

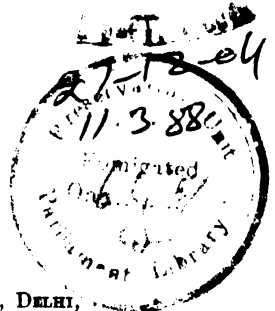
THE
COUNCIL OF STATE DEBATES

VOLUME I, 1938

(14th February to 8th April, 1938).

THIRD SESSION
OF THE
FOURTH COUNCIL OF STATE, 1938

Member designated... 18/4/38



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COUNCIL OF STATE.

Friday, 18th February, 1938.

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

QUESTIONS AND ANSWERS.

AMOUNT DUE FROM BURMA ON ACCOUNT OF DEBT AND OTHER MISCELLANEOUS LIABILITIES.

97. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Will Government state what approximately is the total amount which Burma should pay to India on account of debt, other liabilities, and liability for pensions, and for what period?

THE HONOURABLE MR. J. C. NIXON: The amount payable by the Government of Burma is:

(a) Rs. 225 lakhs (provisional figure) per annum for 45 years from 1937-38 for repayment of the debt and other miscellaneous liabilities; and

(b) $7\frac{1}{2}$ per cent. of the actual expenditure each year in respect of the Central pensions in issue on the 31st March, 1937. This is payable till this class of pensions is extinguished. The amount payable in 1937-38 will be about Rs. 80 lakhs.

RECRUITMENT OF PERSONS DOMICILED IN BURMA TO THE CENTRAL SERVICES.

98. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Will Government state whether as a result of the separation of Burma from India, any change has been made, or is contemplated to be made in the method of recruitment for Central Services in India to which formerly the Burmese were equally eligible along with the Indians? How has the administrative separation of Burma affected the status of Burmese for such services and *vice versa*?

THE HONOURABLE MR. E. CONRAN SMITH: I would refer the Honourable Member to the Home Department Press Communiqué, dated the 10th January, 1938, a copy of which I lay on the table, from which he will see that after 1st April, 1939, British subjects of Burmese domicile will not be eligible to sit for competitive examination for admission to certain Indian Services. I am not aware whether the Government of Burma propose to take reciprocal action under section 44 of the Government of Burma Act, 1935, in regard to the admission of British subjects of Indian domicile to Burmese Services.

PRESS COMMUNIQUÉ.

Before the separation of Burma from India, rules for admission to competitive examinations held for certain Central Services provided that candidates must be British of Indian domicile. Under this provision British subjects domiciled in Burma were eligible. Since the separation of Burma from India persons domiciled in Burma

are no longer persons of Indian domicile and the Government of India have decided that justification no longer exists for allowing persons domiciled in Burma to sit for these examinations. Since, however, some persons, domiciled in Burma may have undergone training for these examinations in the expectation of being admitted to them, British subjects of European or Indian descent domiciled in Burma will be eligible to sit for competitive examinations held in India for admission to the undermentioned services up to the 1st April, 1939, after which date only persons of Indian domicile will be eligible to appear. The services affected by this decision are as follows :

1. Indian Audit and Accounts Service.
2. Imperial Customs Service.
3. Indian Railway Accounts Service.
4. Military Accounts.
5. Central Engineering Service (Class I).
6. Postal Superintendents (Class II).
7. Superior Telegraph Engineering and Wireless Branches of the Indian Posts and Telegraphs Department.
8. Indian Railway Service of Engineers.
9. Transportation (Traffic) and Commercial Departments of the Superior Revenue Establishment, State Railways.
10. Survey of India (Class II).
11. Special Class Apprentices for appointment to the Mechanical Engineering and Transportation (Power) Departments of the Superior Revenue Establishment of State Railways and Ordnance and Clothing Factories in India.
12. Ministerial Service of the Government of India Secretariat and its Attached Offices (I and II Divisions and Typist and Routine Grades).

HOME DEPARTMENT,

NEW DELHI,

The 10th January, 1938.

GENERAL DISCUSSION OF THE RAILWAY BUDGET FOR 1938-39.

THE HONOURABLE THE PRESIDENT : Honourable Members, the debate will now proceed on the Railway Budget. I will not fix any time-limit but I shall leave that matter to the good sense of Honourable Members. I do not see many Honourable Members present here this morning. If the debate does not last long, I shall at an earlier stage call upon the Honourable the Railway Member to reply. In any case, if the debate is prolonged, I shall call upon the Honourable the Railway Member at 4-30 in the afternoon to reply to the debate.

**THE HONOURABLE MR. RAMADAS PANTULU (Madras : Non-Muham-
madan) :** Sir, the Chief Commissioner for Railways deserves to be congratulated on the skilful manner in which he presented the Railway Budget for the coming financial year. The ninth statement of the Revenues and Expenditure of the Governor General in Council regarding Railways which he presented unfolds a tale very different from his previous eight statements and contains many welcome features. For one thing, the anticipated surplus of Rs. 15 lakhs has now gone up to the substantial sum of Rs. 2½ crores, and on a conservative estimate based on restrained optimism he has promised us almost a similar surplus for the coming year. These are certainly welcome features.

But that does not mean that the country is satisfied with the improvement effected. Up to the middle of December we expected that our surplus at the end of this financial year will be somewhere in the neighbourhood of Rs. 4 or Rs. 5 crores. But the sudden set-back in the last two months has brought down this surplus to about a half of the anticipated surplus. In the seven years that preceded 1931-32, on the average, the Railways contributed a sum of Rs. 5½ crores to the general revenues of the Government of India, and we are hoping that that period will again come. I may also remark that in the period of boom, when the Railways contributed about Rs. 5½ crores on the average during the seven-year period I have referred to, the operative charges were unduly high. The operative charges have been brought down since then. In spite of the high operative charges, the Railways had contributed the very substantial sum of about Rs. 5½ crores a year on the average. We expect a return to those prosperous days as soon as possible. We expect that with the partial revival of trade, the economies effected by the Railway Administrations and the promised improved amenities to the travelling public, the earnings of the Railways would improve very quickly. The interest in the railway surpluses has become considerably greater now on account of the expectation of the provinces to sharing a portion of those surpluses. Under the new constitution, the provinces are promised a contribution from those surpluses. Therefore, while the question of the surplus is always of general interest, the peculiar interest now attaching to it is due mainly to the fact that provinces are watching very carefully the operations of the Railways at the Centre. Therefore, the Provincial Governments and the Provincial Legislatures will have an increasing say in the matter, and I hope and trust that the Government of India and the Railway Administrations will do their best to improve the earnings of the Railways as quickly as possible.

The Budget speeches delivered in both Houses were very brief. They are good as far as they go, but I should have expected the Budget speeches to contain some enunciation of the policy of the Railway Administrations in regard to the general trading and commercial interests of the country. They are totally silent on those matters. I know that the Railway Member, in the other House, has repudiated the charge levelled against the Railway Administrations that their policy was not national, that they favoured foreign interests more than Indian interests and in fact that there was no national policy about the Indian Railways. In order to disprove that charge, it would not do for the Member in charge of Railways merely to make that statement in reply to a general debate. We expect some enunciation of policy, backed up by a statement of facts, in the Budget speeches. That does not mean that the Railway Member and the Chief Commissioner for Railways should answer in the Budget speeches all the criticisms levelled against the Railway Administration by the commercial, trading and industrial interests of this country. The Federation of Indian Chambers and the various other Chambers have from time to time put forward their point of view and have urged upon the Government of India the necessity for a reform in the railway policy in this country. Therefore, it would have been well for the railway Member to have noticed those public criticisms and given his answer to them and to the charges relating to policies. If in any particular case the criticism was not well-founded, and if all that could be done by the Railway authorities had been done and nothing further could be done, it is well to say so because that will go a long way to enable us to judge the merits of the Budget from a national standpoint. I hope that in future a departure will be made in presenting the Railway Budget with regard to the enunciation of policies and the extent to which they have been carried out. I am not today prepared to detail

[Mr. Ramadas Pantulu.]

any of the accusations made by the commercial interests in regard to the discriminatory policy pursued by the Railways. The materials are before the Railway authorities already. I hear complaints very frequently. In my own province, I have heard that a European concern, the Harvey Textile Mills of Madura, get discriminatory treatment as compared with the Indian Textile Mills in Coimbatore. I have heard it often, but I cannot vouch for the accuracy of that statement; I hope the Railway Member will kindly enquire into that allegation.

Then, Sir, with regard to encouraging the transport of agricultural produce and helping the agriculturist to get a better price, suggestions have been made not only by commercial bodies but also by authoritative committees of enquiry like the Royal Commission on Agriculture and the Central Banking Enquiry Committee in regard to the disparity between railway freights and steamer charges. For instance, it is said that it is much cheaper to import wheat from Australia to Calcutta than to transport it from the Punjab to the flour mills of Calcutta. The actual figures were quoted by the Banking Enquiry Committee. I do not know what investigation has been made into these allegations and what steps have been taken to help the Indian agriculturist to transport his produce cheaply to the nearest market or industrial centre.

Sir, I feel gratified to find in both the speeches of the Railway Budget a desire to understand the needs of the public and to improve the amenities of the travelling public and to improve trade. There is a general appreciation of the public view-point and also a general desire to concede those demands as far as possible. But when I come actually to the performance I find the speeches are very disappointing, both in regard to the enunciation of policy as well as in actual details. For instance, the Chief Commissioner has told us that many improvements have been effected and many of the recommendations of the Wedgwood Committee have been anticipated, as a result partly of the Pope Committee's recommendations and partly on the initiative of the Railway Administrations themselves. Well, I am not disputing that statement, but when he came to the recommendations of the Wedgwood Committee, what he says amounts to this, that many of them are no doubt good, but they cost a mint of money and we are not sure whether the outlay of the additional expenditure on those improvements will be a business proposition or not, and therefore he turns down many of the recommendations with regard to what he describes as the keynote of the Wedgwood Committee's Report, namely, better service to the public. I would appeal to the Railway Member and the Chief Commissioner to investigate the long-range effects of these improvements and not merely the immediate effects. It may be in the immediate future the expenditure incurred may not yield the necessary return, but I think in a matter like this they ought to take note of the long-range effects of many of these improvements. The Chief Commissioner says "while admitting that better services may be necessary, we have to count the cost". Of course we have to count the cost. But I read something very significant into the word "may" in that sentence. It is not so innocent as it appears. To my mind it discloses a very serious doubt in the mind of the Chief Commissioner as to the soundness of the recommendations made by the Wedgwood Committee. He says better services "may" be necessary. They are necessary. Why "may"? But if he really thought that many of the recommendations relating to better services to the public were not really sound he should have taken this House into his confidence and explained in a little more detail as to why he thought so. In the absence of any convincing reasons adduced

by the Railway Member or the Chief Commissioner the public are more inclined to agree with the view of the Wedgwood/Committee which is quoted by the Chief Commissioner himself :

“ The money will be well spent and if it is spent properly will make our railways more popular and increase railway earnings and finally enable us to run our transport in a more economical way ”.

I think that expresses the position more correctly than his somewhat halting statement that “ while admitting that better services may be necessary, we have to count the cost ”. Speaking for myself, therefore, I am more inclined to agree with the view of the Wedgwood Committee than of the Chief Commissioner. The same note is struck by the Honourable the Railway Member. He no doubt laid right emphasis on the need for a greater and more direct appeal to third class passengers, who are the chief customers of the Railways so far as passenger traffic is concerned. But when he came to manifesting his sympathy in practice I find very little evidence of anything substantial in the Budget. The sum allotted for improvement of third class coaching traffic or for improvement of stations or for amenities of the passengers is very little, almost insignificant, in comparison with the needs of the third class passengers. It is a paltry sum of Rs. 21 lakhs. I cannot go into details of proposed improvements because I must not take up much time, but I will give one illustration. With regard to third class coaches he admits that there is need for introducing improved coaches and he also refers to the model inspected by the Central Advisory Committee for Railways. But the programme he gives us is extremely disappointing. His main reason is that the normal life of a third class coach is 30 years and therefore it would not do to cast away many of them and introduce newer types because the cost will be prohibitive. I am afraid we cannot altogether agree with that way of looking at things. Without disputing his position that the return must be commensurate with the expenditure, which I concede as a business proposition, I think he has looked at the matter from a somewhat wrong standpoint. If that proposition was accepted by the general travelling public and by the motor transport licensing authorities, we should have on our roads today many old motor buses which are still useful as vehicles but which are very bad from the point of view of the comfort of the traveller. But we do not have any of the old-type buses on our roads. They have been driven out completely because the public want increasing and progressive comfort and newer types of carriages and the licensing authorities have themselves set up the standards which are necessary to ensure comfortable travelling. If the Railway Member's criterion had been accepted we should have had our roads still filled with serviceable buses which are very much out-moded. I do not think that it is the sole criterion to be applied. It is not merely the usefulness of a vehicle which is the test. It is the earning capacity of a vehicle as well. Usefulness and earning capacity do not go together always. Sometimes a very useful vehicle does not earn because it is so uncomfortable and people will not use it. A man who takes a taxi on the road takes one which is comfortable, not merely useful. I do not consider whether it is serviceable or not ; I simply do not take it if it does not look comfortable. Therefore I think his usefulness test is overdone and he ought to lay some emphasis on the earning capacities of the vehicles. If his test is accepted and all the old type third class coaches are to run their allotted span of life of one score and ten years, I think third class passengers will have to wait till Doomsday to get what they want. That illustration is enough to show that the performance is very far from the promise. His sympathy for third class passengers is thus to be found more in his speech than in his Budget.

[Mr. Ramadas Pantulu.]

Speaking about motor transport, I may as well refer in this connection to a statement made by the Railway Member in the other House in regard to the relations between the Railway and the motor transport. In paragraph 11 of his speech, referring to what he calls a fairly widespread popular error he says :

“There is a considerable section of the public which regards our Railways as the relentless enemies of the development of other forms of transport and which condemns their claim for the establishment of equality of competitive conditions as merely blind and stubborn opposition to natural economic progress”.

Put in that way it is not correct. I do not think that the public regard the Railways as relentless enemies of motor transport but they do regard the Railway Member and his colleagues in the Government of India as relentless enemies of that transport. If he had substituted “the Railway Member and the Members of the Government of India” for “Railways” I think it would be right. There is undoubtedly a widespread belief in the provinces that the Railway authorities and the Central Government are relentless enemies of motor transport and other forms of transport which compete with Railways. I can give two reasons for this view though I cannot give all the reasons in the short time at my disposal. The constitution of your Transport Advisory Board is one which gives a handle to the public. The Transport Advisory Board is a misnomer. No other transport interest except the railway interest is represented and demands for representation of other interests have been turned down by the Government. So unless and until you make your Transport Advisory Board representative not only of railway but other interests, people will be justified in concluding that the railway transport interests command a predominant voice in the councils of the Government and other interests are not cared for. I may also refer to another reason. In the provinces we look at the policy underlying the Government’s Resolution on Roads as one inimical to motor transport. On this matter we had a discussion last year in this House and I said what I had to say then and I do not wish to repeat it, but we feel that the road policy of the Government and the treatment given to the Road Fund so far as it is derived solely from motor transport is anything but equitable. That is what we feel ; therefore until the Government of India makes its Transport Advisory Board more representative of all transport interests and until it changes its Road Fund policy and metes out more equitable treatment to the motor transport interests so far at least as the revenue derived from motor transport solely is concerned, we will not place any reliance upon the statement that the Government of India is anxious to deal fairly and squarely with motor transport and that what is wanted is co-operation. Why should the Railway Member think that the public are not alive to the importance of Railways as a national asset on which Rs. 750 or Rs. 800 crores have been spent ? We look forward to increasing returns from Railways in the national interests. Why should he again presume that the general public do not appreciate the need for economic co-operation between Railways and other modes of transport ? They do appreciate it. But what we feel, to be frank, is that what the Railway authorities and the Government of India are aiming at is not co-operation but coerced co-ordination. We call it coerced co-ordination. They want to coerce us and then want co-ordination on their terms and not in the true interests of the other modes of transport and we must say it and it is for the Government and the Railway Member to disprove our allegations and to dispel our apprehensions. Till the Transport Advisory Board is made really representative and a revision of the policy underlying the road resolution of the Government of India effected, the complaint that the Government of India and the Railway Member are inimical to the interests of motor transport will

persist. It is a very extraordinary assertion to make that we are indifferent to the interests of the country in regard to the earnings of the Railways or that we do not appreciate co-operation leading to elimination of wasteful competition. On both these points I wish to join issue with the Honourable the Railway Member. I must say that motor transport is a very important economic factor in our rural development. There is a very vast field for opening up of rural India for internal trade and commerce. I know not merely from theory but as one conversant with rural conditions that the difficulty of transporting our agricultural products to nearest markets and industrial places is one of the chief difficulties in organising our markets. I am connected with co-operative marketing organisations. The chief difficulty I have found is in the matter of facilities for transporting agricultural produce at remunerative rates either to the nearest markets or to the nearest industrial centres where they have got to be processed. Therefore, there is any amount of scope for development without competition with the Railways. But if the spirit of the Government is inimical to motor transport then the enterprise will be killed and even in fields where the motor transport does not come into conflict with the Railways the enthusiasm of the people to invest money and develop motor transport will be chilled. Therefore, I beg humbly to bring to the notice of the Railway Member that the apprehensions of the public are very grave indeed in this matter and though he may call them widespread popular errors, they are really based on certain facts and it is for the Government to disprove them.

