

Saturday, 18th February, 1939

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THE
COUNCIL OF STATE DEBATES

VOLUME I, 1939

(23rd January to 18th April, 1939)

FIFTH SESSION

OF THE

FOURTH COUNCIL OF STATE, 1939

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COUNCIL OF STATE.

Saturday, 18th February, 1939.

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

MEMBER SWORN :

The Honourable Sardar Bahadur Sobha Singh (Nominated Non-Official).

QUESTIONS AND ANSWERS.

CATERING ON RAILWAYS.

81. THE HONOURABLE MR. RAMADAS PANTULU (on behalf of the Honourable Mr. B. N. Biyani) : Will Government state :

(a) Whether larger accommodation is provided for European catering on Indian Railways than that for Indian catering ?

(b) Whether the rent charged from the European catering authorities is sometimes as low as one anna per mensem ? If so, will Government state the reasons ?

(c) What are the principles that the Railway authorities adopt for charging rent and for granting contract for Indian and European catering on Indian Railways ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Government have no information regarding the relative areas.

(b) to (c). The Honourable Member is referred to the Memorandum No. 357-T., dated the 11th September, 1936, prepared for the Central Advisory Council for Railways. This will be found in the Summary of the Proceedings of the Meetings of the Central Advisory Council for Railways, held on the 3rd and 8th October, 1936, a copy of which is in the Library of this House.

CATERING ON RAILWAYS.

82. THE HONOURABLE MR. RAMADAS PANTULU (on behalf of the Honourable Mr. B. N. Biyani) : Will Government state :

(a) Whether European catering authorities enjoy the privileges on some State-owned Railways of several 1st, 2nd and 3rd class passes for free travelling ?

(b) If so, do Indian catering authorities enjoy the same privileges ?

(c) If not, do Government propose to grant the same privileges to Indian catering authorities ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) and (b). Yes. The extent to which passes of each class are issued however varies on the different railways in accordance with requirements.

(c) Does not arise.

RAILWAY FREIGHT ON SOAP.

83. THE HONOURABLE MR. RAMADAS PANTULU (on behalf of the Honourable Mr. B. N. Biyani): (a) Have the Railway Board enhanced the railway freight on soap from 0.42 pies to 0.46 pies per maund per mile?

(b) Are Government aware that the soap industry in India is in its infancy?

(c) Are Government aware that soap factories are situated in particular centres of the country and that there are no telescopic rates applicable to the carriage of soap products?

(d) Do Government propose to revise the rates?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) The Railway Board sanctioned a change in the classification of soap which permitted the maximum rate of 0.46 pie per maund per mile being charged, instead of 0.42 pie from 1st March, 1938.

(b) No.

(c) Yes.

(d) Government do not consider that any action on their part is called for. Railway Administrations are empowered to charge rates lower than the maximum if satisfied that circumstances call for a reduction.

LICENSE FEES REALISED FROM LIQUOR SHOPS IN THE CENTRALLY ADMINISTERED AREAS, ETC.

84. THE HONOURABLE MR. RAMADAS PANTULU (on behalf of the Honourable Mr. B. N. Biyani): (a) Will Government state the total income from liquor shops in the centrally administered areas?

(b) How much is spent on education in the same areas?

(c) Do Government propose to follow the policy of the majority of the Provincial Governments with regard to prohibition? If not, why not?

THE HONOURABLE MR. A. J. RAISMAN: (a) The Honourable Member is apparently referring to the amount realised from licence fees. This, for the year 1936-37, which is the latest year for which figures are available, was Rs. 5,76,453.

(b) For the same year (1936-37), Rs. 18,72,869.

(c) No, Sir; because the Government do not consider this to be necessary.

EXPORT OF RAW SILK.

85. THE HONOURABLE MR. RAMADAS PANTULU (on behalf of the Honourable Mr. B. N. Biyani): (a) To what countries does India export raw silk and what has been the quantity exported to different countries every year for the last five years?

(b) How much of it is exported to the United Kingdom?

(c) Does Indian silk get any preference in the United Kingdom?

(d) If not, do Government propose to take this matter into consideration while negotiating any trade agreement with the United Kingdom?

THE HONOURABLE MR. H. DOW: (a) and (b). I lay on the table a statement showing the quantity and value of raw silk exported from India to the United Kingdom and other countries during the five years ending March, 1938.

(c) Yes.

(d) Does not arise.

Imports of raw silk (including waste silk and cocoons) from India.

| | 1933-34. | 1934-35. | 1935-36. | 1936-37. | 1937-38. | 1933-34. | 1934-35. | 1935-36. | 1936-37. | 1937-38. |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Lbs. | Lbs. | Lbs. | Lbs. | Lbs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| United Kingdom | 122,315 | 92,571 | 113,922 | 94,645 | 107,462 | 1,15,372 | 57,060 | 89,520 | 80,758 | 1,21,960 |
| Aden | 270 | 224 | 140 | 1,055 | 2,141 | 750 | 900 | 300 | 2,700 | 5,725 |
| Burma | | | | | 7,900 | .. | .. | .. | .. | 21,150 |
| Other British Posses- sions | 425 | 722 | 228 | 100 | 3 185 | 1,700 | 1,853 | 1,065 | 200 | 2,369 |
| Germany | 8,880 | 10,976 | .. | 2,240 | .. | 2,345 | 8,400 | .. | 407 | .. |
| France | 161,783 | 174,317 | 291,747 | 230,709 | 76,512 | 40,348 | 37,904 | 73,840 | 78,789 | 39,852 |
| Italy (including Fiume) | 145,680 | 386,482 | 535,206 | 325,985 | 250,286 | 49,892 | 71,618 | 1,56,187 | 1,49,349 | 1,22,323 |
| Mascat Territory and Trucial Oman | 3,026 | 1,362 | 1,600 | 1,825 | 1,820 | 6,785 | 4,100 | 3,500 | 3,600 | 9,690 |
| Siam | 6,181 | 20,648 | 35,454 | 20,798 | .. | 29,508 | 78,860 | 1,23,574 | 96,364 | .. |
| Other Foreign Count- ries | 278 | .. | 400 | .. | 710 | 960 | .. | 200 | .. | 385 |
| GRAND TOTAL | 448,538 | 687,302 | 978,667 | 677,567 | 450,016 | 2,47,660 | 2,60,495 | 4,48,186 | 4,12,147 | 3,11,445 |

CONTRACTS FOR CATERING ON RAILWAYS.

86. **THE HONOURABLE MR. RAMADAS PANTULU** (on behalf of the Honourable Mr. B. N. Biyani) : (a) Are Indian catering contracts on Indian Railways granted by bid-system or by levying some licence fee ?

(b) If so, are European catering contracts on Indian Railways also granted in the same manner ?

(c) If not, what are the reasons for discrimination ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) to (c). The Honourable Member is referred to the Memorandum No. 357-T., dated the 11th September, 1936, prepared for the Central Advisory Council for Railways. This will be found in the Summary of the Proceedings of the Meetings of the Central Advisory Council for Railways, held on the 3rd and 8th October, 1936, a copy of which is in the Library of this House.

SALT IMPORTS FROM ADEN.

87. **THE HONOURABLE MR. RAMADAS PANTULU** (on behalf of the Honourable Mr. B. N. Biyani) : (a) Are Government aware of any unofficial inquiry made in connection with the import of Aden salt into India ?

(b) If so, what was the award given by the same inquiry Board ?

(c) Do Government propose to make any settlement with the Aden Administration with regard to the import of Aden salt into India ?

THE HONOURABLE MR. A. J. RAISMAN : (a) Government received a report in April last that a Board of Arbitrators had been appointed by certain Indian salt manufacturers in India and Aden to fix quotas for exports of salt to Calcutta and Chittagong.

(b) Government have no information.

(c) No.

TERMINATION OF THE INDO-BURMA TRADE REGULATION ORDER, 1937.

88. **THE HONOURABLE MR. RAMADAS PANTULU** (on behalf of the Honourable Mr. B. N. Biyani) : (a) Have Government received any communication from the Bengal National Chamber of Commerce indicating the need for taking steps for a new trade agreement between India and Burma ?

(b) Do Government propose to give notice of termination of the present trade agreement to the Government of Burma ? If not, why not ?

THE HONOURABLE MR. H. DOW : (a) Yes, Sir.

(b) The question is being examined.

PARCEL OFFICE AT NEW DELHI RAILWAY STATION, N. W. R.

89. **THE HONOURABLE MR. B. N. BIYANI** : (a) Is there no sufficient accommodation in the parcel office at New Delhi railway station ?

(b) Is there only one man in charge of the delivering and receiving work of the parcels ?

(c) Have Government received any complaint in this connection ?

(d) If the answer to (a) and (b) is in the affirmative, do Government propose to construct another bigger room for the parcel office and to have more persons for the delivering and receiving of the parcels ?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) During the winter months, when inward parcel traffic is heavy, the parcel office at New Delhi station is not large enough to deal with it conveniently.

(b) No. There are three parcel clerks who work in eight hours shifts, plus the Chief Booking Clerk who assists.

(c) No.

(d) The provision of more accommodation is already receiving attention and the duty hours of parcel clerks have been re-arranged so as to provide an additional clerk on duty during the busy period.

TRANSIT OF MAILS FROM KHAMGAON (BERAR).

90. THE HONOURABLE MR. B. N. BIYANI: (a) Are the mails from Khamgaon (in Berar) brought by buses to Shegaon instead of being taken to Jalamb by trains? If so, why?

(b) Are there no arrangements for late fee posting at Khamgaon?

(c) Do Government propose to make arrangements for carrying mails from Khamgaon by trains?

THE HONOURABLE MR. S. N. ROY: (a) Yes, because this arrangement is cheaper and equally advantageous to the public.

(b) People can post their letters up to 7-25 P.M. in the mail lorry.

(c) No.

LOSS OF GOODS TRAFFIC FROM BOMBAY TO JALGAON, G. I. P. R., DUE TO COMPETITION FROM MOTOR LORRIES.

91. THE HONOURABLE MR. B. N. BIYANI: (a) Has there been any diversion of goods traffic from Bombay to Jalgaon by road?

(b) If so, what has the G. I. P. R. done to check this diversion?

(c) Has this question been examined by the Railway authorities?

(d) Has the booking of goods to Jalgaon been restricted recently?

(e) Do Government propose to reduce goods rates for attracting the goods traffic?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a), (c) and (d). Yes.

(b) The G. I. P. R. have introduced a through fast goods train known as the Cotton Express running daily from Nagpur to Bombay during the cotton season. Consignments of cotton from the farthest point, i.e., Nagpur, are made available for delivery at Bombay within 48 hours of booking. They have also asked the Bombay Government to take action ensuring the observance of Motor Vehicles Regulations, especially with regard to the use of private lorries for the carriage of public goods traffic and the loading of lorries over the maximum permissible limit.

(e) The G. I. P. R. do not propose to reduce their rates, as such a reduction, even assuming that the entire traffic available moved by rail to Bombay, would result in a loss of over Rs. 6 lakhs.

TELEPHONE EXCHANGE AT AKOLA (BERAR).

92. THE HONOURABLE MR. B. N. BIYANI: (a) Did the Berar Chamber of Commerce send a telegram to the Director General of Posts and Telegraphs on the 12th July, 1938, regarding trunk telephone facilities to Bombay?

(b) Was no acknowledgment sent to the Chamber's telegram ?

(c) Has anything been done so far to improve the facilities at Akola ?

(d) If not, do Government propose to do anything in the matter at an early date ?

THE HONOURABLE MR. S. N. ROY : (a) Yes.

(b) It is regretted that no acknowledgment was sent, but investigation was taken up at once.

(c) and (d). The matter is still under examination.

OPENING OF A TELEPHONE EXCHANGE AT KHAMGAON (BERAR).

93. THE HONOURABLE MR. B. N. BIYANI : (a) Did the Secretary of Berar Chamber of Commerce send a representation to the Director General of Posts and Telegraphs for opening a telephone exchange at Khamgaon ?

(b) Did the said Chamber carry on correspondence on this subject with the Post Master General, Central Circle, Nagpur, as early as May, 1936 ?

(c) Was the Chamber informed by the Director General that the matter was being investigated ?

(d) Has the Chamber been informed of the results of this investigation ? If not, why not ?

(e) Do Government propose to arrange for the opening of a telephone exchange at Khamgaon at an early date ?

THE HONOURABLE MR. S. N. ROY : (a), (b) and (c). Yes.

(d) The reply to the first part is in the affirmative. The latter part does not arise.

(e) The project has been approved and it is hoped to carry it out in the next financial year.

GOODS AND PASSENGER TRAINS RUNNING DAILY IN THE HOWRAH, ASANSOL AND DINAPUR DIVISIONS, E. I. R.; ETC.

94. THE HONOURABLE MR. V. V. KALIKAR (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will Government state :

(a) The average number of up and down goods and passenger trains running every day in the Howrah, Asansol and Dinapur districts of the E. I. R. during each of the last five years ?

(b) The number of platelaying (maintenance) gangs in each section of these districts and the number of men in each gang now as compared to 1934-35 ?

(c) The total mileage of each kind of land formation under the railway track which abnormally shrinks or settles due to rains or floods and what extra labour is employed to keep the land formation for ensuring safe passage of trains ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a), (b) and (c). A reference to the E. I. R. has been made to collect such information as is readily available.

STEPS TAKEN TO SAFEGUARD TRAVELLERS ON THE E.-I. R.

95. THE HONOURABLE MR. V. V. KALIKAR (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Are Government considering the extreme importance of safeguarding the lives of travelling public by guarding the railway track in zones where accidents and derailments are getting common now ? What steps do they propose to take in this direction and in what way—whether by automobile rail cars under the permanent way inspector or by appointing special police or otherwise ?

THE HONOURABLE SIR GUTHRIE RUSSELL : With effect from the 23rd January, and irrespective of the decision as to who should meet the cost, the E. I. R. Administration have instituted a system of patrols on the section of the main line where these accidents have occurred and on the grand chord between Sitarampur and Moghalserai—mostly in the Province of Bihar. In addition, 42 of the watch and ward staff have been deputed for special duty in conjunction with the Government Railway Police. Further, the Government of Bihar have been asked if they consider these steps to be adequate.

PERMANENT WAY INSPECTORS, ETC., EMPLOYED ON THE HOWRAH, ASANSOL AND DINAPUR DIVISIONS, E. I. R.

96. THE HONOURABLE MR. V. V. KALIKAR (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will Government state the number of permanent way inspectors and assistants permanently employed at present as compared with the number employed in 1934-35 on the main double line sections of the E. I. R. in the Howrah, Asansol and Dinapur divisions, and also the mileage of each section ?

THE HONOURABLE SIR GUTHRIE RUSSELL : With your permission, Sir, I propose to reply to questions Nos. 96 and 97 together. I am obtaining the information asked for and will lay a reply on the table of the House in due course.

PERMANENT WAY INSPECTORS, ETC., EMPLOYED ON THE B. N. R. IN DIVISIONS ADJOINING THE HOWRAH, ASANSOL AND DINAPUR DIVISIONS, E. I. R.

97. THE HONOURABLE MR. V. V. KALIKAR (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will Government state the mileage of each section, the number of permanent way inspectors, and their assistants and the number of each gang employed on the maintenance of permanent way in the adjoining districts or divisions of the B. N. R.

(See reply to question No. 96.)

RECRUITMENT OF STUDENTS FROM THE MACLAGAN ENGINEERING COLLEGE, LAHORE, TO THE INDIAN RAILWAY SERVICE OF ENGINEERS.

98. THE HONOURABLE MR. V. V. KALIKAR (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will Government state whether the Railway Board have agreed to treat the Civil Engineers qualified from the MacLagan (Mechanical) Engineering College, Lahore, as suitable for appointment in the Civil Engineering Department ? Is so, will they state the reasons for doing so ?

THE HONOURABLE SIR GUTHRIE RUSSELL : Candidates holding an " A " Course diploma of the first class only in Mechanical Engineering and

Electrical Engineering from the Maclagan Engineering College may be permitted to appear for the competitive examination for recruitment to the Indian Railway Service of Engineers. The Federal Public Service Commission recommended the acceptance of this diploma for the examination in 1937.

GENERAL DISCUSSION OF THE RAILWAY BUDGET FOR 1939-40.

THE HONOURABLE THE PRESIDENT : General discussion will now proceed on the Budget, Part I. I shall not fix any time limit but I shall leave it to the sound discretion of Honourable Members to occupy only the necessary time they require. In the course of the afternoon I shall call upon the Honourable Member for Communications to reply to the debate.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham madan) : Mr. President, before I commence my remarks on the Budget, permit me to congratulate the Honourable the Communications Member on his translation to a higher sphere, to the Gubernatorial office of Bihar. Although, Sir, it may be a loss to our Central Legislature, I, as a Bihari, would be a gainer and my provincial patriotism is stronger than my loyalty to the House. Sir Guthrie Russell and his staff also deserve to be felicitated on their good and accurate budgetting. In the present unsettled state of affairs it is very rarely possible to make such an accurate forecast as they have done this time. In the current year they were out in a very small amount in the net result although the differences in income and expenditure are slightly larger. While I find that they have been so good judges of the current year, I doubt if their forecasts for the coming year would be as accurate as has been the case with the current year. But they themselves, or at least the Honourable the Communications Member has hedged in the figures he has given with so many safeguards and made them dependent on so many factors, that I could not very easily accuse him or his successor next year if the forecast does not prove to be accurate.

What I find is, that there is a general deterioration in the passenger traffic. The Honourable the Communications Member and the Chief Commissioner for Railways have themselves budgetted for a smaller income from passenger traffic. In spite of all our efforts, in spite of everything being done, why is this deterioration taking place? That ought to be looked into and a real effort must be made to wean the traffic and to make travel by the railways more safe. One of the reasons why there is such a feeling is on account of these accidents. While I am on this subject I should like to give praise where praise is due. The Honourable the Chief Commissioner drew prominent attention to the fact that the E. I. R. have in this bad time created a record. Their income in the last year was more than they had ever before earned. While this is praiseworthy no doubt, it would have given me greater pleasure if I had found that they had created a record in reducing their expenditure as well. As it is, their expenditure is a little more than it was in 1927-28. I hope that in the next year they will work up to that standard and create a double record of increased income and reduced expenditure. Sir, although the earning of the E. I. R. in 1927-28 was Rs. 39 lakhs less than this year, yet their contribution towards profit was Rs. 319 lakhs against Rs. 221 lakhs which they are going to contribute this year. That shows that in spite of low interest charges they have not yet worked up to that standard. Those were times of expansion. 1927-28 was one of those years when no one dreamt of there being any reduction in income or any need for stringency.

