is that you maintain the scale, but have graded cuts, say from five per cent. to 20 per cent.: and it appears from figures that the savings will be at least Rs. 14 crores. That is, according to the figures supplied by the Railway Board.

As regards the second question of reduction of staff, the question was raised by no other than the Honourable the Finance Member himself before the Public Accounts Committee, but I do not know that the matter was pursued. All that we know is that there is now literally a plethora of high officials in the Railway Administration. Sir, even blackberries are not so plentiful in this country as the high railway officials. ("Hear, hear" from Congress Party Benches.)

There is another serious charge we have got to bring against the Railway Administration. Railways in this country lack real commercial spirit; they are not in touch with the trading and industrial communities of this country. It is the duty of the railways to always take them into their confidence whenever they take any steps which affects the interests and welfare of the trading and commercial community. But, Sir, their's is a policy which is known as "leave it or take it", and they never care to remember the principle that facility brings traffic.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has got only two minutes more.

**Mr. Akhil Chandra Datta**: In this connection, may I refer to the advice given by the Pope Committee. They say that every railway official must be trained in the art of salesmanship, every station master



should consider his station to be a shop, selling transport, and every station master should consider himself as the salesman of his shop. I have got only two minutes more, and so I shall simply mention one or two important points without attempting to elaborate them.

Our old grievance relating to third class passengers still remains unredressed, and it is no use dilating on it. But I must say that there must be a radical change in the outlook of the railway system with regard to third class passengers. Another old complaint of ours is about the amalgamation and grouping of the different railway systems. This has been recommended by various Committees, like the Ackworth Committee, the Pope Committee, and so on. If their recommendations are given effect to, a great saving can be effected, but so far no steps have been taken to give effect to them. . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

**Mr. Akhil Chandra Datta:** Very well, Sir, I shall finish in half a minute.

Then, there is the complaint about the acquisition of Company-managed lines. Then, there is the policy of concession, to military traffic, but my time is up. I shall conclude by emphasising that we do require a complete change of outlook and a complete re-orientation of the railway policy in this country. Sir, I move.

**Mr. President** (The Honourable Sir Abdur Rahim): Cut motion moved:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

**Mr. Sri Prakasa** (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, with your permission, I should like to begin by congratulating the Honourable the Railway Member for having been saved from the attentions of this side of the House during the last one month. He must have often felt that . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair would ask the Honourable Member to confine himself to the motion under discussion.

**Mr. Sri Prakasa:** He is the head of the Railway Administration.

**Mr. President** (The Honourable Sir Abdur Rahim): That is extraneous to the matter under discussion.

**Mr. Sri Prakasa:** Very well, Sir. The motion that has been placed before the House is:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

and the words in brackets that follow go to show that there will be a discussion on the general policy of the Railway Administration. I understand that the replies to various questions about railways given in this House are on behalf of the Railway Board, and I find there are three types of stereotyped replies to all the questions we ask. Firstly, the Government say

[Mr. Sri Prakash.]

that they are quite satisfied with things as they are; secondly, they say that certain matters are within the competence of the Agents and that we should go to them; and, thirdly, they say that Government have no information about the various points we seek information about. When this is the type of answer that is vouchsafed to us from the other side, I do not see what is the use of the Railway Board at all. It is a pity, Sir, that only Rs. 100 are sought to be cut. I think the whole demand should be cut including the Railway Board itself. It is not only an absolutely useless body, but even harmful as its activities have only resulted in making the Railway Administration a hand-maid to the Political Department of Government, and, so, whenever the Government say that Railway is a commercial department, I cannot help smiling.

I will try to show how this department has become a political department of Government, and as such has been going against public interest at every step. I will call your attention to various questions I have put in this House about advertisements given to newspapers in respect of railways. Commerce lives on advertisements and publicity; but the Government are careful to see that the railways advertise only in such newspapers that suit their fancy. When questions are asked in this House as to why particular newspapers have been taken off the list of those to which railway advertisements used to be sent, and whether Government have been interfering with railways in that connection, the reply is that Government have no information or that Government do not care to get information. If the Railway Board is going to function in this way, it might just as well shut up shop, because a commercial concern cannot be run with preconceived political prejudices.

Then, every facility for the Criminal Investigation Department to harass passengers is given by the railways. I have asked a number of questions on this subject to the Railway Member, and I always had very unsatisfactory replies. If the railways are really a commercial concern, then, whether belonging to the C. I. D. or not, all persons should be charged proper fares when they enter railway premises on travel in railway trains. But the Honourable Member is quite willing to give free passes to the C. I. D. men to go to the platforms, to enter carriages, to hector travelling ticket examiners to examine the tickets of particular persons, to take notes of them, and so on. If a commercial concern is going to allow harassment of its patrons in that manner, it cannot last very long. Again, Sir, a great hullabaloo is raised when we want entrance into platforms to receive Mahatma Gandhi and various other great leaders, but free passes are given to officials to use the platforms as they like. Not only are no platform tickets charged from Governors, Viceroys and various other officials who use the platforms, but even Superintendents of Police get these free passes. I had a question to that effect, and the Honourable Member replied as usual that he had no information. But I could give him the information that the Superintendent of Police of Benares has this free pass and he does not always use it on public duty; he utilises the pass also to get entrance into the railway premises to see his friends come in or go off. Unless the Railway Board from the top pays more attention to these matters, these railways are not going to be at all popular.

We ask questions here about various trains. There are a number of useless trains running, but the Government are quite satisfied that they are all really useful. In one of the recent questions I asked in this House,

I said that a special train was run from Allahabad to Lucknow in connection with the Lucknow Exhibition which is a totally official affair. The Railway Member said that the Railway Administration expected a heavy rush. Of course, they ought to have some sense. My information was that only one or two passengers utilised that train and a number of other passengers travelled free of cost, because they were railway servants holding free passes. The information that the Honourable Member gave in reply to my questions was that the total receipt from that wonderful special train was Rs. 50. But, it must have cost a great deal more to take that train from Allahabad to Lucknow. There is, for instance, another useless train, a mail train, running from Calcutta to Mughal Sarai. Formerly, there used to be one mail train by the main line and one by the chord line. There happened an accident to one of these trains at Mokameh, and they suspected, as they always suspect, that there were some terrorists about, while the mistake was all their own. So they said that they would divert that train *via* the Grand Chord. If there were terrorists about, they could go to Gaya as well as to Mokameh. They diverted this train; and, then, naturally, the Bihar people raised a row. They said they must have a mail train by the main line, and so the railway people extended the Punjab Mail which now runs from Lahore to Calcutta instead of stopping at Mughal Sarai as was the case before. So we have now three mail trains running. And when we ask questions about the average number of passengers using these trains, Government have no information and are quite satisfied that the Agent is doing what is in the best interests of the railway.

Then, there are the time tables. They are very badly printed and very badly arranged. The information given in these time tables is not complete; and when we ask for information about these points, we are told that everything is for the best. Recently, they have started running a train from Calcutta to Delhi *via* Mughal Sarai and Mirzapur, instead of Mughal Sarai and Benares as they used to do before. Three trains run one after another from Mughal Sarai on the main line and still they would not divert this train from the original route *via* Benares to its new route *via* Mirzapur. They run special shuttle trains between Benares and Mughal Sarai connecting this Express train; and all this adds to the cost of the administration. Again, Sir, I sought to induce Government to ask the Railway Administrations to mention in their time tables the amount of time that particular connecting trains are kept waiting for the trains that they are expected to connect in case these are late. This information they refused to give, so that passengers do not know exactly whether they would be able to catch connecting trains at all. The great contribution, I think, of the Railway Board to India is the coming air-conditioned first class coach! The Honourable Member forgets that there are very few first class passengers in India; and he is going to spend Rs. 2½ lakhs over and above what he would have spent on an ordinary coach, in order to make these particular coaches air-conditioned. I am not a scientist, and I do not know how this thing will work; and as I am not a first class passenger, it does not affect me at all. Moreover, I would never venture into an air-conditioned first class compartment, because, if I have to detrain in the middle of a hot midday, I would certainly catch cold. We have some experience of air-conditioned places in law courts. The Magistrates' Courts are beautifully air-conditioned; and so when you go in, you

[Mr. Sri Prakasa.]

catch cold, and when you come out, you catch "hot". (Laughter). Naturally, what the Honourable Member is thinking of are the highly placed and highly salaried gentlemen opposite who use these first class compartments at public expense. Of course, every convenience is being provided for them and the extra surcharges would also probably be met for their sake at public expense.

When we ask for better third class carriages, there is no money. When we want some more conveniences for the humble traveller, there is no money; but for first class passengers there is plenty of money and there is also plenty of space evidently for these air-conditioned coaches to run without any passengers in them. That is a great contribution by the Railway Board to human convenience. Another contribution of the Railway Board is to the English Dictionary.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has only two minutes more.

**Mr. Sri Prakasa:** I can take a whole hour . . . .

**Some Honourable Members:** Go on.

**Mr. Sri Prakasa:** . . . . or only half a minute, because railways are as familiar to me as to my Honourable friend over there, and we can both talk without stopping. I understand that he talked for seventy minutes last time . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The time limit has been fixed with the agreement of the House, and no relaxation can be allowed

**Mr. Sri Prakasa:** I quite admit that, Sir, I have wasted  $1\frac{1}{2}$  minutes in that way and shall take only another half a minute to finish my speech (Laughter) which is all that I need. Another contribution of the Railway Board is to the English Dictionary; and that is that, when the self-same person travels in the third class, she is a female; when in the intermediate class, she is a woman; and when in the first or second, she is a lady. (Laughter.)

**Prof. N. G. Ranga** (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I find that the Government propose to construct some more new coaches, but, as usual, they propose to construct 14 second and first class as against only 16 intermediate and third class coaches. This is most unfair in view of the fact that there is always too much overcrowding in third and intermediate class carriages, whereas first and second class coaches very often go empty. It is a well known fact that to construct a second or first class compartment costs many times more than to construct either an intermediate or a third class compartment. Yet, this Government which plead poverty are willing to waste so much money on those coaches from which they get very little while being parsimonious in their expenditure on the improvements urgently needed in the third and intermediate class coaches.

Then, Sir, my Honourable friend, the Deputy President, made some reference to the rise in the operating ratio and also to the rise in the total wages bill on the railways. I am quite prepared to agree with him in his plea that the salaries of the higher paid people should be lowered, and, in fact, should be cut down as drastically as possible and as my friend, Mr. B. Das, suggests, the Lee concessions, known popularly as the Lee Loot, should also be cut off, but, as far as the lower paid staff are concerned, I really do not see how any one can propose, at this time of the day, that there should be any restoration of the old pay. He has himself told us that in 1913 the average annual income from pay of the staff was only Rs. 201. Certainly it does not give us the Rs. 30 minimum that every low paid worker on the railways should get and which we have been asking for, and when we remember that this is only an average figure, we can easily imagine how much lower down is the annual earning of an ordinary low paid worker on the railways. It has risen to Rs. 550. I admit, this is a big jump, but if we were to go into the actual pay register of the great majority of the railway employees, I am sure, you will find that, after all, the rise has not been very much. Even if there has been some rise, it is well deserved, and, in many cases, it is not even as much as it ought to have been. If we also remember that the railway earnings have gone up by 50 per cent. in this period of 20 years, we will realise that the so-called rise in the annual earnings of railway employees has not been, after all, so very much or unjustifiable. Even in the mileage, there has been a considerable rise in the same period from 26,174 to 31,619. There is nearly 5,500 or easily 20 per cent. or more. I, therefore, suggest that the House should not take into serious consideration any such suggestion as the restoration of the old pay as far as the low paid employees on the railways are concerned.