Sir, I do not wish to take up more time of this House in discussing general policy. I will refer to one or two specific grievances and I hope the Railway Member would give some attention to them. He was for speeding up passenger trains. We appreciate his promise. But coming from Madras as I do the train by which I travel takes 48 hours to cover 1,360 miles and the average speed is 28 miles. I should think that in his programme he ought to put the speeding up of the Grand Trunk Express in the forefront. We from the south are the worst sufferers and I feel that there is scope for speeding up. Forty-eight hours is an unconscionably long period to cover 1,300 miles and it leads to grave inconvenience. Now the Grand Trunk Express arrives at Madras at 5-30 p.m. Letters from Delhi the seat of the Central Government can be delivered to us only the next day and not on that day. The train ought to arrive in Madras at least three or four hours earlier so as to get the post that day. That is one matter in which he can take some interest. With regard to the scheme of travel as you please tickets to which reference has been made, it is true that the public have greatly appreciated it and it has become more and more popular. But I would suggest that there ought to be a combined system of travel as you please in contiguous Railways. The M. and S.M.R. and the S.I.R. have this year introduced a system and it has proved beneficial. Instead of 15 days it is available for 20 days and instead of Rs. 12-8-0 they charge Rs. 22-8-0 for the combined ticket. Though only five days more are given and Rs. 10 more are charged people have availed themselves of the concession. Therefore, I hope other Railways like the B.N.R. and the Nizam's which are contiguous with the M. and S.M.R. will introduce a similar system. It is a matter for investigation. If it is beneficial, I hope they will introduce it. With regard to commercial coupons, I find that the banking and insurance concerns have been excluded from the concession. Banks and insurance companies do not get the concession. They are important commercial concerns and have very large organisations in this country and when every tuppenny ha'penny concern gets the concession there seems no reason why they should not get it.

[Mr. Ramadas Pantulu.]

There is only one more grievance to which I would refer and that is the catering at railway stations. We heard a great deal about it in the last session from our colleague from Orissa, but I see my friend Mr. Mahapatra is not here today. I find the public are taking a great deal of interest in this question, and pamphlets have been circulated to the Members of this House, containing extracts from the English and vernacular press in regard to the matter. They show that the mode of licensing of vendors and putting to auction the right to vend things at the station is an indirect tax upon the consumers, while the foodstuffs have deteriorated their value has gone up, and that the passengers are worse off than under the old system. I find no indication in the speech of either the Honourable the Railway Member or the Honourable the Chief Commissioner for Railways of a desire to protect the interests of the public. On the other hand, they seem to say a word in favour of the present bad system. The evils of the system have been publicly commented upon and the attention of this House has been drawn to them. I hope and trust that something will be done to redress this grievance.

Sir, while I congratulate the Chief Commissioner on his good fortune in being able to present a surplus Budget and also on being able to promise us a surplus Budget for the following year, I desire to emphasise that we expect the Railways not only to make larger and larger contributions to the Central revenues of the Government of India but also to give greater facilities to the travelling public and also to help our trade and industries by a sound policy in India's interest. There is a reference in the speech of the Chief Commissioner to a railway bridge having been built entirely of Indian steel. That is a welcome departure; but I wish that the speech gave some indication as to the total quantities of purchases made for railway requirements from abroad and in India. Such information it may be possible to get by wading through a number of books, but they are not readily available and I think brief statistical statements made in the Railway Budget speeches as to the quantity of railway requirements supplied by Indian concerns and the extent of purchases made abroad may be a very useful addition to the Budget speeches. It will enable us to know how far you are patronising Indian concerns. While I find that there is an indication that railway carriages and wagons are being made in India, I have found no reference to the construction of locomotives. It is one of the reforms that the public have been demanding and there seems to be scope for constructing locomotives in India. India wants to see that her railway requirements are supplied by India herself, and unless it is absolutely necessary the Railway authorities ought not to go outside India to satisfy their requirements.

THE HONOURABLE SIR A. P. PATRO (Madras : Nominated Non-Official) :
 Sir, I do not propose to travel at some length from the extreme south to the extreme north and make any desultory remarks on the Budget that is before us. It will be a difficult task for anyone in my position to make a general or financial survey of the railway administration during the current year or the budget year. The important fact with regard to the Budget is that we have a surplus proposed, provided conditions, commercial and industrial, remain stable and unchanged during the year and the years to come. It is indeed due largely to the very efficient administration the increase of revenue with regard to goods traffic and an increase in passenger traffic. But for a layman to scrutinise the details and the applications of the rates and fares is, I should say, very difficult. There is no doubt that the Government of India Act introduced a new financial

relationship between the Central Government and the Provinces through the Railway Budget. It will be gratifying to the provinces that there is a surplus and it has to continue for five years before they could expect much relief to their provincial revenues. But while this is a fact that it will go to the advantage of the provincial budgets, the consideration of the financial position of the Railways is of great consequence and therefore in the recommendations of Sir Otto Niemeyer he has suggested two policies to be adopted by the Government, namely, the early establishment of effective co-ordination and co-operation between the various modes of transport, and the thorough revision of railway expenditure. In the light of these two recommendations made by Sir Otto Niemeyer we have to examine the Budget to see how far they have been satisfied in the present year and can be satisfied in the future. It seems to me, Sir, in the first place that, as regards effective co-ordination and co-operation between the Railways and other various modes of transport, there has not been any serious attempt except on one or two railways. It is necessary that the Government should lay down a policy or state in broad terms what the means and steps are that should be adopted to effect this kind of co-ordination between the Railways and other modes of transport. The Honourable Member who spoke first has referred to the kind of competition that there is between the Railways and the road. The motor traffic has come to stay. It is no use denying or minimising the growing popularity of road traffic. The buses have made a considerable change on the country side. They afford more amenities and facilities for the travelling public. They carry goods and passengers straight to their very homes and villages or very near them. The Railways are not able to meet the requirements of the public in this respect and therefore it is necessary, with a view to effecting co-ordination between the Railways and other means of transport, to arrive at some understanding with them. It is possible that, buses being now a provincial subject, the Railways should place themselves in correspondence with the Provincial Governments to see how far a proportion of the traffic could be shared between the motor vehicles and the Railways. It is also possible that the Railways could use motor buses and motor conveyances with a view to carrying both goods and passenger traffic. In this way the revenue for the Railways could be increased. The loss that is at present sustained by the Railway Administration could be made up by this kind of co-ordination and co-operation between the road and the rail. No doubt, one or two railways have adopted what they call rail motors and coaches, but these stop at stations far from the villages and the passengers and goods are taken from the railway stations to the villages and this distance has to be minimised and the rates have to be reduced by means of an understanding between the road traffic and the Railways. The M. and S.M.R. has adopted a system of these motor vehicles but it has not been a success. It is only in one branch line, I understand, that it is remunerative but in the other line it is not at all a success. It is necessary, therefore, in order to avoid any cut-throat competition between these two agencies, that there should be committees appointed of representatives of the road as well as of the railway so that an understanding may be arrived at. Therefore, the absence of any policy in this matter is to be regretted. A statement of policy is absolutely necessary—

THE HONOURABLE THE PRESIDENT : Circumstances are so varied at times ; they are not definite. How is it possible for Government to formulate a policy ?

THE HONOURABLE SIR A. P. PATRO : There are many ways in which it is possible for the Government to do that. If I were in the place of the Government, then I would have stated it. It is not for me to state it for them.

[Sir A. P. Patro.]

It is a function of the Government. It is they who have to work out their policies, and see how the revenues of the Railways can be improved. It is not my job, Sir.

Then, as regards retrenchment,—the thorough revision of railway expenditure, the other aspect which was recommended by Sir Otto Niemeyer—it seems to me, from the review of the Railway Committee's Report, that the Railway Board has been considering everything which the Committee has recommended. Some of them they have already begun, others they are going to begin. Therefore, it seems to me that all the eloquent support given to the Wedgwood Committee's Report in both the Houses was wasted, because the Pope Committee Report has already given enough material for the Railway Board to adopt what they have already begun to work on these lines. On the Wedgwood Committee's recommendations they say : " We have already commenced this ; we have already been thinking about this, and so on ". Therefore, why has this expense been incurred on this Committee and why was that support given to this Report at the time when criticisms were levelled against it ? It seems to me that the Railway Board has not seriously considered many of the points. I find from the memorandum on the action taken with regard to the various recommendations that the notes are not very illuminating. It is necessary that greater details should be given of the steps that have been taken. I am not at all satisfied with the remarks that have been made. They are just like marginal notes. " We are doing ; we are going to do ". This kind of thing does not have any very enlightening effect.

It has been said that there might be a surplus this year of Rs. 280 lakhs. A surplus has been very cautiously provided for next year also. It is a matter of congratulation to the new Member in charge of this portfolio that during his regime, we have this gratifying budget surplus for the first time since 1930. The depression began in 1930 and now we have a hope, though there are many disturbing factors and we do not know whether we will continue to have this surplus in spite of the internal and international circumstances—it depends much also on the capital expenditure of the Railways. Therefore, there is danger that at any time the balance may be upset owing to internal and international conditions. Our hope, therefore, lies in the measures that ought to be taken for the various improvements of transport, and for retrenchment of expenditure without affecting efficiency. In the current year, for instance, there has been an increase of about Rs. 1½ crores in expenditure, due, no doubt, as has been explained, to the increased cost of coal and renewal and repairs of rolling stock. It is true that there has been a difficulty with regard to coal. But that difficulty has now passed away. It is said in the speech of the Honourable the Chief Commissioner for Railways that the position is now improving, that the market supply has been growing and that the crisis that was reached last year is now gradually passing away. I am one of those who think that there should not be any competition between Government monopoly and private supply. Government should not take up work of private people. Government should not increase their output in these coalfields and thus compete with private people. There should be no competition between Government and private people in the matter of industries. Government should not compete with private industries. In this case, the coal industry would undoubtedly suffer if Government coalfields are developed more and more. It has been necessary in this case because the market coal could

not be supplied owing to disturbance of labour or want of labour in Raniganj and Jharia mines. At that juncture, all the stocks had been spent and the Railway Administration had to increase the output of the railway coal mines. Otherwise, I say that this procedure has to be adopted with great caution. The Railway should not be a competing agency.

Much has been said with regard to road and railway transport, that this unhealthy competition should be removed. As I said, a policy of co-ordination of transport facilities to the ultimate economic advantage of the country is absolutely needed. There is a prevailing opinion that the Railways are inimical or hostile to other forms of transport agencies. I do not think so. The popular impression, if there is any, is not based on facts. My Honourable friend has referred to Railways as an enemy to motor transport. It cannot be so, because motor transport has got its own place and its own function to perform, and the railway has got its own place and its own function. All that could be done is that the two can be combined together and they can work in co-ordination with each other. That is all that is needed. It is wrong to say that the intention of the Railways is to destroy and eliminate other modes of transport. It is not so. What is now needed is for the Railways to improve all amenities of travel for the lower class passenger. It has been repeatedly referred to in the Budget speeches. The Honourable the Chief Commissioner for Railways and the Honourable the Railway Member have referred to it. The railway sheds and platforms in some places are in a very, very bad condition. The carriages that we see on some of the M. and S.M.R. lines and in the old S.I.R. lines are miserable for third class passengers. Want of latrines, want of water-supply—in fact, everything is bad in these old type of carriages. It is no doubt very hopeful to notice that about 6,000 new wagons or bogie carriages for the broad gauge and about 2,000 for the metre gauge are going to be constructed. But this will take a very long time and in the meanwhile the railway would lose all the revenue which they would get from the third class passenger. The buses are providing greater amenities, and so people would have recourse to travelling by motor buses instead of going to the railway. That should be considered and corresponding improvements should be made. No doubt, a sum of Rs. 21 lakhs has been provided in the Budget. But that Rs. 21 lakhs is intended also for the improvement of stations like Hardwar and other stations where pilgrims gather in large numbers at the time of festivals. A large slice of it would go in that way, and only about Rs. 10,000 would remain for the purpose of improving the water-supply at stations and platforms and other amenities for third class passengers. That is a very small sum out of the budget of the Railways. Therefore, it is necessary that amenities for the third class passengers should be improved and without such improvement there is no use complaining against the competition of motor traffic.

While appealing for the provision of better amenities for third class passengers I would refer to the agricultural classes, to which I belong. I ask, what has the Railway Administration done to help the economic condition of the agricultural classes. It is absolutely necessary that provision should be made for the modification of rates on the transport of agricultural produce. The agriculturist finds it very difficult to obtain a proper price at the proper time for his produce. Government and the public alike always profess very much sympathy with the agriculturist and in regard to the improvement of his economic condition. But the position known to all is that the ryot is not able to get a proper price in the local markets and if he wants to transport his produce to other markets the railway rates are prohibitive. I have personal

[Sir A. P. Patro.]

experience of the Northern Sircars and of the difficulty and expense of transporting paddy from one station to another. There is a schedule of rates which cannot be varied unless the proper administrative instructions are issued. Therefore, I say that facilities should be provided and the agriculturist should be helped to transport his produce at economic rates. Without that it is no use talking of the large sums being spent on rural uplift. Where does the money go? It does not reach the peasant. For him it is necessary to get an adequate price for his produce. Ryots' Associations are now being started all over the Sircars and in other parts, and if these associations are certified to be *bona fide* organisations and are helped in the matter of the transport of the ryots' produce, it will be more helpful to them in improving their economic condition than the giving of a lump sum by the Central to the Provincial Governments for rural uplift.

Another point I would refer to is the development of the Commercial Departments of the Railways and closer contact with the people. One or two Railway Administrations have started commercial departments but they have not been very much developed, even on the M. and S.M.R. It is necessary that a proper selection should be made of the persons who are to get in touch with the merchant and trading classes and the agriculturists, to ensure that traffic does not go to the motor on the road but come back to the railway. It is necessary to popularise the Railways. At present it seems to me there is hardly any contact between the Railway authorities and the people. For instance, as suggested by the Wedgwood Committee, it is necessary that one of the Members of the Railway Board should be constantly travelling interviewing Agents and making contact with the various centres of commercial activity, so that the Board may know how things are going on and be in a position to advise the Railways. Then the commercial departments must put themselves in touch with the rural areas. In that way the Railways can be made more popular and earnings can be largely increased. The beginning that has been made in this direction is very small.

In the time that is allowed I can only make a few general observations. It is difficult to make a general or financial survey of the Indian railway administration for this year or the future. It seems to me that the fair signs indicated in the speeches of the Honourable Member in the other House and of the Chief Commissioner in this House promise a prosperous future. They have done their best to place before the public all matters concerning railway administration and it is a matter for congratulation that there is a surplus this year, and I hope that every effort will be made to see that the surpluses continue. I am sure they will be able to evolve a policy which will produce prosperous budgets in the years to come.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I congratulate the Honourable the Railway Member on his having presented us with a surplus Budget showing an anticipated profit of about Rs. 2½ crores. I find that it has become rather a habit of the Railway Board to under-estimate the income and over-estimate the expenditure. This is not the first year in which we find such a thing happening. For several years past we have always found that the revised estimate is very different from the budget estimate. For 1937-38 we find that the income was estimated at Rs. 92 crores, and in the revised estimate it is Rs. 95½ crores; expenditure was Rs. 62½ crores and in the revised estimate it is Rs. 63½ crores. Sir, the difference in estimate of Rs. 2½ crores cannot be called a pure accident;

The Government is always proclaiming that Railways are run on commercial lines, but when we see their budgets we find they are not based on commercial lines. They are the result of what we call political jugglery. The Honourable Sir Muhammad Zafrullah Khan was not so fortunate as Sir Thomas Stewart in giving us such a big surplus, although in his period a surplus of over Rs. 2½ crores was found in the revised estimates. When the Railways are run on commercial lines I wish their budget was also based on commercial practices and that no political considerations prevailed.

I congratulate the Honourable the Chief Commissioner for Railways for plainly saying in his speech that the Wedgwood Enquiry Committee was, as was believed in certain quarters, a *jo hukum* committee. What does Sir Guthrie Russell say? He says:

“Without implying any disrespect to the Committee I would like to make it clear that action had already been taken on many of the recommendations of the Report, either as a result of the efforts of Railway Administrations themselves or as a result of the recommendations of the Pope Committee”.