In spite of all efforts, however, expenses are rising up. Had it been an isolated instance I would not have worried about it, but my trouble is that I find that with the advent of better times all the railway administrations are embarking on a policy of "spend all you can". They have forgotten all the lessons, the terrible lessons, of the past, when we squandered something like Rs. 70 crores out of the depreciation fund, the reserve fund and the withholding of payments to the Government of India. Sir, 1930-37 was the first year when we turned the corner, so to speak, the first year after six bad years, when the railways were able to show a little surplus. I do not call it a surplus really. They were able to repay a part of their dues to the deferred shareholders. We, the general taxpayers, are the deferred shareholders, only after payment of the interest to the preference and ordinary shareholders we come into the picture. In 1936-37 we had the first surplus. Now, I would like to compare the ordinary working expenses of all the railways for three years, the worst year in which we had a deficit of Rs. 10 crores, the first year when we turned the corner, and the coming year. This will tell you and give you a graphic picture of the mentality of the railway administration. In 1932-33 the ordinary working expenditure was Rs. 46·88 crores. All these figures are after deducting the part of the Burma Railways. In order to have a comparable item I have taken the figures for the Indian Railways minus Burma. In 1932-33 the expenditure was Rs. 46·88 crores. In the first good year it mounted up to Rs. 48·16 crores, or a crore and thirty lakhs more. But that, Sir, is excusable because in the deficit year we had the cuts in salaries and in 1936-37 there was no cut in salaries. So, in reality, there was practically no increase. This was the first year when the administration got an inkling that the times had changed, that they could now go ahead with the same old spirit of carelessness and want of caution which had characterised the railway in their better days. In the intervening space of two years between 1936-37 and the coming year, the railway expenses are to increase from Rs. 48·16 to Rs. 51·67 or Rs. 3·51 crores. Does that show proper care, in spite of all the paper savings shown by job analysis, by reductions here and there, by reorganisation, by campaigns, the expenditure has gone up so much? Well, it might be asked, how is it possible that the railways are now able to pay us a better return than they did in 1936-37 if they have increased their expenditure by Rs. 3·51 crores? The credit goes mostly to the Finance Department, because by their wise loan operations, conversions and transfers—for instance the transfer of all these provident fund monies to England and to the provinces—we have been able to reduce the interest charges. The total quantum of interest being paid by the railways has been reduced and that is primarily responsible for the increase in the payments to the State. Had there been no reduction under that financial head the railways in the coming year and the current year would have paid even less than they did in the year 1936-37. I will give you another illustration to show how the railway administration have behaved. Between the year 1936-37 and 1939-40 the increase in the gross income is only Rs. 296 lakhs, but the expenditure has increased by Rs. 351 lakhs; or I may put it more forcefully that in order to earn Rs. 26 lakhs less than 1937-38 we have to spend Rs. 131 lakhs more in 1939-40. This is the plain and simple tale of the economy campaign of the railway administration. Now, Sir, I will close this on the general budget feature and I will come to some particular items.

I am glad, Sir, that the railway administrations realised their blunder and were in an apologetic mood before the Railway Finance Committee when the matter of placing a contract for 6,000 wagons came up there. That was a great scandal and I am glad it happened before our present Communications Member took charge. When the Legislature was in session the contract was placed

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without consulting the Railway Finance Committee which could have been consulted on a day's notice. They have now given an undertaking that they will not repeat this sort of thing in future. But, Sir, I have referred to this case simply because an excuse has been made, that on account of the Wedgwood Committee's Report, that there should be lighter loads and quicker transit of goods trains, they have to spend something more on coal, and operating charges have increased on that account. My personal experience of the last eight years has been that the Government or the administrators are always ready to take up those recommendations or to excuse greater expenditure on the plea that such and such a recommendation has been made by a committee of inquiry ; but where it concerns the reduction of expenses they really ignore them and they do not give any credit for the reductions that are effected thereby. In this question of quicker transit a necessary corollary was that there should be greater and more intensive use of wagons, that the wagon mileage should increase and thereby the number of wagons required to move a given traffic would be lesser than it is at the present moment when the turn round is more delayed. But they cannot take credit for that because they have already embarked on a policy of expansion. The order for these wagons went without consulting the Wedgwood Committee and without waiting to know their recommendations. That the railway administration have embarked on the policy of spend-all-you-can is further illustrated and forcefully brought to our notice by the Memorandum which has been submitted by the Railway Board. Whereas our capital expenditure in 1937-38 is Rs. 51 lakhs, in the coming year we are going to spend Rs. 475 lakhs from capital. I wonder how the Finance Department has sanctioned this expenditure when the Honourable Sir James Grigg had on many occasions forcibly adumbrated the principle that only such assets should be financed from capital which are sure to make a return not only of interest but of sinking fund payments—

THE HONOURABLE THE PRESIDENT : Perhaps they are unavoidable.

THE HONOURABLE MR. HOSSAIN IMAM : It could have been met from the depreciation fund, from the revenue account. My contention is, that you cannot embark on capital expenditure without a full assurance that it will earn interest. I have also many times asked Government not to embark on capital expenditure without taking into full account all the aspects of it, but the present method is that in order to show a smaller expenditure from depreciation fund they charge the things to capital because the wrong system has been adopted that you do not replace a stock from depreciation fund by a similar stock, but the system is that if an asset is an improvement the part that involves the improvement is charged to capital. We had a great discussion on this subject year before last if I remember rightly and our Honourable friend Mr. Parker had taken Sir Guthrie Russell severely to task for his wrong method of debiting the depreciation fund more than there should be, while I was saying that the depreciation fund is not debited with enough. Then, there is another thing, Sir, which also shows the irresponsible attitude of our railway administration. I refer, Sir, to the fact that our expenses in England are mounting up. I was surprised to read in the papers the proceedings of the other House that a huge order for rails has been placed in England. I do not know how far that is correct, but I did not get time enough, I will frankly admit, to study all the budget papers which have been placed before us. But if that thing is correct, a crore has been spent on purchasing rails from England while Tatas are here and have been starved of orders, it speaks very ill of the care which the railway administration have taken of Indian industries. The expenses in

England between 1937-38 and 1939-40 have gone up by about 40 per cent., while Indian expenditure has gone up by about 15 or 16 per cent. That also shows the irresponsible manner in which money is being spent.

Now, Sir, I should like to ask for information from the Communications Member on a subject which has been troubling us for some time past. I hear that the loans taken from the depreciation fund are not to be repaid. They are to be written off. I would like to know how it would affect the individual railway accounts. The railway account shows that the amount standing at the credit of the depreciation fund ought to be Rs. 49 crores, whereas the real balance in hand is only Rs. 19 crores. That means that there is a deficit of Rs. 30 crores representing loans given to the railways to make the two ends meet in the lean years. Now, is it proposed that a rule of thumb method will be adopted and all the balance would be scaled down in the same proportion as the total is reduced? If that is done, Sir, there will be great injustice. There are railways who have had the greatest present from depreciation fund made to them. The Burma Railways was one of them and we have the B. N. R. which in spite of a loss of Rs. 17·18 crores in the whole period since it has been under the Separation Convention, in no year has it been able to give a positive balance. Every year it had a minus balance. With a minus balance of Rs. 17 crores and 18 lakhs it has got to its credit in the depreciation fund Rs. 6 crores and 48 lakhs. In the case of the Burma Railways, Sir, we were made to pay through the nose merely because a wrong method of accounting has been adopted by the railway administration. The depreciation fund contribution can only be met out of existing funds, not out of non-existing funds. When a railway is running at a loss how can it make provision unless it increases the capital at charge? That is the only method. The only thing to sanctify the present attitude in which the depreciation fund is charged before interest is that it has been the practice of the Government of India for the years past. But times were different then. You were always having surpluses so it did not matter whether you made the deduction before interest or after payment of interest. You had funds enough in your hands. But now the funds have ceased to exist. For instance, look at the N. W. R. It has a balance of Rs. 11·35 crores in the depreciation fund although its composite profit and loss account shows that it has only earned Rs. 2 crores and 79 lakhs in the period of 12 years. Now, why is this wrong method adopted? I am prepared to abide by the decision of any eminent financial and accounts authority, if the Government would like to refer the matter, whether this method is correct or not. In the future, when we have to purchase the B. N. R., we will be asked to pay for this non-existent depreciation fund—and that is the reason why I object to this method of accounting—as we have been made to pay for the Burma Railways.

Now, Sir, I come to the amenities for passengers and on that I shall close. I am glad, Sir, from the perusal of this Explanatory Memorandum, to find that something is being done for amenities for passengers but I regret, Sir, that, in spite of my protest year in and year out, that the E. I. R. is earning a surplus and therefore we the users of that Railway are entitled to greater amenities than is given to others, we find, Sir, that the B. N. R. has got a long list of amenities but the poor E. I. R. is starved in order to pay for the misdeeds of others. Misdeeds, because to make both ends meet and balance their budget we are made to pay for these things. The total number of amenities given to the B. N. R. comes to 2,244 while the E. I. R. has only 515. (*An Honourable Member*: "My complaint is, that the B. N. R. is not sufficiently provided.") Our trouble is, that the B. N. R. has never been run as a commercial concern. It shows a loss of Rs. 17 crores and yet expenditure on amenities

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is greater on that railway than on the one railway which ought to give most, because it is able to finance them from its revenue account. If there is a surplus, Sir, these are public utility services, and those who are served by that railway are entitled to get part of that surplus paid back to them through greater facilities. I have also learned, Sir, that in the E. I. R. there has been a reduction in the upper class accommodation. Sir, I have found that Company-managed railways are more mindful of the amenities to passengers than the State-owned railways. As a particular instance, Sir, I would tell the House that on the B. B. & C. I. R., even in the second class pull-out berths are provided so that you get a broader berth. But the E. I. R. cannot offer it because it has been able to earn better money than any other railway in the past years. And that is your defence, that you cannot spend anything on the amenities to passengers because we are able to pay fully, we have already paid many times over for the amenities which we are demanding now.

Sir, the third class and inter-class lavatories are sinks of iniquity. They do not regard these men as human beings. There is no separate *lota* tap. They have got one tap which as soon as you move makes your legs dirty. Water falls from a height of about two feet all round the compartment with the result that no one can stand in it and there is no room where you can fly. Either you take water and make yourself dirty or you go without water. That is the sort of thing that the railway administration has provided for us. And it would involve no great expenditure to put things right. An expenditure of Rs. 5 lakhs would suffice.

The Honourable the Chief Commissioner in his speech stated in paragraph 11 that broader seats are being given. I witnessed, Sir, a compartment, I will give the number, on the E. I. R., carriage No. 3699, an inter class compartment which had all the modern improvements but which the seats had been actually reduced. The wooden seat is quite broad enough but the cover on it is only about 14 inches. Is this the manner in which you ought to behave towards your customers? Is this the way in which you can get a bigger income from the passenger traffic? Your income from the upper class passengers is very small. The greater part of your income comes from the third class and yet you neglect them so much, and then you complain that the motors are taking away the traffic. What else can they do? You do not treat your passengers fairly. You do not regard them as human beings. The recommendation of the Wedgwood Committee was that the first class should be abolished. The railway administration have not found it possible to accept that recommendation. Nevertheless the fact is undeniable that first class travel has become much reduced. The number of people travelling first class is less than it was before. Now, second class accommodation has not been increased, neither has inter class accommodation been increased in any of the railways. If you look at the figures, you will find that the public are using inter class more than in 1931-32 or even 1928-29. Yet you do not make provision for greater accommodation on the plea that you have a certain system from of old. Years ago you had a system by which we used to have one full bogie of first class and one bogie second class and a bogie of inter class. This was in the days gone by. That system still continues. In the important trains you have this arrangement in spite of the fact that if you take a census you will find that most of the first class compartments are carried empty. Only one or two passengers travel in it yet we have a bogie. By a bogie, I mean two compartments in one bogie and two compartments in another bogie are first class.

Can anything be more rotten than this? The keynote of the railway administration should be greater amenities to passengers, more economy in administration and a better and quicker transit for goods. With these three things, I am sure the railways would be able to capture their former trade and would be able to give us as good contributions as they have been doing in the years past.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadian) : May I, Sir, with your permission, also begin by offering my congratulations and welcome, as a Bihari, to the Honourable Member for Communications—the Honourable Sir Thomas Stewart—whose appointment as Governor of Bihar has been announced.

With regard to the Budget presented to us, the Honourable Mr. Hossain Imam who has just spoken seemed to be against all new expenditure but I feel that it would be wrong to stop all new expenditure. I certainly agree that such expenditure should be judiciously chosen, and I feel I should offer my thanks to the railway authorities for undertaking at least two of the new schemes, *viz.*, the remodelling of the Patna Junction station goods yard at a cost of Rs. 2 lakhs on the E. I. R., and similar remodelling of the Muzaffarpur railway station on the B. & N. W. R. at a cost of Rs. 1 lakh. I assure the railway authorities that both these projects are important ones and will go a long way to relieve congestion at these two stations, which is every day increasing, on account of the growing industries of the province.

My criticism of the Budget, generally, is that it lacks in vision. In other words, the Budget is not such as a progressive Indian nationalist would frame it. We look on the railways as a great national asset, a great national concern, and a great national industry. This is, Sir, the angle of our vision. We, therefore, think that in order that the railways may be run to the best benefit of the country as a whole, they must be made to make the best use of Indian talent and Indian resources. We also contend that if for the time being such talent or resources are found deficient, or wanting, the railways must help to create and develop them. The Chief Commissioner for Railways in presenting the Railway Budget for 1939-40 to this Council took a good deal of credit for the removal of restrictions on the B. B. & C. I. R. workshop in the matter of construction of locomotives for other railways. While I should like to thank him for this small mercy, I would like to tell him frankly that what he has done hardly touches the fringe of the vast problem of providing all the locomotives and boilers, required by Indian railways, of Indian manufacture. The Indian railways are at present being made to support foreign industry although it is easily possible to run even strictly on commercial lines two or three workshops in this country to cater to the needs of Indian railways, whose annual requirements are vast—I should think several hundreds of locomotives and boilers a year. The benefit of such an undertaking is bound to be great both to the railways and the country as a whole. Indian commodities would find a ready market, Indian workmen would find employment, Indian talent would find an avenue, and what is most important of all is that Indian money would find a circulation in India instead of being drained out abroad. The country does feel very strongly on this point, but unhappily, the Government of India and the railway authorities continue to be callous and unresponsive. Our criticism against the Budget is not against its form or its figures—they are perhaps meticulously correct—but against the outlook which, if not anti-Indian, is certainly un-Indian. Government have failed to take a broad view of the whole question, *viz.*, the inter-relation of railways to Indian life and the economics of this country. I should like the Government Member or the Chief

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Commissioner for Railways to make a clear statement here today as to what is the policy of Government in this regard. We are rather impatient on this question and should like to be told what impediments there are to initiating and working on a self-supporting policy, a policy that will besides satisfying the needs of the railways, side by side lead to the industrial and economic prosperity of the country. I have no hesitation in further assuring Government that they will have our full support, in fact, the support of every section of the Indian community even if they find that during initial years they have to incur some financial losses on this big venture, because we all feel that the ultimate benefit of such a policy to the country would be incalculable —

THE HONOURABLE THE PRESIDENT: What about the Honourable Mr. Hossain Imam? He has just been finding fault with Government for having spent more money this year.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: I do not subscribe to that.

THE HONOURABLE MR. HOSSAIN IMAM: Spent more money from capital.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Sir, I am dealing with the policy of manufacturing things in India which are required for railways and which I hold will be to the benefit of the railways themselves. Even apart from these nationalistic considerations, it seems to me more or less surprising that, if for nothing else, at least in consideration of the danger and dislocation that may follow in the event of a war, Government should not think of manufacturing all locomotives and boilers here in this country which is so vast and resourceful in men and minerals as to be able to supply these to half the world.

Certainly, the second question of most vital importance from the point of view of the national life of this country is Indianisation of the railway services. There has been continued agitation in the country; there has been a continuous cry in the Legislatures, but Government have crept most unwillingly at a snail's pace towards Indianisation of the services. Even today the percentage of non-Indians in the gazetted ranks is about 47 per cent. in the State-managed railways and about 55 per cent. in the Company-managed railways. Perhaps, Government will say that they have during all these years improved the percentage in favour of Indians by about 25 per cent. This, however, is an utterly worthless explanation and does not meet our point at all. We do not crave for concessions. We want the services to be completely Indianised from top to bottom. It is too late in the day to ask us to strengthen our case by arguments or to establish our right to hold posts that are created in this country and for which we pay. Some of the superior posts have always been the monopoly of Europeans. If Government want the goodwill of India they must give them their rightful place in their own country. At the pace Indianisation has gone on, I think it will take half a century more to achieve a full measure of Indianisation. This is an impossible proposition and so long as reluctance on the part of Government continues in this respect the *bona fides* of railway administration being carried on genuinely for the benefit of this country cannot be established. The Company-managed railways, who were eulogised by the Honourable Mr. Hossain Imam for their amenities to passengers, are even worse sinners in this respect. The percentage of non-Indians employed in Company-managed railways is even higher than the

percentage in State-managed railways. This is an additional condemnation of Company management. I should recommend a wholesale management by the State and the buying out of all railways in the country, but at the present juncture one is very uncertain of the coming position. The Central Legislature will have far lesser control over the railways if and when Federation is introduced, than what it has today and the interests of India and Indians, if it suits the purpose of our foreign rulers, may suffer all the more. Anyway, I would like to make it clear that I do not see how railway administration can be appreciated or called satisfactory by Indians so long as their own claims are flouted in their own home and foreign exploitation goes on at their expense.