Then, there is the question of retrenchment. Even there I wish to warn the House that there has already been too much of retrenchment on the railway staff as far as the lower staff is concerned, and if I were to trust my memory, as many as 116,000 employees had been retrenched in the last seven years alone. Therefore, Sir, if we were to balance our railway budget, we ought to look for some other economies and not this. I find that if only Government were to undertake new construction on a large scale, especially in these days of lower interest, it would certainly be possible for Government to get greater earnings and tap new sources, but they have not at all cared to explore this avenue of additional income. In fact, their expenditure on new construction in 1934-35 was lower than in any year since the separation of the railway budget, and we are told by Sir Raghavendra Rau that it was less than two per cent. of the expenditure that was incurred in 1927-28. What with road-rail competition, if Government are not prepared to undertake new construction and tap new sources, I am afraid, it will not be possible for them to balance the budget.

Then, Sir, there are these third class passengers. Year after year and again and again we have been voicing their grievances from this side of the House but there is very little response from that side. We were told that they had issued their latest instructions for the cleaning of the third class coaches and latrines, but I find, in actual practice, that there has been very little improvement. As I have said once before, I make extensive tours from one end of the country to the other, mostly in third class except when I am ill, and I find that neither the staff have improved in their manners nor the third class coaches in the matter of their accommo-

[Prof. N. G. Ranga.]

dation or cleanliness. We are informed that 31 lakhs are going to be spent upon the improvement of the amenities of passengers, but I would like to know how much of this goes for the convenience of the first and second class and how much for third and intermediate class passengers. We suspect that more than half of this amount goes for the former, with only a few lakhs left for the amenities of the latter. The long promised improvement on the third class coaches is yet to come. I do not know how long it will take for Government to place it on the line at all. I shall not be surprised if, even after ten years of administration by the railway authority, it is still unable to place it on the line and help the third class passengers even to the extent that the third class carriage is expected to help them.

The complaint of corruption is still there. We were told that the Honourable the Railway Member was himself aware of it, and that he was going to take the necessary measures to minimise it. I do not know what improvement has been effected since last year, but I do know that, in actual practice, the third class passenger is still being harassed by the not too honest railway employees on the various railways.

As for railway freights and fares, I am sure, Government would have been able to present a better picture of the earnings of this year if they had only taken our suggestion in right earnest and lowered the freights on agricultural produce and the fares for the third class passengers. But they would not accept that advice. They trusted to their experience of lowering the third class fares on the N. W. Railway, and, priding themselves upon that experience, they refused to extend it to all the railways. But we find from their own accounts of the railway earnings from third class passengers that the Government have done extremely well as far as third class passengers are concerned, and that it is they who are patronising the railways to a very much greater extent year after year. Yet the Government fight shy of any lowering of the railway rates and they do not want to make an experiment in that direction. Sir, if only they would lower the rates and extend the conveniences, I am sure, they would be able to derive a much greater revenue from third class passengers.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has two minutes more.

**Prof. N. G. Ranga:** Then, Sir, the railway freights are still as heavy as before, and they ought to be lowered, in fact they ought to have been lowered long before, especially in view of the economic depression, but the Government refuse to do that. I do not know where the wrong lies, whether it is with the Railway Board or with the Railway Agents, but anyhow it is the Railway Board which is responsible for the present railway freight policy. Although they promised that the Railway Conference Association would look into the question of the classification of freights, we have not yet received either the report of their discussions or the benefit of their discussions, and so we find that our peasants are still suffering from these too high freights. Sir, I am told, in fact, that they have done worse by increasing the freights and thus victimising the poor peasants. If there were to be any discrimination at all between the freights charged for internal traffic and those charged for external trade, I would like that;

Instead of raising the freights charged upon external traffic, the freights charged upon internal traffic should be lowered, so that they can be brought to the same level, and the peasants may be helped.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member's time is up and he must conclude his speech.

**Prof. N. G. Ranga:** I do not want, in any circumstances, any rise in the freight rates charged on external trade. I, therefore, consider that it is the duty of Honourable Members to support this cut motion and to censure the Railway Board for their many failings, some of which I have just indicated.

**Mr. Muhammad Anwar-ul-Azim** (Chittagong Division: Muhammadan Rural): **Mr. President,** I would like to intervene in this debate for the sole purpose of speaking a few words with regard to the cut motions that I have mentioned on the agenda paper. I have listened with a great amount of interest to what the Honourable the Deputy President had to say with regard to the faults of the Railway Administration here in this country. It is certainly interesting to listen to a discourse about the past history of the Railway Administration in this country, but, at the same time, before one becomes critical, I think it is also necessary that he should be just and impartial to an extent at the same time. I do not hold any brief either for the Honourable the Commerce Member or for the excellent Railway Administration of my friend, Sir Raghavendra Rau, but this much must be said that we must have the courage to say what is true and also at the same time to judge these truths from all standpoints. I shall be very glad, if I am here in my place this afternoon or before lunch, to support my friend, Mr. Akhil Chandra Datta, but I think it is necessary that one should not be one-sided only.

Sir, the Railways came into existence at a time while the progress was more or less at a very early stage in this country, and it is true perhaps that, out of necessity, vested interests have come in. Well, when they have come to stay, and when they do exist, I think it is fair and square that you should acknowledge them. I do not say, Mr. President, for one moment that the Railway Administration has been one of glory from start to finish, but what to do? You have got a changed administration, so to say, from 1921, and, in this year of grace 1937, you see some aspects of the changes which in non-critical parlance you might call progressive, but, at the same time, you cannot blame the Railway Administration for the many ills that are still existing and which are capable of being remedied. As a matter of fact, I do not think it serves our purpose merely once a year to come to the floor of the Assembly and to say that there is trouble at the Howrah station or there is trouble with regard to the timings of the trains, and so forth; it would be very much better if those who feel for the people were to find out how far the Railway Administrations have gone wrong, and at least since 1921 there has been some improvement in the situation and the Railways might be urged to carry out further improvements as times went on, but, in the year of grace 1937, to come out with a long list of grievances is hardly fair; of course I do not know how far one would be able to redress these completely. Mr. President, you know that changes are coming, and I am certain that my friend, Mr. Akhil Chandra Datta, and my other friends to the right will all certainly have a greater

[Mr. Muhammad Anwar-ul-Azim:]

say in moulding the policy of the Central Government and in this Department, but I am certain that instead of maligning the Railway Administration, we should render them practical assistance in improving the position, and we should not be too critical. Certain friends on this side, Mr. President, suggested, well, in reply to Mr. Datta's charges, that expenditure on the whole has gone very much higher up. That might be due to many causes over which perhaps neither this Assembly nor my friend, the Honourable Member for Commerce, nor even my friend, Mr. Akhil Chandra Datta, has any control, because, under the present constitution, we have practically no control over many items of expenditure which are incurred by the Government of India in the Railway Board. Unless and until one is in a position to stop that anomaly, and unless and until you have a fair say as to now that expenditure is incurred, either here or in England, I am certain, it will be agreed by every Member of the House that it is no good our having this hardy annual on the floor of this House.

There is one other aspect of the charges which have been levelled by my Honourable friend, Mr. Akhil Chandra Datta, and I have great respect for him, because he is a giant amongst nationalists in my part of Bengal. What I feel about his charges is this that, if it was possible, either for his group or for the great Congress Party in this House, to stop that aspect of the railway budget which is under our control, there would have been no trouble at all. In this connection, I should like to say that the autonomous position of the Company-managed railways is greatly responsible for the bad name which the Railway Administration has incurred in this country, for, I think, the Honourable Member from Benares very rightly said that whenever a matter is brought before the Assembly or is addressed to the Railway Board, it is always referred to the Agents. The Railway Board must remember that they have got their responsibility in the Central Government also. They are bound to finance these so-called autonomous administrations. So, when you are guaranteeing them a certain amount of income, I think it stands to reason that the Railway Board in the Government of India should be more exacting in regard to their responsibilities in this behalf. Sir, for the last two years, I have accidentally been an ex-officio Member of the Railway Advisory Council in Bengal, and my impression is that the Agent does not take any notice of our representations and treats them with scanty courtesies. So, there is hardly any justification for the Railway Administration, least of all for the Commerce Member sitting in Delhi, to take refuge under the autonomous position of the Company-managed Railways. With regard to the railways which are managed by the Government, my impression is that, if more vigilance is applied, they will be able to remove their defects. I have got a few motions with regard to them on the agenda paper, and I should like to say one or two words with regard to them also. One matter which has been very ably argued by my friend, Mr. Akhil Chandra Datta, is with regard to the retrenchment policy of some of the railways. As a matter of fact, one railway company whose line runs in parts of Eastern Bengal and Assam has got a particular kind of retrenchment policy. I am told that unless and until one officer in the Audit Department, who was especially employed for checking the trains, could show income, his services could not be retained by the company. As a matter of fact, this particular man's work is to detect crime. So, if you make it a condition that he should raise the



income of the company, it is a bad law and a bad company. Things of this kind should be very seriously noticed by the Central Administration, and, if stricter vigilance is applied to them, I am certain, railways would not get this odium which seems to be coming to them from a fairly large part of the House.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has got only two minutes more.

**Mr. Muhammad Anwar-ul-Aziz**: After all is said and done, let us hope, Mr. President, that the millennium will come in the immediate future, and when my friends occupying the Nationalist and the Congress Benches will come into power and take the place of Sir Muhammad Zafrullah Khan and others, they will be able to serve the country in a much better way.

**Mr. Ram Narayan Singh** (Chota Nagpur Division: Non-Muhammadan): Sir, my friends on this side seemed very angry on account of the fact that the Government did not listen to their advice in removing this or that grievance of the passengers or other part of the public. Sir, I do not see any reason why they should expect any good from the Railway Board or from the Government itself. When any man does anything, he does it with a definite purpose.

The Railway Department has been established in this country, not for the purpose of any progress of the country, not to develop any hidden resources of the country, but with some other purpose. The Railway Department has been established in this country, firstly, to find out an outlet for the British capital, secondly, to carry British troops from one place to another to terrorise the people and to keep them under British control, and, thirdly, it is meant to find out markets in the interior of the country for British goods as well as to convey those goods to those markets for sale. Sir, these are three definite purposes for which the Railways have been established in this country. That being the case, I do not know why my friends should expect any good either from the Railway Department or from the Government itself. Sir, whenever an appointment is made in the Department, it is given only to that person who can give the highest amount of money in the shape of bribe. The appointment is not given according to merit or according to qualifications. It is given only to those who can give the highest price to the person employ-

ing.