The Honourable Sir Thomas Stewart has also endorsed it in brief terms.

12 NOON. He said yesterday in the other House that the Wedgwood

Committee have reaffirmed the majority of the recommendations of the Pope Committee. Sir Guthrie Russell goes on to say at the end of the concluding paragraph:

“This is necessary as it is quite clear that a very large number of the recommendations under consideration involve prior examination before a final decision can be arrived at as to their feasibility”.

Now, Sir, the Railway Board have examined that Report and have issued a Blue Book a copy of which is before me giving what action the Railway Board has taken on it. Such a Report was expected from the personnel of a Committee like the Wedgwood Committee none of whose members had any practical experience of working of Indian Railways. Sir, I will pick a few items. This Committee have practically endorsed the decisions of the Railway Board which were arrived at before they came in. I find that in para. 31 they want to retrench the gatemen—a penny-wise and pound-foolish action. In the Punjab alone there have been many cases of death of people due to the absence of gatemen and because of the gates being kept open. This retrenchment of a few rupees per month is, I consider, very imprudent and is not at all in the public interest, but all the same the Wedgwood Committee recommends it—how very greatly unsafe. Then, Sir, what do the Committee say about recruitment and training and supervision of superior subordinate gazetted services of the mechanical engineering department? I should like to read the actual para. from the Report to revive the memory of the Honourable Members. In para. 50 of the Wedgwood Committee Report at page 29 you will find that they recommend more recruitment of the European element to supervise the new machinery which has been recently imported by the Railways for workshops. Sir, I think it is not creditable for the Railways of India that during the past 85 years they have not been able to produce competent foremen. The Wedgwood Committee say that this new machinery requires European foremen who know how to work. I know something of mechanical engineering though I do not pose myself as an expert, but I can say that machine tools are much simpler to work than textile and other complicated machinery. In case the training is given in mechanical engineering colleges, like the MacLagan College at Lahore, the Poona College, the Sibpur College and the Guindy College, on such machines you will find suitable men in the qualified youths of these colleges to work as foremen in workshops. The Wedgwood Committee at the same time holds

[Rai Bahadur Lala Ram Saran Das.]

that their salaries are too poor. It is a pity to find that on the N.W.R. previously when the products of the Lahore Maclagan Engineering College were employed after practical training as journeymen in the railway workshops they were given a start of Rs. 100 a month, but unfortunately when the scales of salaries were being revised, this salary was reduced to Rs. 65 per month, which means that the Railways themselves are discouraging the recruitment of such Indian element which has done so well. In this connection, Sir, I might also say that the recruitment from these colleges to the Railways have been very meagre. My information is—and if I am wrong I hope the Honourable the Chief Commissioner will put me right—that out of the qualified A class students of the Lahore Maclagan College there has been no recruitment at all after 1932-33. Not a single successful student from that College has been taken on by the Railways. As far as B class students are concerned, in 1931-32, 13 were taken; in 1932-33, 14, in 1933-34, 15, in 1934-35, 13, in 1935-36, 23 and 8 in 1936-37. This shows that the policy of the Government as regards employment of qualified educated Indians in the mechanical line has received a set-back. Sir, the rumour is that all those artisans who are Indians and who are now officiating as chargemen or as foremen are not to be confirmed and are to be replaced by recruits from England. If I am wrong I want the Honourable the Chief Commissioner to correct me. A great deal is said about the covenanted imported artisans. Last year there was a cylinder explosion in the Moghalpura Workshops. Several people died as a consequence of that explosion and the covenanted welding foreman in charge quietly slipped away and no fine or punishment of any sort was imposed on him. This looks very strange. He was not dismissed. When he was nearing the term of his covenant he was simply allowed to go. Then, Sir, as far as the officers are concerned, I understand some time back an embezzlement amounting to over Rs. 6 lakhs was made by the chief of the Electrical Department of the N.W.R. I brought that to the notice of the then Agent who made enquiries and the result was that officer instead of being punished was quietly allowed to retire. Recently, Sir, two or three years back there has been again an embezzlement in the Electrical Department of the N.W.R. and only a junior officer was dismissed and everything else was presumably hushed up. So far about imported talent. Now, Sir, as regards mechanical training. How are the literate firemen being treated? Railways in order to attract educated Indians to the drivers' introduced opened new scales of salaries and allowances for literate firemen and as a result of that a number of literate firemen continued to be recruited. They have been now working for several years and although I understand they are due for promotion having done well, they have been superseded by Anglo-Indians, thus injuring the future prospects of many. Such things are very discouraging and denote that an anti-Indianisation policy has also set in on the Railways.

Then, Sir, I come to the question of the acceleration of goods services. The Honourable Sir Guthrie Russell, while speaking on the subject the other day, told us that this question required consideration and that for various reasons it was not a good proposition. At least that is what I understood him to say. I know, Sir,—my Calcutta friends tell me,—that the express goods train which the B.N.R. and E.I.R. are running has proved a success and is attracting larger traffic. When, Sir, such is happening on those two Railways and speeding up of goods train have succeeded why should the Honourable Sir Guthrie Russell be suspicious of directing the other Railways to follow their example. A great cry is made about the shortage of coal. My own impression is that as certain contractors failed to supply their quantities of tonnage

of coal for Railways there was a sudden demand from the Railways and to meet their own demand and to replenish their exhausted stock there was abnormally increased demand for wagons. We find, Sir, from the reports before us that the traffic which the Railways lost after the war has not come back to that extent, taking into view the annual normal increase in the traffic and the increase in the traffic due to more mileage being opened. Sir, in case goods trains are speeded up, you will throw hundreds and thousands of wagons surplus which will do for meeting the present trade demand. If, Sir, goods trains run at fast speed—I have not calculated it myself because I have no data but the Honourable Sir Guthrie Russell will tell us what will be the saving in the demand for new wagons—my own opinion is that in case goods trains are accelerated, a number of wagons now needed will no longer be required and there will be no need for new wagons to be purchased and thus Rs. 4½ crores will be saved.

Then, Sir, I come to the reduction of scales of wages and salaries. There have been three big collisions in this year, one near Bihta, one at Bamraoli on the E.I.R. and the third near Rohri on the N.W.R. Of course, it has been said—I do not know how far it is correct—that the collision on the N.W.R. was the result of the driver being drunk did not notice that the signal was against him. Sir, my own impression is, and I think Honourable Members will agree with me, that there is discontent among the junior subordinate staff of the Railways owing to the fact that their salaries have been so reduced, which are economically below their cost of living. Sir, the Honourable the Chief Commissioner was kind enough to send me certain papers from which I see that the class I, grade 1, of the subordinate staff, starts from Rs. 30 and goes up to Rs. 60. Sir, in case we take a family of four at least, on an average, Rs. 30 is not a living wage, to pay subordinates who are responsible for the signalling work, or a station master who is responsible for looking after the safety of the passengers; you cannot expect a man who cannot feed his family well to put his heart into his work. I am told that when railway posts are advertised, several thousand people apply, and as each form of application costs Rs. 2, the Railways earn unjustly several thousand rupees in that way. The economic condition of these people is so bad that they will accept any salary. I find that M. As. and L.L. Bs. in the Punjab are recruiting themselves as ordinary constables on Rs. 25 a month. That does not show, Sir, that their efficiency is not up to the mark. It is only their economic weakness that forces them to accept any salary whatsoever. Therefore, Sir, I think that it is wrong economy to start clerks on Rs. 30 a month and publish in various papers that dishonesty on the part of the clerks should be reported. You are yourselves forcing them to be dishonest because you are not paying them a proper salary, a salary on which they can maintain themselves and their families.

Sir, all the other amenities of this poor junior staff are being gradually reduced. Even their free passes have been reduced. Is it fair that men who work day and night on these uneconomical salaries should be gradually deprived of all the privileges and concessions to which they have hitherto been entitled? It is this that is responsible for these accidents, and the general discontent.

Another point, Sir, with regard to these collisions that I should like to make is that the Senior Government Inspector ought to be placed in the grade of Chief Engineer. At present their grade is that of a Superintending Engineer, when every Senior Government Inspector aspires to be a Chief Engineer. As a result of that aspiration—for, after all, everybody is human—he tries to please certain Agents and whenever there is any accident he has not the courage to fully report matters.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner for Railways): Sir, I would like to disabuse the Honourable Member's mind, That is not the case.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, may I know from the Chief Commissioner whether all Senior Government Inspectors are graded as Chief Engineers?

THE HONOURABLE SIR GUTHRIE RUSSELL: A Senior Government Inspector may be or may become a Chief Engineer, but I have never seen a report from a Senior Government Inspector in which he has camouflaged the truth in the hope of promotion.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, with due deference to the Inspector I must say that the judicial enquiry by the Honourable Sir John Thom on the Bihta disaster has exposed many shortcomings, even indifference of the Agent.

THE HONOURABLE THE PRESIDENT: I do not think you ought to mention anything about that enquiry because the matter is *sub judice*.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Well, Sir, what I am saying is that, unless an Inspector is independent, unless his grade is that of a Chief Engineer, and if he has any aspiration to be a Chief Engineer, and to work under a certain Agent it is quite human that he will not show that much liberty and courage to say everything which he ought to say. I am not casting any reflection upon these Senior Government Inspectors. I have respect for them. But after all that is a great factor, Sir, in the working of the human mind.

Sir, the leave rules and the promotion of subordinates are not on the time-scale as is the case of many other Imperial and Provincial services. A man joins a railway. Whether he is a ticket collector or a goods clerk, an assistant station master or any other subordinate official, he cannot get any increase of salary until there is a vacancy in the next higher grade. In the I.C.S. and other provincial gazetted services, Government have realized this necessity and have introduced a time-scale. If you want to satisfy your subordinate officials in the Railways, on whose care and diligence the safety of the public depends, you must treat them in a better way. Why should there be difference in the treatment you give them and the treatment you give to others? The time has now come when a time-scale should be introduced for the subordinate railway staff.

Coming now to the amenities for third class passengers, although you have given a sum of Rs. 21 lakhs, what do we actually find? Leaving aside Rs. 9 lakhs and odd, on the E.I.R., which I presume is in connection with amenities at the new Hardwar station, I find that as regards raised platforms, on the N.W.R., which I presume has a length of over 6,000 miles, you have not given a single pice. The same is the case with the B. & N.-W. R., the B. N. R., and so on. The sum for amenities given is simply eye-wash. If you want to capture traffic from private lorries and buses, you must give more facilities. I am glad that after all a monopoly concern has to face competitors in the field. I am glad that now the Government has realized that the bus traffic has established itself and is to stay. That is a good omen. The railway must compete with private buses according to economic business principles. Railways must reduce the salary of the superior officers as well and in case they are unable to do so, some other method should be found to reduce their

scales of salaries and allowances. Then, the salaries of the drivers and guards were fixed in the good old days, before the 70's or 80's, when there was a great dearth of mechanically trained men in India. Some of the drivers, on an average, I think, make over Rs. 600 to Rs. 800 a month including allowances. That is preposterous. I know as an industrialist that you can get good, qualified mechanical engineers on Rs. 300 to Rs. 500 a month. To pay drivers Rs. 800 or so in these days when you can get plenty of men possessing those qualifications is not right. Most of the work is done by the Indian drivers, who still get a very poor salary. Senior drivers are purely practical men. Very few of them have theoretical training. To pay Rs. 600 to Rs. 800 to a driver who has no theoretical qualifications and only practical training is too much in these days.

Then, as regards amenities to the passengers, the cost of the five air-conditioned carriages, which have been made and which I presume carry 14 passengers each, is Rs. 2 lakhs. That means Rs. 2,857 per passenger. I am not one of those who say that these carriages ought not to have been air-conditioned. I say they should have been air-conditioned earlier. I advocated them in the Advisory Committee of the N.W.R. many years ago. Then, of course, the reply given to me was that my proposal was impracticable. I am glad that after so many years, the Railways have found from experience that it is practicable. I am glad that it has been adopted and is remunerative, because the people who would travel in them would pay the overcharge. I only cite that as an example. For the sake of 70 passengers you have spent Rs. 2 lakhs, but for nearly 50 crores of third class passengers, to be exact 49,38,35,000, in 1936-37, you are spending only Rs. 21 lakhs which works out to below seven annas per passenger. This is amazingly ridiculous. The time has now come when Railways are losing such traffic which is being diverted to the lorries, and they must look more after their third class passengers. To allot a paltry sum for the increase of improved third class carriages is practically nothing. It is an eye-wash, just like a crore of rupees for rural development in India. There are 800 to 1,000 villages in a district, and if it be distributed all over India, it was a mere drop in the ocean. So, Government, instead of spending Rs. 4½ crores on railway goods wagons should spend a substantial sum on amenities to capture the lost third class traffic. If you speed up your trains, particularly the goods trains, you will not have to buy more wagons.

THE HONOURABLE THE PRESIDENT: You have already exceeded half an hour.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I will finish soon, Sir.

I now come to surcharges. Nothing has been said by the Chief Commissioner or by the Railway Member on this point. Although we are in prosperous times, when there is a surplus of several crores, the surcharge on coal is not being withdrawn. This clearly indicates that the Railways are bent upon discouraging industries. The industries need coal, which is the basic raw material. I am amazed to find that the Wedgwood Committee do not understand the conditions of India. They have recommended an increase from 12½ per cent. to 15 per cent. That shows that the public was quite right in condemning the personnel of that Committee. I request the Railway authorities to do away with the surcharge on coal, particularly at a time when their surplus amounts to over Rs. 2 crores.

Sir, I find that the pooling of locomotive engines has, if my information is correct, practically doubled the consumption of coal, in addition to the engines being unnecessarily worn by want of time and attention. When a pooled

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engine arrives at an engine changing station the engine does not change but only the staff changes, and in the few minutes at their disposal they are not able to give and take proper charge of the engine. If I am wrong, the Honourable the Chief Commissioner will correct me when I say that now the coal consumption of the pooled engines has run to as much as double the tonnage of coal for a trip.

As regard second class accommodation, I find that the second class compartments are generally packed to the full and very much over-crowded. We find from the Red Book that on certain Railways the difference is very great. For instance, on the S.I.R. the average number of first class passengers in 1935-36 was 8.6, and in 1936-37 it was 9.5, against 110.3 and 99.9 second class passengers. Then on the E.I.R. for the same years it was 65.4 and 68.1 against 402.9 and 405.5 second class, respectively. So, on every fast train there ought to be as much more second class accommodation as there is a difference between the number of first and second class passengers carried.

As regards amenities, on the N.W.R. some of the amenities which now exist are being taken away. For instance, goods sheds which had covered sheds are being deprived of their covering which are being removed from one station to another. In that way the amenities which those stations were long allowed are being withdrawn. I asked the reason for the removal and was told that the inward traffic was not enough to justify it. But I can say that the outward traffic of one station is so much that it is desirable that the amenities which at present exist should not be withdrawn.

Again, workshop labour with service extending to 18 years or more is being treated as temporary, and as such is not counted in the allotment of communal proportions. I suggest that all employees whose service exceeds two or three years ought to be treated as permanent.

Before I finish I want to say a word about the contracts of the food vendors. It is known to the Railway authorities that certain traditional presents are said to have been made by the vendors to various members of the railway staff. Last year I represented that the contract for the supply of luggage porters ought to be auctioned. I wish Government would consider that point, because from that source they can get a good income. For the information of the Honourable Sir Thomas Stewart I might say that on the Delhi railway station some time back the wife of the Station Superintendent used to supply all the luggage coolies, and she used to go every morning to the station and take four annas as her tax from each cooly with the result that she was taking away from Rs. 100 to Rs. 150 a day. As a public man I reported that to the authorities concerned, the Agent of the Railway and the Chief Commercial Manager, and action was taken on that report. The Chief Commercial Manager visited Delhi, made enquiries and reduced that four annas tax to two annas. So there is a great deal of income in auctioning these luggage porter contracts. No inconvenience can be felt by passengers in this regard, because passengers usually pay the coolies much more than is indicated on their badge. But the taxing of these food vendors is another thing. It is said they have to pay so much to the station master, so much to certain traffic inspectors, and so on and so forth. They have to pay that in addition to the auction price or for rental or lease or whatever it may be; and all that certainly results in inferior food being supplied to passengers. I travel a lot on the railway and I remember the old days when these food contracts were not sold the quality of the food was much better. That system worked better than the present one will, and should revert to.