While I am not prepared to say that nothing has been done to improve the lot of the third class passenger, I would as a healthy reminder like to say that even today the overcrowding in third class carriages is appalling and their condition insanitary. The provision of waiting sheds for third class passengers is also inadequate. I need not go into figures to show the earning of the railways from third class passengers in order to prove their claim to better treatment than is their lot at present. These figures have often been quoted and it is proved that the third class passenger is the railways' best customer. The earnings from third class passengers are about 27 to 35 times more than the earnings from any other class of passengers and certainly a great deal more must be done to see that they get better creature comforts. It is really shameful that quite a considerable percentage of third class carriages have no latrines. The percentage is perhaps highest on the B. & N. W. R. and the R. & K. R. This is a terrible state of things which could be called almost barbarous. It is inconceivable why this state of things cannot be remedied if the Government of India brought pressure on the companies to do so.

There has been a long standing demand for fans in third class compartments. The initial cost was once mentioned to be Rs. 2 crores. If it is felt that all this money cannot be found in a single year, there is no harm in making a beginning now and completing the work in the course of several years. I need not emphasise to the Members of this House what a fan means in summer on the plains and what it should mean in a crowded third class compartment on a hot day. I can assure Government that they would be ingratiating themselves very considerably in the goodwill of the travelling public if they made a beginning in this direction.

Just a word, Sir, about rail-road competition. The competition is increasing from day to day and would continue to do so unless concerted efforts are made to make the two systems complementary instead of competitive. So long, goods traffic has mainly emerged from and conveyed to the seaports of India, and surely and easily, the railways were able to monopolise this traffic. But India is now entering upon a new phase of economic development. The industries of the country are developing and goods traffic is taking a different turn. From areas of raw production it is moving to the places of manufacture and from there to the centres of distribution and consumption. The railways must decide to play their rightful part in developing the industries of the country if they are to get their due share of the goods traffic. The railway authorities must look at the problem from this point of view and regulate their affairs accordingly. Similarly, must the road passenger traffic be so regulated as to feed the railways. I can only state the broad outlines on which the rail-road competition can be eased to the benefit of the railways, the trade of the country, and the travelling public.

It is not possible these days, Sir, to talk about the railways in India and not to mention the horror and loss of confidence that have overtaken the

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travelling public in general, on account of the repeated railway accidents or disasters, during recent months and in such quick succession. The railways are a very important source of revenue and it is essential that public confidence is kept up in the efficiency and carefulness of their working. When an accident occurs the theory that is readily propounded is sabotage. Perhaps it may be true in many cases, in spite of its having been discredited when an inquiry was held after the Bihta disaster. Nothing can shake public confidence more quickly than the horror of death and disaster and the suspicion that they may have been caused by negligence. It is always profitable to disprove wild theories and the reluctance of Government to appoint an impartial tribunal to hold an inquiry does not improve their position in the public eye. Government may sometimes feel that in their view no inquiry is necessary. I submit that particularly in such cases the result of an impartial inquiry which most certainly would uphold the right theory would have the effect of restoring public confidence. We do not yet know what Government have decided with regard to the recent Hazaribagh disaster. (*Several Honourable Members* : "They have promised an inquiry.") I am very glad, Sir. My last information was that the Government Inspector had made an inquiry and reported advocating the theory of sabotage. Now that an enquiry has been ordered I would not like to prejudice the issue by making any further remarks except that if his theory is proved by means of this inquiry it will really lead to the re-establishment of public confidence.

With these words, Sir, I conclude my remarks.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Let me begin like my predecessors by congratulating my Honourable friend the Communications Member on his appointment as Governor of Bihar. Let me also congratulate him on the surplus budget that he has been able to present. The amount of the surplus is not so great as to give us much satisfaction, but a more pleasing feature of his statement is the forward looking view that it represents, both in regard to the utilisation of Indian materials and amenities for third class passengers. The statement made both by him and the Chief Commissioner for Railways show that a more liberal outlook has been adopted by Government than was previously the case. But I feel all the same, Sir, that there is still need for keeping considerable control over expenditure. It is a matter for satisfaction that the railways have at last turned the corner and that they are able again to contribute to the general revenues. But taken as a whole I do not think the position is such as to enable us to look upon it with equanimity. In this connection I should like to draw attention to a remark made on page 25 of the Report of the Railway Board on Indian Railways for the year 1937-38. After giving a table showing the losses and gains on the different railways, the Railway Board say :

"The only railways which show a loss during 1937-38 are the A. B. R. and E. B. R., the B. N. R., the N. W. R. (strategic section) and the M. & S. M. R."

Now, the table deals with about 10 State-managed and Company-managed railways. Of these five show a loss, and yet the Railway Board are so satisfied with the result that they say that there are only five railways which show a loss during the year 1937-38.

Sir, if you look at the table given in paragraph 25 you find that the only railways that contribute in a substantial degree to our revenues are the E. I. R., the B. B. & C. I. R. and the N. W. R. (Commercial). We do not know where we would be but for these railways. I cannot therefore

understand the complacency with which the Railway Board make the remark in their Report for 1937-38 that there are only five railways which are being run at a loss. I recognise that one of these, the N. W. R. (Strategic), cannot be paying. But what about the remaining four railways? Let me first take the B. N. R. This Railway has been showing a loss consistently since 1924-25. I drew attention to this fact last year and I should like to know what steps are being taken by Government in order to improve the state of things on this Railway? If the losses on it were due merely to economic depression, there would be some hope that with the return of better times we would be able to get a substantial revenue from it. But, as I have already stated, this Railway has never paid its way. But there is another and very disquieting circumstance connected with it. I shall compare the expenditure proposed in the Budget for 1939-40 with that incurred in 1929-30. Now, I am taking the last year in which our railways made a contribution to the general revenues though after drawing to a certain extent on the Depreciation fund. I am speaking only about the working expenses. The working expenses of the B. N. R. in 1929-30 were about Rs. 551 lakhs; the budget estimate for 1939-40 is Rs. 593 lakhs. That is, there is an increase of nearly Rs. 42 lakhs. Now, let us look at its receipts. Its receipts were Rs. 931 lakhs in 1929-30 and the budget estimate for the coming year is Rs. 978 lakhs. That is, the receipts are expected to be more by about Rs. 47 lakhs. Does not this show that practically the entire amount of additional receipts has been swallowed up by increased expenditure?

Now, Sir, take another Railway, the A. B. R., which too has been a losing concern since 1924-25. Its expenditure in 1929-30 was about Rs. 113 lakhs. The estimate for 1939-40 is about Rs. 119 lakhs; that is about Rs. 6 lakhs more. Yet the revenue has fallen from Rs. 205 lakhs in 1929-30 to Rs. 186 lakhs in 1939-40. There are two other Railways which deserve attention in this connection. They are the E. P. R. and the M. & S. M. R. The E. B. R. has been losing since 1930-31, that is, since the depression set in and the M. & S. M. R. has been losing since 1932-33. Now, here again you find the same thing. Comparing the working expenses of the E. B. R. in 1929-30 with those estimated for 1939-40 you see that they have risen from about Rs. 384 lakhs to Rs. 402 lakhs but the revenue has fallen from Rs. 673 lakhs to Rs. 585 lakhs, that is by nearly a crore. Take again the M. & S. M. R. Here, comparing 1929-30 with 1939-40 there is practically no increase in expenditure, but we find that the revenue has fallen from Rs. 9 crores to about Rs. 7 crores, that is, roughly speaking, by Rs. 2 crores. Now, it seems to me, Sir, that these figures disclose a state of things which is exceedingly disquieting. I know that the Wedgwood Inquiry Committee had all these figures before it, yet that does not serve to allay our anxiety when we find that notwithstanding falling revenues the expenditure on these lines is increasing practically year after year. As regards the B. N. R., I should like to point out taking only the years 1937-38 and the subsequent years that while the loss incurred on it in 1937-38 was about Rs. 56 lakhs according to the revised estimates for 1938-39 it is expected to be Rs. 1 crore in the current year. Next year again it is expected to be about Rs. 61 lakhs.

When you come to consider the causes of these deficits I think you will find that the main categories under the head working expenses which require attention are the maintenance of carriage and wagon stock and the expenses of the traffic department. If you look at the detailed figures given in Part II of the Report of the Railway Board, it seems that the percentage of the expenses of maintenance of carriage and wagon stock to the

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entire working expenses is highest in the case of the B. N. R. Similarly, if you take the same ratio for the traffic department it is highest in the case of the E. B. R. These figures, roughly speaking, seem to indicate to a layman that even those lines that are not paying are trying to maintain the same costly standard of administration that is in force on the other railways. Sir, this again is another point which is sufficiently important to warrant the attention of the Railway Member. There may be some explanation for the excessive expenditure under the categories that I have mentioned. If so, I have no doubt that either the Communications Member or the Chief Commissioner for Railways will be able to supply it.

Now, Sir, I shall come to another point which has been mentioned by the Honourable the Communications Member in his Budget speech. He tells us that in order to implement the recommendations of the Wedgwood Inquiry Committee for strengthening the commercial side of the railway administration, the Railway Board have sanctioned the creation of ten posts in order to expand railway activities in regard to publicity, commercial research and direct commercial working. He also tells us that the Railway Board have sanctioned the creation of a separate commercial department, as a temporary measure for two years in the first instance, on the A. B. R. Now, the first question I should like to ask in this connection is whether these matters were placed before the Standing Finance Committee on Railways? I have looked up the proceedings of the Finance Committee both for the years 1937-38 and 1938-39 but I find no mention of these items in any of these proceedings. There is only one item with regard to the creation of an additional post in the traffic and commercial department and it relates to the E. B. R. It is possible that the proposals were placed piecemeal before the Standing Finance Committee but, even after a detailed scrutiny of the memoranda placed before the Standing Finance Committee for Railways for the two years that I have mentioned, I have found no reference to the creation of the ten posts referred to by our Honourable friend Sir Thomas Stewart in his Budget speech. Sir, this is a matter of considerable importance and I should like to know, if what I am saying is correct, why it is that such an important matter was not placed before the Standing Committee? The Wedgwood Committee may have made recommendations for strengthening the commercial side of railway administrations but when additional expenditure on even small items is included among the subjects for which the sanction of the Standing Finance Committee is sought, how was it that so important a matter was not placed before it? Perhaps the explanation is that these posts are being created in order to replace some posts that have been abolished. If it is so, that ought to have been stated here. But even if that is so, I should like to know what arrangement Government contemplate for recruitment to these posts? When the recommendations of the Wedgwood Inquiry Committee were considered by the Assembly and the Council of State, we were assured not merely that no recruitment for the posts of which I am speaking would be made outside the country but that, as far as possible, Indians would be appointed to them. The Honourable Sir Sultan Ahmed, speaking in the Council of State in September, 1937, said :

“ I am thinking of those recommendations which they have made, for instance, in the commercial department, the technical and supervisory department, liaison officer, and so on, I am thinking of these recommendations and I submit that the views of the Government of India are perfectly clear. Indians must be found and if Indians are available there is no good thinking of anybody from outside ”.

I should like to know whether the assurance given by Sir Sultan Ahmed in 1937 is going to be implemented in connection with the filling up of the posts which are now being created ?

Now, Sir, I shall take the opportunity of drawing the attention of the Railway Board to a matter which I brought to their notice last year also. That concerns the purchase of stores by the State-managed and Company-managed railways. I drew attention last year to the fact that, while the State-managed railways were purchasing stores worth Rs. 3 1/3rd crores through the Indian Stores Department, the Company-managed railways had utilised this Department only for the purchase of stores worth about Rs. 28 lakhs. The figures for 1937-38 are even more disquieting. The figures for 1936-37 at any rate gave the hope that as the record for Company-managed railways was better than for any of the previous years their policy in this matter was undergoing a distinct change for the better and that in future they would make increasing use of the services of the Stores Department. Yet in the year 1937-38 I find that the Company-managed railways have purchased stores worth about Rs. 8 lakhs only through the Indian Stores Department. It is not that the total value of the stores purchased by them has fallen since the year 1936-37. No, it has increased by nearly two-thirds of a crore. Yet, for some reason that has not been explained in the Report of the Railway Board, the Company-managed railways disregarding the view of the Wedgwood Committee have practically ignored the Indian Stores Department entirely. Another thing, Sir, to which I should like to draw attention in this connection is the purchase of stores of Indian manufacture or indigenous origin. If we compare the figures for 1937-38 with those for 1931-32, we find that there is no increase in the quantity of indigenous goods purchased by the railways. It is true that the total value of the stores purchased by the State-managed railways and the Company-managed railways taken together has fallen by about a crore during this interval. But, even so, I should have thought that, the policy of buying the articles manufactured in India having been accepted, it would be possible during these six or seven years to show that at the end of the period the quantity of indigenous articles purchased was much more than at its commencement. But I do not find that any progress has been made in this connection. The Report of the Railway Board states (pages 78 and 79) a number of articles that would be purchased in future through the agency of the Indian Stores Department. My Honourable friend the Communications Member also draws our attention to the desire of the Railway Board to make increasing use of indigenous materials. Yet, the figures that I have placed before the House tell a different tale. This is again an important matter that requires explanation. We bring it year after year before the House, but the spokesman for Government fails to give any adequate reply on the subject merely on the plea that the number of points raised is so large that it is impossible to deal with them all individually.

Lastly, Sir, I should like to say a word about third class travel and racial discrimination in the subordinate services.

THE HONOURABLE THE PRESIDENT: Please be brief. You have already taken much time.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I must congratulate the Railway Board on the increasing regard it is showing for the convenience of third class passengers. The manner in which the third class traffic was handled at Hardwar was deserving of all praise. Both the Mela Officer and the Assistant Mela Officer performed their duties to the entire satisfaction of the public. Yet, two cardinal factors must be borne in mind in connection with third class traffic. One is that educated people are increasingly travelling third class, and the other is the road motor competition. The railways

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are alive to the importance of the second factor, but I doubt whether they have sufficiently considered the importance of the first point. In my opinion, the main improvements to which their attention ought to be drawn concern partly the railway carriages and partly the accommodation provided for third class passengers at the railway stations. I know that the railway authorities are trying to provide carriages of a more modern type. But I wish that progress in this matter were quicker than it has been in the past. The main matters that require attention in this connection are the provision of broader seats, cushions for the seats, better lighting arrangements and better latrines. There is none of these points which has not been considered by the Railway Board over and over again, but when one reads the Report of the Railway Board, one feels, notwithstanding the money that is being spent on the provision of amenities for third class passengers, that progress is disappointingly slow. As regards waiting halls, it ought to be borne in mind that they ought to be of a better character than are usually at most of the stations. You cannot expect all passengers to sit down on the floor. I know that benches have been provided in some of the waiting rooms, but I believe that more attention should be paid to this matter than has been done so far. Latrine accommodation also requires much more attention than it has received in the past. These are the main points in connection with third class travelling which I venture to impress on the attention of my Honourable friend the Chief Commissioner for Railways.

As regards the discrimination in the subordinate services, I drew attention to this matter last year and I am sorry to say that no improvement is yet visible. The Locomotive and Carriage and Wagon Departments, at any rate on the E. I. R., continue to be the monopoly of the Anglo-Indian community. During 1937-38 and 1938-39, all the promotions made from the supervisory grades have gone to the Anglo-Indian community and preference has been given to it even in connection with direct recruitment. Apart from this, I understand that a change has been made in the matter of recruitment of permanent way inspectors and other officers of a similar category belonging to the Subordinate Engineering Department. Formerly, apprentices were chosen and were given a fairly long training. Now, I understand that candidates are being directly recruited, that they are mostly without engineering qualifications and that they largely belong to the Anglo-Indian community. Sir, if this is a fact, it adds to our grievances. One hopes, Sir, that when these matters are placed before the railway authorities, redress would be speedily secured. I find however that although they have been repeatedly brought to the notice of the Government both in this House and in the other, hardly anything has been done to remove the serious disadvantages under which Indians are labouring. I hope neither my Honourable friend nor the Communications Member will fail to give an adequate reply on this subject. We know that the policy pursued in the past is to a certain extent responsible for the present state of things, but we would like to be assured that this policy is being changed and that in course of time it will produce the result that we all desire.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, it is very difficult to avoid the repetition of arguments, allegations and complaints during the general discussion of the Budget. Nevertheless there are some points to which I wish to draw attention in the speeches made by Honourable Members. It is no doubt a carrying-on budget, but a budget which was prepared with great care and caution in view of the uncertainty of conditions in India and outside. I wish it might be possible for the Honourable Member here and in the other House to make the Railway Budget more intelligible

to the layman and to the uninitiated. In view of the vast field that they have to cover and the technical subjects which they have to deal with it is no doubt very difficult for them to make that possible in a speech before the House. Sir, railway administration is a hard and exciting business. It is hard because it has to cover a vast field of revenue and expenditure amounting to several crores has to be explained. It is exciting because there are various complaints, not only from one province but from all provinces about the efficiency of the services rendered. Therefore, it is not a very exacting business to meet all these demands. But there is one feature which I would commend to the House. It is the Explanatory Memorandum circulated to us. This memorandum is practically a summary of the annual reports of the Railway Board. These statements could be more simple and more intelligible to the lay public. The two bulky volumes cannot be easily read; it was suggested by the Railway Inquiry Committee in its Report, these things could be made into a popular handbook so that information may be available to the public and the various criticisms that we have listened to here could be easily explained. The dry statistics and tables covering several pages do not interest the ordinary reader. If today the railway administration is not popular, it is because they do not furnish explanations or information in a handy form so that ordinary people may be capable of judging whether the railway administration is properly worked or not. The suggestion I would make, which is supported by the Railway Committee, is that a popular edition like that of the London Transport Board should be furnished for the information of the public. I wonder why that has not been done with a view to popularising the railway administration? I hope it will be done now. A memorandum of that kind prepared from these two bulky reports would be much more effective and useful to furnish information to the public.