As regards third class passengers, the less said the better. First of all, it is very difficult for third class passengers to get tickets. It will be a great feat if one could easily get a third class ticket. There is no arrangement on any railway station which could help third class passengers to buy tickets quite comfortably. There is very great rush. Nobody is there to control the rush. There is pushing from all sides and the passenger has to force his way to the window from where the tickets are sold, and with great difficulty he manages to purchase a ticket. After that, the railway authorities do not worry themselves to see whether the man who purchased a ticket gets seating accommodation or not. It is the business of the passenger to get his seat and to reach his destination. Nobody cares whether the man travels comfortably or not. On the way, it is often experienced that there is no water, no arrangement for food and no proper conveniences for passengers, especially third class passengers.

[Mr. Ram Narayan Singh.]

As regards administration of justice, you will be surprised to know that when any man is found guilty and if he could afford to bribe the authorities, then another man with the same name would be found and punishment meted out to him. As an instance, I can cite the criminal case at Munghyr where the offender's name was Karu Mian. Throughout the case, Karu Mian has been mentioned as the real offender. The privilege travelling order was obtained by him in the name of two railway employees, and some other persons were using it. After the case was over, the accused were punished and it was found out that Karu Mian was the person through whom the P. T. O. was obtained. But this guilty man was let off and in his stead one Karu Gope was punished. This is the way in which justice is administered in the Railway Department. This reminds me of an old story. There was a King like the present Railway Board. A man was convicted to be hanged. The man was thin and the hanging rope did not fit the man's neck. When this matter was reported to the King, he ordered that another man to fit the rope was to be found out and hanged. In this case also the same thing has happened. There was one Karu Mian who was guilty and whose name appeared throughout the proceedings in the criminal case. But he was not punished, another man by name Karu Gope has been discharged from service. The matter was also reported to the Railway Board, and the House will be surprised to learn that even the Railway Member said that he dealt with the matter personally. He enquired into the matter and still he says that the thing has been done in a proper way, and that no injustice has been done at all. At the same time, he says that both Muslims and Hindus have similar names and also relations with one another and Muslims address Hindus also as Chachas and Bhaias. Somehow the names got mixed up, and the culprit escaped while the innocent man was punished. This is the way in which justice is administered in the Railway Department.

So far as corruption goes, I have seen how it is rampant in the Railway Administration. Even in this Capital City, where the Railway Member sits, there is a lot of corruption. The House is aware of the Delhi Express which leaves for Calcutta at about five o'clock in the evening. It is called the "Tuphan Mail". The whole Railway Department, from high officials to the lowest cooly, try to take bribes from the poor passengers. First of all, the coolies go outside, meet the passengers and whisper something into their ears and frighten them by saying, "There is a great rush. You may not get any seat in the train now, but if you can pay some thing to me, I shall try to get some accommodation for you". Believing the words of the cooly, the poor passengers pay some money and they are taken to the train and made to sit in a compartment. After some time, the railway police constable comes along as also some railway officials and begins to check the tickets. He puts all sorts of questions to the poor passengers such as "Who brought you here? Why are you sitting in this compartment". He threatens them to come out of the compartment. In the end, the same set of coolies come along and tell the passengers to give some bribe to the police constable or the ticket checker, so that they might be allowed to sit there. Those who can pay are allowed to remain seated in the compartment, others are turned out. This thing happens every day in this Capital City. This is the way in which the Railway Administration is being carried on.

I know the Railway Board is not established in this country for the good of the country, but only for the good of the Britishers. If you enquire into the matter, you will find that every railway servant poses as a big boss. Big officials get big salaries, and the lower paid officials compensate for their low salaries by taking bribes. I have nothing more to say. I request the Railway Member to go into the Munghyr case in which Karu Gope has been discharged on account of the offence committed by Karu Mian. It is the duty of the Railway Member to institute an open enquiry whatever be the decision of the tribunal. I challenge the Railway Member to institute an open enquiry, and if he thinks of justice, if he has ever done justice in his life, let him hold an open enquiry in the matter.

**The Honourable Sir Muhammad Zafrullah Khan:** Sir, the greater part of the Honourable the Mover's complaint was confined to the rates policy of the railways and the excessive cost of administration. He complained that, in replying to the general discussion on the railway budget, I did not devote sufficient time to discussing railway rates policy. He stated that I had contented myself with saying that it was realised that long distance traffic, particularly to and from ports, was to some extent being substituted by short distance internal traffic, and that I told him that the adjustment of rates policy to that change could not take place overnight. I am afraid, in this respect he has to some extent misunderstood me. I said, the adjustment could not be completed overnight and that the railways were gradually adjusting themselves to changed conditions. I also tried to explain that any sudden adjustment was not only out of the question, but might do more harm than any good that might result from it. I admit that I did not go into this question in detail on that occasion as I had so many pieces of criticism and suggestions to deal with. He has now raised this question again, and again his complaint is that railways favour the movement of goods to and from ports as against internal movement. I am afraid, it is not a question so much of favouring one against the other in the sense that railways desire to encourage one and have any desire to discourage the other. This, as has often been observed, is a very complicated question, and several factors enter into the determination of rates of freight. Take one that affects rates to and from ports. A comparison is often made of rates that apply to traffic moving (let us say) from the Punjab to Calcutta, and those applying to traffic moving from some ports of the Punjab to let us say, Cawnpore, and it is contended that rates of freights are sometimes much cheaper with regard to the former, compared distance for distance, with the latter. Now, consider this one factor alone, that with regard to goods moving to the ports, there is often competition from an alternative means of transport, that is, carriage by sea. Places near Bombay have the choice of two alternative routes for sending and obtaining goods to and from Calcutta. They could move over a short distance to Bombay by rail and then go by sea to Calcutta or they can be carried to and from Calcutta all the way by rail. The railways have, in the nature of things, to adjust their freights in such a manner that the traffic is not lost to them, and, therefore, have to quote special rates in order to compete with the sea route. It could not be contended that freights should be so adjusted that whether you retain that traffic or not, your rates should be the same whether the goods are to be carried to a big industrial centre inside the country or whether they have to be carried to the ports. In this connection, it must not be forgotten that these big ports like Bombay and Calcutta are not merely ports for the use of traffic going out of the country

[Sir Muhammad Zafrullah Khan.]

and coming into the country, but are also big industrial centres, and that railway rates in India make no discrimination as is done in some countries between goods that are meant for consumption in the port town and those that are carried to the port for purposes of export. If there are favourable rates, they apply equally to traffic which is meant for Bombay itself or for Calcutta itself and is not intended for export, and also to goods that are carried from the ports inside, whether they are imports or whether they are products of factories in those places or near those places. The Honourable the Mover said that this question had been under discussion for a long time, and said that it was raised even before the Acworth Committee. I think a reference to what the Acworth Committee said in this connection might perhaps be useful.

**Mr. Akhil Chandra Datta:** I said it was raised even before that; it was raised before the Industrial Commission.

**The Honourable Sir Muhammad Zafrullah Khan:** I am not just now on the point as to exactly when it was first raised, I was about to state the view that the Acworth Committee took when this question was raised before them. They first set out the charge against the railways which is practically the same as that mentioned by the Honourable the Mover of this cut motion, and then they go on to say :

"Charges based upon motives are difficult to prove or to disprove. It was not our duty to investigate specific cases in detail, nor would the time at our disposal have permitted us to do so. Unquestionably, low exceptional rates exist for traffic to and from ports specially the great ports of Calcutta and Bombay. But exceptional rates such as these exist in every country, and are there justified on the ordinary grounds, not only of the economy of handling goods in large volume, but also of competition between railway systems serving the same distributing or consuming area.

In one respect, at least, the Indian Railways have refrained from following the accepted railway practice in other countries. It is usual in most countries to concede for export traffic through a seaport rates which are not available to that seaport for local traffic; and *vice versa* in countries which adopt a Free Trade policy, to fix lower rates for the carriage inwards of goods imported through a port than for goods produced locally at the port town. This practice is not, so far as we have been able to ascertain, followed in India. Bombay receives from up-country large quantities of raw cotton, part of which is worked up on the spot and part exported. Similarly, Bombay distributes to up-country points large quantities of cotton cloth, part of it locally manufactured and part imported. The raw cotton rates down to Bombay port and to Bombay town are the same, and so are the manufactured cotton rates upwards. The same principle, we understand, is applied elsewhere in the case, for instance, of the great Calcutta jute trade."

So that, Honourable Members will realise that it is not a policy of encouragement of exports and imports in the sense of placing this traffic in any way in competition with internal traffic; and, having regard to several factors that operate in respect of this traffic, special rates have to be quoted. As I have shown, these special rates are taken advantage of not only by goods that are intended for outside countries or come in from outside countries but are also taken advantage of in respect of raw material required by the factories at Bombay and Calcutta and in the neighbourhood, as well as by the manufactured goods produced by those factories when they move inwards.

That is only one set of factors that operates in this matter. But, then, leaving the question of imports aside, surely it is not the case of Honourable Members that exports should not be encouraged by the quotation of special rates? It has often been urged, for instance, with

regard to coal, it was only last year urged upon Government that there a further rebate on coal should be granted in order to enable Indian coal to compete with South African coal for contracts in Ceylon and at ports like Singapore and further East, and as I mentioned in my budget speech, a further rebate was allowed in respect of coal which was intended for export, and there has been a certain amount of movement of coal as the result of further lowering of the freight by eight annas per ton. As a result of that additional rebate, Indian coal interests were able to obtain the Ceylon Government railway contract for the supply of coal. Similarly, it was urged upon the Railway Board that not only the rebate on wheat for export to Aden should be continued, but that it should be extended so as to apply also to wheat intended for export to ports west of Aden, which has been done. I do hope, Honourable Members will look at these questions from all points of view and try to keep in mind all the factors that operate in respect thereof. There is no doubt that readjustments are necessitated from time to time. Conditions continue to change, and, therefore, the railways have to go on readapting their policy and readjusting their rates structure to new conditions, and, as I have said, that is being gradually done. I did not say that the change could not take place: I told the Honourable the Mover that the whole of the re-adjustment could not be completed within a short time—it was bound to be gradual and it must take a long time. As a matter of fact, it could not at any time be completed, because, in the meantime, conditions would have changed again, and further adjustments would become necessary.

Then the charge is that nothing is done by railways either to help the Indian producer of raw materials or to help Indian industry. To cite only one or two instances, special rates for wheat are quoted all over the Indian railways to help the Indian agriculturist. Take, again, the special rates quoted for manure, sugarcane, wheat and wheat products, iron, steel and coal. Here are instances both of agricultural produce as well as industrial manufactures which are enjoying special rates of freight over Indian railways. It may be that certain Honourable Members may have directed their attention only to certain aspects of this question, and naturally they feel that there should be further adjustments; but if further adjustments are found to be justified, having regard to the factors that the railways have to keep in mind, I have no doubt they will continue to be made.