I do not want to take any more time. I hope the Government will give due consideration to the observations I have made.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan): Mr. President, we are as glad as the Honourable the Railway Member and the Chief Commissioner of Railways at their good luck in presenting a surplus Budget to us. It is, as the Chief Commissioner for Railways told us the other day, after a succession of bad years that railway finances have been able to look up. It is at the same time even a greater source of satisfaction to us that the Railway authorities are realising the need for economy, trying to bring down the operating expenses and, in order to improve traffic, taking into account the needs of third class passengers. It is a real pleasure to me to find that in their speeches both the Honourable the Railway Member and the Honourable the Chief Commissioner for Railways stress the importance of both these points. But, while I give credit to the Railway Department for the efforts that they have already made, I am unable to follow my Honourable friend the Chief Commissioner for Railways in the comparison that he has instituted in the matter of operating expenses between the year 1932-33 and the year 1937-38. Now, the year 1932-33 was the worst from the point of view of railway revenues. It is quite plain therefore that the operating expenses however low must have borne a fairly high percentage to the gross revenue. If I were to take a year in which railway revenues were extraordinarily high, say the year 1924-25, or 1927-28, or 1929-30, the comparison would not be as favourable as the comparison with the year 1932-33. If we were for instance to take the year 1929-30 which was the last year in which we had a surplus, I think it will appear that the ratio of operating expenses to the total revenue was about 51·3. Now, surely if we were to compare the years 1929-30 with the year 1937-38, my Honourable friend the Chief Commissioner would regard the comparison as extremely unfair. Yet by choosing a particularly unfavourable year from the point of view of revenue he has tried to make out that the operating expenses have fallen heavily.

THE HONOURABLE SIR GUTHRIE RUSSELL: I am quite prepared to take the year 1929-30 and compare it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I have given a wrong reference, I was speaking of the year 1927-28 and not 1929-30. It is in 1927-28 that the ratio of working expenses to gross traffic receipts excluding depreciation charges was only 51·3. Again, Sir, when my Honourable friend claimed credit for bringing down the operating expenses he ought to have explained to us how exactly the economies in connection with job analysis were effected. We should like to know to what extent the economy is due to the better utilisation of materials and to what extent it is due to retrenchment of staff, both lower and higher. It is only then that a fair comparison can be instituted. I do not by any means wish to detract from the value of the efforts made by the Railway authorities to keep down expenditure. But I am anxious that we should know the exact state of things. Unless the Railway authorities give us the detailed information that I have asked for it is impossible for us to have a clear idea of the extent to which the economies are really due to the keeping down of expenditure and not to the dismissal of the subordinate personnel.

While speaking about expenditure I should like to draw attention to the purchase of wagons and the utilisation of locomotives, carriages and

[Pandit Hirday Nath Kunzru.]

wagons, to which a brief reference was made by my Honourable friend Lala Ram Saran Das. The Wedgwood Enquiry Committee considered this question and the remarks that it has made on this subject are not at all complimentary to the Railway authorities. A statement was laid before the Public Accounts Committee which examined the figures for 1935-36 regarding the action taken on the recommendations of the Pope Committee. In that statement credit has been taken by the Railway authorities for having reduced the number of locomotives and of carriages. Now, the Wedgwood Committee takes account of the reductions so made and yet comes to the conclusion that the stock maintained is excessive. Take the locomotives first. Considering the number of locomotives awaiting repair and the maximum number available for use and the maximum number in actual use on any one day the Committee came to the conclusion that the number of locomotives was far beyond the actual needs. It had the same thing to say with regard to the stock of passenger carriages. Here we find that although traffic has gone down, the number of carriages, both broad gauge and metre gauge in 1935-36 has actually gone up since 1929-30. Again, the Committee points out that the fall in the train mileage "has little if any effect" on the cost of maintenance of either carriages or wagons. As regards the stock of wagons, there too on the whole, taking both broad and metre gauge wagons together, there is an increase in the number of wagons in 1935-36 as compared with the year 1929-30. The Committee adopted the year 1929-30 for the basis of comparison because that was the last year in which we had a surplus, although in that year the railway reserve fund was drawn upon to the extent of Rs. 2 crores. The Committee therefore recommended that the stock of locomotives was capable of reduction, and that the stock of carriages was high and should be more than equal to the requirements of increased traffic. As regards wagons, it came to the conclusion that though the stock was high it was not so to so marked an extent as that of locomotives and carriages and that in the absence of any large increase in traffic no substantial purchase of stock should be necessary for some years. Now, Sir, while this Report had been prepared, possibly when its recommendations were known in outline to Government, the Finance Committee was considering the purchase of new wagons and in June, 1937 the Financial Commissioner impressed on the Finance Committee the urgent need of entering into a contract for 6,095 wagons of which about 2,000 were to be delivered this year or next year. Now, I should like to know, Sir, why it has been necessary to purchase so many wagons so hurriedly. Was it really that the Government were totally unaware of the recommendations that the Wedgwood Committee was going to make or had failed to examine carefully the stock of wagons that they already had and to correlate them to their needs? I do not forget that during last year the traffic handled by the Railways has fortunately increased. Let us hope that it will go on increasing, but surely on the basis of the increase that had occurred by June, 1937 it seems to me that the Railway authorities were not fully justified in hustling the Finance Committee into placing an order immediately for a little over 6,000 wagons.

Another question of economy on which I should like to lay some stress is that of the state of finances of the individual Railway Administrations. Whenever we ask for any concession such as that of the adoption of a uniform lead or of permission to interchange routes where the Railways concerned are Government managed, we are told that the different Railways are independent of one another, that the effect of the concessions on their finances must be considered separately in each case and that consequently the concessions

asked for cannot be allowed. But, as my Honourable friend Mr. Hossain Imam pointed out last year, when it comes to the question of making up losses on individual Railways, all the Railways are taken together and treated as one system. For illustration, Sir, I will take the B.N.R. Now, I gather from the latest Railway Administration Report that this Railway has been a losing concern since 1924-25. Never since then, according to this Report, has it earned any profit. I should like to know from the Railway authorities what action they have taken in order to reduce expenditure on this Railway and to make it cut its coat according to its cloth? If there are special circumstances connected with the area through which it passes which place it at a disadvantage as compared with the other Railways, should not that fact be recognized in the character of the administration of that Railway, should not special efforts be made to cheapen the cost of the administration, to employ as far as possible an indigenous agency which would have to be paid less than a foreign agency and to have a less complex and costly system of administration than is prevalent in the other Railways? If the scrutiny of the expenditure of the different railway systems does not lead to some such result as this, it seems to me that there is no purpose in maintaining separate accounts for the different railway lines. If you spend money on having separate administrations, on having separate accounting systems, and so on, then it is your bounden duty to see that each railway system is treated according to its own financial circumstances and that a uniform system is not imposed on all of them, whether their revenues are capable of bearing the burden or not.

Another important point of the same character to which I would like to draw attention is that of the accommodation provided for upper class passengers. Now, Sir, the Wedgwood Committee considered this point and compared the years 1926-27 and 1935-36. It stated that in 1935-36 the number of passengers was only 47 per cent. of what it was in 1926-27 and the earnings only 73 per cent. Yet the accommodation provided for this class of passengers actually increased by 6 per cent. Now, what is the justification for this state of things? Economy as well as the urgent need for providing more accommodation for third class passengers should have made the Railway authorities more careful. Yet we find that the upper class accommodation has increased notwithstanding the decline in the number of passengers and of revenue, while complaints with regard to overcrowding in third class carriages are constantly coming in.

Just one more point with regard to this before I pass on to other considerations. Sir, the Railways have taken advantage of the difference between the current statutory rate of exchange and the rate of exchange in force at the time when liabilities yet unliquidated were undertaken by them to reduce the capital at charge by about 8½ crores. Well, I have no quarrel with the step taken so far merely as it leads to a reduction in the amount of the capital at charge. But this process, Sir, does not lead to any reduction in the amount of the rupee capital on which the Government of India have to pay interest and I find in the Report of the Public Accounts Committee on the accounts of 1935-36 that the interest on the sum has been transferred to general revenues, so that the general taxpayer has to pay the interest on this amount of Rs. 8½ crores by which the capital at charge has been reduced by the Railway authorities. Now, I should like either the Railway authorities or the representative of the Finance Department to explain to us fully the nature of this transaction and the justification for burdening the general revenues with the interest to be paid on this sum of Rs. 8½ crores. I should also like to know in connection with the Report of the Public Accounts Committee for 1935-36,

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what action Government have taken in regard to the reduction in the number of saloons which the Committee thought was excessive. I think it was stated before it in evidence that there was one saloon for every two gazetted officers. That is a high number in all conscience and when the Railway authorities claim credit for keeping down expenses we should like to know what action they have taken in this matter.

Sir, the Wedgwood Committee, to which I have referred repeatedly, referred to the unpopularity of Railways and asked the authorities to take immediate steps to rehabilitate the scheme in the eyes of the public. The Committee suggested two ways by which this very desirable, in fact necessary result might be accomplished. One was that greater attention should be paid to the needs and comforts of third class passengers and the other that the public must be assured that the Railways were not following an anti-Indian policy. Now, I shall take the first point first. Government admit the importance of taking all possible steps to attract third class traffic, but the Budget provides only Rs. 21 lakhs for the provision of special facilities for third class passengers. Now, I ask whether this sum is adequate for the purpose for which it has been set apart? There is competition between lorries and Railways. Railways must therefore be on the look-out to provide railway passengers with greater comfort than lorries can. In fact, as my Honourable friend Mr. Ramadas Pantulu pointed out, the Nizam's Guaranteed Railway have stolen a march on the Government Railways and have provided third class carriages with electric fans. Now, that is an example which the Government might well emulate. I hope it will yet be possible for them to take action to increase the sum set apart for the provision of special facilities for third class passengers. In this connection, I should like to mention specially the needs of Hardwar. That station, Sir, notwithstanding its importance both from

1 P.M. the religious and the railway point of view, was sadly—I might say, scandalously—neglected for a number of years. Efforts are being made now to set right that mistake. But it seems there is a fatality dogging the footsteps of the Railway authorities which prevents them from doing a good thing wholeheartedly. They have improved the Hardwar railway station in many respects, and paid attention to the needs of third class passengers. But, while they have broadened the platform, they have actually reduced the width of the shed over it. I should like to know why this has been done? Our demand all along has been that the entire width of the platform should be covered. The Railway authorities have generously responded to our demand by cutting down the width of the shed even as it was before they widened the platform. I have brought this point to the notice of my Honourable friend the Chief Commissioner for Railways, but I am sorry to say that he holds out no hope to me that action would be taken now or in the immediate future to redress the complaint that I have brought to his notice. The Railway authorities take credit for having spent a large sum of money on the Railways. A great deal of this is due to the need for handling traffic in connection with the Kumbh *Mela*. They ought to remember that they have to provide permanent facilities for third class passengers who go in large numbers every year to Hardwar. It is from this point of view that the covering of the platform is a matter of great importance. I hope that my Honourable friend the Railway Member will be able to give a reassuring reply on this point. If nothing can be done in the course of this year, I hope the necessary action to meet our grievances will be taken next year. I stress this point, Sir, because, the Hardwar Municipal Board, the Hardwar Improvement

Advisory Committee and the Local Government have been stressing the need for taking adequate action for handling third class traffic there since 1926-27. But the demands put forward, even when recommended by the Divisional Superintendent of Moradabad, were turned down by the Agent either on the ground that they were unnecessary or that the requisite funds were not forthcoming.

Now, Sir, I should like to refer very briefly to the second recommendation made by the Wedgwood Committee in order to enable the Railway authorities to make themselves more popular. We are aware of the opposition to the Ticketless Travellers Bill and the Motor Vehicles Bill. The opposition rests to a certain extent on economic grounds, but not wholly. It is partly due to political reasons. It is, therefore, the bounden duty of the Government to take every possible step in their power to assure the public that they are not following a policy contrary to the national interest of the people of this country. I will not refer to the higher services in this connection. I will say nothing with regard to the Railway Board on which not a single Indian is to be found at present. I will say nothing with regard to the post of Secretary to the Railway Board which with one exception has never been held by an Indian. But I should like to say one word with regard to the question of an Indian Agent. My Honourable friend Rai Bahadur Lala Ram Saran Das drew attention to it two years ago, and also last year. Sir Muhammad Zafullah Khan, in replying on behalf of Government, said :

“ The Honourable Member is no doubt aware that one Indian Agent has only lately retired. Another Indian Agent would no doubt be appointed as soon as a vacancy occurs, for which the most suitable selection will be that of an Indian officer ”.

A vacancy occurred on the E.B.R., but it was given not to an Indian, but to an European.

I will now refer to the subordinate services. This is a matter on which I personally feel very strongly. The higher services can manage to have their grievances voiced in this House, but the subordinate services are always at a disadvantage in this respect, and unless we make it a point to bring their grievances to the notice of the authorities, they can never hope for a fair deal. I will take up briefly, first, the question of general discrimination between Indians on the one hand and Europeans and Anglo-Indians on the other. This is an old question. It occupied the attention of the Assembly for nearly six years, I think, from 1927 to 1932. Changes were made in the rules as discriminating against Indians at that time, but sufficient steps have not been taken to obliterate the distinctions that existed at the time. Take Indian hospitals for instance. Indian patients are entitled to the services of nurses now but in practice they are left to be attended to by ward coolies. It is very difficult to get any evidence on the point which can be placed before the Railway authorities, but we, who go about and observe things, can see for ourselves that complaints of this character which reach our ears from time to time are largely justified.

THE HONOURABLE THE PRESIDENT : You have already occupied more than half an hour.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I will take only five minutes more, Sir. Besides, the nurses, even in Indian hospitals, are, with very few exceptions, Anglo-Indians. Then there is no provision for the confinement of Indian maternity cases in railway hospitals. Even in

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purely railway colonies, where no Government or municipal facilities exist, there is no provision even for trained *dais* or midwives. On the other hand, full provision exists for dealing with European cases. Then, Sir, take the question of equipment of running rooms and rest houses. There is a great difference between the equipment provided for Indian rest houses and those provided for Anglo-Indian rest houses. Even A class Indian guards who live in European style are not allowed to use the rest houses meant for Anglo-Indians. Take again the case of the headmasters in the Indian high schools and in the European school at Oak Grove. Not merely the headmaster but several of the assistant masters in Oak Grove are gazetted officers ; but among the Indian headmasters only one is gazetted, the rest for some reason or other are still treated as subordinate officers. These are only a few of the examples in my possession which go to show to what extent general racial discrimination prevails on the Railways.

Now, Sir, I turn to particular services. Take the mechanical service at Jamalpur to which reference has been repeatedly made in this House. The percentage of Anglo-Indians in training for various subordinate services was, I understand, 58 both in 1936 and 1937. Now, if you consider the position of the various provinces, I find that the United Provinces have been able to supply only one apprentice, although the E.I.R. draws a fairly large proportion of its income from that province. It is not that candidates from the United Provinces did not offer themselves. A large number went to Jamalpur but only one was chosen. Further, discrimination is exercised against Indians in the matter of the initial educational qualifications. Anglo-Indians are required to possess only the Junior Cambridge certificate, while Indian boys are required to have passed the High School examination either in the first or the second division. Take again locomotive requirements. Apprentice drivers were recruited only once. Since then no direct recruitment of drivers has been made. It is only firemen who are now recruited and no educational qualifications have been prescribed in their case. There too preference is shown to Anglo-Indians. Then take the case of foremen and assistant foremen. There is not a single Indian foreman or assistant foreman, I understand, in any engine shed on the E.I.R. My Honourable friend the Chief Commissioner for Railways said last year that the rules with regard to the training of apprentices had been changed and that soon more Indians would be under training. Well, I hope that his statement would be borne out by facts, but I should like to know why on the immediate present this scandalous discrimination is made between Anglo-Indians on the one hand and pure Indians on the other. There are many other examples of the kind that I could give but as I have already taken more than half an hour I do not wish to trouble the House with any more illustrations.

I should only like before I sit down to make two or three suggestions to the Railway authorities. The first suggestion I have to make is with regard to the purchase of the Railways the contracts of which might be terminated in the course of the year. Three branch lines can be acquired in this way, the Darjeeling Himalayan, South Bihar and Hardwar-Dehra Dun. I am specially interested in the Hardwar-Dehra Dun Railway. I hope that Government will give notice to the company which is running this Railway and acquire it when the present contract expires in December, 1939.

Then as regards the purchase of stores, we voice the complaint here year after year that the Company-managed railways do not adequately utilise the agency of the Indian Stores Department. This question was considered by

the Wedgwood Enquiry Committee and after considering all that the Railway Administrations had to say, it came to the conclusion that the Indian Stores Department had justified itself and that its agency should be more largely used in future than it had been done in the past. Yet in the year 1936-37, while the State-managed railways bought stores of the value of nearly Rs. 3½ crores through the Indian Stores Department, the Company-managed railways bought stores only to the value of about Rs. 28 lakhs through that Department. There is a difference between the total amount of the stores required by the State-managed and Company-managed railways, but not so large a difference as is indicated by the figures that I have quoted. I once more draw the attention of the Government to this important point and press them to use all their influence and power in order to bring the Company-managed railways into line with the State-managed railways on this important point.