Sir, it is very satisfactory to note that we have had prosperous budgets during the last two years under the regime of our Commerce Member and it may be hoped that we have passed through the period of lean years and entered upon a prosperous era. But there is one feature of this prosperity which requires to be analysed, namely, that for the last few years railway administration has been dependent upon the depreciation fund. Secondly, there is the Government Resolution, supported by the other House, that railways need not contribute for the time being to the general funds. These two no doubt have helped to tide over the difficulties and also explain the surplus that the railway administration now contributes to the general funds. The borrowings from the depreciation fund amount to about Rs. 30 crores, out of which it is proposed that we should repay this year to the extent of about Rs. 6½ crores. The Memorandum states :

“ At the end of 1938-39 the liabilities of railways to be met in subsequent years will amount to about Rs. 65 crores, of which about Rs. 30·29 crores is the amount borrowed from the depreciation fund to meet deficits and Rs. 34·70 crores represents the contribution due to general revenues but unpaid from 1931-32 to 1938-39 ”.

This latter, however, is in accordance with the decision of the Government and the Legislature and railway revenues should not be called upon to meet the liabilities for the present. In accordance with this decision they expected a surplus of Rs. 2 crores this year will be paid to the central revenues. Therefore, we have to see how far this policy is in accord with the resolution of Government that the depreciation fund need not be repaid in preference to the general revenues seems to require explanation. The net appropriation to the depreciation fund during 1939-40 will be, as I have said, Rs. 6½ crores. One satisfactory feature of the working of the railway administration is the net dividend that is payable on the capital investment. Compared with the railways in

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other countries we have no reason to be dissatisfied with the dividends that would be available for the deferred shareholders, as my friend has put it, that is, to the taxpayers. The return varies according to the report between 3 to 4 per cent. The railways in other countries also similarly contribute a dividend of 2 to 3½ per cent. Therefore, on the whole, the earnings of the railways, so far as dividends are concerned, seem to be very satisfactory. But the real test of the railway earnings and the railway administration lies in carrying out the recommendations of Sir Otto Neimeyer's recommendations. His recommendations were that there should be greater co-ordination between the railways and the other transport authorities which would result in a reduction of expenditure in many ways. We all know as practical business men that expenditure on railways cannot be cut down below a certain sum. It is very necessary to discuss economies in working, but at the same time we must remember that in order to get a proper return on our capital the expenditure cannot be cut down below a certain point. The recommendation of Sir Otto Neimeyer should be attended to and we have to see whether the two tests that have been provided for by him are carried out in practice. The first is about revision of expenditure. We find from the Explanatory Memorandum that there has no doubt been revision of expenditure and we also find that recent legislation also would enable the railways to be able to regulate the co-ordination that is so much emphasised by Sir Otto Neimeyer. If these two things are carried out effectively, surely the net balance should be available for general funds, so that the central fund may contribute to the provinces. If the operating charges are high—no doubt they are high in many respects—there must be corresponding benefit to the people and therefore we have to see, according to him, whether it is justifiable expenditure; if not, he said, there must be revision of expenditure corresponding to the benefit of the people. Now, there is one other point which I wish to place before the House in connection with the Budget. The speech of the Honourable Member in introducing the Budget has not made clear one point which was raised by the Railway Inquiry Committee Report, namely, what place the Railway Authority, the Federal Authority would take, and what connection there would be between the Railway Authority and the Railway Board. The question was raised there and discussed in detail by the Railway Inquiry Committee and no reference has been made to it in the speeches. I would like to know whether in view of the preparations that are being made all round the Government have come to any decision in the matter and what is their policy in regard to that Railway Authority? The second point that I would like to make in another connection is about traffic facilities. It has been dealt with in this Memorandum. Various provisions have been made for traffic facilities and for amenities. But there is one point in which we from the South are interested—at least on the East Coast—is the development of the railway station at Waltair. Waltair railway station is in a very important position. The M. & S. M. R. terminates there and the B. N. R. begins. I find that in the budget of the B. N. R. that no provision has been made for remodelling of Waltair station. The so-called first and second class waiting rooms are disgraceful, scandalous. I ought to use even stronger language. It is not worthy of any railway administration that Waltair, a sanatorium, the centre of a university and which is going to be the centre of the Andhra province, a port most visited, a harbour, should be in this state, and have miserable first and second class waiting rooms there. People have to come by mail train, and stop there in order to catch the passenger to be able to go to the northern side or coming from Calcutta side they have to spend several hours and go the other way. Still in spite of repeated complaints and messages

conveyed to the authorities of the B. N. R., nothing has been done. All that is necessary is to put up a first floor and a refreshment room upstairs. A few thousand rupees will do. While Bezwada is going to be developed—I am sure my Honourable friend will not dispute that—that Waltair should have been neglected is most unjustifiable; and therefore I would on this occasion draw the attention of the authorities to this great public need. The B. N. R. should be more prompt and should be more liberal in the matter of providing amenities to the travelling public. Hotels are about four or four and a half miles from the station on the Beach Road. We have no place to sit at all excepting the miserable railway station waiting room; there is not even a proper chair to sit on; the flooring is very bad and the bath rooms are all used also by the staff; it is a stinking hole for any decent man to even pass through that place. It was represented to the authorities and yet it is not known why no provision has been made in the budget of the B. N. R. All that they provide is Rs. 1½ lakhs for replacement and improvement of worn-out, signalling and interlocking, including isolation in Khargpur-Khurda Road section. Beyond that no provision has been made. I hope that the attention of the authorities would be drawn to this great drawback that exists in Waltair railway station.

Then, the next important matter which the railway authorities should see is the conveyance of agricultural produce. In the Coromandel Coast we send our agricultural produce from Gopalpur to Cocanada by steamers because railway freight is so very prohibitive and even fruits and mangoes during the mango season are sent that way. I had talks to provide facilities for the huge loads of fruit to be carried to the south and to enable fruit and fish to be carried to Calcutta from Gopalpur, Kalingapatam and Bimlipatam. They seem to pay very little attention to the earnings from these sources and lots of rice are carried from Gopalpur to Madras, and from Cocanada to Madras at cheaper rates by sea. They are all agricultural produce for which we are all anxious to have higher prices and a better market and railway authorities are also interested in seeing that the agriculturist receives a proper value for his produce. Conveyance of agricultural produce is one thing that they should give their attention to. No doubt it is true that in the case of wheat and cotton certain concessions and rebates are given but nothing has been done so far as the rice trade is concerned. We get rice from Burma to Bimlipatam or Cocanada at cheaper rates. What is the use of the railways if they do not give facilities for agricultural produce to be moved about in such a manner that the agriculturist is benefited by the railways? Therefore, I would insist on the authorities inquiring into the matter in detail and to ascertain whether or not they could afford facilities for agricultural produce; otherwise the existence of the railways would be of no benefit to the general public. Therefore, I would say that these two local matters, namely, the moving of produce from one place to another and the improvement of the Waltair railway station, are two great local necessities. But, generally speaking, though it is a carry-on budget, it has been very cautiously and carefully prepared and the two real tests proposed by Sir Otto Niemeyer must be carried out in all its essentials.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, I am sorry not to be able to join with other Honourable Members in congratulating the Honourable Sir Thomas Stewart on his appointment as Governor of Bihar. I have the misfortune to live in Bombay and Delhi and I shall miss him here very much.

If the results placed before us are correct I agree that they are very satisfactory, but if they are correct they are only so because errors on one side cancel

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errors on the other. Before I go into my reasons for expressing this view I would like to refer to one or two other matters.

I see that the Government of India are inclined to accept the view that there should be a maximum for the reserve fund. I myself am not in favour of the suggestion to fix any maximum amount. If there is to be a maximum I think it should be something related to the capital employed; e.g., I would say that 5 per cent. on the capital employed is too low a maximum and that 10 per cent. would be by no means high.

In the case of the depreciation fund there is really no reason at all for fixing a maximum of any kind. All that you have to do is to ascertain the cost of your assets, estimate the life of them, and you have decided what has to be put into the depreciation fund, and whatever sum is there as the result will be the correct sum. The question of a maximum thus does not arise at all.

Then I come to the important question of what can properly be charged to the depreciation fund. The Wedgwood Committee in paragraph 209 of their Report have made certain recommendations which I understand (although it is not stated by Government) have been substantially accepted by them. I have already pointed out on previous occasions that those recommendations are very imprudent. What do the Wedgwood Committee recommend? They say that if you purchase an asset worth Rs. 1 lakh and its life is 10 years, you must provide depreciation during that 10 years and that at the end of that time you will have in the fund in respect of that asset Rs. 1 lakh. So far so good: a perfectly correct position, but what do they say is to happen then? They say that if you then purchase an asset to replace the other asset at a cost of Rs. 1,50,000 you should charge Rs. 50,000 to the depreciation fund, leaving only Rs. 1 lakh in your capital account. You then start off with a minus quantity in the depreciation fund of Rs. 50,000 and over the next 10 years, assuming that the new asset has the same life as the original asset had, you provide depreciation to the extent of Rs. 1 lakh. At the end of that 10 years you are still in the position of having a minus sum of Rs. 50,000 in the fund in respect of that asset and you go on from time to time accumulating minus quantities accordingly. The matter is apt to be obscured in the case of a large concern like the railways because your assets, and consequently your depreciation fund, are expanding and you do not identify a particular portion of the fund with a particular asset. There are practical reasons why this is not done although in theory it ought to be done. The work involved would normally not be justified. It is not a matter of opinion in my opinion: it is purely a matter of fact. I am not alone in holding this view and I would like to read an extract from *The Accountant* the recognised Journal of the Institute of Chartered Accountants. It is headed "Accountants and Depreciation" and it refers specifically to the particular case of the Indian railways:

"We believe, first and foremost, that the proper charge to be made against current operational revenue for depreciation should be based solely on a consideration of original cost in the light of estimated normal working life". Those are exactly my views "It is, the figure thus evaluated which seems to us to be the proper charge in arriving at the cost of industrial products. To overstate the figure is as bad an error as to understate it, although over-statement is often regarded as a financial, and even an accounting virtue.

"Over-statement may arise from three confusions of idea which ought to be stated. First, it is no part of a provision for depreciation, properly conceived, to bear an anticipated increase in the cost of capital replacement. As a bald proposition that seem obvious, but the facts are sometimes obscured by the practice of overcharging depreciation and then taking advantage of the credit balance supervening to charge thereto the increase

costs in question. As an example of this practice we may cite the case of the Indian railways. In that case the minister responsible" (The reference is not to the Honourable Sir Thomas Stewart: the article is dated 18th September, 1937) "appears even to have claimed that this plan is beneficial as guarding against over capitalisation. But inasmuch as the result is to leave on the asset account only the lower cost of the original assets it seems that future depreciation charges would be based on that lower cost, and, therefore, be less than the real cost of operation, with the final result that profits would be overstated and possibly over-distributed".

That is the serious danger and it is a danger we are running. We may now be over-distributing profits.

There is one other minor point in the Statement as to Government action on the Wedgwood Committee's Report to which I would like to refer. I was surprised to see that Government have decided that there is no justification for provision of railway-owned refrigerator vans. I would be interested if my Honourable friend could give the reasons for this conclusion. In these days when such large quantities of perishable goods are being carried all over the world by sea and by rail in refrigeration it seems curious that in a country like India it should not be remunerative for a railway to provide suitable refrigerator trucks.

THE HONOURABLE MR. M. N. DALAL (Bombay: Non-Muhammadan): Mr. President, Sir, the present Budget is the third of the last eight years showing some kind of surplus in the railway finances, on which we cannot but congratulate those responsible in the management of the Indian railways.

This year closed with a surplus of Rs. 2.05 crores which have been made over to the General Budget as part payment of the contribution from the railways. This slight decline of surplus as compared with the last year, 1937-38, may be due to a certain degree of recession in business conditions and movements of commodities. Nevertheless, the operation of railways has continued to show recently a reasonable record of judicious improvements and extension of facilities, which, I have no doubt, has led to the steady improvement noticeable in the last three years and which promises to continue hereafter.

When, however, I have admitted the fact of this surplus, and offered my congratulations for the same to those responsible for our railways, I would not like to be understood that the progress of Indian railways is free from any criticism. Even while we appreciate the present surplus, we must bear in mind certain considerations, which would go a long way to mitigate our gratification at the occurrence of the surplus.

In the first place, the railways have had from 1931 six years of continued deficit, in which not only the reserves of the previous five or six years were wiped out, but considerable borrowings had to take place from the depreciation reserve, which was first established very late in the history of railway enterprise in India, and which has yet failed to be built up at the rate, and to the amount at which it was hoped. On an enterprise representing a total capital outlay of over Rs. 750 crores, we have a depreciation reserve today of Rs. 24½ crores after 90 years. The railways have also not paid the contribution of even 1 per cent. on the capital at charge as stipulated in 1924. Since 1931-32 for six years they paid nothing and for the remaining three years at a fraction of the amount due from them. The aggregate of the liabilities of the railways to be met in subsequent years, today is Rs. 65 crores. Had the deficit of this Rs. 65 odd crores incurred chiefly during the course of the world depression not been put under moratorium for three years by a special Resolution of the Legislature in 1937, we should not even now be in sight of the nominal surplus that appears in the Budget today. If the arrears of the

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stipulated contribution were insisted upon rigorously, as they would be in any properly conducted commercial enterprise, the present surplus would really be converted into a deficit.

As for the stipulated contribution of Rs. 6·85 crores from the railways, that is, 1 per cent. of the capital at charge, in aid of the General Budget, the prospect even today does not appear at all promising that within any reasonable period this contribution would be resumed. Pending the appearance of the railway contribution in the General Budget to the original stipulated proportion, the aggregate financial system of India as a whole, including both Central and Provincial Governments, must needs be considerably strained; and consequently all projects of economic nation-building development within the country must be proportionately held up.

The weak condition of railway finance acts as a double injury upon the national finances as well as the economic prosperity of the country. The scheme of financial provision under the new constitution, as recommended by Sir Otto Neimeyer three years ago, makes the success of the new constitution expressly dependent on the emergence of an adequate surplus in the railways. But we see no great hope of a proper and adequate surplus emanating in the railways which would permit of the contribution stipulated in 1924 reappearing to strengthen the national railways. Because railway finance does not show its promised surplus, those responsible for the national finances have to adopt all sorts of new taxes to eke out their obligations. I would much rather review frankly the arrangement made in 1924 regarding the contribution from the railways and reduce it if necessary than continue in the present state of moratorium and suspense. By this arrangement railway finance presents a misleading appearance inasmuch as it makes out that the railways are an earning asset of the country; whereas, if all proper allowances were made, as in a commercial concern, our railways would show anything but a real profit, and so be anything but an asset to the Government.

On the other hand, because of financial commitments in the railways, it becomes impossible to adjust rates and fares for the carriage of goods and passengers which would really promote the trade and industry of the country. Nor can we develop alternative forms of transport to such extent as would make for the cheapest carriage.

The railways have not been conducted as they should have. We are told also that various and considerable economies and retrenchment have from time to time been made on the Indian railways, which are calculated to make all kinds of saving and improvement. Taking, however, a long range view of the matter, it seems to me that the tendency both of the working expenses and of the aggregate expenditure shows a steady rise, which defeats all attempts at saving or economies on the railways. I recognise the value of the recommendation of the Pope Committee as well as of the Wedgwood Committee which in many cases have, we are informed, been acted upon already. I would however add that the aggregate effect of the economies promised, as a result of the investigation and recommendations of these committees, have yet to manifest itself.

Unless the tendency of other items of expenditure to expand constantly is effectively checked, I fear no real economy or saving in the aggregate expenditure would be taking place within the near future. Railway finance must needs cause us considerable anxiety. Our anxiety is all the greater because we have not yet secured, after nearly 90 years of railways in India, all the machinery,

plant and equipment necessary to produce, within our own country all the requirements of economically constructing and efficiently operating our railways.

It was in 1935 that a Resolution was passed with an overwhelming majority in the Legislative Assembly recommending that the locomotives for the Indian railways be manufactured in this country. And yet, despite repeated wishes of the Indian people expressed through their elected representatives in the Legislature, the Honourable the Chief Commissioner for Railways, after four years now, has said in his Budget speech that arrangement has now been made with the B. B. & C. I. R. workshop at Ajmer to build locomotives for other railways only after they have completed their supply on the B. B. & C. I. R. This workshop, in my opinion, is certainly not capable of producing the number of locomotives required for all the Indian State Railways. I would, therefore, request Government to have a central plant and workshop under the Government of India for producing and supplying locomotives on a large scale adequate to the requirements of Indian railways and, if possible, to adjoining countries like Burma, Ceylon and Siam. The same may be said of wagons and coaches and of other items which constitute the aggregate equipment of railways.

We are told at times of steel needed for some bridge being bought from Indian manufacturers or of timber for railway sleepers from Indian forests ; or of coal from Indian mines. But if we consider in detail the figures of railway stores and equipment bought from Indian producers and that from non-Indian sources, we shall at once discern the heavy leeway that needs to be made up in this regard.

While the country continues so abjectly dependent in this absolutely essential section of key industries ; while we continue to depend upon foreign imports for this vital purpose, how can we regard the condition of the railways in India, taken as a whole, to be a matter of satisfaction? Sir, I have no desire to go at this stage into particular matters relating to railway enterprise, or specific questions of technical importance in the actual working of the railways. But one item of economy I feel necessary to put forward. I happen to be a Civil Engineer myself, and I appreciate the value of research ; I, therefore, desire to make a few suggestions for consideration before this Honourable House. I would request that railway research work be carried on immediately, on a large scale, in order to explore the possibilities of development of new methods or new material, and to obtain the co-operation of Indian manufacturers who are so easily available, so as to try and meet all our needs from our own resources.

It might be urged that the staff available on the Indian railways is not equipped to deal with newer methods of construction. If this is so the reply is that the present capacity of the staff is what the railways have made it, and further they will never be suitably equipped unless a start is made to foster their interest in newer methods of construction.

If properly used it will be found that materials have never been cheaper than they are today. The most glaring example of this is in welded steel which reduces the weight and cost of structures by 15 per cent. and if special sections are manufactured it might reduce to 25 per cent.