Then, the Honourable the Mover went on to discuss the question of the costly administration of our railways; and, in this connection, he touched upon two matters in particular. One was the question of the wages bill. In regard to that, I really need not add anything to what Professor Ranga observed, and I have no doubt the Honourable the Mover of the motion also observed the agitation of Mr. Joshi when he was discussing this question. One satisfactory feature about this matter is that the rates of remuneration of the low paid railway employee have risen substantially during the last few years. It is a matter of regret that they have not risen higher. It may, on the other hand, be possible to effect economies in this respect and the matter is being kept under constant review.

With regard to the operating ratio, I am afraid, the Honourable the Mover of the cut motion, by pure inadvertence no doubt, has not presented a correct picture of the matter to the House. He started by saying that the operating ratio before the war was 52 per cent. and it had risen as

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high as 73 per cent. recently. I am afraid, there he has fallen into an error. He took for the purpose of comparison the pre-war operating ratio which did not take into account the depreciation, and he has compared it with the post-war operating ratio which took into account the depreciation charges. I shall draw his attention to both these and compare the pre-war with the post-war ratio and try to show that, in the first instance, the difference is not as great as he thinks it is, and, secondly, that recently there has been a downward tendency, and that, therefore, the Railway Board are not to blame for not effecting such economies as may have resulted in an improvement in the operating ratio.

**Mr. Akhil Chandra Datta:** What is the ratio now?

**The Honourable Sir Muhammad Zafrullah Khan:** If I merely state that and say that the operating ratio is now 70 per cent., the Honourable Member will say "That is what I told you. From 73 per cent. it has fallen to 70 as compared with the 52 per cent. which I mentioned." But what I am trying to illustrate is that the basis of comparison is wrong: it was not 52 per cent. before the war, or at any rate not for purposes of comparison. Separate percentages worked out, excluding depreciation and including depreciation. Excluding depreciation, before the war, the ratio was 52 per cent., as the Honourable Member has stated. But, then, on that basis, it has never risen as high as 73 per cent. as he tried to point out. The highest it rose to was 59 in 1930-31; but, since then, there has been a steady downward tendency. In 1931-32, it was 57 per cent., the same in the following year: then, in the following year, it was 56, and, in 1934-35, it became 55: the same in 1935-36; and, in 1936-37, it is expected to be 53.4. So that, the Honourable Member can see that though it rose from 52 to as high as 59, it has again fallen to 53.4. Again, look at the ratio including depreciation. The average for the five years 1924-25 to 1928-29 was 63.5. It rose to as high as 73, as the Honourable Member stated in his speech, in 1931-32, and continued at that level in 1932-33, fell to 71 in 1933-34, and to 70 in 1934-35, remained at 70 in 1935-36, and has fallen to 67.3 in 1936-37. The point, I am trying to illustrate, is that the Honourable Member, when he made the comparison, did not allow for depreciation in one case and allowed for it in the other. The only inference that can be drawn from these figures is that though the ratio had at one time risen fairly high and it might have given cause for anxiety when it rose so high, it has been steadily falling since.

**The Honourable the Mover of the motion** was followed by Mr. Sri

**1 P.M.** Prekasa who tried to illustrate that railways were run from a political point of view rather than for the benefit either of the passengers or the goods they might carry, and that traffic was only a secondary consideration. I will not follow him into the details of his criticism, but will take just one illustration to show that there is no such bias with regard to the administration of railways as the Honourable Member has tried to make out. The Honourable Member is aware that if there was any question of political bias—and I disclaim all such intention on this side—it would operate with regard to the activities of the party to which the Honourable Member belongs. I suppose he

alleges that it does: for instance, he tried to illustrate his point by reference to some kind of discrimination made in the matter of advertisements. May I draw his attention to this letter, dated the 13th January, 1937, from two gentlemen, Mr. Dastane and Mr. Sathe, Secretaries, Transport and Reception Committees of the annual Congress Session recently held at Faizpur. This letter is addressed to the Agent of the G. I. P. Railway, and says:

"On behalf of the Transport and Reception Committees of the 50th Session of the Indian National Congress, we thank you very sincerely indeed for the excellent arrangements made by your Divisional Officers and their subordinate staff for the convenience of the travelling public during the Congress week at Bhusawal and Savada stations . . . . ."

**Mr. S. Satyamurti:** You will do better next year, I know.

**The Honourable Sir Muhammad Zafrullah Khan:**

"The attendance at Faizpur was far beyond everybody's expectation, and it is, therefore, all the more creditable to them. Mr. Horsfield, who was in charge of all the arrangements spared no pains to make his side of the job a complete success, and we are very glad to state that he was completely successful. Mr. Hira, the D. T. M., Nagpur, managed the commercial side to our entire satisfaction for which he deserves our thanks. Mr. Gould, the Resident Engineer, within the short time at his disposal, transformed a road side station like Savada into a first class station with all the amenities the travelling public require. It speaks very highly of him when he put up the foot overbridge within a record short time. Dr. Bakru, the Divisional Medical Officer, who was in charge of the sanitary arrangements, had taken special care to keep the station quite clean and it was at his instance that the administration ran water specials carrying filtered water from Bhusawal for the use of Savada passengers. The Reception Committee owes him a debt of gratitude for the way in which he has carried out his part of the job. These officers were ably supported by their subordinate staff, but we would be failing in our duty if we do not make special mention of certain gentlemen" . . . . (then follow certain names) "who have helped their superiors with all the zeal at their command. All these officers and their subordinates worked in co-operation with the Reception and Transport Committees and the genuine spirit of goodwill on both sides prevailed throughout . . . . ."

**Mr. S. Satyamurti:** Who signs this?

**The Honourable Sir Muhammad Zafrullah Khan:** The Secretaries, Transport and Reception Committees.

**Mr. S. Satyamurti:** I am glad.

**Mr. K. Santhanam** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): May I know how much the railways have gained from this Congress Session?

**The Honourable Sir Muhammad Zafrullah Khan:** Whatever the implication of the question may be, surely it cannot be urged that the railways are in these matters affected by political bias. It may be that it was a good commercial proposition. Very good then, and that is what I am trying to stress, that wherever they find that certain arrangements might bring them a good return, they adjust themselves accordingly. It might be that it was not a paying proposition, then I go further and say that the railways went in for a certain amount of extra expenditure in order to facilitate a great political gathering. In either case, I said this was a good instance to show that the spirit in which the railways were being administered was not . . . . .

**Mr. S. Satyamurti:** What else could they have done?

**The Honourable Sir Muhammad Zafrullah Khan:** Surely, the Honourable Member does not want me to indicate to the railways what they could have failed to do on such an occasion.

**Mr. S. Satyamurti:** Then, why take credit for it?

**The Honourable Sir Muhammad Zafrullah Khan:** I am not taking credit for it in the sense that it was something extraordinary. It was the duty of the railways to do all that they have done, and I hope that on similar occasions they will continue to do the same; what I am trying to do is to point out that the discredit that the Honourable Member has tried to attach to them does not attach to them . . . . .

**Mr. K. Santhanam:** As I understood the position, Mr. Sri-Prakasa's point was . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has not got much time now.

**The Honourable Sir Muhammad Zafrullah Khan:** Another matter, several details of which were referred to, was the question of the treatment of third class passengers and the question of providing facilities and amenities for them. Now, Sir, being ignorant at this stage whether this question is likely to be taken up in a specific manner at a later stage during the discussion or not, I am rather in a difficulty. I shall, therefore, at this stage content myself with making a few general observations on this matter. If the question is raised subsequently, it will be more adequately discussed. Prof. Ranga said that there had been very little improvement in respect of a matter he had mentioned last year, namely, the cleaning out of third class latrines during the early hours of the morning. I am not in a position to be able to describe the degree of improvement in this respect over all sections of Indian railways, but I am able to tell him that at least with regard to one railway. I have been informed that special arrangements have been made to clean the lavatories of all classes of carriages on running trains during the early hours of the morning. A fixed programme has been issued for attention to lavatories at stations where the halt of the train and the station facilities permit of it, and this was the result of a suggestion made to different railways that they might draw up a sort of programme so that the lavatories should be cleaned out, say, between 4 A.M. and 7 A.M. It is possible that on sections with which Prof. Ranga is more familiar than I am, the improvement has not been so great, but I assure him that the matter will continue to be pressed upon the attention of the Agents. It is possible for all systems to adopt the method which this system has adopted. I understand, with very good results . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has got only two minutes more.

**The Honourable Sir Muhammad Zafrullah Khan:** Sir, I may say, before I sit down, that I have had reports sent up to me by the different railway systems pointing out what improvement has been effected with



regard to these matters. and though I find that on some railways in respect of certain matters there has been more improvement than upon other railways, every one of them is paying attention to these matters. I have got details here which will convince Honourable Members that all those who are responsible for the running of our railways are fully conscious of their responsibility in this matter, and a good deal of improvement is being made in this respect.

Then, special reference has been made to the new design of the third class coach, which was inspected by some Honourable Members last year at Delhi, and inquiries were made whether such coaches were going to be built or not. I have stated, during the general discussion, that it has been decided that during the next financial year a certain number of coaches will be built to this design, and it might be possible to start running them on some lines, but wholesale replacements cannot be expected within a short time. Replacements must be gradual. In the meantime, certain improved features taken from that design or from other suggestions, e.g., bigger latrine accommodation, better designed seats have already been incorporated into coaches that have been built on some systems recently.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

The motion was negatived.

**Mr. President** (The Honourable Sir Abdur Rahim): Will the Honourable Member, Sir Leslie Hudson, begin his speech now?

**Sir Leslie Hudson** (Bombay: European): It will be more convenient for me to start in the afternoon, Sir.

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

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The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

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#### *Control of Expenditure.*

**Sir Leslie Hudson:** Sir, I beg to move:

"That the demand under the head 'Railway Board' be reduced by Re. 1."

Mr. Deputy President, during the discussion on railway matters, last year, we drew attention to the need for a thorough overhaul of railway finances. We did so, not merely because of the importance of balancing the railway budget, but because we felt convinced that to set up the proposed new Statutory Railway Authority, before the whole position had been carefully examined, would be a profound mistake.

We remain of the same opinion today.

It is common ground that the railways should be run on business principles, due regard being had to the interests of agriculture, industry, commerce and the general public. Well, Sir, every Member of this House,

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with business experience, knows that the foundation of financial prosperity lies in a proper control of expenditure. The basis of any such control must be sound "costing" and careful budgeting.

Since the days of the Acworth Committee, the Government of India have certainly done a good deal to improve the methods of keeping railway accounts. Government have also,—during the last three or four years at least,—endeavoured to improve the system of railway audit as a step towards the better control of railway expenditure. But, despite the efforts made in this direction, and despite the special efforts of my Honourable friend, Sir Raghavendra Rau, we on these benches feel that we can by no means rest content with past achievements, however good. We are, for example, far from satisfied that the system of costing in all departments and on all railways is as yet as efficient as it should be.

We suggest that here is a case for a thorough enquiry into the systems of cost accounting in use on the various railways. In our view, the time so occupied would be well spent. If full value is to be obtained from any expenditure, however small, accurate costing is not merely of vital, but of first, importance.