Sir, Government are taking steps now to extend their research organisation. I welcome this. Our future prosperity depends not merely on our efforts to make economies but on our determination to utilise to the largest extent possible the results of scientific investigations. I for one would not grudge the expenditure that Government might incur on well-planned research schemes. But I ask them in this connection to consider the example set by the Imperial Agricultural Research Council. That Council is trying to utilise all agencies engaged in carrying on research work in the subjects in which it is interested. It is taking advantage not merely of the Government Agricultural Departments but also of the work that is being done in the Universities in this connection. Now, is it not possible for Government even though they may expand their own organisation to take advantage of and to encourage research work in the engineering colleges that exist in this country. I venture to think that if those colleges are encouraged Government would find in them valuable collaborators who may be in a position to making suggestions which would enable them to save lakhs and lakhs of rupees.

There is only one suggestion more that I would make before I sit down. That relates to the constitution of the Railway Advisory Committees in the provinces. These Committees discuss a large number of points but the public feeling in regard to them is that, generally speaking, they have failed. I confess that that is my own view also. This result is by no means surprising. Railways are a central subject, consequently the members of the Provincial Councils cannot be expected to be familiar with those features of railway administration which we have to deal with here year after year. It appears to me therefore that in order to increase the efficiency of these Committees and to enable them to discharge their duties towards the public steps should be taken to provide representation from the Central Legislature on them. I have no specific scheme to put forward, but it may be possible for instance, to ask, the elected Members of each of the two Houses to elect one Member from amongst them of the province concerned to sit on the Advisory Committee of that province.

THE HONOURABLE SIR DAVID DEVADOSS : That has been done.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Where has it been done ?

THE HONOURABLE SIR DAVID DEVADOSS : Members of the Central Advisory Committee are represented on the local Committees.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It may have been done in some Railways, but what I have asked for has not been done in the Railways with which I am familiar.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : These Committees are likely to be abolished soon.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I do not know what is in store for these Committees, but I do not see any reason why they should be abolished ? On the contrary I see good reason for strengthening them so that questions that have to be brought forward in this House might be discussed with the Railway authorities immediately concerned.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : They meet quarterly now instead of monthly.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : This is another point that ought to be brought to the notice of the Railway authorities, so that the Committees may if necessary meet oftener and their usefulness and efficiency may be increased.

Sir, I have no further suggestions to make, but I would ask the Railway authorities before I sit down to consider earnestly the question of greater provision of facilities for third class passengers—

THE HONOURABLE THE PRESIDENT : That is a very big subject.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I have already dealt with it, Sir, and the removal of racial discrimination, the galling discrimination to which I have ventured to draw attention. My Honourable friend the Railway Member has assumed his new responsibility recently. We bring these points to his mind while his enthusiasm is fresh and we hope that when the Budget is presented next year he will be able to come forward and claim with pride that he has done all that lay in his power in order to make both the public and the railway employees feel that the Railways are meant to serve the needs of this country and will maintain the self-respect and dignity of its people.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : We are indebted to the statement made by the Honourable Member for Communications and the Honourable the Chief Commissioner for Railways for the very clear exposition of the position of our largest national asset, representing an investment of nearly Rs. 800 crores. The disquieting fact is clearly set forth in the opening paragraph of the speech made by the Honourable the Communications Member. It shows that while our net revenue under normal conditions is Rs. 29½ crores, the interest charges range round Rs. 29¼ crores. It is evident that interest absorbs almost the whole of the net revenue. I may be permitted to enquire if any examination has been conducted by financial experts with the object of reducing the interest charges ? To me it seems most desirable that interest charges should be reduced by some system of funding and by annual reduction of railway loans.

Another point which deserves the attention of the Government of India is, how quickly a rise in the price of agricultural produce contributes to an increase in railway income and, equally, a fall in prices of produce registers a

decrease? Thus abundantly proving the need of improving and stabilising prices of agricultural produce at a high level. I do not wish to dwell on this point, as I will be speaking about it in my Resolution a few days later. I wish, however, to remark that prosperity of the Railways depends entirely on the prosperity of the people.

I read a very interesting speech by a Railway Engineer a few days ago, recommending research in modernising the whole of the rolling stock and the track. I do not pretend to have any expert knowledge, but it stands to reason that if discoveries made in connection with the motor transport are utilised in improving our rolling stock and track, they may lead to large savings in the working expenses. On the administration side the Wedgwood Committee have made very valuable recommendations and this House may require that definite reasons should be shown why these recommendations have not been implemented. I wish to repeat what has been so strongly advocated in both the Houses, that our workshops should be fully utilised in producing all the requirements for the Railways in India itself. The longer we delay the manufacture of all our requirements, the longer we prevent the growth of the heavy industry in this country. It is only by taking up the work that our workshops can become capable of manufacturing all the railway needs. The delay in the long run will prove more expensive than seeking cheap markets.

The Honourable Member for Railways mentioned the rise of price of iron and steel. He must be aware that within the last month or two the prices have dropped by at least Rs. 100 a ton. This is the time to make purchases on the one hand and on the other to help the local industry.

I am glad to find that it is proposed to make large scale experiments on the N.W.R. by introducing rail cars. For short distances no better means of transport are at present available and some of the branch lines could be made remunerative if rail cars catered for all passenger traffic requirements.

In areas served particularly by the N.W.R., where no coalfields exist, the use of electricity and power alcohol deserve careful consideration.

I am not quite sure if the experiment by the Railway of running their motor service on the Jhāng-Lyallpur road will not deprive the people of the districts of taking advantage of this road. I am not prepared to consider that a State should create equality of competitive conditions, which means nothing else but taxing the travelling public, not only in the interest of the Railways but also in the interest of the motor owners.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I rise to congratulate the Honourable the Railway Member and the Honourable the Chief Commissioner for Railways on presenting us with a surplus Budget this year. This surplus, Sir, is more appreciated by the provinces as under the constitution the provinces will be able to gain something if the Railways contribute to the general revenues. I wish and I hope that the Honourable the Railway Member would be fortunate in presenting us with a surplus Budget every year in future.

[Mr. V. V. Kalikar.]

Sir, I want to say a word about the Wedgwood Committee's Report. Without meaning any disrespect to the Committee, I would call it an anti-gangmen Committee. Sir, the constitution of the Committee was vehemently opposed by public men in India and the Report was condemned by the other House last session and we also on this side of the House rejected practically all its recommendations. Sir, I feel rather in good company in rejecting the Report of this Committee as I read the words of my Honourable friend Sir Guthrie Russell, that action had already been taken by the Railways on their own initiative and on the recommendations of the Pope Committee on many points on which the Wedgwood Committee made recommendations in their Report. Then the question naturally arises, Sir, why this Committee was appointed and why so much public expenditure was incurred for the formation of this Committee? Sir, it is rather surprising that some of the recommendations which the Committee have made and which are in the interests of the Indian taxpayer have not been given effect to by the Railway Administration. I refer in this connection to the purchase of wagons and locomotives and if that recommendation had been given effect to I understand about Rs. 4 crores would have been saved. Then, Sir, the recommendation of the Committee about appointing supervising staff is to be brought into practice, as I find from the Blue Book that has been circulated to us. Now, in this connection, Sir, I submit I suspect that the feeling of anti-Indianisation is rampant in the Railway Administration. Sir, the Railway Administration have given credit to our young men as I see from the paragraph on page 2 of their statement. It is said there that—

“the scheme recommended by the Enquiry Committee for the filling of gazetted posts of the Mechanical Engineering Department is, in its essentials the same as that now in operation on the Railways. Boys who have been trained at Jamalpur Works of the E.I.R. and afterwards for two years in England have not belied our expectations and generally speaking are proving to be suitable and efficient officers”.

That is a good certificate to the young men of India and if that is so, if the boys who have been trained at Jamalpur are proving a success, then, Sir, I do not find any reason why they should accept the recommendation that for a limited period a limited number of supervising staff is to be imported from abroad. Is it anti-Indianisation or is it because our boys are lacking in technical knowledge which the Railways require for supervising purposes? Sir, my Honourable friend Mr. Kunzru has in his elaborate discussion of this Budget shown how the anti-Indianising spirit or the discriminating policy of racial discrimination is rampant on the Railways. I go one step further and I accuse the Railways of making that spirit more rampant in the Railway Administration. I find, Sir, that in the Railway Board they have not found any competent Indian to look after the affairs of the Administration. After Sir Raghavendra Rau left us, no Indian has been appointed to that post. Well, Sir, to me it appears that there is something wrong with the Railway Administration or there is a distrust for the capacity of Indians to manage their own affairs. We find that Indians have to their credit been carrying on not only the administration of the provinces but they have been found up to the mark in the higher departments of the Government of India. Sir, after the Round Table Conferences a policy was enunciated that Indians should be associated in almost all the Departments of the Government of India so that they may be able to know what the administration is and they may be able to grasp the real work of the administration. But, Sir, it is a matter of great surprise to us, especially on this side of the House, that no Indian has

been found fit to be a Member of the Railway Board. I therefore, Sir, raise my voice in protest against this action of the Railway authorities.

Now, Sir, I have to say a word about the rebates that have been granted to the two countries, Afghanistan and Iran, by the N.W.R. and the E.I.R. I understand that the Committee of the Indian Chambers of Commerce, Calcutta, had written to the Railway authorities to take steps to remedy this grievance. Their stand is that by giving these concessions to these two countries Railways are indirectly encouraging foreign goods and thereby discouraging the indigenous goods to go abroad to those two countries. Sir, if the position taken up by the Indian Chamber of Commerce is correct—and I have no doubt it is correct—I think it is the primary duty of the Railways in India to give more encouragement to indigenous goods than to foreign goods. Moreover, we have received complaints from the Indian traders in Afghanistan and Iran that they are not being treated fairly and that various disabilities have been put on their trade so that they cannot compete with other traders there. So, why should we, the Railways in India, show any concession to these two countries where our nationals are being treated unfairly?

I am not in a position to congratulate the Railway authorities because they are going to spare about Rs. 21 lakhs for providing amenities to third class passengers. They admit that the lower class passengers are their best customers. If so, it is the primary duty of the Railway Administration to look to their comforts. My Honourable friend Mr. Kunzru has voiced the grievances of third class passengers. He has specially brought to the notice of the House the complaints about Hardwar station. I read the other day in the papers that the Railways have chartered an aeroplane, and they are going to distribute handbills and leaflets. That aeroplane is going to fly over Allahabad, Benares and Gaya, and an officer has been engaged to tour from Delhi to Gaya to induce third class passengers to go to the Kumbh *Mela* at Hardwar. All this is good from the publicity point of view, but I submit you have to look to the amenities also of the third class passengers. We have just heard a complaint that the platform at Hardwar station is not covered well. We have just heard a complaint about the width of the platform there. Sir, by this propaganda you induce the third class passengers to go to the Kumbh *Mela* but you ought to see that the people who go there have proper amenities. They should not be treated like cattle and beasts.

I have heard complaints about the quality of food that is being supplied to the passengers, especially third class passengers, on the Railways. One of the reasons given by the contractors is that they have been asked to pay very heavy charges for the rent of the stalls, and exorbitant fees for contract. These grievances have been voiced both in the press and public, and if they are true, the Railway Administration should lower these rates, so that the third class passengers may get good food at a cheaper rate. It is only the lower class passengers who suffer, and so it is the primary duty of the Railways to look into this.

Sir, I congratulate the Railway authorities on their making an attempt to purchase the requirements of Railways from Indian manufacturers. As I read the speech of the Honourable the Chief Commissioner, I understand the Railway authorities are trying their utmost to do this. I heartily congratulate them on this. But I would go further and add that the demand voiced by the public about the manufacture of locomotives should again be investigated and, if possible, even locomotives should be manufactured in India.

[Mr. V. V. Kalikar.]

That would be a great help to the industries of India, and that would give employment to many of our youths who are out of employment now-a-days. This point should not be neglected. The Railways should first minister to the needs of the Indian industries instead of encouraging foreign industries.

I now come to co-ordination between road and Railways. I am very glad to find that the Railways have admitted that motor transport has come to stay in India. I am one of those who think that there ought to be a co-ordinating policy between Railways and the road. But, Sir, I cannot agree on one point, and that is, starting of motor services by the Railways. To my mind, it appears that it will kill the competition and it will ruin all private enterprise. If there are any drawbacks in the private enterprise, the Provincial Governments by legislation will set the matter right. But I cannot appreciate the Railways entering into competition with private enterprise and crushing the industry which is being managed at present by, I may say, the vested interests or by private individuals. I understand that they are going to start buses in the Punjab by way of an experiment. But I would like the Railways to consider this point seriously, namely, whether they would not interfere with private enterprise there. I therefore suggest that the Railways should not come in the way of private enterprise.

One word more and I have done. I once more heartily congratulate the 3-5 P. M. Railway authorities over the action they have taken in connection with the purchase of railway stores in India. But I would further suggest to them though the question of locomotives has been decided long ago, they should investigate that matter further. We on this side of the House are very serious about the manufacture of more locomotives in this country. We hope that the Railway Administration will be run in the interests of the industries of India, and we desire that the Railway Administration by lowering their freight rates should give more chance for the internal trade to expand, and by lowering passenger rates the people should be more encouraged to use Railways and the Railways should look to the comfort and necessities of the lower class passengers.

THE HONOURABLE MR. G. S. MOTILAL (Bombay Non-Muhammadan): Sir, the Budget estimates for the next year are based entirely on the revised Budget figures for the current year, so far as its main features are concerned. To review the current year's Budget is as much as surveying the next year's Budget. I shall, therefore, deal with the broad aspects of the current year's Budget.

Those of us who have been watching the course of the railway finances through official statistics published every ten days were not unprepared for a larger surplus this year than the amount budgetted for originally. Last year the Railway Commissioner Sir Guthrie Russell expected only a surplus of Rs. 15 lakhs but the improvement in trade, commerce and industry of the country has given him a bounty, in the shape of a surplus of more than Rs. 2 crores, which has enabled him to present a cheerful picture of railway finances, I have no doubt he is happy over this and so are we. I do congratulate him, Sir, on his good luck in having this year not an insignificant surplus after passing through six long years of depression and anxiety, resulting in a total deficit of no less than Rs. 41 crores and 63 lakhs. During this period of deficits, Sir, the Railways ceased to make any contribution to the railway reserve or

to the general revenues. On the contrary we have had to draw upon the Depreciation and Reserve Funds. From the Depreciation account we took no less than Rs. 32 crores and nearly Rs. 18 to Rs. 19 crores from the Reserves. We thus came to live upon our reserves. After passing through a period of such stress and strain, it is relieving that we have at least a surplus though small compared with the surpluses of the more prosperous years of 1924—1929. For a correct appreciation of the railway finances of this country, we must consider the effect of separation of the Burma Railways consequent upon the constitutional separation of that province from India. During the period of six years of consecutive deficits, the share of Indian Railways therein only amounted to Rs. 38 crores and 53 lakhs and that of Burma to Rs. 3 crores and 10 lakhs. In the year 1936-37, the surplus from Indian Railways was Rs. 145 lakhs but the deficit of Rs. 24 lakhs of the Burma Railways reduced our surplus to Rs. 121 lakhs.

A close examination of the railway finances reveals, Sir, that the prosperity of Railways is insuperably bound up with the prosperity of trade, commerce and industry in the country and goes hand in hand with the latter. This is best illustrated by the history of railway finance in this country during the last 14 years when we find that the prosperity of Railways closely follows the rise and fall in the volume of trade and industrial production. The figures for 1924—1929 show that the railway earnings were, on an average, nearly Rs. 95 crores. These were also the years when India had very favourable trade balances. The decline which set in during the later years (1929—1935) in the export trade of India coincides with a corresponding decline in the gross traffic receipts from Railways too. From an average of Rs. 95 crores in this period, the gross receipts began to fall, the lowest figure in one of these years touching Rs. 81 crores. It is important to note here that although the mileage was increasing every year from 1924, rising from 25,000 miles in 1924 to 29,500 miles in 1931, the gross traffic receipts began to decline. In the year which is about to close we find that our earnings have not yet reached the 1924-25 figure in spite of our having an extra 4,000 miles of railways. This consideration leads us to the conclusion that a great deal of effort is necessary if our railway finances are to be rehabilitated, and the Railway authorities cannot rest on their oars, notwithstanding the appearance of a fortuitous surplus this year or next. The very "restrained optimism" of the Honourable the Chief Commissioner for Railways points to the same inference.

It is the war scare, Sir, resulting in the demand for more raw materials, that has contributed to the improvement of goods earnings on our Railways, and not any planned and sustained efforts on the part of the Government to improve and regain the lost ground in our export trade and industrial economy, that has brought about the present happy result.