So far as our rolling stock is concerned, locomotives, carriages and wagons has cost us this year more than Rs. 5 crores. There seems little justification to continue to build rolling stock of such excessive weight. In Germany, France, Switzerland and America, some locomotives and carriages are constructed which weigh 45 per cent. less than our railways. The capital cost of

[Mr. M. N. Dalal.]

replacement will be slightly higher, but the aggregate saving in the haulage is so great that a considerable economy can be effected, especially when there is a dearth of coal on our railways. Such a train will be as durable and higher speeds are possible and it will have less tractive resistance and less cost in track repairs. The repairs of the track alone has cost us this year Rs. 4½ crores. I would request Government to have a mind free from this inherited tradition of battleship practice of building rolling stock, and follow the developments in foreign countries.

If these suggestions are adopted, and the economies resulting therefrom effected, I feel no doubt that the financial condition of the Indian railways would become far sounder than it is today, and improve the general well-being of the country as a whole.

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

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable Sir David Devadoss in the Chair.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal : Non-Muhammadan) : Sir, the Railway Budget has been described as a featureless one. It will be admitted that it has nothing spectacular about it. Last year a surplus of Rs. 283 lakhs was foreshadowed, but the actual result was a surplus of Rs. 276 lakhs, while the working expenses were about three-quarters of a crore more than was estimated. As has been pointed out by my Honourable friend Sir Guthrie Russell in his speech, although an increase in earnings this year over the budget estimate is anticipated, the prospect of an increase in working expenses also looms large before us, due to the cost of coal, the cost of repairs, and increased repairs to assets, including the cost of the damage caused by floods on the E. B. R. The gross earnings for the ensuing year 1939-40 has been put at Rs. 94·75 crores against Rs. 94·65 crores taken for our revised estimate this year. The Budget has been framed on much the same lines as the present one, on the assumption that trade conditions in general, and the world situation will remain almost as they are at present. I will not weary the House by entering into figures which, to my mind, do not much attract the layman ; but will merely put down in as few words as possible a few points of general interest. In the forefront I will place the amenities for third class passengers, who provide the main bulk of passenger earnings. Their grievances mainly relate to over-crowding in trains, insanitary and dirty conditions of carriages and latrines, utterly inadequate water supply at stations, insufficient booking office facilities, and the want of waiting halls at many of the important stations. I acknowledge with gratitude that some improvements have been effected in recent years ; but I am afraid they still fall far short of the actual requirements. Food supply for Indian passengers and catering provisions for them are still far from satisfactory ; and it is strongly suspected that favouritism and unworthy influence sometimes play a great part in the giving of catering contracts. I must also mention here that incivil treatment by railway staff to third class passengers in general also adds greatly to their trouble ; and I can not too strongly impress upon the railway authorities not to relax their vigilance, but put down such cases of treatment with a strong hand. The road motor competition should also provide an object lesson to the railways. The question of incivility and dishonesty on the part of the railway staff has, I am glad to note, been referred to by the Honourable Member in

charge of communications in the course of his Budget speech in the other place, but, unless I am greatly mistaken, I have found no reference to them in the speech of my Honourable friend who presented the Budget in this House.

I note with pleasure that an improvement in the designs for third class carriages is shortly contemplated, which will provide for smaller compartments so as to ensure greater privacy for parties desiring to travel together, *lota* taps, *lota* shelves, coat hooks, better lighting arrangements and broader seats. The improvements effected in other directions have been admittedly meagre, or in the words of the Chief Commissioner for Railways they have "Not been sufficiently spectacular" to warrant reference in his speech. I will here suggest that more coupé compartments for upper class passengers should also be provided, and this will add more to their comforts.

I will now briefly refer to the question of building locomotives and other railway stock in this country. This step has been incessantly pressed upon the railway authorities, and I note that belated effort has recently been made to amend the legal procedure under which the Ajmer Workshop of the B. B. & C. I. R. was precluded from building locomotives for other railways; with the result that an order for the construction of nine locomotives for the A. B. R. have been booked. But I am afraid this is a mere drop in the ocean. Systematic and sustained efforts should be made to make India self-sufficient in this respect.

Sir, I wish to raise my voice of warning to the somewhat alarming repetition of railway accidents that have been taking place in recent times. The question involves the paramount necessity of public safety on railways. I beg to urge with all the emphasis at my command that utmost efforts should be put forth to minimise the chances of such disasters as have recently figured the history of Indian railways.

Sir, the question of Indianisation has been so often pressed that I do not propose to repeat it here, except to emphasise its vital importance. It is no answer to say that the policy of Indianisation is being steadily pursued. Even if this plea be true, the question will have to be solved from the national point of view. The number of non-Indians on our Indian railways must dwindle down to the vanishing point at no distant date.

Sir, I am afraid I am trespassing upon the patience of the House, and must now resume my seat.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) :
Sir, I join my colleagues in congratulating the Honourable the Railway Member on his elevation to the Bihar *gadi*.

The picture that has been presented to us, though not a rosy one, is not disappointing according to me. We have been presented with a surplus budget for the next year and the revised estimates show that for the current year we shall have a surplus of about Rs. 2 crores. One fact that attracts the attention of everybody is that though the revenues of the railways have gone up during the last two years, the working expenses also have comparatively gone up. After listening to the speeches made by the Honourable the Chief Commissioner in this House and by the Railway Member in the other House, I think they have not slackened their efforts to reduce the expenditure. But then, Sir, as we heard from the remarks made in this House this morning, sufficient efforts have not been made to bring down the expenditure on the working side of the railways. The railways are a national asset and any criticism against the policy of the railways is not directed to bring down the efficiency of the working of the railways, but criticism from the non-official side should be looked into and

[Mr. V. V. Kalikar.]

carefully considered with a view to make the railways a paying concern as well as with a view to make the railways really a public utility concern. Sir, the policy that has been followed up till now by the railways is to a great extent criticised by the commercial community in India, as they think that the railways have looked upon themselves up till now as meant for the export and import trade to the ports and have not made sufficient attempt to develop the internal trade of the country. It is, Sir, for them to revise their policy and to adopt a systematic, planned policy which will ultimately develop the internal trade of India. They must realise their policy of freight rates in such a way as to help and encourage the indigenous industries of India. Sir, suggestions have been made by the non-official side in this House as well as in the other House about helping the indigenous industry in India, but it seems that scant attention is paid to all these suggestions that have been made up till now. Let us take the case of the stores purchase policy that has been followed by the railways. We find that there is a marked decrease in giving effect to the suggestion to the effect that as far as possible the stores purchased for the use of railways should be purchased in India and the goods should be of Indian make. We find that about Rs. 20 crores worth of goods are purchased for the use of railways and really it is a matter of great concern to Indians that a large sum of money should go out for purchasing stores for railways when the same stores are available in India. This House, and the other House too, on several occasions has suggested to the railways that they should make attempts to be self-sufficient in the matter of manufacturing locomotives and wagons in this country. It is a matter of great encouragement to me at least when I listened to the speech of the Honourable the Chief Commissioner that the Ajmer Shops are going to supply nine locomotives to the A. B. R. in the year 1939-40. I congratulate the railway authorities for removing the obstruction in the way of that Workshop manufacturing engines for other railways ; but I am not satisfied only with this small mercy. According to me that gives a complete answer to the argument always advanced from the side of the railway that manufacture of locomotives is not and will not be an economic proposition in India. It was stated I believe last year by an Honourable Member of the other House that about 250 engines and about 250 boilers are required for the use of the railways in India. If that information is correct, I think the railways can set up well-equipped workshops at Bombay and Calcutta and can meet the necessity of getting their engines manufactured here in India, the result of which will be not only to give their nationals employment but will assure the railways in times of need of a prompt supply of locomotives in this country. Sir, the policy deserves a careful review and I know the authorities concerned will give a prompt and sufficient consideration to this matter.

Then, Sir, the question of Indianisation looms large in the mind of the public and in spite of various representations and agitation the number we find from the figures of Indians employed in the railways is not quite satisfactory. I do not mean to say that they have not taken any steps because I find from the figures that the Company-managed railways in this connection have not strictly followed the policy of Indianisation as compared with the State-managed railways. The Company-managed railways have not given as much importance to this factor as the State-managed railways have done. Though we find that at present in the year 1938 the services have been Indianised to the extent of 51.50 we are not satisfied with the rate. We desire that earnest attempts should be made by the railways in Indianising their services whether

higher or lower. The opening of the commercial side of the railway and the new appointments to be made is a thing which is likely to bring good money to the railway. But, Sir, I submit that the assurance given by Sir Sultan Ahmed in 1937 that in making these 10 appointments only Indians will be recruited for these posts should be fulfilled. I find from the Report of the proceedings of the Standing Finance Committee that a proposal was mooted before that Committee for appointment of a Chief Mechanical Draftsman on the S. I. R., and objection was taken by a member of that Committee, with which I fully concur, who said that if the post is necessary recruitment should be made from Indians from India and nobody should be imported from outside. If an expert is not available here, then the services of a foreign expert should be requisitioned on a contract basis and he should be asked to train Indians in this branch, so that the question of Indianisation in every branch of the Railway Department might be solved as early as possible.

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

I am very glad to find, Sir, from the remarks made by Government that the Jamalpur boys are quite up to the mark. If that is the case, Sir, I think I am not wrong in stating that, if Indians are given the opportunity in any branch, whether as experts or as men employed in ordinary work, they can be found quite up to the mark provided they get an opportunity to do so. So it follows that, if you give them an opportunity, if you train them, you will find them quite competent for any job that is entrusted to their care.

Sir, I cannot but make a passing remark about what is happening on the E. I. R. I welcome the announcement made the other day in the other House of having a Tribunal to investigate the Hazaribagh accident but I must bring to the notice of the authorities concerned, Sir, that there is a lurking fear in the minds of the travelling public that there is something wrong on the E. I. R. We do not want to exaggerate matters in this connection but we do really want to bring to the notice of the authorities concerned that if there are any grievances alleged or real on the part of the employees, especially the employees in the lower grade, and if their grievances are just, they deserve to be remedied. At the same time, Sir, serious attempts must be made to bring the culprits to book who were responsible for taking such a heavy toll of human lives. Sir, it is stated in some quarters that retrenchment is being carried out in the railways not at the top but at the lower rung of the ladder. Of course, not only the railway authorities but even the Wedgwood Committee is responsible for this state of affairs. The Wedgwood Committee suggested that, as far as possible, except in the industrial areas and in the urban areas, gatemen should be removed. As a layman, I cannot approve of this policy but, Sir, the question is, if you begin with retrenchment at the top, of course without risking the efficiency of the working of the railway, you will be able to save much more than by starting at the bottom.

THE HONOURABLE THE PRESIDENT: Is it necessary to refer to all these matters after the Chief Commissioner distinctly stated the other day that it was the opinion of the Senior Government Inspector as well as of the police that it was a case of sabotage?

THE HONOURABLE MR. V. V. KALIKAR: I am not saying, Sir, that it was not a case of sabotage. I keep an open mind on that question. Whether it was sabotage or not, the question is to be decided by the Tribunal and therefore the matter is closed on that point. What I am saying is, that you should not retrench men who are quite necessary.

THE HONOURABLE THE PRESIDENT : You are arguing on a wrong hypothesis. They have not admitted that retrenchment is the cause of these accidents. You say you are not going to prejudice the inquiry, but this sort of thing will do so.

THE HONOURABLE MR. V. V. KALIKAR : I may explain, Sir, why I stated these things. I say, Sir, I keep an open mind on this subject. I do not say that it was not a case of sabotage. Neither do I say that it was a case of sabotage. The Tribunal is to decide that question. What I say is, from the retrenchment point of view that you cannot take into consideration the safety of the passengers and the efficient working of the railway as a whole and curtail expenditure merely by reducing the men who are drawing lower salaries. If you can touch the men who are drawing higher salaries, of course without risking efficiency, you will be able to save much. That was my argument.

Then, Sir, we have heard much this morning about the amenities afforded by the railways to third class passengers. I am glad to find, Sir, that attempts are going to be made to bring new carriages for third class passengers. But, Sir, the efforts of the railways in this direction have not satisfied the public so far as this demand is concerned. We were really happy to find that the arrangements made last year at Hardwar were excellent and the railways got a certificate from my Honourable friend Pandit Hirday Nath Kunzru in this connection. But, Sir, I must submit that the remarks made by my Honourable friend Mr. Hossain Imam about the condition of latrines in the third class carriages are correct to the letter. They have air-conditioned higher carriages. They have spent money over it but then, Sir, I would submit that that proposal could have been postponed and the dire needs of third class passengers ought to have been attended to first. Overcrowding is there. The dirty latrines, the condition of the platforms and waiting halls and paucity of water supply, these are the things which ought to be and must be attended to by the railways if they want to attract third class traffic. Third class passengers contribute a very large amount to the railways so far as the revenue from passenger traffic is concerned. I understand about Rs. 28 crores were gained by the railways on account of these third class passengers. But, Sir, the question is, whatever advertisements you may make, you may start pilgrimage trains, you may issue concession tickets to third class passengers, but unless and until you remove their just and legitimate grievances, the third class passengers will not be satisfied merely because you run pilgrim trains and build new coaches. The point is that their just and legitimate grievances should be redressed first. It is no use complaining that the motor transport has taken away much of the traffic. The principle underlying the Motor Vehicles Act which has now been passed is to co-ordinate the two means of transport. If the railways pay more attention to the grievances of the third class passengers, they will ultimately gain more.

In conclusion, I submit that the railways should review their policy and try to make as far as possible some improvement in the working of their department. For instance, Indianisation of the services, the purchase of goods made in India, amenities to the third class passengers—these are the most urgent needs of the day, and if they are attended to I am sure that in spite of the changing times and the unsatisfactory condition in the world owing to depression, the railways will be in a position to gain much.

3 P. M.

THE HONOURABLE MR. P. N. PIYANI (Barar : General) : Sir, we are discussing today the Indian Railway Budget. I cannot but say that it is a Railway Budget but I am not prepared to call it Indian. It is neither prepared by the Indians nor the railways are worked in the interest of India pure and simple. The Budget can aptly be called a foreigner's Budget for Railways in India. If it is an Indian Budget, what is the position of Indians in the higher services of the railways? What about Indianisation? Are the locomotives manufactured in India? Are the stores required for railways worth crores of rupees purchased in the interest of the Indian manufacture? Are not the railway freights more suited for foreign trade than for the development of trade and industry in this country? Is any attention paid to the lowering of the freights on agricultural produce such as cotton, wheat and other articles in order to help the toiling millions of this country? Are not the foreign goods carried to Afghanistan by our railways at cheaper rates than our own goods to Afghanistan? Are not the comforts and facilities of the higher class, mostly foreigners, attended more in the railway administration than the millions of Indians who travel in third? What is all this? It is neither in the interest of India nor in the interest of Indian taxpayers. We cannot call our railways as Indian unless all this is changed and we have the manufacture of all the locomotives, wagons, carriages and other necessities in our own country and we attend primarily to the needs of India and Indians.

Sir, we have been long demanding the Indianisation of the railway services but we still find that more than 51 per cent. of the railway higher service is manned by European personnel. No reasons are necessary to advance in favour of Indianisation. I can only say that the progress of Indianisation is halting and extremely unsatisfactory. The march of Indian nationalism is at high speed and the Government must march with its speed if it wants to live.

Whatever is being done with regard to the manufacture of locomotives by the Government is, in my opinion, next to nothing. I do not understand the reasons nor the Government have given any, for not complying with this persistent demand of the Indian nation.

Sir, this year's Budget, with nothing new or striking in it, does not afford a wide scope for discussion. I shall, therefore, say in brief all those things which may have been said many a time on the floor of this House just to remind that our grievances still continue.

Apart from political considerations, the railways of any nation have two important functions to fulfil. Firstly to help and serve the trade and industry of the country and secondly to afford facilities and service to the travelling community. The Indian railways do not fulfil any of these rightly. The prosperity of a country is intimately bound up with the development and efficient functions of its means of transport. No systematic attempt to develop the internal trade of the country has been made by our railways while the less said about the industrial development of the country the better. The railways still charge higher rates for carrying agricultural produce to the ports and lower rates for carrying the foreign goods into the country. It is necessary at present that the railway freight on cotton, wheat and other indigenous produce is lowered to help the poor agriculturists and the railway freight on foreign finished goods is enhanced to help the Indian industry. India is fast entering a new era of economic developments in which every large scale public institutions and organisation is expected to play its part. We expect railways to take part in this attempt to develop our natural resources more intensely. Something is said about the amenities of the third class

[Mr. B. N. Biyani.]

passengers but nothing is referred to about the part that the railways are to play in the economic development of the country. It is high time our railway chiefs turn their mind in this direction.

As regards the amenities and facilities of the third class passengers I make bold to say that many of their age-long grievances still continue though something is being attempted in this direction. Railways have admitted third class passengers as their best customers but at the same time it is a fact that they are not best attended. In India this question of attention to third class passengers is not only a question of facility but is a question of national sentiment. It is generally the case that a foreigner in India travels 1st and 2nd while India in general travels 3rd. In other countries if the poor travel 3rd in India its greatness and the soul of Indian nation in the personality of Mahatma Gandhi travels 3rd. The country is changing fast. Masses are alive and conscious of their human dignity and the railway administration must march with the times if it wants to keep its main customer satisfied. In spite of all the professions of paying attention to the 3rd class passengers there is still overcrowding and specially in the days of concession tickets. Third class carriages are still in a dirty condition. Water closets are many times unfit for use. There is no proper supply of food and more restaurant cars are run for 46 lakhs 14 thousand 1st and 2nd class passengers than for 50,53,47,000 of 3rd class passengers. Let me go into details. The railway carriages for 3rd class passengers do not even provide sufficient accommodation. At present a compartment 17' by 8' including passage is meant for carrying 36 passengers. That means less than four square feet is provided to each passenger. A berth of 14' 6" length is provided for nine passengers; that means every passenger is allowed about 18" of space. If one measures the breadth of quite an ordinary man one will find that he is broader than 18". The breadth of the berth is only 15" on which it is very difficult to sit comfortably. The space between two berths is only 19". When a passenger sits on a berth about 8½" of his body projects ahead of the seat and when the other passenger sits in front of the first, just facing him, the knees and feet of both cannot but touch. If one has to pass to the water closet all have to draw in their feet. I had recently an occasion to travel in the Nagpur Mail and I happened to be in a compartment which was meant for 88 passengers. It had only one water closet. The length of the compartment was about 35' and one can imagine the difficulty of reaching the latrine crossing not less than 40 to 50 passengers all of whom have to draw their legs every time some one goes to the latrine. The train was to run from Calcutta to Bombay. Can we imagine, Sir, what time it would take for 88 passengers to attend to their morning calls in one latrine? Not less than a day! Every carriage must have one latrine for each 20 passengers. The latrines in the trains are some times so dirty that it becomes quite impossible to use them. Fault may be found with the passengers but we cannot absolve ourselves by fastening the fault on the passengers. We must devise means to see that the latrines are kept clean. I suggest that there should be a sweeper with every train whose duty should be to see that every latrine is cleaned without being called for. There are many waiting rooms which are open on all sides to heat, sun and rain. There are not sufficient benches for the passengers to sleep. We find many passengers lying on the floor. At all important stations it is absolutely necessary to have a sufficient number of benches with flat seats for the passengers to sleep. May I also draw the attention to insufficient booking facilities and also to fans and mirrors and basins in the third class

compartments. Facilities of a minor nature such as *lota* or a tinjot or a *lota* nail will not satisfy the present consciousness.