In this connection, it may be pertinent to mention that, whereas the system of cost accounting to be introduced is clearly a matter for an accountant who has specialised in this particular form of accountancy, the actual preliminary investigation we have in mind is a matter for the Finance Department. We should like, for instance, to feel that, so far as possible, the best and most uniform system available is in force, not merely on those railways directly managed by Government, but on all railways. When I say "uniform", of course I do not suggest that a system that suits one Department of railway management will of necessity suit all others, but at least we should like to feel that a similar system is adopted for the same department on every railway.

But, Sir, the most perfect costing system in the world is valueless if a proper use is not made of the information that it yields. That brings me to my main theme, namely, whether the control of railway expenditure, either on capital or current account, is all that it might be. Above all, as things are at present, we cannot feel certain that at some time in the future we shall not see a repetition of what happened between 1924 and 1934. In the first half of that decade the Government of India acquiesced in— if it did not actually encourage—an unwise addition to railway expenditure both on capital and on revenue account. The enormous addition to the capital at charge during these years has seriously effected the railways in three ways:

- (1) It has increased the burden of debt for which the railways have had to assume responsibility and the service of which they must find the money to meet.
- (2) The Rs. 150 crores added to the capital at charge during this period was for the most part raised at very high rates of interest, so that today the railways, even though they have the advantage of the interest on their loans being averaged at current rates, still have to pay more than they can afford to pay on a large slice of their capital.

- (3) No small proportion of the capital expenditure from 1924 to 1929 has proved to be wasteful expenditure, and, so, far from leading to an increase in annual railway earnings, it has actually proved an annual burden.

The five years of adding to railway indebtedness were followed by five years of equally drastic, and, in some cases, unsound economies. Renewals and maintenance of locomotives and rolling stock have been drastically cut. For example, locomotive expenditure which, in 1929-30, was Rs. 21·66 crores fell to Rs. 17·32 crores in 1933-34. Again, wagon expenditure which, in 1929-30, cost Rs. 10·63 crores fell to Rs. 7·92 crores in 1933-34. Owing to slight changes in the method of allocation of expenditure, these figures may not be strictly comparable, but they are a clear indication of the trend.

This policy, sooner or later, is bound to result in the railways being forced to accelerate their renewal programme, as necessary renewals become urgent, and can be no longer postponed.

In other words, a vicious circle is set up, and already there are indications that, as we move out of the period of drastic economy so we move into a period of rising expenditure. If—and it cannot be dismissed as improbable—short term money rates were to rise, the railways would again be embarking on larger expenditure at the very time when, under a more sound policy, they would be exercising caution.

This past policy of increasing expenditure in good times and curtailing expenditure in periods of bad trade damages the railways and still more trade and industry in another way. Abrupt curtailment of expenditure accentuates the difficulties of trade and industry with consequent effects on employment, and thus, at the very time when railways most need to nurse trade and industry to safeguard their own falling revenues, they, by their own action, contribute to make matters worse all round.

Consequently, their revenues decline steeply, and industry all over the country suffers.

The subject is a wide one and admittedly bristles with difficulties, and I do not want to take up too much of Honourable Member's time by going more deeply into it.

But, speaking very broadly, I suggest that the right policy for the railways to pursue is:

- (1) in good times—to build up reserves from surplus revenues.
- (2) in bad times—to draw from reserves to maintain so far as may be possible an even level of expenditure.

If that general policy is to be pursued, it follows that very careful budgeting over extended periods is urgently necessary.

It is commonly supposed that in careful budgeting all that is required is to insist that estimates of revenue and expenditure should be as accurate as possible, and that receipts and payments should balance.

I am afraid, however, that some of us, even if we were satisfied on these points—which we are certainly not—would still look for something much more to be done.

- [Sir Leslie Hudson.]

It is by no means merely a question of receipts and payments. Such simple calculations are quite inadequate where commercial concerns are interested—and the railways are most certainly a commercial concern, by far the largest in fact in India.

The first essential in our view is to insist that, so far as possible, each department in all the State Railways should prepare its budget under a uniform procedure. Are Government satisfied that this is the case today? What we want is firm, but elastic control. In some cases, no doubt, the procedure laid down may be sound; but, surely, Honourable Members of this House cannot be satisfied until they know that the procedure for the control of revenue expenditure no less than for capital expenditure is as perfect as human ingenuity can make it. Of course, where calculations are effected, or may be effected, by traffic and other considerations—say, for example, a strike—estimates of probable expenditure can be little more than intelligent guesswork. But—it is an important “but”—budget procedure should provide that where the forecast of traffic has proved too optimistic, efforts to make the corresponding savings should be instituted at the earliest stage possible and the Railway Agents should be given a freer hand than they are at present to take the necessary action.

Budget procedure, then, in our views, is important, and, as in the case of cost-accounting, so here we should welcome an assurance from the Government to the effect that this matter is one that will engage their early attention in the light of any views that may be expressed by the Wedgwood Committee in this connection.

Sir, I move.

**Mr. Deputy President** (Mr. Akhil Chandra Datta): Cut motion moved:

“That the demand under the head ‘Railway Board’ be reduced by Re. 1.”

**Mr. B. Das:** Sir, it is a pleasure to find that after 12 years of rake's progress of railway finance, my friends of the European Group and we on this side of the House are of the same opinion that there should be stricter control in the financial management of our railways. I listened with great attention to the speech of my Honourable friend, the Leader of the European Group. He reiterated some of the demands he made on the floor of this House last year, and there were certain new suggestions this year. He conveniently forgot that in 1927-28 the Government of India imported an expert Accountant called Sir Arthur Dickinson, and I think he went into the whole problem of costing, although his report was shelved by the Railway Board. The only result was the separation of railway audit from the railway accounts which my old friend, Mr. K. C. Neogy, and myself all along opposed and which I still oppose. The House should recollect who led the Government of India by the nose in the matter of over-capitalisation. Sir, my Honourable friend, Sir Leslie Hudson, may recollect the Bengal Chamber of Commerce insisting on the Government of India in 1923 that there should be more capital expenditure. Let me quote a passage from the speech of Sir Alfred Mond in the House of Commons bearing on this very point. He said:

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

That was the genesis of the problem, and Sir Charles Innes (Mr. Innes as he then was), when he attended the Imperial Conference in 1923, was forced to accept the position that the Government should have a hectic railway programme. Before that, the country suffered on account of the financial policy of Sir Malcolm Hailey, the then Finance Member. Indian commerce and industry was then put to great strain, and we know what effect the ratio had. It went up to 1/8 and 2s. 4d. and the Government, in the days of Sir Basil Blackett, had to take infinite troubles to stabilise the currency. Yet the Railway Board, backed by the European Chambers of Commerce and Lord Melchett, launched their capitalisation programme all over India. I have had the pleasure or misfortune of having worked with three Chief Commissioners of Railways and three Financial Commissioners of Railways during the 14 years of my existence on the floor of this House. I have seen Sir Clement Hindley who was called His Haughty Highness Sir Clement Hindley. We saw Sir Austin Hadow who was a little quieter. Now, we have the smiling Sir Guthrie Russell who has less temerity than his two predecessors and who pays a compliment in his budget speech, left handed or right handed, I do not know, to my Honourable friend, Sir Raghavendra Rau. I have seen George Sims who followed a hectic, frantic financial policy dictated by Whitehall and launched the programme of Sir Clement Hindley for over-capitalisation. I ask Members of this House to look into the graph of the new construction programme that is given on page 16 of the Explanatory Memorandum, 1937-38, how 50 crores were spent in new construction in the years 1927-28-29. Then, I met Sir Alan Parsons with whom I was very friendly. Sir Alan Parsons was a man to whom a crore of rupees was nothing, as a rupee is to me. (Laughter.) Then, an agitation started—not that we were silent: all the time we pressed that there should be stricter economy and no over-capitalization, no extra capital expenditure, but, alas, nobody then listened! Then came my Honourable friend, Sir Raghavendra Rau, a supporter of the principle of strict economy—an ex-budget officer, and I take this opportunity of acknowledging on the floor of this House the great financial control that he brought in (Hear, hear), that he had to bring in, because the economic depression set in, and he then applied his financial mind: probably, being an Indian-born, he had the Indian outlook and not the outlook of Sir Alfred Mond or Sir Alan Parsons.

Sir, my Honourable friend, Sir Leslie Hudson, has alluded to problems of over-capitalization. I would like some day to hear from some of my friends from the European Group their views on the mad-electrification schemes of certain railways, about the money wasted on the remodelling of stations, etc. Of course, large orders were placed with the English manufacturers. Even the Tata Power House could not supply electricity to the G. I. P., because the Government of India dictated as they were by Whitehall, wanted that orders should be placed with English manufacturers, and then a Power House was built at Kalyan, and we know with what result. Sir, now my friends talk of over-capitalization. Of course, we agree there. By all means, stop all capital expenditure. Even I am opposed to the 30 lakhs that will be spent on those two tiny railways as alternate lines on the N. W. R. in the Sind Province. The country does not demand this expenditure and I would ask my Honourable friend, the Railway Member, to apply the freshness of his mind as a public man to examine in detail all the new projects constructed since

[Mr. B. Das.]

1924. Sir, we all know of those various new construction projects. Which new line has paid 5, 6 or 7 per cent. as we had been led to believe they would? Probably my Honourable friend, the Railway Member, will turn to his experts; there are enough experts in the Railway Board and they will draw out new schemes any day and will say that such and such schemes will pay 5 or 6 or 7 per cent., and, in the end, those will all turn out to be losses!

Sir, you, while speaking this morning, pointed out that railways should be a national industry, but, Sir, the Indian railways are not a national industry, they cannot be, as the Railway Administration will never see to the development and manufacture of railway appliances in India. Had it done that, when the lean days came, the return to the Finance Member—when he had to beg, borrow and steal through income-tax and other ways—would have been in shape of improved taxes and it would have benefited the country. Sir, the Raven Committee's Report went into the mismanagement of the different railway workshops, but what happened? The very Agents concerned became Members of the Railway Board, and none of them wanted that their railway workshops should be abolished. So all those railway workshops, whether at Jamalpur or at Ajmer, etc., now exist, they carry on there at a rake's progress.—and so how can the railway finances improve? Then, Sir, the Government of India purchased the Peninsular Locomotive Company at Jamshedpur. We were assured on the floor of the House, in reply to the speech of the late Pandit Motilal Nehru,—who spoke as the Leader of the Opposition,—that Government would manufacture locomotives, but they have made no experiments, and they will not make any, because my Honourable friend, the Railway Member, knows that he will have to carry out the dictates of Whitehall and the latter will not permit India to manufacture railway locomotives or other railway appliances.