To depend on mere casual circumstances for the prosperity of the country or of the Railways partakes of Micawber's policy of drift rather than one of constructive business.

I have noticed that it has become a fashion to lay undue emphasis on the importance of third class passenger traffic to the Railways. These friends ignore that the mainstay of our Railways are trade, commerce and industry of the country. Taking the figures for 1936-37 what do we find? The statistics disclose that out of the total gross earnings of Rs. 108·07 crores for all Railways in 1936-37, more than two-thirds, namely, Rs. 69·80 crores is derived from goods traffic and less than one-third from passenger traffic.

[Mr. G. S. Motilal.]

I am, however, prepared to admit that out of the one-third of the total revenue derived from passenger traffic, the largest part accrues from third class passengers with whose needs I have the fullest sympathy.

While on this subject, I must confess that unless there is a complete change in the attitude of the Government towards the trade and industry in the country as a whole and their policy in these two spheres fully identifies itself with national interests, no efforts on the part of the Railway authorities to reduce the operating charges and effect economy by various means, essential and laudable as these are, will by themselves contribute to any substantial degree to the increase in traffic earnings. This depends largely on the statesmanlike policy which controls the movements of exports and imports of raw materials and merchandise not to the detriment of Indian interests, but predominantly in their favour. Unless the prices of our agricultural commodities rise up, and the purchasing power of the masses improves, the Railways will not be able to show a worthy record of their achievements. All other measures at improving railway economy will, however beneficial and productive of good results, touch only the fringe of the question and not go to its root.

Based as the rating policy of the Railways is, more on our foreign trade than on the movements of internal commerce, the volume of the foreign trade materially affects our railway revenues. The over valued rupee has been detrimental to our export trade and has deprived the Railways of large revenues. I know that Sir Guthrie Russell has no control over the exchange policy. But is it not incumbent on the Government to help this great national industry and improve its finances by restoring the rupee to its former level, which will give a stimulus to our export trade?

The Honourable Member in charge of Communications is a Member of the Government and I consider it my duty to impress upon him the necessity of taking measures for radical improvement which railway finances urgently call for.

Other important points of railway administration have been ably dealt with by the speakers who have preceded me and looking to the short time at my disposal I do not propose to go over the same ground.

In the face of a rising competitor like the automobile and the bus, offering cheaper rates of fares and freights, the railway traffic policy needs a complete overhaul. To meet the serious competition from the road, the Railways should so adjust their freight rates as to attract traffic, and make it economic for the users. Why should the Railways grouse if the roads absorb more and more traffic by offering cheaper rates and better facilities than they do? It is a sound dictum of economics that cheap transport should not be killed. It should survive.

But for the slump in the two important agricultural products, namely, cotton and oilseeds, our goods earnings would have shown still better results. The detailed figures relating to wagons (in terms of 4-wheelers) loaded on both broad and metre gauges from 1st April, 1937 to 20th January, 1938 show that while there has been an all-round increase in regard to coal and coke, grains, home line stores and materials there has been a marked decline in regard to cotton and oil seeds, the deterioration in the last two mentioned products reaching as high a percentage as 22.7 and 16.6 respectively compared with the corresponding figures for the last year for the same period. It is rather regrettable that Government have not taken any effective steps to stem the

slump in time and retrieve the situation. Suggestions were made to Government by the interests concerned and Chambers of Commerce, but as yet the wheels of the administrative machine does not seem to have moved in the matter.

It is high time, Sir, that our Railways are managed with a definite purpose and a clear-cut plan, at least in a way that will not lay them open to the charge that they are merely drifting with little concern for the huge capital invested, and less appreciation of the important function of the public utility service under their charge. The interest charges have gone up by Rs. 3 crores. Every effort must be made to economise expenditure and enlarge the scope of income and capture traffic. Our aim must be that this greatest industry of the State is so conducted and managed that without depending on any fortuitous circumstances that might come to its rescue in any single year, it pays its way, and contributes its share to the enrichment of the State not only by giving its quota to the general revenues but in various other ways of encouraging trade and industry in the country. In this way only can the Railways justify their title as a national asset.

I would draw the attention of the Honourable Member for Communications to the lack of statistics in regard to an important matter. The Red Books do give us some very valuable statistics no doubt, but there has been a feeling and a very wide complaint—a long-standing complaint—against the Railway Administration that its rate policy favours foreign trade at the expense of internal trade. This has been admitted on occasions by persons in responsible positions and the Industrial Commission also expressed its agreement with this view. A long time has elapsed since the Industrial Commission reported and other Committees and Commissions took notice of it. In order that we may have some data before us to examine the position afresh, it is necessary that there should be some statistics available to the Members of this House which would enable them to ascertain the quantity of goods which are carried by the Indian Railways and the portions thereof taken to port towns.

Such figures are necessary to form an idea of the quantities that are exported and the quantum that remain in the country; secondly, as to how far the internal trade is subordinated to foreign interests; thirdly, to what extent the Railways help internal trade and at the same time advance the prosperity of the country by helping the export trade.

Sir, we have now a surplus of Rs. 2½ crores this year and a similar surplus is expected for the next year which I hope will materialise. At a time like this I should have expected the Railway Administration to give some relief by reduction of coal surcharge. The coal traffic has given added income to Government to the tune of 10 per cent. so far. If in view of this 10 per cent. additional traffic, some relief had been given, some portion of the surcharge had been removed, it would have helped the industrial activities of the country.

Another point which I should like to refer to is, the rebate which is being given for traffic from Calcutta to Afghanistan and Iran. Two Chambers of Commerce of Calcutta have complained and rightly complained that that rebate should not be given only to goods which are taken from such a long distance as Calcutta to Afghanistan and Iran. It really amounts to giving a subsidy to foreign trade. I hope the Communications Member will deal with this point and enlighten us as to how far this charge is correct, for what purpose this rebate is being given, whether such help is given to internal trade, what rebate has been given for goods which are taken not only from Calcutta but from the interior of the country to Afghanistan and Iran.

[Mr. G. S. Motilal.]

Sir, I know there are other Honourable Members who are anxious to speak and I will therefore not take up more time of the House.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal : Non-Muhammadian) : Sir, I am glad to find that the Honourable the Railway Member and the Honourable the Chief Commissioner for Railways have presented a Budget showing a surplus. I fully appreciate also, Sir, the wise policy of the Honourable the Railway Member for his desire to obtain a large part of the requirements of the Railway Department from manufacturers in India instead of having to import them from abroad. I find that the Honourable Sir Guthrie Russell has in his speech made a reference to the Report of the Wedgwood Committee. It may be within the recollection of the House that in the last Budget session adverse criticisms were made by Members on this side of the House on the question of appointing an expensive committee of foreign experts to the entire exclusion of suitable Indians. On seeing the speech of the Honourable the Chief Commissioner for Railways, it is evident that the Railway authorities have already taken action on the major portion of the recommendations of the Wedgwood Report either on their own initiative or as a result of the suggestions of the Pope Committee. Again, Sir, the Wedgwood Report laid great stress on better service to be rendered to the public, which is also not receiving the proper attention of the Railway authorities. I find a sum of Rs. 21 lakhs only has been set apart for the comfort and convenience of third class passengers. Then, Sir, what is the good of such a committee whose recommendations on subjects on which they give authoritative views have not been taken into consideration? Sir, this being an admitted fact, our criticisms made 12 months ago appear to be justified inasmuch as we have had to spend a large amount on this Committee without any reciprocal gain. I have therefore to submit with all earnestness that in future the Legislatures be consulted before the formation of any committee.

Sir, it is a matter of deep regret that proper amenities have not been given to the travelling public at Hardwar station where I understand some portion of the platform is yet without a shed. May I draw the kind attention of the Honourable the Railway Member to this and ask him to remedy this long felt grievance of the public before the ensuing Kumbh mela.

Before I conclude may I request the Honourable the Chief Commissioner for Railways to do away with the system of leasing out food stalls now in vogue on some Railways to the highest bidders and to particular persons for a large area as this leads to a deterioration of foodstuffs or makes them very expensive. I understand that this view of mine was shared by Sir Guthrie Russell himself when he was Agent of the G.I.P.R.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce) : Sir, we are among those who have always hoped for the day when there would be in this House a Member for Communications and we are extremely happy that Sir Thomas Stewart now occupies that position. We have always had great sympathy with Sir Guthrie Russell in his bad times and we share with him the pleasure of his better time which he now reports. I must admit that I myself think that present conditions make estimating extremely difficult and I only hope that the optimism reflected in his Budget will be in time justified. The Railways in India are one of the biggest assets in the country, and one of the biggest employers of labour—I think the biggest individual employer—and as such I think it is very important that they

should set an example in every respect to the industrial community. They and all big industrialists have an opportunity and the duty to assist, as far as they can, and I think they can to a considerable extent, in the avoidance of excessive booms and excessive slumps. A great deal can be done in that direction by wise expenditure from time to time on capital account; buying as far as possible equally during bad times and good times, and taking a long view of requirements. From the purely selfish point of view this is good for the Railways who will in that way reduce the average cost of articles purchased. While *prima facie* it would seem that this will not be good for the sellers, it is a fact nevertheless that it usually pays sellers as well as buyers because they are able to work steadily and with stability over all the years rather than a lot in one year and a little in the next.

Then I hope that my Honourable friend will take great interest in the subject of accounting because if you do not know exactly what your results are I always feel that you are in an unfortunate position.

I am glad to see that in one place he says "working expenses including depreciation". I agree with that. I think depreciation is a working expense and ought to be regarded as such. The only difficulty about it is that you have to estimate it. Then having found out exactly what your results are, I hope you will keep something in hand because half our troubles in the past have been due to the fact that we have not had any reserves. I myself would put it this way, that part ought to be handed over to the general revenues and only such a sum kept in reserve as would be distributed to shareholders as dividends. I appreciate that the general revenues want as much stability as they can get in the amount they receive from the Railways but as to that I would myself create reserves for that purpose, from a general reserve or a particular reserve just as is done very commonly in commerce.

I would like to say a word or two about coal. I think due regard should be paid not only to the economical and efficient running of the Railways from this point of view but also to the coal industry as a whole, and ultimately, all decisions in that connection should be based on the economic effect on the country.

I think too little notice has been taken of the success of the job analysis. I think some of these figures are extremely striking. I have here figures showing that for every Rs. 11.61 spent between 1933 and 1937, there was a saving of Rs. 175. I think that is a tremendous thing and the Railways ought to be very heartily congratulated on that. I would ask them to remember—certainly, in my experience, it is necessary to remember—that a job of that kind needs to be gone over continually, at any rate from year to year, or every five years. It is never done for ever.

I welcome the remarks about publicity. I was personally, at one stage, in India very doubtful about the value of publicity, but my experience is that it does pay.

Then I come to co-ordination of different forms of transport. Here, again, the economic benefit to the country as a whole is the prime consideration. I hope the Member for Communications will take the broadest possible view of this subject, and particularly will not only improve the service and accelerate railway transport where there is competition from other forms of transport but also wherever it is practicable to do so. In the long run, I am satisfied that that is the prudent course from the financial point of view of the Railways themselves, apart from being what is a greater thing—the best course in the interests of the country as a whole.

[Mr. R. H. Parker.]

I think it was the Honourable Mr. Pantulu who suggested that you might compare the life of a bus and the life of coaches on a railway. I do not think any public utility undertaking could be financially soundly run if you take that line of thought. The normal life of a bus is something like five years and the normal life of a coach is something like 30 years. If you start scrapping a thing after five years when you ought to use it for 30 years, no doubt you will find yourself in a peculiar financial position.

THE HONOURABLE MR. RAMADAS PANTULU : I did not suggest a comparison between the lives of the two. My reference to buses was for a different purpose.

THE HONOURABLE MR. R. H. PARKER : I thought you did. I am sorry. Somebody else wanted to make locomotives in India. If he saw the estimates of what it would cost, I have no doubt he would change his mind.

One other thing. We have good experience of in the last year too, and that is, our contacts with the Railways from the commercial standpoint is extremely satisfactory and I hope that will continue. That is a great thing.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, before I commence my remarks on the Budget, permit me to congratulate our former colleague Sir Thomas Stewart on the occasion of his return to this House, after his translation to higher spheres. This is the first time that he has come back to us as the Communications Member, and I welcome him on behalf of the Council. (Applause.) Sir, I congratulate the Chief Commissioner on his good fortune in presenting to us a more rosy picture of the railway finances than I had ever heard in the eight years I have been in this House. I have purposely avoided calling it a surplus Budget, because I feel that it is not a surplus Budget. It is only when you come out from darkness that you feel that even the light of a hurricane lantern is good light. But if you had lived under arc lamps, you would feel that you have come into darkness. Similarly, the Railways have done much better in the past, and we hope that they will do as they did in the past. They have not yet come up even to the standard figure. They have not secured even pass marks. They would have secured pass marks if they had paid the quota due to the general taxpayer at the rate of one per cent. which they have not done for the last seven years.

THE HONOURABLE THE PRESIDENT : You do not believe in cycles of good and bad years ?

THE HONOURABLE MR. HOSSAIN IMAM : The bad years have lasted too long. May I say that when they had deficits in the past, our Honourable colleagues on the Benches opposite used to plead that the real guilty party was the trade depression, and the Administration were not to blame for the deficits that had become so common a thing in the Railways ! May I hope that now that they are out of the wood, they will give due credit to the trade revival for their prosperity and not feel that they have nothing more to do and think that because they are out of the wood, everything is the best that could be ? If the Railway Administration are now thinking in terms of prosperity they are likely to forget all the lessons of the past. They may become less vigilant and more careless. With the return of prosperity it is more necessary that headquarters should control the expenses than when we are

in bad times ; because then everybody feels that he is in difficulties and wishes to curtail expenditure, but it is different now, when we have for the first time turned the corner, and are able to pay a part of the contribution which was due from Railways. But you are not able to pay your past loans from the Depreciation Fund, and your over due contribution to the general revenues. You cannot pay even the full quota due from you for the current or coming year.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Sir David Devadoss.)

I am afraid that people down below may feel that they can relax their control and live as they used to live formerly when we were in prosperity. The result of that feeling of self-complacency was that we over-capitalised the Railways to the tune of about Rs. 80 crores. It has been generally admitted by both sides of the House,—I mean the Government side as well as the public,—that there is over-capitalisation. That over-capitalisation is causing us great difficulties at the present moment. Over-capitalisation of Rs. 80 crores means that at the current rate which you are paying for the later day debts—4.75 per cent.—we are paying Rs. 3.80 crores as interest for over-capitalisation. The first essential, as perhaps my Honourable friend Mr. Parker will admit, is to write down this over-capitalisation,—the goodwill, you might call it,—because it is not a paying proposition. What efforts has the Railway Administration made to write down this over-capitalisation ? I have been told that there is no possible method to write it down. They are not able even to pay up due demands; how can they then lay up something for their future good ? But there is a method. Where there is a will there is a way. If the Finance Department were to agree it would be possible to find a method whereby you could write down your capital without very excessive cost. I refer particularly to the short-dated loans of the Government of India which are likely to mature this year and in the two or three years ahead. If the Government of India were to hand over those scrips to the Railways and the Railways were to convert them into redeemable debentures repayable by annual drawings ; we would get accommodation in the market at the present moment at about 3 per cent., and if we could lay down 5 per cent. we would pay back the whole amount in 31 years. This we could do without in any way entrenching on the privileges of the general taxpayer, because at the present moment the position of the Government of India is that 80 per cent. of their loans are represented by commercial departments and only 20 per cent. represents their own borrowings, strictly speaking. So it would not be hard on the Railways or on the general taxpayer. We are paying at present 4.75 per cent. on the later day loans. If we could take up the responsibility for, say, Rs. 30 crores of loan from the Government of India and change it into redeemable stocks we would have to pay just Rs. 5 lakhs more than we are paying in interest, with the further advantage that in the course of 32 years the whole of this debt will be wiped out. I need not labour the point. Suffice it to say that I wish that the Government would explore methods whereby they could write down this over-capitalisation.