Third class passengers are our chief paying customers. They pay 88·6 per cent. of the total earnings from passenger traffic while the 1st and 2nd class pays 2·6 and 4·7 per cent. respectively. But our expenditure is more on 1st and 2nd when the 3rd class still travels in some carriages even without latrines. We do not spend for replacing these old 3rd class carriages but we spend on air-conditioned coaches. Our Chief Commissioner for Railways says that the air-conditioned carriages are impervious to dust and heat. But who travel in these carriages? Mainly our rulers! Britishers want India's wealth but not her dust and heat! They should have both or none! I shall be glad if they have none!

Sir, if we look to the operating ratios we find that the railway administration is very costly. If we compare the total working expenses of 1926-27 with that of the present we find they are practically the same. The prices in 1926-27 were very high. In order to lower the burden of the present administration much economy ought to be effected and specially there should be at least 50 per cent. cut in the salary of all those who draw more than Rs. 500.

Sir, when I look to the statement showing the amount proposed to be spent on various categories for amenities to passengers I find that about Rs. 39 lakhs are to be spent under this head. I am surprised to find that only Rs. 8,000 have been allotted to the whole G. I. P. line. Out of this amount Rs. 5,000 is to be spent on raising some platforms and a big(!) sum of Rs. 3,000 remains to be spent on any other objects to improve the amenities of lower class passengers. Sir, are all the facilities on G. I. P. to 3rd class passengers complete as such a sum of Rs. 3,000 is allotted for this purpose? I think there are various categories under which the expenditure is necessary and the needs of the 3rd class passengers deserve more attention. If nothing else remains to be done I shall suggest the construction of a railway bridge at Akola on the level crossing on the Akola-Akot Road. It is a great necessity in view of the continuous heavy traffic.

The rates of third class travel deserve consideration and specially so in view of cheap return tickets in order to compete with motor traffic. In my province, Sir, one can go and come back at a cheaper rate from Akola to Amraoti than to Badnera which is a station nearer to Akola. So is the case with Akola-Khamgaon and Shegaon and may be at many other places. This is not fair. Residents of those places where road communications exist get an advantage which to others is denied. The general overhauling of the rates in view of the motor competition and economic depression is a necessity.

Sir, before I conclude, I wish to say a word about the accidents on railways. Accidents on railways are increasing every year. In 1937-38 there were 18,910 accidents, 305 more as compared to the last year. The number of persons killed was 3,370 more by 217 than the last year and the number of injured is 14,111 that is 3,065 more than the last year. These accidents shake the confidence of the public and I think it is absolutely necessary that more attention be paid for lowering of accidents.

Sir, I do not want to detain the House any longer. I hope Railway Department will work the railways in India's interest and will look to the march of events in this country. Sir, I have done.

THE HONOURABLE MR. RAMADAS PANTULU (Madras : Non-Muhamadan) : Sir, I rise with a certain amount of hesitancy for this reason. The case for this side of the House has been put forward ably by many Members of this House. If what my colleagues on this side have already said does not convince the Government of the correctness of our case I do not think anything I am going to say will convince them. If they are already convinced it is needless for me to speak. So either way I feel that there is no need for any more speeches for they may not have any new effect on the Government. But, Sir, the only weapon we have is persistent agitation till our grievances are redressed, as we have no political or other power to influence or control Government policies. So I think that the greater the volume of opinion expressed the better it is. It is only in that spirit that I rise.

Sir, the keynote of the Budget is one of subdued optimism with an under current of pessimism. I think both are justified by the conditions, both internal and external. But I personally feel that there is room for optimism. We have had three successive surplus budgets, though the surpluses are only round about Rs. 2 crores and the increase in expenditure was more than overtaken by the growth in revenue. These surpluses are certainly, from a business point of view, encouraging. Therefore, I hope that the caution of the Government will eventually prove to be excessive and that the optimism which I entertain will be realised. However it remains to be seen.

Sir, there is a notable change in the framing of the speeches both of the Railway Member and of the Chief Commissioner. Though there is nothing very interesting in the Budget itself, the speeches are certainly interesting and I congratulate them on the attractive and skilful manner in which they have presented their case. Both have stressed the importance of improving the relations of the railways with the public. It is a welcome feature. And not only that. The Chief Commissioner has certainly expressed himself in the right expert advertising style of the patent medicine vendors. Many passages there are of the advertising type. He made a very impressive catalogue of various improvements made in the services both for passengers and goods. Just listen to one passage in which he has told Honourable Members of this House of the new amenities he has created for such of them as travel from Delhi to Karachi. He says :

“ Honourable Members who may have had occasion to make a journey between Delhi and Karachi will now appreciate the tremendous difference which it would make for comfort by travelling in a coach impervious to dust and heat ”.

I wish he had added a note that they should however be very careful about sudden exposures, lest they get bronchitis or pneumonia ! After listening to that who can doubt that a change has come over the spirit of the railway administration and that the Chief Commissioner is a master of the language of modern business and of the idiom of modern commerce. Sir, is it not an illustration of the fact that they are out to fetch business and of the way how to do it. It does not really matter whether 99·9 per cent. of the passengers who use the railways do not understand what an air-conditioned coach is or even understand what it means when it is explained to them.

Sir, when we criticise the railway administration from this side of the House, it is not in any spirit of hostility. We are not slow to appreciate the improvements made by the various railway administrations and what we say from this side is intended to be helpful and constructive criticism and I ask them to accept it in that sense. It is idle to deny that there are some fundamental differences between Indian public opinion in regard to railway administration and the view the railway administrations themselves hold on the way

in which they are managing their affairs. At the close of his speech the Honourable the Chief Commissioner said that a Memorandum would be placed in our hands and those who were arithmetic enthusiasts might try their hobby. Sir, I have tried to study the figures both in the Administration Report and in the Memorandum and there is nothing wrong in the figures themselves; and work on them however laboriously we may, we cannot say that the arithmetic is wrong. But what we do say is that the policy is wrong; the figures only illustrate the policy. Take one particular instance of the fundamental differences that exist between us and the railway administration, namely, the rate policy. The Railway Member has claimed that the rate policy of the Government and the railway administrations has been conceived in the interests of India. He said:

“ This policy was designed and has in fact operated, as a stimulus to manufacturing activities in India ”.

That is his assertion. But I find that even today business men and commercial bodies do not accept that view. Only a few days ago the President of the Indian Merchants' Chamber, Bombay, speaking on the 25th of January stated the Indian business man's point of view about the railway policy in regard to helping indigenous industries. I may be pardoned for quoting one sentence from his speech. He said in effect that since 1912 and 1915 when Sir Vithaldas Thackersey and Sir Ibrahim Rahimtoola condemned that policy and the Acworth Committee reported, things have not very materially improved and he quoted a sentence from the Report of the Acworth Committee which runs as follows:

“ It is a grievance of longstanding that the railways fix their rates to suit their own pecuniary interests, if indeed it be not to suit the interests of European merchants, regardless of the effect of those rates on the native industries of India, and we have no doubt that the charge is accepted as proved beyond doubt ”.

Then, the President of the Indian Chamber proceeds:

“ This feature of our railway policy has adversely affected the utilisation of raw materials produced within the country by our factories, because it helps the import of foreign materials in our market. The local manufacturers pay relatively higher railway freights both on raw materials collected from internal producing centres and in marketing their finished products in local consuming markets ”.

There is thus a fundamental difference of opinion regarding the question whether the railways have helped indigenous industries. Indian public opinion considers that they have been a failure whereas the railway administrations hold that they have been helpful. It is a matter which has got to be decided more by Indian public opinion than by the self-serving assertion of the railway administrations. So long as these fundamental differences exist, we are bound to ventilate our views and till we get these grievances redressed this kind of debate will continue.

Then, Sir, on the question which my friends Mr. Hossain Imam and Mr. Dalal have dealt with at some length, namely, whether Indian railways have built up a sufficient amount of depreciation fund and whether they are contributing to general revenues as much as they ought to, we on this side of the House maintain that the shareholders in this concern whose stake is about Rs. 700 crores, the taxpayers of this country, expect a larger amount of depreciation reserve to be built up and that general revenues must get a larger contribution through increased railway earnings. The figures with regard to gains and losses compiled in this volume supplied to us make very painful reading. It is only two railways that are really working at a profit, the E. I. R. and the B. R. & C. I. R. The N. W. R. on the commercial side no doubt works at a profit, but if the strategic side also is taken into account it

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is also working at a loss. That out of the 11 railways in India only two are working at a profit and the others are working either at a loss or negligible profits is really a very sad feature and so long as this continues, there is no use complaining about criticism from this side of the House. The E. I. R. made about Rs. 239 lakhs and the B. B. & C. I. R. Rs. 216 lakhs and I find that every other railway has lost except a few railways which make a profit of Rs. 10 lakhs or Rs. 12 lakhs, which is insignificant. The B. N. R. record is easily the worst.

Then, with regard to Indianisation, I do not wish to take up the time of the House by again citing figures. The figures are all right. I have tried to study the portion of the Report which deals with that aspect of the matter, and I must say that the progress of Indianisation has been on the whole not disappointing. With regard to new recruitment as well as promotions the figures given in this volume show that the Government have been no doubt following a policy of progressive Indianisation. This process will take a very long time. Our demand is that it ought to be more rapid. The only way, I think, of rapidly Indianising the railway staff is to stop further European recruitment. The figures given here are fairly satisfactory; I am not quarrelling with them. We must admit that they show an attempt to increase the percentage of Indians; both in regard to new recruitment as well as promotions. Still the proportion of non-Indians is very high, Indian public opinion therefore demands a complete stoppage of all further European recruitment. Thus it is not a question of arithmetic; it is a question of policy too there.

Sir, there are certain features of the Budget to which the Chief Commissioner drew special attention in his speech. Referring to increased expenditure he said it was justified because in the long run it would produce greater income. I quite appreciate that; in fact we pleaded last year that they should pursue a bold policy in regard to increased expenditure with a long range programme in order to ultimately derive more profit. Therefore, when my friend Mr. Hossain Imam said that there should be increased income and reduced expenditure and my friend Mr. Mahtha said that we must increase expenditure, they were not really contradicting each other. They were aiming at the same thing. I think what they meant was that increased expenditure to be justified must result in rise of income and so long as your expenditure is justified as a business proposition by yielding larger income, it would be approved. That is the recommendation of the Wedgwood Committee and with that policy this side of the House will certainly be in agreement. Similarly, with regard to a statement contained in the Railway Member's speech that to meet the competition between the railways and road transport it is not a business-like or sensible proposition to say that there should be all round reduction in railway rates. I say yes, that is not a sound proposition. But he said that already the freight rates are the lowest. On that matter I entertain some doubts. It is probable that they are lower than some in other countries. But what the Indian business man feels—and I speak from personal knowledge—is that the all-in-cost for a person who uses the railway for transhipment of goods is not very low. First of all there is the question of mamools on the railways. I admit that the railways are endeavouring to put down corruption. Still a goods clerk has got to be tipped if goods are to be speedily handled. Apart from that, the carelessness with which goods are handled in transit and also the long delays in the haulage of goods are still matters of complaint among Indian merchants. Sometimes, though railway rates are low, I found that they preferred road transport owing to the tips and long delays to which goods

are subject on the railways. Here again, we are not objecting to the increased expenditure on quick service. The quickening of services certainly means increased expenditure but it will reduce the necessity for large stocks to be held and so ultimately there will be economies. If the railways want to incur additional expenditure, they may do so. Therefore, Sir, it is wrong to think that we are merely indulging in a wearisome repetition of stale grievances on this side of the House. It is not so. Our object is to impress our grievances as much as possible on the railway authorities with a view to get them redressed in course of time because for the present it is the only legitimate weapon available to us.

Sir, with regard to the amenities to passengers also, I admit that there is evidence both in the Budget speech and the Memorandum of some action being taken on a few of the suggestions made by this side of the House. But it is a question of the action being adequate. Sir, reading this Budget Memorandum, page 23, the statement shows the expenditure proposed on various categories which amenities are usually provided and I find that the provisions are very inadequate. With regard to the provision for lower class waiting halls, only Rs. 2,13,000 are provided. This is absolutely inadequate, considering the horrid condition of these so-called waiting halls for third class passengers and the absence of them in many stations. The provision for expenditure on these halls on all the railways in India is only Rs. 2,13,000. Similarly, the provision of Rs. 1,02,000 for refreshment rooms for lower class passengers is inadequate. My friend Sir A. P. Patro was envying Bezwada. I do not know whether the Chief Commissioner ever halts at Bezwada. But if he only halts there and sees the refreshment rooms intended for third class passengers he will be shocked. It is only a few square feet, to hold 50 or 60 passengers who usually gather in a big station like Bezwada. It is a perfect scandal. The station itself is very beautifully built. It is a very comfortable station. But the refreshment room provided for third class passengers is very small and very dirty. There are two big rooms for the first and second class passengers which are rarely visited by a few passengers. I think this matter ought to be attended to. As my friend Mr. Biyani pointed out, it is the third class passengers who pay. What we are criticising is not the absence of a desire on the part of the administrations to improve things but the utter inadequacy of performance as compared with the province.

Sir, with regard to the overcrowding in third class carriages, I do not think there has been any real relief, in spite of all the talk for years. Certain figures supplied to us and the telling figures given by Mr. Biyani show that third class carriages are still badly overcrowded. One computation shows that there is one first class seat for 11 passengers in this country, one second class for 70 passengers, and one third class for 480 passengers. There was another demand made last year from this side of the House, namely, the provision of fans in third class carriages. It is easy to reject that on the score of the cost. Somebody said the initial cost would be Rs. 2 crores. I may be wrong—the Chief Commissioner will correct me if I am—but is it too much to ask the railway administration to spend about Rs. 2 crores by way of initial cost and about Rs. 30 to Rs. 40 lakhs by way of recurring expenditure on the provision of fans? I think the Nizam State Railway has set an example in this matter. If it is not possible to do it in one or two years, you can have a three or five years programme and gradually instal the fans in third class carriages. Fans are a great convenience. As Mr. Hossain Imam said, times have changed and the class of people who travel third class is not the same as in the old days. Nobody now considers it *infra dig* to travel third class, and even Ministers

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are travelling third class. (*An Honourable Member* : " How long will that last ?") They will travel third class as long as they are in office. I can assure Honourable Members that third class travel has come to stay. My friends are wrong if they think it is only a stunt or a spectacular thing. And therefore amenities for third class passengers are now more than ever required.

The Chief Commissioner for Railways referred to the speeding up of trains but, Sir, the train travelling from Madras to Delhi is still not speeded up. I referred to this matter last time. We take over 49 hours to cover a distance of 1,360 miles, if I am not mistaken. It is one of the slowest trains and if something could be done to speed up the Grand Trunk Express, which runs from Madras to Delhi, we will appreciate it very much. There is indeed no reason why it should not be speeded up.

I think my Honourable friend Mr. Hossain Imam stated, if I have understood him rightly, that State railways look after the comforts of their passengers better than Company-managed railways. My experience is quite the other way. My experience is limited mostly to the S. I. R. and the M. & S. M. R., and occasionally the B. N. R. I think these companies do give us better facilities than the State-managed railways. I think there is great room for improvement in the amenities provided by the two important State railways, the E. I. R. and the G. I. P. R.

Sir, the Chief Commissioner has asked this House to extend their whole-hearted sympathy and goodwill to the officers and staff of the railways. I assure him that they would have our whole-hearted sympathy and goodwill on one condition. Only, we want them to consider themselves to be the servants of the Indian public and not servants of foreign railway concerns. When there is a change in their outlook and they consider themselves to be the servants of the people of this country whose comforts and convenience they have to look after, they will have all the sympathy and goodwill from this side of the House.

Sir, on the whole I think that the Budget presented, under the circumstances, is a good Budget. There is room for optimism and the change of outlook evidenced by both the speeches augurs well for the future and I hope that the railway administrations will constantly endeavour to improve their relations with the public of this country.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR (Nominated Non-Official) : Sir, let me in the first place congratulate the Honourable Sir Thomas Stewart and Sir Guthrie Russell for the excellent management of the railway administration of the last year, and closing the year's account with a good balance. As a member of the Local Advisory Committee of the N. W. R., I take the opportunity of expressing my appreciation for the facilities given to the travelling passengers as recorded in the statements dated 31st December, 1938 of the Secretary of the N. W. R., also it is exceedingly generous for the railway administration to take steps for making arrangements for air-conditioning some of the trains of the N. W. R.

I take this opportunity of drawing the attention of Sir Guthrie Russell to the following facts, and I hope that it will receive his best attention and he will kindly try to afford the following facilities to the poor people of my province and thereby earn their gratitude.