My Honourable friend, the Railway Member, pulled the leg of my friend, Mr. Sri Prakasa, that there were no political ideas behind the management and control of the railways. I wish my Honourable friend had carried his mind back to that report of Brigadier Hammond which, I daresay, he analysed and studied while he attended the Round Table Conference and the J. P. C. meetings, regarding the establishment of a Statutory Railway Authority. Anybody reading that report will understand that it is full of politics, it is written in the strain of British politics. For the preservation of the British political colour, the Indians are to be excluded from the Railway Board, and the Statutory Railway Authority is going to be created, and my Honourable friend knows it that even if he becomes the Railway Minister in the future Federal Assembly, he would have very little control over the Railway Administration, nor in fact the House will have even the present control. That is the misfortune of the formation of the Statutory Railway Authority to which my Honourable friend, the Leader of the European Group, suggested that we should hand over the administration of the railways as a sound commercial concern. My Honourable friend, Sir Raghavendra Rau, has tabled a Resolution for writing off Rs. 62 crores,—as if that money was such a trifling affair that we could make an easy present of it to the exploiters who have built up their fortunes upon the exploitation of the Indian railways. (Hear, hear.) Sir, if you want economy, if anybody in this House wants economy, we

are with them, but this kind of writing down capital is preposterous—30 crores of the people's money, which would have gone towards the development of village industries! My Honourable friend, Sir Raghavendra Rau, wants that to be wiped off, but that will be another tale and we will discuss it another day.

**Mr. Deputy President** (Mr. Akhil Chandra Datta): The Honourable Member has got two minutes more.

**Mr. B. Das:** Sir, we demanded an expert enquiry in the public Accounts Committee. That enquiry came after two years, but the Railway Board had in the meanwhile created the complication of two bogeys—the road-rail competition and ticketless travel. These bogeys will be discussed in detail on another day, but these new stunts have not so far convinced the people that the railways are meeting with competition and that there is no mismanagement and no mal-administration. Next year, they will probably raise a new bogey—that of bullock-cart competition! I would suggest one remedy. I would agree with my friend, Prof. Ranga, who said, "Scrap the Railway Board", not scrap the whole thing, but have a complete new set of personnel, and I am speaking subject to my limitations that by another year this House will have no say over the Statutory Railway Authority unless we the Congressmen do something to the Government of India and kick them out beyond the sea. I avail of the occasion in recognizing signs of temerity in the speech of Sir Guthrie Russell. Today he recognises that remedies do exist and recommends that certain remedies should be applied, but whether the remedies will come from the Wedgwood Committee or from the South Afrikaner, God alone knows; but, Sir, the remedies lie in our hands; any Indian can point out to the Railway Member that remedies there do exist, that the over-staffing of the extravagant superior services must vanish, that salaries should be reduced (in spite of my disagreement here with Prof. Ranga) and business spirit must prevail over our railways. I do hope my Honourable friends of the European Group will press this motion to a vote, and I can assure them that this side of the House will join them in voting against the Government.

**Mr. N. M. Joshi:** Mr. Deputy President, the question raised by my Honourable friend, Sir Leslie Hudson, on behalf of the European Group is of great importance. That the Indian railways should be properly controlled in their finance is as important as the question that the railways should have a sound policy. There is no doubt that for some years the Indian railways wasted a good deal of public money and over-capitalised the Indian railways. My complaint is not so much that the railways spent money on undertakings by adding to the capital expenditure, but my complaint is that the money was not properly spent; it was not spent on objects which would have brought greater revenues to the Indian railways, but it was wasted on undertakings which were not likely to pay the Indian railways and bring more revenues. My Honourable friend, Mr. B. Das, has mentioned some of the items, for example, the Power House on the G. I. P. Railway. Similarly, many railway stations were remodelled and built on a grand style and were intended, not for the general use of all the railway passengers, but for a very small number of the first and second class passengers. I am quite sure, you have seen, Mr. Deputy President, some of the new railway stations built, say,

[Mr. N. M. Joshi.]

at Lucknow or at Poona. You find that most of the expenditure is incurred in beautifying and giving larger comforts to the first and second class passengers. I ask you to visit once the railway station of Poona, and you will find that for the sake of a few first and second class passengers they have provided so many amenities, while the poor third class passengers are given a shed somewhere outside the station, so that the first and second class passengers should not have the contact of the poor third class passengers.

**The Honourable Sir Muhammad Zafrullah Khan:** At Poona the third class waiting room is on the main platform.

**Mr. N. M. Joshi:** It is not. The third class waiting room is outside the station. My complaint is that the money was not properly spent; it was wasted. I am quite at one with the general statement of my friend, Sir Leslie Hudson, that there should be greater control over the finances of the railways, but I am not quite satisfied with the kind of control that he has suggested. What the railways require at present is not merely internal control, but that the control should be independent. The Indian railways are not properly controlled by our Finance Department. We have a Financial Commissioner who unfortunately is made a Member of the Railway Board. I feel that the first step for the proper control of the finances of the Indian railways is to secure the independence of the Financial Commissioner from the Railway Board. I have no doubt that the Financial Commissioner may have some facilities to approach the Honourable the Finance Member, but I feel that the arrangement is not quite satisfactory. If the Railway Board wants the assistance of a man who knows something of finance, let that man be a separate man; but if there is to be a control of the Government of India and of the Finance Department, that control should be by an independent person. Unfortunately, the Financial Commissioner has a dual capacity. He is supposed to be the watch-dog of the Finance Department, and, at the same time, he is placed under the Chief Commissioner of Railways.

**Mr. B. Das: No.**

**Mr. N. M. Joshi:** He is a Member of the Railway Board, and, to that extent, he is under the Chief Commissioner of Railways. I, therefore, suggest that the Financial Commissioner, or whoever is the representative of the Finance Department, should be entirely independent of the Railway Board. Then, Sir, the Indian Railways will not be properly controlled in their finances unless the control of the Legislature is also increased. At present, the control of the Legislature is exercised through the debates in the Legislature which, as we all know, is not quite a satisfactory method. According to the practice which we have been following, there is not much of financial control through the Legislature in the open discussion here. The control of the Legislature is exercised through the Standing Finance Committee for Railways and the Public Accounts Committee. My own impression is that the control exercised on behalf of the Legislature by these two Committees is not satisfactory. I feel that the Standing Finance Committee for Railways should give greater attention to the control of the railway finance which it is entrusted to



do by the Legislature. I have got here three or four reports of the Standing Finance Committee for Railways, and, if you go through them, you will find that the Committee has not exercised proper control. The reports are not only meagre, but very unintelligible, and you will not be satisfied that the Committee has exercised proper control. I do not know whose fault it is—whether of the members or of the Chairman.—but I feel that the Railway Finance Committee should give greater attention to the control of the railway finance on behalf of the Legislature and on behalf of the people of this country. In any case, I would like the Standing Finance Committee for Railways to give more intelligible reports to the Legislature in the future. Then, Sir, my impression is the same as regards the work of the Public Accounts Committee. Year after year, the general control exercised by the Public Accounts Committee is becoming, in my humble judgment, less and less strict. I would like, therefore, the Public Accounts Committee also to exercise its control in a much more strict manner than it has done so far.

Then, Sir, there is one point in which I do not agree with my Honourable friend, Sir Leslie Hudson. He suggested that, for the proper control of the railway finance, the Agents should have greater freedom. My own view is that the Agents today exercise greater freedom than is good either for them or for the finance of this country. I feel that the control exercised over the Agents should be much greater. The Agents are in many cases permitted to make purchases as they like. They have large sums at their disposal to be spent at their discretion, and the Railway Board generally follows the policy of what is called "trusting the man on the spot". I think it is a wrong policy. The Indian railways belong to the Indian people, and, if the control is to be exercised, it must be exercised from the centre. I am not one of those people who say that no discretion should be left to the man who is actually doing the work. but there must be a proper balance between what I may call decentralisation and centralisation. My own feeling is that at present there is much less centralisation than is necessary for the better management of the Indian railways. I hope the Government of India will consider the question of proper control of the finances of the Indian railways and find out a proper machinery for the exercise of that control.

**Mr. K. Santhanam:** Mr. Deputy President, there will be no two opinions regarding the need for stricter control over the expenditure on the railways, but the real trouble comes when we try to find out what this control means. My feeling is that, in the last analysis, there will be no real control unless there is real responsibility. Bureaucratic control often leads to more and more highly paid jobs, such as more auditors, and the result is generally nil. But if the railways become responsible, if those in charge of the railways become truly responsible to a popular House, then the control will come about automatically, because there are numerous organizations to find out where the railway accounts are at fault, and, in such cases, the Member in charge of the Railways will be asked to account to this House for those faults. The Leader of the European Group suggested that for real control, you want accounting over a longer period than one year. That is quite true, but mere accounting for longer periods will not do unless the railways have a plan, say a five year or a ten year plan and show for every year to what extent they have fulfilled the plan. Unless you

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approach the matter in this way, there will be no real control. It is because they have no plan whatsoever that they exist from year to year, they simply want to show either a little surplus here or a small deficit there. There is no real control whatsoever. It is only when you have a large term plan and every year the Member in charge of the Department is called upon to show how far he has conformed to that plan, and, if he has failed, why he has, it is only when you proceed along those lines, that you will have some sort of control over this expenditure.

Again, Sir, I agree with my Honourable friend, Mr. Das, that much of the capital expenditure has been wasted. I know how sixty lakhs or seventy lakhs or even crores are spent in remodelling stations. All that in a country like India is sheer waste. At the same time, there are useful ways of spending money which have not been availed of. I am afraid, the Indian railways have not contributed to help India out of the depression. They could have spent a lot of capital expenditure at this time when money has been so cheap, in order to prepare the way for larger revenues in the future. In fact, they should have made preparation to manufacture everything in this country which is being bought from abroad. Such expenditure should not be treated purely as capital expenditure. It is really expenditure which will develop the skill of the people in this country and which skill cannot be accounted for in terms of rupees, annas and pies. We want to develop all kinds of skill in a country like ours which is yet in the infant stage of industrialisation. In India, enough is not being spent on scientific and engineering development, and this skill if developed properly will be a great asset to the railways in the future. I think this element is not being taken into account by those who are in charge of the railways. I, therefore, submit that attempts should be made to manufacture locomotives and other things in this country; similarly, some attempt should also be made to develop the efficiency of labour and also the higher engineering skill in this country, because the railways would thereby profit in the future. In such a large concern as the Indian railways, a few crores of deficit or surplus are of no significance. In fact, while many countries in the West are preparing for deficits on a huge astronomical scale, I do not see why, in this country, we should be afraid of a few crores of deficit. All that matters is whether this deficit is incurred for productive and proper expenditure or by sheer waste. If we spend it in such a way that the future generations may lead a happy, comfortable and contented life, we do not mind the deficits. Many crores of deficits the railways can afford to bear, but all that we object to is that these deficits are incurred on account of most lavish expenditure on salaries of officers. During the recent provincial elections, the Congress put forward the programme that no one in this country should draw a salary of more than Rs. 500 a month. It may be that we are not yet in a position to enforce it today, but some time or other, we hope to enforce it, and I think it is time that the Railway Board lines up and thinks of conforming to this standard to some extent. Probably, it may be that during the transition period, we shall have to pay not more than Rs. 1,000 a month, but ultimately it is absolutely inexcusable to pay any one in this country more than Rs. 500, and I wonder if the European Group will agree to

this restriction in the salaries. Mere accounting leads us nowhere. Accounting for a certain purpose will go a great deal, but there it stops.