Coming to the Budget proper, I find that the Administration have forgotten the lessons of the past. Since 1932 or, to be exact, from 1931-32, whatever was our capital at charge on the 31st March, 1932 had not been exceeded till the present day. With certain variations it had remained below that figure, and this is the first year that we are going to exceed that by Rs. 2.75 crores in the capital at charge. That is exactly the method by which the Railways had made their rake's progress in the six years of prosperity

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when they had increased their capital at charge by Rs. 100 crores without increasing their takings. We are again embarking on the same sort of adventure. Why I say this will be borne out if I just cite a few details to you. It is common ground that the two Railways, the E.I.R. and the B.B. & C.T., are the best payers. If you eliminate these two Railways your railway finances would crash and you would have to resort to borrowing. They contribute nearly Rs. 5 crores over and above the interest charges for making good the deficits and losses in other Railways. Now these two model Railways are going to increase their capital by Rs. 34 lakhs only next year. One is going to increase it by Rs. 22 lakhs and the other by Rs. 12 lakhs. But what happens in that Railway which is near enough to the Honourable the Chief Commissioner and has access to the Simla heights, the N.W.R. ? That Railway is going to increase its capital by Rs. 60 lakhs, although it is unable to pay the interest on its present capital. The E.B.R. is in the same boat with the N.W.R. and is not able to pay its interest charges even on the present capital at charge and it is going to increase its capital too. Between them these two Railways are going to increase their capital at charge by Rs. 1 crore and 8 lakhs, while the former two I mentioned are going to increase their capital by Rs. 34 lakhs only. The more efficient a railway is the less it wants to increase its capital, and the more inefficient an administration is, the more it wants to increase its capital, and that is because it does not bother who will have to pay for it. I would refer to another matter of a like nature which will illustrate how the mentality of the Administration has changed. Look at the B.N.R., that model of iniquity, which can never be in a prosperous condition and which is sure, because it has got a contract, that it cannot be touched and that it will receive its payment. It is a strange sort of contract that we have, to finance all the deficits and to meet all the losses while we have no control; and their share in the concern is less than a twentieth part of the capital and yet they must have full control of the administration. A more one-sided contract you have never heard of. Now, the B.N.R. hope to get in the next year Rs. 10 lakhs more than in the current year; that is the estimate. But the estimate of the expenditure goes up by Rs. 20 lakhs, so that we would have been better off if we had not earned that Rs. 10 lakhs; we would then have saved the Rs. 10 lakhs from the expenditure side. That is the B.N.R. The M. & S.M.R. are as bad. Their income in the coming year is expected to be Rs. 71 lakhs less than the last actuals, but they are going to decrease expenditure by only Rs. 4 lakhs. The S.I.R. tell a worse story, if that is possible. In their case a fall of Rs. 6 lakhs in the income is coupled with an increase of Rs. 12 lakhs in the expenditure; the income is going to be curtailed but the expenditure must rise.

(At this stage the Honourable the President resumed the Chair.)

These are the ways in which the Company-managed railways are at the present moment living in a paradise of their own, because they have the Secretary of State at their back and our voice is not heard, and this is the model on which you wish us to continue other Railways. It is for these reasons, whether you manage well or badly, I want that everything should be under the control of the Railway Board. At least we can hold you responsible. Now you have not even the responsibility for it and you ask us to shoulder the responsibility for financing them without ourselves or yourselves having any control over them. And here I should like to appeal to the Honourable the Communications Member to exercise our right of purchase of the two Railways in which we can give notice this year. I refer to the South Bihar Railway and to the Hardwar-Dehra Dun Railway. For these two Railways notice of

termination of contract can be given this year. Both are very prosperous Railways and very small amounts of money have to be paid. Therefore I hope that they will not repeat their past performance by which they increased the contracts of the M. & S.M.R. and gave a further lease of life to the B. & N. W.R.

Sir, in passing I should like to remark—a very short remark—on the communal proportions fixed in the Railways. I welcome the additional information which has been incorporated in the Administration Report about the subordinate grades, but I regret, Sir, that in the State-managed railways out of the 26 vacancies which fell during the last year only two Muhammadans were taken. An explanation has been given in the Administration Report. But we want that there should be a principle of carry forward, that if there is any fall in any one year it should be carried forward to the next year. I do not wish to labour the point. Whether we should have an increase or not I am not particularly concerned with, at the present moment; I simply wish to emphasise that in the gazetted staff as well as in the subordinate appointments there is a necessity, especially in the subordinate grades, that intermediate grades should be created and direct recruitment should be made. At the present time there is so much unemployment that it is the duty of the Government, and especially of the Railways which are the largest employers of educated people, to create employment for educated youths. It is singularly inopportune at this moment that retrenchment in this service should be the order of the day. I have heard a strange story from Lucknow. I cannot vouch for its correctness, but I would like the Chief Commissioner to enquire. In the Stores Department the lowest clerk was getting Rs. 30. A bright officer thought of saving money and introduced a system by which the number taker is converted into a junior scale clerk on Rs. 16 a month. There is no sanction from the Railway Board as far as I am told, but there the story goes. Arbitrarily a new grade has been created and people are being paid at the reduced rate for the work for which people got Rs. 30, so that the men at that station get only Rs. 16. Here, Sir, I should like to refer to a remark of the Honourable Mr. Parker. He said that job analysis has done a lot. I quite accept it. But those savings are estimates; they are not actuals. You cannot find the actual figures. At best you can estimate what you are likely to save. Would it not pay for a job analysis of officers' grades also to be made, to find if there are excessive officers especially in the higher grades; and even if one or two officers could be reduced, we would have more savings than from all the subordinate and menial staff taken together. Gate-keepers and chappassis are being job analysed. Why not have a job analysis of divisional officers and people of that nature?

Sir, coming to the Wedgwood Report, our Honourable colleague Pandit Hirday Nath Kunzru has dealt with it at some length. I shall not therefore waste the time of the House in going into details, but I would like to point out one particular aspect of it, that when we criticise the Government we are told "You are laymen, you have no knowledge". We admit that. We are prepared to bow to the Government because we are not experts. But when an expert of their own choosing passes remarks on them and condemns their action, where is the court of appeal? The Government would not accept that person as an expert any longer. Sir Ralph Wedgwood and his Committee were experts when they were appointed, but on the 1st June when they submitted their Report they were worse than ourselves.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Because they had no knowledge of India.

THE HONOURABLE MR. HOSSAIN IMAM : I am talking of the subjects on which they were appointed as experts, about the rolling stock, about economies, about locomotives. These are the things on which these people could give authoritative views. What happens? On the 12th February, 1937, the Honourable the Chief Commissioner sitting here decides that he must get a contract for 6,000 wagons. Although the Assembly and the Council of State were in session, the Standing Finance Committee was not called in and consulted.

THE HONOURABLE THE PRESIDENT : Do you know that trade is suffering just now for want of wagons very badly? Have you the slightest idea about it?

THE HONOURABLE MR. HOSSAIN IMAM : Why should these people who are not experts masquerade as experts? Why were they brought into India and money spent on them if they were such fools?

THE HONOURABLE THE PRESIDENT : I would ask you to withdraw that.

THE HONOURABLE MR. HOSSAIN IMAM : I will withdraw that. If they are not experts why did you call them so and spend our money. You should have decided beforehand before appointing them. It must have been done either to cheat us—

THE HONOURABLE THE PRESIDENT : Order, order. I would ask the Honourable Member not to use these expressions.

THE HONOURABLE MR. HOSSAIN IMAM : I withdraw it. They camouflaged the people who were not experts as experts. They must plead guilty to camouflaging or they must admit that they were experts and their dictum must be followed. They cannot remain between two stools, that they are experts for certain purposes, for dismissing gatemen; but for cancelling locomotive contracts they are not experts. The recommendation on matters on which they were really competent to give authoritative opinion has been disregarded by the Railway Board itself. The Report was submitted on the 1st June; it had been before its submission cancelled on the 12th of February and formally cancelled on the 28th of June when the Railway Finance Committee like a docile body endorsed all the recommendations of the Chief Commissioner. And what is more, Sir. We charge that they entered into a contract without consulting anybody. No mention was made of the fact that a contract had been entered into for 6,000 wagons at the time of the presentation of the Railway Budget, at the time when the Budget was under discussion. This is hide and seek with a vengeance.

Now, Sir, I was saying that the Wedgwood Committee recommendations are trotted forward when it concerns jobs of low paid Indians and when it concerns the appointment of highly paid Europeans. It is only for these two purposes that the Wedgwood Committee Report has any value. For the rest, it is a valueless document in the eyes of the Railway Administration.

We have been associated with the Chief Commissioner for such a long time in this House that we feel his departure very much, but it is rumoured that he is going back this year. He is going on leave first but if an officer is brought in his place we might also have an additional Indian Member in the Railway Board office.

Now, Sir, I come to a particular consideration of a minor matter. I refer to the railway collieries. In this connection there is a complaint from the coal trade that the Railways are working some of their collieries where the cost is higher than in the market and thereby making the Railways incur expense which they could easily save. If that is a fact, that some of the railway collieries are not working economically, I hope that they will be closed up. In this connection, I came across a very peculiar instance of how our Railways behave sometimes as altogether separate units in which one has absolutely no connection with the other. Again, Sir, the people to whom I have referred are two of the Company-managed railways which are peculiarly averse to balancing their budgets. I refer to the B.N.R. and M. & S.M.R. They both have a colliery at the same place called Talcher. They both maintain a different staff of mining engineers. The B.N.R. has one mining engineer, one district mining engineer, one electrical and mechanical engineer, and two assistant mining engineers. Now, the B.N.R. has no separate colliery of its own, all its collieries are in joint working either with the E.I.R. or the M. & S.M.R. In spite of this, these five officers are not enough. In the Standing Finance Committee Report, Vol. 2, of the 21st December, there is a memorandum that the number should be increased; that the manager of this Talcher colliery should be raised from the position of a manager to that of a district engineer; that the increase in the pay should be from Rs. 350—600 to Rs. 750. Now, this Railway, as I said, has never earned any profit. It has got this thing jointly with the other Railway, and yet because of the fact that they are both Company-managed, they both must have separate staff and not only separate staff but increased staff. Would it not be possible, Sir, for all the collieries to be treated as State collieries? You have three collieries already which are not named after any particular railway. They all work for the Indian State Railways and all the State Railways have the right to make use of them. Why not convert all the collieries like that? What is the good of keeping them in separate accounts? What is the saving? Where there can be saving by unification you always avoid unification, but where unification should not prevail there you unify—I mean where the question of losses and gains are concerned. We, Sir, who live on the E.I.R. are entitled, if we are to have justice and equity, to have more amenities and reduced fares; because it is a public utility service and it is not there to make money for you. But when we get a saving, what happens? It goes to the other Railways. The whole railway system would crash because it is only the E.I.R. and the B., B. & C.I. that is keeping up this show.

Now, Sir, I would like to say a few words—with some hesitation—about the electric service department. A new head has been created and included in the demands for grants. I have nothing to say against it but I do feel, Sir, that Government ought to have given more information on that head than they have done. No figures either of actuals or of estimates of past expenditure have been submitted to us. It has been turned aside with one and a half pages in the Finance Committee's Report showing that the expenditure on electrical services will amount to Rs. 353 lakhs. We have no figure showing what was the expenditure in the past because this head did not exist. How are we to compare and to find out whether you are increasing the expenses or not? I came across one item in the N.W.R. programme in which it is shown that we are going to have 420 electric dynamos at a cost of Rs. 15 lakhs. Well, Sir, I have not found that the N.W.R. is badly lighted. The existing dynamos are working and it is possible to make them work for a further period. Condemnation by the Engineering Department only means

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that they want new ones; not that the dynamos are unserviceable. It has been found and is referred to in the Finance Commissioner's Report that unserviceable wagons were being reconditioned instead of being scrapped. Formerly they were scrapped; now they are being reconditioned. Would it not be possible to recondition these dynamos as well? And this Rs. 15 lakhs does not represent merely expenditure from the Reserve Fund but it represents additional expenditure from the capital outlay. I refer to this thing particularly, Sir, just to point out how things are hidden which show that there are possibilities of saving if a scrutiny is made.

Sir, I have nearly exhausted my points. I would just like to say a few words about the conveniences for third class passengers. I am not going to deal with the question at any length but I would simply point out that on the N.W.R. there are certain areas where no water is available either at the stations or in the railway compartments. There are tracks on the N.W.R. which pass through desert lands. If it could possibly be arranged to reserve some compartments for water or provide other means for supplying water to the passengers especially in the hot weather, it would be very welcome. Water carriers, I am told, have been reduced. This is a wrong sort of economy. Would you kill the goose that lays the golden eggs?

I would refer to one item, Sir, which might help the Government in connection with the road-rail competition. There is a thing called terminal tax which you are collecting on behalf of local bodies from all over India. You are doing this as the agent of the Local Government. But it is strange, Sir, that it is only you who are compelled to collect it and the motor buses do not collect it. They do not levy these terminal taxes. It is possible for you to refuse to collect it unless and until buses are also subjected to it.

THE HONOURABLE THE PRESIDENT: Probably, the local bodies recover it directly.

THE HONOURABLE MR. HOSSAIN IMAM: If they want to do so, let them do it.

THE HONOURABLE THE PRESIDENT: But they must be doing it. You do not mean to say that a passenger by a bus does not pay the terminal tax?

THE HONOURABLE MR. HOSSAIN IMAM: I have particular knowledge, because I happened to be living at one of the places. I am not making any guess. I saw it myself. I am speaking from facts.

THE HONOURABLE THE PRESIDENT: You are speaking from personal knowledge?

THE HONOURABLE MR. HOSSAIN IMAM: Yes. Bus passengers are not subjected to the terminal tax. It is a wrong policy that the users of the Railways only should be subjected to terminal taxes and not the bus passengers. So, you should either ask the local bodies to levy it on the bus passengers also or you should refuse to collect it for them.

Then, Sir, in the legislation that is pending by Government, there should be a minimum charge fixed for users of motor buses also, and both the users of railways and buses should be subjected to a uniform minimum rate of charge, below which they should not go.

THE HONOURABLE THE PRESIDENT: Will you please bring your remarks to a close now?

THE HONOURABLE MR. HOSSAIN IMAM: I am concluding, Sir. I am not touching any new ground.

The Honourable Mr. Kunzru has already referred to Hardwar. I have asked the Honourable the Railway Member to consider the possibility of acquiring that Railway. He should also consider the possibility of immediate action in view of the coming Kumbh *mela* for redressing the grievances which have already been voiced by the Honourable Pandit. The question of the appointment of an Indian as Agent of a Railway has long been brought to the notice of the Communications Member, and I hope that next time we will get a full-fledged agent in one of the railways.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated; Indian Christians): Sir, I do not wish to make a long speech. I will confine myself to only one or two points. In the first place, I congratulate the Honourable Sir Thomas Stewart and the Honourable Sir Guthrie Russell on the very satisfactory Budget that has been placed before us. It is a good fortune to have been able to show us a surplus of Rs. 2 crores odd.

My first point is, there is a lot of beggar nuisance on all the Railways. I am told that beggars enter third class compartments and go about begging. I am told on very good authority that this state of things prevails on a number of Railways. I hope the Administration will take the trouble to prevent beggars trespassing into the yard. It is well known that it is an offence to trespass into a railway yard, but we find these beggars are often on the offside of the platform. I suppose you also would have noticed this, Sir. I come by the Grand Trunk Express and at almost every station where the train stops, there are a number of beggars who pester the passengers. It is not only a nuisance; it is a source of danger. Some of them are diseased; some of them are deformed, and so on. It is a real source of nuisance and I hope this will be removed. No doubt, the Agent of the M. & S.M.R. at the last meeting of the Advisory Committee said he was cognizant of this fact and he was taking steps to put an end to this. A little supervision on the part of the railway staff would prevent these beggars coming into the yard and pestering the passengers.

One other point I wish to make is this. We, coming from the south, feel that we are neglected, and I hope the Honourable the Member for Communications, who knows something of Madras, will see that our wants are attended to.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Vote sometimes against the Government. They will listen to you!

THE HONOURABLE SIR DAVID DEVADOSS: I have, Sir. I have moved a Resolution also against them!

THE HONOURABLE MR. HOSSAIN IMAM: Repeat it!

THE HONOURABLE SIR DAVID DEVADOSS: I only do it in a sensible way!

Sir, some years ago, a line was projected between Palamcottah-Panagudi and Nagercoil. I believe it was surveyed and some estimates were made. It has been long pending and we wish that it would be constructed soon. I am

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not making this request on any personal ground, but on the ground that it will be a paying concern. I know the amount of traffic that is being carried between Tinnevely and Nagercoil—that is, within the Travancore State—both passenger and goods. The buses and motor cars do a flourishing trade, and if there is railway communication established between Tinnevely and Nagercoil, I am sure it will be a very paying concern. I hope the Honourable Member for Communications, who knows something of Madras, will pay some attention to this.

A point was made by the Honourable Pandit Kunzru that there is no representative of the Central Legislature on the Local Advisory Committees. It was only recently that a Resolution was passed that Members of the Central Legislature ought to be represented on the local Committees, and I believe it was during the Simla session that an election was held and members elected from the Central Advisory Committee were invited to serve on the local Committees. That, I think, meets one of the objections.

With these words, Sir, I have much pleasure in stating that this is a very satisfactory Budget and the anxiety for improving the amenities to third class passengers is, I think, very welcome.