Before the 1st of November, 1937, a "through" railway carriage used to be attached with the fruit van leaving Peshawar Cantonment at 6-50 P.M.

for passengers going to Kundian-Mianwali-Daryakhan-Multan. This arrangement in spite of there being only "3rd class through" carriage facilitated matters to a certain extent, and the public expected that the railway authorities in view of the increasing traffic on this line would consider the advisability of even attaching a "through" inter and 2nd class carriages too, but to their dismay even that has been stopped with effect from 1st November, 1937. In accordance with the altered arrangement passengers going to Kundian-Mianwali-Daryakhan-Multan by 6-50 P.M. Bombay Express have to wait at Cambellpore station for about 2½ hours to catch the other train in the cold as well as hot weather. As the traffic on this line is already increasing and people have to travel about frequently to attend courts and other private and business affairs, it is highly desirable to afford them proper railway facilities. In the circumstances it is requested that if "through" inter and 2nd class carriages cannot be run at the present, the old practise of running a "through" 3rd class carriage along with the evening Bombay Express may kindly be continued.

A similar arrangement for a through carriage for the convenience of the passengers while coming from Multan-Daryakhan-Kundian side too is a necessity.

Once again I congratulate him for the excellent Budget which he has presented to this House.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan) : Sir, I begin by associating myself with the congratulations expressed by the Honourable Mr. Kunzru. A good deal has been said by Honourable Members about the amenities to third class passengers and I certainly associate myself with all that has been said by my predecessors. There are one or two points to which I want to draw the attention of the House and particularly of the Honourable the Chief Commissioner. One is the treatment of the members of Advisory Committees.

In my two years' experience I find that the railway administration considers the members of the Advisory Committees as undesirables and being there on sufferance, I recommend, in the light of my two years experience, that either a little more weight should be given to the recommendations of the Advisory Committees or they should be abolished altogether. I ask the Honourable Member to go through the reports of the proceedings of the Advisory Committee of the United Provinces. I attended about 10 of the meetings and I find that all the recommendations that had been made by the members have been turned down and not one of them was accepted. On a good many occasions, matters in which members sincerely believed that the railway administration ought to redress the wrongs, have not been treated sympathetically or generously.

THE HONOURABLE THE PRESIDENT : Will you give an illustration ?

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Yes, not one, Sir, but I am going to give a good many.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR : I have been a member for two years. I never had this trouble. A number of our recommendations have been accepted.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : My friend is very lucky indeed. I would very much like to hear the opinion of other non-official members of Advisory Committees. For nearly two years our Advisory Committee have been crying themselves hoarse for the provision of accommodation for upper class passengers between Allahabad and Delhi by the evening train. They always said : " We will look into the matter and take statistics ". And after one or two meetings they said : " We do not find any justification ". My personal experience as well as that of others is that a good deal of inconvenience is caused to passengers as there is only one train from Allahabad in the evening and that is the Express which leaves at three minutes to six in the afternoon. There is no other train until next morning and there is none between 10 A.M. and that 6 P.M. train. As regards the conditions on that train, I may mention my own experience as recently as the 15th of this month. There were only two coupé first class compartments and they were full. I had to get into a ladies' compartment which was empty. I was asked by one of the ticket collectors to get out of the compartment, and I told him " I would pay the fine or bear whatever the consequences may be but I was going to take the law into my own hands and I would not get out up to Cawnpore where they attach another carriage to the train ". A fellow 1st class passenger, a European gentleman of the name of Mr. Gordon I think, complained to me about the rush and said that he had mentioned to the Agent several times about the accommodation on this train and it had been in vain, nobody paid any attention.

Now another instance. The Advisory Committee has been recommending acceleration of the speed of the train between Lucknow and Cawnpore. We were told that they would look into the matter and after about a year and a half we were told that they could not do that.

I will give the House a third instance in connection with the price charged by the sweetmeat sellers at Lucknow. Some members of the Committee wanted information as to the tax realised by the railway from these sweetmeat sellers. The sweetmeat sellers on the B. & N. W. R. within a stone's throw of the E. I. R. station were selling at 25 per cent. less than was charged by the vendors on the E. I. R. As to this nothing could be said until we knew what these poor vendors had to pay by way of a tax before we could suggest a suitable rate. We were told first that it was outside our province to ask that information and then that he would consult the Agent and if the Agent permitted we would be furnished with the information. That is the sort of treatment meted out to the members. On another occasion when the minutes of the previous meeting were put for confirmation a member pointed out that a certain item was incorrectly recorded. And the Chairman said : " That does not matter, please pass it as it is ". He added : " I was not present, but as it has been recorded like that I must presume it to be correct ". That was in spite of the fact that every member present said it was not correct. Well, we refused to pass it as it stood.

I may also say that the scope of these Advisory Committees is very very limited. I do not object so much to that, but I think the object of these Committees is to receive suggestions from the representatives of the public and take the public into the confidence of the railways. I do not want that the railways should have the certificate of the Advisory Committee, who as representatives of the public are supposed to look after their interests, and yet treat the recommendations of these committees like that. Therefore I think this is a matter which ought to be gone into. The Advisory Committees

should have a larger scope and their recommendations should carry greater weight than they do today.

There is another matter to which I want to draw attention. So far as State railways are concerned it seems surprising that there is no uniformity of policy so far as amenities to passengers are concerned. Second class accommodation, for instance, ought to be uniform on State railways. I must say that whatever credit may be given to the officers of the E. I. R., there can be no credit given to the designers of the carriages of the E. I. R., whether of the second, third or inter class. For the second class it is really remarkable that these people do not consider that, while they charge nearly three to four times the fare of the third class, they do not give even double the comfort and consideration for the money they receive. The bench is hardly more than one and three-quarter feet. Then they roll something and fix it at the back and call it a *takia*, which takes away about six inches of the width of the bench, which leaves less than a foot and a half. They have fixed cushions. Now the people naturally sit more on the outside of the bench than at the back, with the result that the cushion slopes and a person lying down is liable to roll out of the bench altogether. Think of me and people similar to me on such a bench. (Laughter.) Really the second class accommodation on the E. I. R. is disgraceful and compares badly with that on other railways. And in this connection I might mention that the U. P. Committee for the last year and a quarter has been recommending that the second class compartments should be provided with pull-out berths. First we received a reply that it would cost nearly a lakh to do that. We then again said that it was worth it. Then we were told that it would be done in the newly constructed stock. Surely this meant about two or three generations. Then we said that they should have that at least on the principal trains, and we received the reply that it would cost about Rs. 50,000. That is another illustration of the way in which the recommendations of the Advisory Committees are treated.

Now, on the G. I. P. R. there are certain kinds of concessions. There they have what are called zone tickets or "travel as you like". But nothing of that kind is obtainable on the E. I. R. What one wonders is why a useful thing and a thing which is paying to one line cannot be adopted by another line. Then, take the G. I. P. R. We see that all other lines have got a return ticket for upper classes but the G. I. P. R. has not got that. All these things ought to be considered particularly when the Railway Board is so constituted that it can guide the policy of all the railways and there should be uniformity so far as amenities to passengers are concerned.

Then, there is another thing to which I want to draw serious attention and that is catering. However much one may regret but at present in this country unfortunately acute communalism exists. I wish

4 P. M. it did not, but it does exist and we cannot ignore it. It exists with acuteness and it is impossible to ignore it so long as it exists. Now, I had the experience, I think it was on the 20th December, of travelling from Allahabad to Hyderabad and I took the Grand Trunk Express at Itarsi. A gentleman who is a barrister at Meerut who knew me came to me and said that Mussalmans were being provided with *jhatka* meat. If this thing comes to the notice of the Muslim public, I do not know what they will say as it is absolutely prohibited by religion. On inquiry this admission was made to me: "Yes, Sir, we got *jhatka* meat so far, but we are getting slaughtered meat from Itarsi". Now, that is indeed a very serious thing. On that buffet car

[Haji Syed Muhammad Hussain.]

some time ago, I think about a year or two ago, you could not possibly get any meat whether *jhatka* or slaughtered, but now that you are getting meat you get *jhatka* meat. I want the railway authorities to give their attention to the fact that in matters of catering where cooked food is provided for Muslims, it must be under the management of Muslims and Muslim contractors.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR : I think it is so.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : You are speaking of your own line. It is not so. I am speaking of a different line. It is not so in the E. I. R. ; it is not so in the G. I. P. R. I do not know what is the condition elsewhere. Now, what I want to say is, that among the Mussalman there is the Shia community which on account of their religious belief do not eat anything cooked by non-Muslims, particularly, by Hindus. So far as Sunnis are concerned, owing to political condition, acute communalism and mistrust they are also giving up eating things cooked by Hindus. No Mussalman will think of eating *jhatka* meat, whether it is cooked by a Muslim or Hindu. Therefore, that is an important point to which I draw attention and I hope that serious notice will be taken.

Now, there is another thing particularly about the E. I. R. I have found recently a tendency in the administration of the E. I. R.—I cannot say about other railways—to curtail upper class accommodation and I can tell you my experience of this month. On the 4th I was going to Calcutta and I wanted to start from here by the Toofan Mail. I went to the railway station and asked for a 1st class berth and I was told : “ All booked, no room ”. I stayed and went by the Express at 9 P.M. Next day I wanted to leave from Allahabad for Calcutta by the Delhi-Calcutta Mail and when we reached the railway station we found that all the upper and lower berths had been occupied. Four first class passengers and three second class passengers had to stay and could not get room. I asked the name of those gentlemen who could not find a place there and I would give their names if asked. Then we went to Cheeki to catch the Bombay Mail. There we met a first class passenger with his wife who was also going to Calcutta. There was a coupé which was available at Cheeki, because two passengers got down. He got in there and two first class and three second class passengers could not get room except in the air-conditioned coach where there was room for one and I got into that prison van which I call it for the winter—and no doubt a boon for the summer—and I travelled from Cheeki to Calcutta. When I returned from Calcutta in the evening I wanted room by the mail which leaves at about 7 O’Clock, I mean the Bombay Mail. There was no room, all booked. I understand that the policy is that some accommodation is left for those people who have not booked their seats ahead but no regard was paid to that.

THE HONOURABLE MR. HOSSAIN IMAM : Did you inquire whether they were booked in the name of officials or passengers ?

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : I had no time to inquire, Sir, because I wanted to get into the train. Then I had to go and catch the Delhi-Calcutta Mail and there I happened to get one berth in the second class and I travelled from there to Allahabad in second class with first class ticket. That is the state of affairs, and yet they continue to curtail the accommodation. If they charge eight times the third class fare for

first class, they should give at least two-thirds of space which they allow for third class passengers. Now, a coupé is nothing more than about 5' by 8' for two passengers. I raised the question of congestion in the Advisory Committee and they said we take a census and do not find overcrowding and gave an instance of a certain date when there were four first class compartments and there were only eight passengers, and therefore there was sufficient room. I asked : " Between which stations " and they said : " Between Calcutta and Allahabad ", which meant between Calcutta and Allahabad in the night all the lower berths of the first class were full ; it was only the upper berths which were available and still they say that there was plenty of room and people like me or like some others who cannot get up on the first class top berths will have to stay. Now, the next instance of carelessness or——

THE HONOURABLE THE PRESIDENT : Don't you think that these illustrations are sufficient ?

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Thank you, Sir. There are many more that one can multiply. However, I now draw the attention of the railway administration to one great inconvenience which is caused to Allahabad people. Allahabad is divided into almost half by the railway line. On the one side there is the Civil Lines, Cantonment, Military, Katra, and other population and on the other side the city proper. There used to be a booking office I think about 20 years back, when the population of the Civil Lines was mostly European. But that office was removed in 1912. Since then the population has very much increased. Third, inter, second and first class passengers all have to cross the overbridge, go to the other side, purchase their tickets and get their luggage booked, and come back again to the middle platform, because all the branch lines and all the down trains go from the middle platform, and it is causing very great inconvenience, and what we are told is that there is not sufficient money for paying a booking clerk there.

Now, Sir, there is no doubt that the Railway Department is a very important department. It comes into contact with the masses very much more than any other department does. Its field of operation is very big indeed and I do not want to criticise the administration as a whole or the Budget as a whole because there is no doubt that the railway is doing their utmost in pursuance of the policy which they have adopted to provide as much comfort as they can. But it is really the policy which has to be modified. Such things as they find have been rightly pointed out or criticised, they ought to take seriously into consideration and I hope that here it will not be treated in the same way as it is treated in the Advisory Committees.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, before I begin my observations on the Railway Budget I congratulate the Honourable Sir Thomas Stewart on his appointment as Governor of Bihar. I also congratulate him and the Chief Commissioner on their good luck in again presenting a surplus budget this year. I also congratulate both the Honourable the Railway Member, the Chief Commissioner for Railways and the Government for seeing their way to fulfil the promise given by the Honourable Sir Muhammad Zafrulla Khan in this House for the appointment of an Indian as an Agent (General Manager of the E. B. R.).

[Rai Bahadur Lala Ram Saran Das.]

Sir, I agree with many of my colleagues who have said that the railway depreciation fund should be done away with. Nowhere in the world is there a depreciation fund for railways. Sir, I find that we have now somewhere about Rs. 31½ crores in the fund. The railways always make a saving in this and I would suggest in the interests of economy that the depreciation should be met by the revenues in future and any sum which may be treated as surplus should either go towards development or be divided among the various Provincial Governments.

Sir, another thing which I see is the rate of interest on railway loans. No effort has been made by the Government to convert even the 5½ per cent. loan which still exists. Out of a gross revenue of Rs. 95 crores, Rs. 29½ crores goes as interest and if my calculation is correct, it works out to 4·57 per cent. on an average. I drew the attention of the authorities to this matter in past years but I am sorry to notice that no efforts whatever have been made to put matters right, although money can be got now if I mistake not even at 2½ per cent. It is high time that all these loans which carry high rates of interest are converted, either by mutual understanding or even by legislation which was adopted in such like cases in Great Britain.

Then, I come, Sir, to the increase in expenditure which took place on various railways and particularly the E. I. R. I must express my thanks to the Honourable the Railway Member and the Government for their agreeing to appoint a Judicial Tribunal to inquire into the Hazaribagh accident. I would like in that connection, Sir, the Railway Board to place before that Judicial Tribunal a statement showing the alleged reduction in the permanent way staff which was effected since the last three years even on the busiest section of the E. I. R. I put a question today to see whether I was right or wrong in this assumption, but I am sorry to say that the reply given to it was a sort of evasive reply which puts off giving me that information today. However, Sir, that point did not require prolonged inquiry. My information is that, since the last three years, there has been considerable retrenchment in permanent way staff notwithstanding the very heavy traffic which the main lines have to carry; that perhaps is one of the chief causes of the accidents, particularly in the sections where the land formation is badly affected by rains or otherwise.

Then, Sir, I come to the purchase of stores. I find that the Government policy giving more orders to Indian-made goods had a change. Since 1932-33, the orders for Indian-made goods have fallen from 69·9 per cent. to 58·2 per cent., which proves that there is clearly a change in the stores purchase policy. Sir, another thing which surprised me was that, notwithstanding the understanding arrived at between Tata's Steel Works and Government, rails were imported from foreign countries to the value of Rs. 178 lakhs. I should like the Honourable the Chief Commissioner for Railways to throw some light on this and tell us why these rails were imported from foreign countries when they could easily have been obtained from Tatas or other Indian steel works?

Sir, another point which I want to put before the Judicial Tribunal inquiry into the Hazaribagh accident is the discontent in the subordinate staff, particularly the permanent way staff, which is mainly responsible for the safety of trains. In case, Sir, there is discontent among the subordinate staff, accidents are likely to go on. For the information of this House, I will state a few facts for comparison. Indian railways employ about 710,880 persons on 43,128 miles, while 559,000 persons are employed on British railways on 20,000 miles. Is such retrenchment then justified? In 1936-37,

the subordinate staff of Indian railways was reduced by 2,717 persons while the gazetted officers were increased by 13. This is rather surprising. People insist that there must be a curtailment in the number of officers who are drawing very fat salaries particularly in present times when the railways are not contributing enough to the general revenues. People rightly or wrongly say that in the Railway Board there are more officers than clerks. Why is there discontent in the subordinate staff? The number of junior staff is being decreased and the work of the retrenched staff is being thrown on those who have been retained in the service and the result is loss of efficiency. When there is loss of efficiency, there must also be loss of safety to railway passengers. I have seen cases, as far as lower staff are concerned, where the poor fellows, even on the death of their father or mother, have been refused leave on the ground that casual leave cannot be claimed as a matter of right or privilege, but only as a concession. Even in the case of serious sickness of the wife or children dependent upon the railway employee, leave is refused. How can such an employee put his heart and soul into his work? If he happens to be a driver, signaller, a pointsman or a station master, the House can very well realise the result which will accrue from the discontent of that railway employee who has been refused leave even in such circumstances. Then, Sir, there is racial discrimination in the concessions which are given to the officers as compared to the subordinates. I may mention a few items to prove my allegation. As far as leave passes are concerned, the rules are totally different in the two cases. Formerly, a clerk getting Rs. 30 per mensem could get an inter class pass. Subsequently, the limit was raised to Rs. 51 per mensem and now it has been increased to Rs. 75 per mensem. This means that the clerical staff getting below Rs. 75 per mensem must travel third class. The revised scale of salaries of sanitary inspectors and time keepers is from Rs. 35—3—50 to Rs. 50—5—60. This means that now the sweeper—I mean the man on the lowest rung of the ladder in the menial staff—has the same pass privilege as his sanitary inspector. The sweeper and his inspector under the changed rules both getting third class passes.