I have two suggestions to make to the Honourable Member in charge of this Department which he may find useful. I find in the speech of the Railway Member a reference to passenger miles, increase and decrease. I want also a statement about the passenger miles lost. I would explain my point this way. Every first class compartment goes so many miles, and if it has been fully occupied, so many passenger miles would have been used. But actually only so many first class passengers travel and so many miles are utilised in this way. What is the passenger mile which has been lost for each class of passengers in the railways, for the first, second, intermediate, and the third classes. I think, if careful accounting is made, we will find that probably eighty per cent. of first class has been lost, say 50 per cent. of second class, possibly much less in the case of intermediate class. In the case of third class, we have perhaps earned more passenger miles than there is accommodation, that is to say, by overcrowding during fairs and festivals, you get more than 100 per cent. for third class. Such an investigation would lead one to the conclusion that there is no justification whatsoever for maintaining the first class in this country. I think, if the first class is abolished, not only the railway, but the whole Government will gain a great deal, because first class allowances could be substituted by second class allowances, and we will get a lot of saving throughout the country, and even Provincial Governments will be very thankful to the railway authorities for lifting from their heads a great deal of their burden.

Then, there is the question of railway passes. Perhaps it may be all right to issue railway passes to the railway servants to some extent, but I would like to know whether this is brought into accounting. I should like to know if railway passes are entered in the accounts, so that we know for each year how much money has been spent by the railways on free passes. From the accounts, as presented to the House now, I am not able to find out how much was spent last year. I do not know whether these free passes are merely treated as papers having no value or whether the railway fares which are represented by these passes are entered in the railway accounts.

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

**Mr. K. Santhanam:** I want all that to be treated as expenditure and brought into the account on the credit side and the debit side. Being a new Member of the Assembly, I do not know whether all these are brought into the accounts.

Finally, I will end as I began, that it is the purpose that is important, secondly, the plan, and, thirdly, there is the accounting. Mere accounting without the other two is of little use. (Applause.)

**Mr. Sri Prakasa:** Sir, I am in a way sorry that I have to trouble the House again. I thought, however, I might come to the rescue of the European Group and enable them to find out a speaker after me so that the non-official European may not collapse as soon as the official one is

[Mr. Sri Prakasa.]

collapsing. I shall, in the mean time, regale the House with some illustrations of the waste that is going on on railways on the one hand, when useful items of work are being starved on the other.

Sir, this morning, I was referring to the proposed air-conditioned first-class compartments. I feel rather jealous of them, because I fear I shall never see them. (*An Honourable Member*: "You will see them all right.") Seeing them in the true sense really means living and sleeping in them, as was graphically described by the Honourable the Railway Member in his speech. So, merely seeing from outside will not enable me to live and sleep in them. Now, Sir, before we come to air-conditioned first classes, let us come to the water-conditioned latrines of the third and intermediate classes on the East Indian Railway. The Railway Member once said that he hoped none of his friends would be reduced to the position of having to travel in the intermediate class. But I have already been so reduced; and I know what I am talking about. If you use that very necessary part of an intermediate class compartment, you will find that when you want a little water and you lift a little knob at one corner expecting some water from the spout in front, you get water splashing behind and on either side of you. There are perforated pipes running all round. I do not know why that is so, and water comes from all sides and you get into a hopeless mess.

**Mr. M. Asaf Ali** (Delhi: General): A shower bath.

**Mr. Sri Prakasa**: It is a shower bath not at the top, but at the bottom. (Laughter.)

Now, Sir, instead of adding air-conditioned first classes, if they could take away these water-conditioned third class latrines, they would be doing some useful work.

Then, Sir, another piece of work that the Railway Department has indulged in is a wall outside the Etawah railway station which has shut out a very useful *dharmashala*. For two years and a half, by persistent questioning and correspondence, I have been trying to induce the railway to demolish that wall, but they do not listen. Even the Government of the United Provinces, which is not a very sympathetic Government, did listen to me, and wrote up to the Agent of the East Indian Railway recommending that a gateway should be opened in that wall so that direct access might be available for passengers from the railway yard into the *dharmashala*. But the railway does not listen. The railway very gladly listens to all political proposals of Government. My Honourable friend opposite was at pains to read out a long certificate that the Reception Committee of the Faizpur Congress has given to the railways. I do not deny that all that the Reception Committee has written is correct and that the railway deserves our thanks; but I do not see how that certificate does away with my complaint, namely, that the railway helps C. I. D. people and Provincial Governments when they are mischievously bent politically. Why does not the railway listen to the proposal of even a Provincial Government when it is made in the interest of passengers, and why does it listen to it eagerly when it is making a proposal against the people? That was my complaint. And the railways indulge in useless expenditure by building walls to shut out *dharmashalas* from railway yards in order to trouble

passengers. If my friends opposite could demolish this wall, prohibit passes to C. I. D. people, charge all Government officers who go into railway stations, and examined the tickets of all officers, then they would really be a commercial department of the State. Not till they do that, can any one exempt them from the stigma that attaches to them, namely, that they are a political department of Government.

My Honourable friend, Mr. Santhanam, from this side has already spoken of the unnecessary expenditure which is incurred in building large railway stations. The whole scheme is part of the imperialism which I have already described as public enemy No. 1. They build large stations at Lucknow and Cawnpore and such central places, in order to show to the world how big and great their empire is and how big and mighty they themselves are, while they neglect all small stations and refuse to construct useful feeder railway lines in the interior. They have useless buildings in New Delhi, but they will have very bad and inconvenient buildings in smaller places. So it is with the railways. They will not build useful overbridges at small stations, where the lives of passengers are endangered as they cross from one platform to the other. They will not give any conveniences at these important small stations, but they will encumber a few central stations with a lot of useless rooms, useless paraphernalia and other useless so-called amenities. If the Indian railway system wants to be popular with the Indian people, it must study the wants, requirements and habits of life of the Indian people, and not only of a few foreigners who are in the country or a few of our own people who ape foreign ways. They must study how we live and meet our needs and arrange for our comforts. If they do that, then alone can they make themselves popular; if they do not do that, they stand eternally condemned.

I hope, Sir, I have given sufficient time for my friends of the European Group to make up their mind and set up one of their speakers. That was my sole purpose in standing, and I have fulfilled that purpose. (Laughter.)

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

**Mr. T. Chapman-Mortimer** (Bengal: European): Sir, I hasten to say that I have been dragged to my feet today not because of the remarks that have fallen from my Honourable friend, Mr. Sri Prakasa, but by the remarks which fell from the lips of my Honourable friend, Mr. Das, and my Honourable friend from Trichinopoly with whose excellent speech I for the most part entirely agree. Mr. Das,—I cannot think how he could be so rash,—actually suggested, if I understood him correctly, that it was the Europeans who were mainly responsible for the wicked extravagance of Government between the years 1924 and 1929.

**Mr. B. Das:** Yes, that was my point.

**Mr. T. Chapman-Mortimer:** He, further, not only suggested that it was the Europeans; but he suggested that it was the Bengal Chamber of Commerce! Again I can hardly think why he should make such a dreadful statement!

**Mr. B. Das:** It is in the Acworth Committee's report; please read it.

**Mr. T. Chapman-Mortimer:** Yes, I will come to that. He quoted very correctly from the Acworth Committee's report and from other documents, and he said that the Bengal Chamber of Commerce had asked for and pressed for more expenditure of a capital nature on railway development in India. He conveniently forgot that the Bengal Chamber of Commerce was not alone in this matter. Every single Indian witness,—I believe I am correct,—certainly all the leading Indian witnesses pressed for exactly the same thing. They all said that in the past, specially during the years of the war, railways in India had been very much neglected and that capital expenditure was urgently necessary if the railways in this country were to develop as they should develop, in order that trade and industry should develop. Now, Sir, my Honourable friend from Trichinopoly dealt with that point, I think, so effectively that I need not do more here than to say that I entirely agree with him when he says that merely to stop expenditure is no solution. What you want is wise planning, careful budgeting and wise expenditure. We all know that mistakes happen even in the best regulated families,—in the best regulated firms mistakes sometimes do take place. Therefore, we suggest that, if you want to have wise planning, you must, first of all, have a sound system of budget procedure and costing in order to progress with that planning.

Sir, I support the motion.

**Sir Baghavendra Rau** (Financial Commissioner, Railways): Mr. President, with one sentiment that the Honourable the Leader of the European Group let fall in the course of his speech, I may say I am heartily in agreement. He said we should not by any means rest on our past achievements, however good. I entirely agree with him, and I hope, in the course of my speech, you will allow me to show that in some respects at least our past achievements have not been altogether bad. Apparently there is some misconception in some quarters of the House as to the magnitude of the efforts made by the railways in the past few years to set their finances right: and I would like, if I may, to quote a few figures to show what has been done in the past few years towards reduction of expenditure. Here I would suggest that it is best not to take the immediately preceding year for comparison. The best is to take the year immediately after the depression started, say 1930-31—about six years ago—and compare the results of the current year, 1936-37, with the results that were achieved six years ago. It happens that this is in some respects a convenient year to take, for the receipts of that year were about the same as are expected to be the receipts of the current year—they were 95 crores in both years. If you take the ordinary working expenses, excluding depreciation, you will find that they are 5½ crores less this year than in 1930-31. Our depreciation is about the same: our interest is two crores less, and the final result of the year is really about seven crores better than 1930-31. The capital at charge at the end of 1936-37 is expected to be the same as six years earlier. Our interest charges are two crores less because of the fall in the rate of interest. Our stores balances which were nearly 17 crores in 1929-30 are about 9½ crores at the end of 1936-37. The number of our gazetted staff at the end of 1930 was about 2,000—or, excluding officers engaged on construction, 1,900—while, in 1936, it is less than 1,800. The

total number of subordinates in 1930 was 758,000. In 1936, it was 657,000. While on this subject, I might perhaps refer to what my Honourable friend, the Deputy President, said this morning, that the number of officers on Indian railways were as thick as blackberries—probably in December! When you consider the magnitude of the system, with a capital of nearly 800 crores, with a length of 32,000 miles (I am talking only of the State-owned systems), I do not think anybody can very well say that 1,800 superior officers is far too big a number to control this large system. Honourable Members will perhaps say that I should not compare the current year with 1930-31. Let me compare it, then, with 1924-25. Our receipts are five crores less; our ordinary working expenses are three crores less; depreciation is three crores more; interest is seven crores more; and the net result is 12 crores worse. Now . . .

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Interest is seven crores more now than then?

**Sir Raghavendra Rau:** Interest charges in 1936-37 are seven crores more than in 1924-25. That, as the House very well knows, is due to the very large expenditure till 1930-31 which was incurred partly for rehabilitation of assets which had to be brought up to a proper state after the war, and partly to the large number of new lines and improvement of existing lines which were asked for by almost everybody in the country. When you blame the Railway Administration for not foreseeing the slump that began in 1929-30, I hope you will recognise the efforts made by Railway Administrations to keep capital from growing up after that date, with the result that, at the end of 1936-37, the capital at charge is the same as it was five years earlier. This brings me to the point raised by Sir Leslie Hudson, that in good times we should keep our expenditure as far as possible on the same level as in bad times. I do not entirely agree with that policy, because I think it is a sounder policy to cut our coat according to our cloth. At the same time, I quite agree with him that in good times we must build up reserves which can be drawn upon in bad times, so that there should not be the same necessity for a very drastic reduction of expenditure within a very short period. But it is a little difficult to retain expenditure at about the same level when your revenues are liable to fall from 103 to 84 crores in two or three years.