THE HONOURABLE SIR THOMAS STEWART (Member for Communications): Sir, let me start by thanking the Honourable Mr. Hossain Imam for the congratulations which he conveyed to me personally, and let me too express on behalf of myself and of the Railway Board our appreciation of the congratulations that we have received from so many Honourable Members this afternoon. Sir, it was only yesterday afternoon that in the course of a lobby discussion, it was suggested to me that because of their indecisive character these General Discussions on the Railway Budget were not worth while. That was a position, Sir, from which I very emphatically dissented, because I believe that it is of the utmost importance that Honourable Members of the Legislature should have such a public occasion in which to discuss our general policy and in which to offer us their suggestions and criticisms on our more detailed working. Of criticism, we do not complain. I believe myself it is good and serves as a tonic to keep us up to the mark. But, when it comes to replying after a discussion of this sort, I hope that the Honourable House will understand that it is perhaps beyond human capacity to deal with all the many matters, general and detailed, that have been raised. If they will bear with me I will endeavour to deal with some of the more general issues and, as far as I can, within the limitations of time and of my knowledge, with any of more detailed matters that I can.

One of the earliest criticisms that was made was of the Chief Commissioner's Budget speech and my own. It was said that they were rather shorter than budget speeches should be. I myself would think that was a very venial fault. It was also said that they contained no statement of our policy. Well I am not sure whether the Honourable Member who made that criticism would like to lay it down as a rule that our Budget speech should contain a comprehensive statement of the Government of India's railway policy. I myself believe that that would be wholly unnecessary, because I think we may pride ourselves that our policy is not so unstable that it requires re-statement every year. But what in fact we have done, and we have followed precedent in this, is to state our policy in regard to certain particular features of railway working which we believe demand particular attention at the present time. For example, we both of us I think made statements regarding the policy that we

propose to follow in respect of meeting road competition. Another matter that has engaged public attention recently has been the question of coal. We stated, very briefly I admit, what we had done and what we thought might have to be done. I could go on and show you from past Budget speeches that that has been the practice in the past and I think it is a reasonable practice to continue in the future.

Let me now turn to some of the criticisms of our general financial policy. Two Members I think recommended to us the merits of taking a long view. Now I think myself that there is much to be said for that and I should be prepared to press it upon those who advise me were I persuaded that the present was the time to do it. I myself do not think that world economic conditions are yet so stable as to warrant the taking of a long view which could be characterised as anything else than speculation. After all our predecessors of 12 to 15 years ago were quite sure in their own minds—of that I feel certain—that they were taking a long view. They did not foresee the collapse of 1930, and now we look at their long view as sheer extravagance. Well, with that lesson in front of us I think we must be cautious. But we are not averse to making a good bargain when we can and I think that that is exemplified in our recent wagon purchase.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Underestimate of income to the extent of Rs. 2½ crores is too much of caution.

THE HONOURABLE THE PRESIDENT: I hope you will allow the Honourable Member to have his say. You have all had ample opportunity of expressing your views on the subject.

THE HONOURABLE SIR THOMAS STEWART: I was going to deal with the question of estimation. I have already said that world conditions are extraordinarily unstable. I should be glad to be advised by the Honourable Member or any one else claiming to be an expert estimator. I should like to be advised by them of the exact course of trade and commerce in the next year. If he could give me that information, Sir, I should not be very long Member for Railways! (*An Honourable Member*: "You want an astrologer!") Yes, what we want is an astrologer! The fact is, Sir, that we can only look ahead from month to month, and I frankly admit that our estimates are more in the nature of hopes than of an accurate prediction of what is likely to happen within the year. I think no one can go further than that.

The Honourable Mr. Parker has commended to us the wisdom of building up reserves. That we should like to have ourselves, but I am afraid with our present commitments the question of building up reserves must be postponed. For the present it is a counsel of perfection. I should like to go further than reserves. I should like to have enough money to follow out the process suggested by the Honourable Mr. Hossain Imam to reduce our capital, so that our interest charges would be diminished. But that again is not a matter of present practical politics. It was suggested by our financial expert that we should enter upon some conversion process which would eliminate the whole of our debt in a matter of 35 years. Well, I am not really responsible for debt redemption operations, but I suggest that the Honourable Member should commend his scheme to my colleague the Honourable Sir James Grigg, who, I have no doubt, will treat it exactly as it deserves.

Let me turn now to the road-rail question. The Honourable Mr. Ramadas Pantalu informed me that it was not the Railways who were regarded as the

[Sir Thomas Stewart.]

enemies of progress but myself and the Railway Board. Well, that may be so, but I still claim it is a popular and serious error, because we are no such thing. The co-ordination of road and rail transport is not a question of the Railway Board going out on to the roads and making a deal with motor transport companies. The question is essentially one of co-ordination of the efforts of the Central Government who are responsible for Railways with the efforts of the Provincial Governments who are responsible for roads. It is a question of co-ordination of the efforts of those authorities in order that the best possible can be done for those who want transport. What we both aim at is the elimination of wasteful competition. From our point of view it means the ruin of the Railways. From the Provincial Government's point of view an uneconomic, inefficient, transport means an effective economic loss to the province; it means enormously increased repair bills for their roads. We have been in correspondence and in discussion with the Local Governments and we feel that they are very greatly in accord with us as to the steps that should be taken towards the co-ordination of road and rail. I have personally had discussions with members of the Provincial Governments and we have met them here in the Transport Advisory Council and I am satisfied in my own mind that we have achieved much in the way of securing their co-operation in this matter of the co-ordination of these forms of transport. In these circumstances, Sir, I must insist on the fact that it is an error that we should be regarded as the enemies of motor transport. We are doing our best to secure the co-ordination of transport, and, after all, it is not the motor owner or even the railway owner who is ultimately to be considered. What we are out to get is the maximum, optimum, service for the people who use the transport.

There have been criticisms of our rating policy. I was astonished to hear the suggestion that our rating policy was being deliberately manipulated in order to favour external trade at the expense of India's own industries and commerce. Now, that is a difficult thing to prove. But twice in the last two days there has been quoted to me the case of the rebate on rail freights to Iran and Afghanistan. Now, I do not know whether the Honourable Members who quoted this example know the history of the rebate to Iran? As quoted within the House, it suggested that there was some recent misdemeanour of the Railway Administrations, but actually it dates back to 38 years ago when Indian merchants trading to Meshed from Karachi through Baluchistan asked that they might be protected from the competition of goods arriving by sea at Bandar Abbas and carried thence to the inland trading centres. That is the extent of our misdemeanour. It is 38 years old and it was done in the interests of Indian traders. That I cannot accept, Sir, as sufficient support for the very serious accusation that we are working our rates to favour external trade at the expense of our own industries.

It has also been suggested that we had done nothing to help the agriculturist. Now, I am sure the Honourable Rai Bahadur who is sitting over there (the Honourable Rai Bahadur Lala Ram Saran Das) knows more about the history of wheat freights in the Punjab than I do and I think he will confirm my opinion that the concessions that have been made in the last two years in regard to export wheat from Karachi have been of considerable value. Again, so that I might not be thought to be neglecting South India entirely, there has been considerable complaint from the cocoanut growers of Southern India that they did not have markets for their products which are being so severely hit by competition from Ceylon. It is only recently that the M. & S. M. R. have endeavoured to

assist the cocoanut grower of the south to obtain a market in the north by reducing the freights on cocoanuts to practically half of what they were before. After all the interests of the Railways and the interests of the agriculturists are not antagonistic. It is not going to pay the Railways to quote a rate that will keep agricultural produce from moving. It is as much in their interest as in the agriculturist that the traffic should move.

And now I suppose I shall have quoted against me the case of cotton and I shall be asked by the Honourable Member from Bombay as to why we did not accede to the request that cotton freights should be reduced by 33½ per cent. on all Railways; on the G.I.P.R. the suggestion was that it should be 50 per cent. That meant that the Railways were being asked to surrender Rs. 1½ crores, and even had that Rs. 1½ crores gone into the pocket of the agriculturist—which of course it would not have done—I venture to query whether we, a commercial concern, should be asked specially to make this subsidy to the agriculturist. If such a subsidy is to be given, then let it be given as a subsidy pure and simple. But I consider that it is unfair that we should be asked to give an indirect subsidy in this way. But more than that, it is for consideration if such a sum of money was to be given away, whether it was to be given to one particular class or whether it should be distributed for the common benefit of the whole of India. The actual result of our decision is that much more will be available for distribution to the various Provincial Governments.

Now, let me refer to the question of the amenities for passengers. Criticism has been offered of the fact that we have set aside a wholly insignificant sum of Rs. 21 lakhs to be applied for the benefit of passengers. We have not even considered the provision of such simple comforts as electric fans in the carriages. Well, it may be of interest to Honourable Members to have a rough estimate of what would be the cost of providing that small amenity. It would take exactly Rs. 3 crores to furnish the third class carriages and half a crore more to furnish the intermediate class carriages, and it would cost something in the neighbourhood of Rs. 40 lakhs a year to keep them in order. Now, I may be told: "You are not prepared to do that but you go and spend Rs. 2 lakhs on experiments for making air-conditioned coaches". Well, the difference between the two cases is this, Sir, that, if we make a success of our air-conditioned coaches, we shall be able to cover all the extra expense that we have incurred. We can charge a first class passenger a surcharge for the use of those coaches, but if we enter upon unlimited expense to improve third class coaches it is quite impossible that we should raise our third class fares in order to recoup that expenditure and I trust Honourable Members will realise that the two cases are not on all fours.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Let there be one third class coach on important trains with a surcharge on it and see whether it works.

THE HONOURABLE SIR THOMAS STEWART: As I said in another place, even though it is not particularly hopeful, I am prepared to consider whether a commercial proposition could be made of an air-conditioned third class coach, but I hold out no hopes that that is a possibility.

The Chief Commissioner and myself both referred in our speeches to the efforts that were being made to supply a more modern and comfortable type of third class coach. I am afraid that an idea may have been born that this is our first attempt to do anything for the third class passenger, but as far back

[Sir Thomas Stewart.]

as 1925 a committee was constituted which investigated the possibilities of producing a more satisfactory coach and indeed as a result of the considerations and deliberations of this committee there was evolved about 1927 or 1928 a new type of coach and detailed drawings were sent to all Railway Administrations, —to State-managed railways with the order that they should conform to this type, and to the Company-managed railways with a recommendation that they should also conform. In actual fact I think roughly some 800 coaches of that type were constructed between 1928 and the end of 1936. More would no doubt have been constructed but, as everyone knows, passenger traffic was then rapidly falling and it would have been more than extravagant to build more coaches. We have again reconsidered the design and have produced a model which was inspected by members of the Central Advisory Committee a year or two ago and that we have set before all Railway Administrations as the standard towards which they should work after making such minor variations as may be necessary to suit the particular conditions of their particular railways. Besides that, a considerable amount of work has been done in the way of providing amenities other than carriage accommodation. In the past year, more than 100 waiting rooms have been erected mainly for lower class passengers. Reference has been made to the Hardwar station. We have made a major improvement at Hardwar for the benefit of the third class passengers giving them better access to the station from the new bridge. It would take me much more time than we possibly could spare this afternoon to give you a full list of what has been done but I would refer you to Chapter 7 of the Report of the Railway Board, where there is a complete list of the facilities that have been provided for passengers in the past year.

Now let me refer to the Wedgwood Committee's Report with particular reference to this question of wagon purchase. I find it a little difficult to make up my mind, Sir, as to what is the view of this House on the Wedgwood Report and its authors. On the one hand I have heard it characterised as useless, and unnecessary, but on the other hand I find that some of our most strenuous critics use it as their heaviest ammunition. We have been accused of camouflaging experts into non-experts—or it may be the other way about—but I submit that exactly the reverse process has been carried out on the opposite Benches. Well, let us turn to this wagon purchase business which has been deemed so iniquitous. Let us start off by reading out what the Wedgwood Committee actually said :

“ The stock of wagon seems to be somewhat excessive having regard to the decline in traffic handled. ” And again, “ In the case of wagons the stocks seem to be high, though not to so marked an extent as with locomotives and carriages. In the absence of any large increase in traffic no substantial purchase of stock should be necessary for some years ”.

These remarks were based on the traffic of 1935-36 and I think we all recognise that in the next year, in 1936-37, there came into evidence greatly increased traffic which was reflected in the increase in receipts which the Honourable Rai Bahadur Lala Ram Saran Das characterised as evidence of our indifferent estimation. Now that increase has gone on and in February, 1937 there was every indication of a very considerable increase in traffic.

THE HONOURABLE MR. HOSSAIN IMAM : Was Sir Ralph Wedgwood in Delhi on that date ?

THE HONOURABLE SIR THOMAS STEWART : Well, I assume he was. I was not myself. But certainly at that time we were not cognizant of the

contents of his Report. Of that I can assure the Honourable Member. But in any case another point which seems to have been overlooked is that this purchase of 6,000 wagons was not an addition to existing stocks. It was in replacement, in renewal of existing stock. And if the Honourable Member thinks that we were too rash, he may be interested to know this rather encouraging piece of information, that in the first ten days of February we have actually loaded more wagons than ever we have done before in the history of the Railways in India. So I do not believe that really the purchase was extravagant and so unjustified as our critics would make out.

Sir, reference has been made to the coal situation and our action to deal with it. This subject is probably going to be the subject of a debate in another place next week and I do not wish to be argumentative today. I would only set out for the information of Honourable Members a resumé of the more important facts as they presented themselves to us. By the end of 1936-37, supplies against contracts for that year were short to the extent of 2 lakhs of tons, and the stocks held by the four State-managed Railways were considerably under half of their normal stocks. For example, the E.B.R. had 11 days' stocks against an average monthly stock of 29.4 days' supply. Things did not improve and in April, 1937, when the new contract supplies were arriving, they were short by 30,000 tons in that one month. By the middle of May, the Railways were being supplied only to the extent of half of their demands. In July, matters became really critical. The trade themselves were considerably agitated over the possibility of serious labour shortages. Both they and industry in general approached us to take action of one sort or another to relieve the situation. But meantime the Railway Board had acted and the action they took, in their own words, was this :

"The increased traffic on the Railways coupled with the failure of a number of collieries to give full supplies to the Railways has led to depleted stocks rendering it necessary to secure fuller supplies and steps have therefore been taken to increase substantially the output of State collieries in the Bokaro coalfield. Additional contracts have also been placed in the Central Provinces where the labour position is easier than in Bihar and Bengal".

But, in spite of that action, the situation continued to be critical, and in August, the A.B.R., for example, had somewhat less than a third of the stocks that were considered safe. It may be said the coal was there though actually there was no coal to supply. But our information was to the contrary. The coal which had been moved on the E.I.R. in April, May and June, 1937 was 377,000 tons more than the coal which moved in the corresponding period of the last year, and again, in Bihar and Bengal coalfields, there was raised in July, 1937, 305,000 tons more than had been raised in July of the previous year, and as far as we were informed, there had been no substantial variations in the exports of bunker or export coal. We therefore were of opinion that our embarrassment was not due to any shortage of coal. Even then, the matter deteriorated further, and the position at the end of December, 1937 was that contract supplies were 557,000 tons in arrears. That is not taking into account 250,000 tons or so which had to be supplied to the Company-managed railways. Against this emergency we reorganised the working of our railway collieries, and I think some credit must be given to the Mining Engineers who carried out this reorganisation. We had intended to produce 12 lakhs of tons, but by this reorganisation we were enabled to produce an amount which will probably be 21 lakhs of tons at the end of this year. That, Sir, was the achievement which, whatever may be the judgment on it, has certainly achieved two things. I think it saved a very serious interference with our railway services and I think it provided a considerable relief to Indian industry whose difficulties in obtaining coal had been so pronounced about the middle of the year.

THE HONOURABLE SIR A. P. PATRO : Market supplies are now improving, is it not ?

THE HONOURABLE SIR THOMAS STEWART : That is our recent information. As we have said in our Budget statement, it is true that market supplies are for the time being improving. But, of course, market supplies are not the only factor in the situation. From the railway point of view, as must be admitted, the price of coal is equally important.

Sir, I fear I have exhausted the time at my disposal. There are a very large number of miscellaneous matters that I might have referred to, but it would take too long. I would not, however, have Honourable Members think that because I have not been able to reply to any particular points I do not attach importance to them. I can give the assurance, Sir, that any criticism, any suggestion, that has been made in this House today will receive our most careful consideration in the Railway Department.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY : May I ask one question, Sir ? The Honourable Member has stated that they have reduced the freight on wheat from the Punjab to Karachi, and he has also said there are various objections to reduction of freight on cotton. May I know why this difference has been made ?

THE HONOURABLE SIR THOMAS STEWART : There is a very simple answer to this question. If we had not given the 25 per cent. rebate on Punjab wheat, the wheat would not have moved and we would have lost all our freight.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY : So was the case with cotton.

THE HONOURABLE SIR THOMAS STEWART : No.

The Council then adjourned till Eleven of the Clock on Monday, the 21st February, 1938.