My Honourable friend raised two questions in his admirable speech. One was, he wanted a thorough inquiry into the system of cost accounting, and the second was that he wanted some assurance that our budgetary control is on the whole satisfactory. As regards cost accounting, my Honourable friend will, I am sure, recognise that a good bit of our expenditure is not susceptible to cost accounting,—for instance, expenditure on staff which is more than half our expenditure: but there is something that corresponds to cost accounting on that side, and that is job analysis, *viz.*, to examine the work turned out by each member of the staff and see whether that justifies the retention of the number of staff that we have at present. As regards stores manufactured in our workshops and as regards the work undertaken in such of our undertakings as are susceptible of cost accounting, like the Tatanagar workshops, I can assure him that we have a system of cost accounting and that we are endeavouring to make it as scientific as possible.

[Sir Raghavendra Rau.]

The second instance he referred to was of control of our expenditure through the means of the budget. Well, Sir, I quite agree with him that we should have a strict system of budgetary control of expenditure, and that the control should not only be firm, but elastic. I also agree with him that if our forecasted receipts are not optimistic, the expenditure should also be cut down at the earliest possible opportunity. I think my Honourable friend will be interested in the figures I gave in my last review of the Appropriation Accounts. The budget estimates that we make of expenditure represent a large reduction from the estimates made by the Railway Administrations themselves. Taking the last year 1935-36, the railways estimated an expenditure of 52½ crores; we cut it down to 51 crores 15 lakhs, and the actual expenditure was 50½ crores. There is a system in the Railway Board by which monthly receipts and expenditure are checked, and the earliest steps are taken to see that whenever receipts fall short of expectations, the grants placed at the disposal of spending authorities are re-considered and all attempts are made to reduce expenditure as far as possible.

I next come to my friend, Mr. B. Das, in whom I saw a visible conflict between his desire to spare my feelings and his desire to attack Government at large. (Laughter.) I am thankful to him for the kind things he said of me, but may I say that, as usual, he ranged over the whole field of railway expenditure and saw nothing good. He even objected to our wanting to spend money on the construction of certain lines in Sind. But, Sir, at the same time, I wonder what he himself would say or other Honourable Members would say, if we refused to spend small sums of money in order to assist the agriculturists in Sind to market their produce. Our desire not to increase the capital expenditure on railways should not go so far as to prevent anything being undertaken, however remunerative or however wise in the interests of the railways and of the public in general it is.

I next turn to my friend, Mr. Joshi. The only point I wish to refer to in his speech is that he somewhat misunderstood the functions of the Financial Commissioner in the Railway Board. Speaking from my experience in the Railway Board for the last few years, I should say that control of expenditure from within the Railway Board is really more effective than control from an authority quite outside the Railway Board, because, under the present system, the Financial Commissioner has access to all the proposals as they arise; he has every opportunity to press his views on the Chief Commissioner and other Members of the Railway Board. and if he fails to convince them, he has a right of access to the Honourable the Railway Member, which is a very valuable right, before he exercises his final right of access to the Honourable the Finance Member.

I now turn to the speech of my Honourable friend from Trichinopoly, Mr. Santhanam, whom, if I may, I should like to congratulate on his maiden speech. He pressed, as his colleagues on the Opposition Benches have pressed on us, the necessity of more capital expenditure, of course in wiser directions than has been the case in the past. He said that we should not be afraid of a few crores of deficits in railways if by those means railways can increase the skill and the manufacturing ability of the country.



Sir, I am quite at one with my friends opposite in their desire that Indian industries should develop, but is it not making the railways an instrument of political action if we are to try to make railways responsible for all developmental expenditure in this country, and, if we do that,—I am sure, my Honourable friends will recognise, we should not blame railways if their deficits grow from bad to worse.

Finally, Sir, my Honourable friend, Mr. Sri Prakasa, who threw himself into the breach with such gallant valour to rescue the European Group and the House from the debatè collapsing suddenly, talked of air-conditioning, and he said that he was jealous of the first and second class passengers. I suppose he was . . . . .

**Mr. Sri Prakasa:** Not second, I fear I myself travel second sometimes.

**Sir Raghavendra Rau:** First class—I suppose,—as he said this morning—he was jealous of their catching pneumonia. Well, Sir, it is only an experiment, and unless it is a success financially, as the Honourable the Railway Member has said clearly both in this House and in the other, unless it is a success financially, it will not be continued.

**Mr. Sri Prakasa:** But how will you recoup the 2½ lakhs?

**Sir Raghavendra Rau:** It is not a present to the first class passengers as my friend seems to assume. The interest and the depreciation on this extra expenditure it is proposed to recover by means of a surcharge on passengers who use it, and it is only if the response is discouraging, if the number of passengers who will avail themselves of this facility is very small, that there will be a loss to railway revenues, and in that case the experiment will have been a failure.

Finally, Sir, I take this opportunity of welcoming the interest the House takes in these financial problems and of expressing my thanks to the Leader of the European Group for raising this question. As Honourable Members are aware, in a commercial concern, eternal vigilance is required of both the Directors and the shareholders. It is the necessary price of its prosperity or even its solvency, and, I am sure, nobody on this side would quarrel with Honourable Members opposite for all the constructive criticisms they make in the course of their speeches, but, at the same time, I should ask the House to bear with me if I plead that, along with these criticisms, there should be given some small recognition of the work the Railway Administrations have already done in this matter. The Railway Board, Sir, has been compared to a large number of animals and institutions, extinct or existing. My friend over there said the other day that it was a Star Chamber, and I believe, either in the press or elsewhere, I have heard the Railway Board compared to a donkey. (Laughter.) Well, Sir, may I remind Honourable Members that a donkey does not always do its work best if only given kicks; if now and then a small carrot is thrown to it, it will probably be impelled to better efforts.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is:

“That the demand under the head ‘Railway Board’ be reduced by Re. 1.”

The Assembly divided:

AYES—56.

Aaron, Mr. Samuel.  
Aikman, Mr. A.  
Aney, Mr. M. S.  
Asaf Ali, Mr. M.  
Azahr Ali, Mr. Muhammad.  
Bajoria, Babu Baijnath.  
Banerjee, Dr. P. N.  
Bhagchand Soni, Rai Bahadur Seth.  
Buss, Mr. L. C.  
Chaliha, Mr. Kuladhar.  
Chapman-Mortimer, Mr. T.  
Chattopadhyaya, Mr. Amarendra Nath.  
Das, Mr. B.  
Das, Pandit Nilakantha.  
Datta, Mr. Akhil Chandra.  
Dessai, Mr. Bhulabhai J.  
Fazl-i-Haq Piracha, Khan Bahadur  
Shah.  
Gadgil, Mr. N. V.  
Ghiasuddin, Mr. M.  
Ghulam Bhik Nairang, Syed.  
Giri, Mr. V. V.  
Hans Raj, Raizada.  
Hosmani, Mr. S. K.  
Hudson, Sir Leslie.  
James, Mr. F. E.  
Jedhe, Mr. K. M.  
Jehangir, Sir Cowanji.  
Joshi, Mr. N. M.

Kalash Behari Lal, Babu.  
Maitra, Pandit Lakshmi Kanta.  
Malaviya, Pandit Krishna Kant.  
Mangal Singh, Sardar.  
Mehr Shah, Nawab Sahibzada Sir Sayad  
Muhammad.  
Mudaliar, Mr. C. N. Muthuranga.  
Muhammad Ahmad Kazmi, Qazi.  
Murtuza Sahib Bahadur, Maulvi Syed.  
Paliwal, Pandit Sri Krishna Dutta.  
Pant, Pandit Govind Ballabh.  
Parma Nand, Bhai.  
Raghunir Narayan Singh, Choudhri.  
Raju, Mr. P. S. Kumaraswami.  
Ranga, Prof. N. G.  
Santhanam, Mr. K.  
Satyanurti, Mr. S.  
Scott, Mr. J. Ramsay.  
Sham Lal, Mr.  
Sheodass Daga, Seth.  
Singh, Mr. Ram Narayan.  
Sinha, Mr. Anugrah Narayan.  
Sinha, Mr. Satya Narayan.  
Sinha, Mr. Shri Krishna.  
Som, Mr. Suryya Kumar.  
Sri Prakasa, Mr.  
Umar Aly Shah, Mr.  
Varma, Mr. B. B.  
Witherington, Mr. C. H.

NOES—37.

Abdul Hamid, Khan Bahadur Sir.  
Ahmad Nawaz Khan, Major Nawab Sir.  
Anderson, Mr. J. D.  
Bajpai, Sir Girja Shankar.  
Bansidhar, Rai Sahab.  
Bhaide, Mr. V. S.  
Chanda, Mr. A. K.  
Craik, The Honourable Sir Henry.  
Dalal, Dr. R. D.  
DeSouza, Dr. F. X.  
D'Souza, Mr. F.  
Ghuznavi, Sir Abdul Halim.  
Griffiths, Mr. P. J.  
Grigg, The Honourable Sir James.  
Jawahar Singh, Sardar Bahadur Sardar  
Sir.  
Lal Chand, Captain Rao Bahadur  
Chaudhri.  
Lalit Chand, Thakur.  
Mehta, Mr. S. L.  
Memon, Mr. K. R.  
Metcalf, Sir Aubrey.

Mukherjee, Rai Bahadur Sir Satya  
Charan.  
Murid Hussain Qureshi, Khan.  
Nagarkar, Mr. C. B.  
Naydu, Diwan Bahadur B. V. Sri Hari  
Rao.  
Noyce, The Honourable Sir Frank.  
Parkinson, Mr. J. E.  
Rau, Sir Raghavendra.  
Roy, Mr. S. N.  
Sale, Mr. J. F.  
Sarma, Sir Srinivasa.  
Sher Muhammad Khan, Captain Sardar  
Sir.  
Sircar, The Honourable Sir Nripendra.  
Slade, Mr. M.  
Thorne, Mr. J. A.  
Tottenham, Mr. G. R. F.  
Verma, Rai Sahib Hira Lal.  
Zafullah Khan, The Honourable Sir  
Muhammad.

The motion was adopted.

**Mr. President** (The Honourable Sir Abdul Rahim): Is there any Honourable Member wishing to move his cut motion today? The Chair understands the Congress Group is not ready today to move their motion.

**Mr. M. Asaf Ali** (Delhi: General): We are not ready. We begin tomorrow morning.

**Mr. President** (The Honourable Sir Abdur Rahim): Is there any other Group wishing to move any amendment?

(No Member stood up.)

As nobody is ready to move any other cut motion, the Chair would adjourn the House now.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 24th February, 1937.