Then, Sir, the rate of interest on provident fund has been reduced to Rs. 3-12-0 per cent. Even in exchange ratio, Sir, all the employees who are imported from foreign countries are given a concession in rate of conversion to sterling, but in the case of these poor Indian subordinate staff the former policy has been abolished and the rate of interest has been reduced. Then, Sir, a number of higher appointments in the subordinate grade have been reduced and the prospects of the junior staff have been thus made very gloomy and very disappointing. There are a number of other matters which lead to discontent of the staff. Another point which I might raise—I am not saying that that should not be, but that is now the established policy of the Government—is the communal proportion in services. Whether a man is fit or not fit for a job, for communal reasons he is given the job, and so far as certain services are concerned, engineers or doctors or such like, this ought not to have been done for the sake of efficiency particularly in a commercial concern. Sir, in the services, efficiency, I am sorry to say, is going down. I asked a question this day and the Honourable Sir Guthrie Russell gave a reply which I consider is an evasion of the question. My question was this :

“ Will Government state whether the Railway Board have agreed to treat the Civil Engineers qualified from the Maclagan (Mechanical) Engineering College, Lahore, as suitable for appointment in the Civil Engineering Department ? ”

I did not ask whether they are fit for appointment as Civil Engineers. I said “ Civil Engineering Department ”. On the N. W. R. there has been a good

[Rai Bahadur Lala Ram Saran Das.]

instance. One, Mr. Mehra, who qualified from the Lahore Madagan Engineering College, a College which is mainly meant to produce Mechanical Engineers, was taken on the list against those who had comparatively very high qualifications, and if I mistake not, that was due because he was the son of a Divisional Accounts Officer on the N. W. R. There were others who had very high qualifications, but all the same, this man was taken even, at the sacrifice of efficiency. I find from that example how efficiency is suffering on the recruitment on the State Railways.

THE HONOURABLE MR. HOSSAIN IMAM : Jobbery.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : It may be jobbery. You may call it anything you like, but I call it any how a matter of official favouritism.

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

In this connection, I would urge upon the railway authorities that in the interests of the safety of passengers, the efficiency of the staff must be maintained and discontent among the junior staff must be removed.

I then come to the Hazaribagh railway accident. One of the points to be placed before the Tribunal should be : "What is the reason for Bihar being mainly selected by those who want to play mischief with the railway ?" Sir, as my Honourable colleagues have said, sabotage now has become the stereotyped reply to any question which is put regarding such accidents. I do not want to comment on that. I must say, Sir, that I travelled on that very day by the Delhi-Calcutta Mail to Calcutta and passed the scene of the accident about 10 to 15 minutes before the derailment took place. On my way back I stopped at several places to inquire what the passengers thought as to the cause of the accident so that I may be able to put that before the House to enable the authorities concerned or even the Judicial Tribunal which is to be set up to go into those matters. I do not say how far the information is correct. That is for the Tribunal to find out. But I can say that when it was claimed that the Bihta disaster was due to sabotage it was later on proved otherwise. The rumour I heard in respect of this accident was that it was due to discontent of the staff and to shortage (retrenchment) of the permanent way staff, the fish plates having been alleged to have been removed by some railway employee. However, my point is that staff discontent should be removed and retrenchment in permanent way be restored if the railways want to ensure the safety of passengers.

Now, Sir, as the reply given to me here is that candidates holding the A class diploma, the first class only, may be permitted to appear for the competitive examination for recruitment to the Indian Railway Service of Engineers because the Federal Public Service Commission recommended acceptance of this diploma for the examination in 1937. Sir, it was a pity that I was a little bit late, otherwise I could have put in a supplementary question as to whether Government consider a mechanical engineering college fit for the production of qualified civil engineering staff.

Sir, I now come to the acquisition of the South Bihar Railway and the Dehra Hardwar Railway. Both the Houses of the Central Legislature have been urging the acquisition of the B. & N. W. R. and the M. & S. M. R., and Government has paid no attention to it. Here, Sir, in the speech of the Honourable the Railway Member we find that the South Bihar Railway is being

acquired because it is paying a good percentage of 4½ per cent. interest. I would ask the Honourable the Railway Member when the B. & N. W. R. is paying about 15 per cent. or more as return, what is the reason why two other lines have been selected for acquisition and not the B. & N. W. R. ? My impression, which is shared by many people, is that it is because the Directorate and shareholders of the B. & N. W. R. wield a great deal of influence on Government and so they are always given an undue advantage. I hold that when rates of interest are now so cheap there is no reason whatsoever why these two lines—the B. & N. W. R. and M. & S. M. R.—should not be acquired. I have always heard my friends from Bihar saying that the amenities for passengers on the B. & N. W. R. are very much behind the times. I know that in their mail and express services there has been a little improvement in the coaching stock ; but I can say from my personal experience of travel on that railway that theft is very prevalent. The other day when I was travelling to Darbhanga by the B. & N. W. R. Express my shawls were removed from a first class compartment during an absence of only two minutes on my part. And a similar theft was mentioned to me by a friend at Muzaffarpur. However, I would like the Honourable the Railway Member to explain why a railway which yields a very high rate of interest is not acquired and that preference is given to these two small lines whose acquisition does not materially affect the travelling public ?

Another point which I want prominently to bring to the notice of the railway authorities is with regard to renewals. Renewals on the State-managed railways are being carried out at a much higher and expensive scale than on the Company-managed lines. I should like an answer as to the reason for this. Then I come to the coaching stock. On the State railways you have laid down a definite rule that after so many years carriages are to be scrapped, while on the Company lines when such time for scrapping comes the coaching stock concerned is thoroughly examined and only if it is found unfit for further use it is scrapped, while that which can run for a longer period is allowed to continue in service. Therefore, I bring this fact to the notice of the authorities so that they may be able to effect economy in this direction where they possibly can.

Then, Sir, I come to the last Kumbh Mela at Hardwar. I must express our gratitude for the facilities and the amenities that you gave in this Mela and for the amount of exceptionally heavy traffic which you handled comparatively in such a short time. I am one of those who must give credit to the railway authorities for the good things they have done and also I must criticise them when that is necessary.

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

Then I come generally to the amenities of passengers. From the red books that have been supplied to us or which we have seen in the Library we find that the amount allotted for the amenities of passengers is very meagre. These amenities have now become a matter of urgent importance for the railways because they have to face motor competition, and that in spite of such competition enough attention is not being paid to this important matter. What do we need for third class passengers ? Raised platforms and waiting halls are a crying necessity. A number of accidents to ladies specially those in the family way do take place when alighting on stations where there is no raised platform. Although this matter, as my Honourable friend Mr. Muhammad Husain has said, has been brought to the notice of the railways concerned by the Railway Advisory Committee and although their recommendation has been accepted by the Agent concerned, now the General Manager, no material effect has been given to that. I endorse what my Honourable

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friend Mr. Muhammad Husain has said as regards flouting some of the decisions, I mean the recommendations of the Committee accepted by the Agent. Advisory Committees, excuse my saying so, are now becoming a farce. The meetings are being held quarterly instead of monthly and their recommendations carry little weight. I have been on the N. W. R. Advisory Committee for a number of years and I can substantiate what I have said by reciting a few instances. The N. W. R. Advisory Committee advised the Agent that in the new upper class coaching stock there ought to be upper ventilators. The then Agent accepted the proposal and observed that in future upper ventilators will be put on in new coaches. Now, Sir, I will illustrate how the recommendations, even the accepted proposals, of the Advisory Committee are sometimes flouted by the authorities. Now even in old upper class carriages with upper ventilators when they go to the workshops for overhaul those ventilators are permanently closed. Again, the Advisory Committee of the N. W. R. were advocating for a long time a through service to Calcutta between Lahore and Howrah *via* Delhi and Cawnpore. That recommendation was accepted and for a number of years Punjabis had that facility. But all of a sudden it was withdrawn and notwithstanding the decisions of the N. W. R. Advisory Committee that proposal was not adopted because the E. I. R. authorities which are generally very obstinate refused to adopt the proposal and the reply was that there now being a through service from Lahore to Howrah *via* Lucknow there was no necessity of another through service. There are a number of Punjab Muslim students who read in the Aligarh College and there are others who have trading relations with Hathras, Cawnpore, Etawah, and other places. There ought to be a through service *via* Delhi. The stereotyped reply is that there is not enough traffic. The very fact that that through service was running for a number of years in itself is a proof that the traffic exists.

Then, Sir, the next question is the rates policy of the railways. I always understood that no undue preference was given to anybody on the railways, but now I find that as far as distant industries are concerned some are being unduly preferred in certain cases to the detriment of industries in local areas. Owing to bus competition which is now the stereotyped reply of the Chief Commercial Manager, N. W. R., freight rates from the Punjab markets to Delhi, Gwalior and Cawnpore have been reduced by 20 per cent., and when the mills in the Punjab asked for a proportionate decrease in freights for the local industries which are on the spot, they were refused. I own a mill, but it is not only myself that is affected there are others millowners who have been shown equal indifference and undue preference has been given to industries in other provinces. Sir, as my Honourable colleagues have already stated, railway rates do not tend to encourage indigenous industries. Although goods tariffs have now become very complicated, still representation as regards inquiries into rates is so cumbersome that it takes too much time and even after a very long time the whole thing ends in smoke. Railways do increase their rates from time to time which I regard as increased taxation by the back door. Freight rates on a number of articles are increased by a stroke of the pen by the railway authorities concerned and the reply given to the Chambers and other firms which make representations is that the traffic was not very large and so the increase would not materially affect those concerned. I must endorse my friends who have said that the railways pay more regard to foreign traffic than to indigenous traffic, and I think we have a legitimate grievance on that point. I will give another instance of how rates are im-

mediately raised. I will give an instance which is within my own personal experience.

THE HONOURABLE THE PRESIDENT: You have spoken for nearly 40 minutes now.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I will close after two or three minutes.

Freight on cotton sweepings from the mills have been suddenly raised to yarn waste rates, although the average price of these sweepings is Rs. 2 a maund, still the freight has been raised to the cotton yarn waste rate which sells at about Rs. 14 to Rs. 18 a maund, and when representations were made they ended in smoke.

I want to deal with one or two matters before I close. As regards second class accommodation as compared with first class, I will give only a few statistics to prove that inadequate second class accommodation is being provided on important trains. On the N. W. R. in 1936-37 there were 49,600 first class passengers carried. I am taking the figures from the red books, while the number of second class passengers carried during the year was 318,200 so the accommodation provided is very insufficient, and it means loss of revenue to the railway, because people who want to travel second class are forced to go by inter class. In 1937-38 first class passengers carried increased by 200, that is they were 49,800 while second class passengers increased to 386,000. Sir, I will give another instance of the B. B. & C. I. R. On that Railway in 1936-37 there were 48,700 first class passengers carried as compared to 153,200 second class passengers. I say this simply because I want that the railways must meet the demand and increase revenue. Refusing second class traffic and forcing it to go to inter class is against all business principles and the sooner you mend it the better.

Well, Sir, I will not detain the House much longer and I will sit down after saying that now the railway luggage porters are becoming a nuisance. Because, Sir, I must repeat that the overhead under charges by either jama-dars or others are so high that the passengers, particularly third class passengers and ladies are put to a lot of inconvenience. As much as four annas per cooly is more or less extorted from each porter.

I suggested, Sir, in the last Budget, that the contracts should be given out on the present conditions and at the existing rates. Respectable contractors are now coming forward and I do not know why the railways insist on the old system. I do not like to open my mouth more, Sir, because I want the railway authorities to go deeper into it. There have been criminal prosecutions at Lalamusa, Lahore and Hyderabad and other places in the Punjab, that amply prove my point. At Hyderabad (Sind) one Mr. Gordon, a station master was implicated and convicted of extorting undue charges from the luggage porters and such like. As far as my information goes this seems a fact. If my information is wrong, the Honourable the Chief Commissioner will put me right.

Sir, now is the time that you are having prosperous times and you should do away with the surcharge on coal freights. That is a tax which stands in the way of free development of industry and the sooner it is withdrawn the better. Express goods service has been introduced and has succeeded on the E. I. R. and such service should be extended on other railways as well to enable you to stimulate goods traffic by giving earlier and speedier delivery.

[Rai Bahadur Lala Ram Saran Das.]

I am all for stopping corruption but I must say that unless the low salaries of the poorly paid subordinate staff are increased it is not proper to even stop tipping, which exists even on English railways. I have travelled on English railways and found that there was more tipping there than on Indian railways.

Now, Sir, I do not want to take up more time of the House and am thankful to the Honourable the President for giving me a little more time than was meant for me and I will sit down after saying that now, when you want to make locomotives and boilers in India, be positively firm in your resolve. There was a time when a big company, the Peninsular Locomotive Works, were founded to make locomotives near Jamshedpur and although a former Chief Commissioner is said to have given promise of patronage, that patronage was refused at the eleventh hour and forced that industry to liquidation in its infancy.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I should like at this late hour to make only a very few observations and at the outset, Sir, I would, like my Honourable friends who preceded me, like to tender my hearty congratulations to the Honourable Member for Communications on his appointment as Governor of Bihar. Sir, it would be superfluous to make any reference to the great and good qualities of his head and heart. He has been a Member of this House for some years and this House has had ample opportunities of appreciating his extraordinary capacity and has always admired his character and the kindness and courtesy which he extended to every section of this House. But, Sir, on this occasion I would only refer to one thing, and that is the good luck of the Honourable Sir Thomas Stewart. Sir, on both the occasions when Sir Thomas Stewart had to present the Railway Budget, he has been lucky enough to present a surplus budget. And even as the Officiating Governor of Bihar, Sir, he had the same good fortune attending him. During his stay in Bihar, not only no earthquake took place there but even the two railway disasters, Sir, the Hazaribagh and Bihta disasters, took place only while he was not there. The Bihta disaster was before him and the Hazaribagh disaster after he left Bihar. I feel sure, Sir, that I am echoing the feelings of my Honourable colleagues in this House when I wish him unstinted success in Bihar and hope that his whole regime in Bihar will be characterised by the same good fortune which has invariably been attending him all along.

Now, Sir, before I make my few observations about the Budget I would like to express our appreciation of the clarity and lucidity of the speech which the Honourable Sir Guthrie Russell made the other day in this House. This clearness and the simplicity which he employed in presenting the Budget to this House was really in very sharp contrast to the very difficult and almost unintelligible reading which the annual reports of railways make to which reference has been made by my Honourable friend Sir. A. P. Patro. Sir A. P. Patro was really justified in saying that it was high time that the Railway Board took care to make these reports a little more intelligible, so that laymen like ourselves who are laymen and uninitiated may not be lost in the forest of figures that are given there. Even if figures have got to be used, the matter can be presented in an intelligible and interesting manner. I hope, Sir, it will be quite possible to do this and the

railway administration will see that some improvement is effected in this respect.

Sir, it is no doubt true that a budget of any kind, whether it is a surplus budget or a deficit budget, is one which is determined by circumstances which are extraneous and adventitious. But, at the same time, it must be admitted that there is also required a certain amount of careful and well thought out planning to make the utmost of favourable conditions and also to minimise the bad results of any unfavourable conditions that may exist. Therefore, Sir, in so far as the railway administration has been able to achieve this, in so far as it has been able to do the right thing at the right time, it deserves a word of appreciation. I am glad to know, Sir, that the railway authorities have effected a good many improvements in their service. The Honourable the Chief Commissioner for Railways in his lucid speech has detailed a number of these improvements. He has told us how not only the trains have been speeded up and devices have been adopted to avoid delay even in goods trains by trying to get sorting and repacking done on the running trains. This is all to the good, Sir. But what we are more anxious to know is whether there has been any effort made to effect any reduction in the railway charges, whether any attempt has been made to reduce the railway fares and the railway freight charges? So far as the railway fare is concerned, all that we are told is that there has been an increase in the case of at least one of these railways. I think it is the E. I. R.

As far as the amenities that have been furnished I should like to say that after all said and done, very little has been effected towards alleviating the discomforts of the third class passengers. While air-conditioned carriages are being increased, sufficient effort does not seem to have been made to relieve over-crowding in third class carriages and also to arrange to alleviate the sufferings of the poor third class passenger who has got to travel in crowded compartments in the hot months of summer. I would also like to draw the attention of the railways to the need for increasing the second class and inter class accommodation on the railways. This need has been referred to by my Honourable friend Mr. Hossain Imam. He is perfectly justified in saying that now-a-days first class travel is very sparingly resorted to, and ordinarily, those people who formerly used to travel by first class now travel by second class and there is more travelling by inter class, and in view of this increased travelling by the second and inter class it is necessary that the accommodation in the inter and second class should be substantially increased. There have been a number of suggestions regarding the improvement that is to be made for the passengers, especially the third class passengers. I do not want to repeat those things. I would say just a few words about the rates policy of the railways, because, to some extent, it affects the agriculturist in my province. The rate system is a matter of very great importance to the country. The railways are a great national asset and are of vital importance to the country not only because they make a large contribution to the general revenues and also provide employment to a large number of people but also because they are in a position to be of great help and assistance to the trade, commerce and industry of the country. By opening up the country, by providing convenient means of transport, by carrying at a reasonable rate raw materials that may be needed for the industry and also carrying back the finished product to the various parts of the country, the railways can to a great extent foster and develop the industry and commerce of the country. In a vast country like India, where there are yet huge tracts of country which do not possess convenient

[Saiyed Mohamed Padshah Sahib Bahadur.]

means of transport and in which also there is sufficient scope for the agricultural and other products of one place to find a market in other parts, railways can effectively serve the interests of trade and industry. In view of these facts it is highly necessary that the rates policy of the railways should be a subject of constant and careful scrutiny on the part of the railway authorities. I do not want to say much about this. Even the Committee that was presided over by Sir Ralph Wedgwood has commented upon the unsatisfactory condition that is existing in this respect on Indian railways. They have commented upon the diversity that exists among the different systems of railways. I would only suggest that the railway authorities should pay more attention to this matter and try not only to introduce a sort of uniformity—there may not be perfect uniformity but something of a uniformity in the rates that are charged for any particular class of commodity on different lines and also try to see that as conditions change, the rates are also changed accordingly. I may just mention that there are some agricultural products in my part of the country which are very adversely affected by the rate policy of the railways. Coffee, for instance. When agricultural produce was selling very high, the freight charged was not at all felt, but now that the prices have come down very heavily, and in spite of that, the rate charged by the railways for carrying coffee continues to be at the same level, this is working as a very severe handicap on the propaganda that is being made by the Coffee Cess Committee to popularise coffee in the northern parts of India.

One thing more about return tickets. I have got to be very desultory in my remarks. There is no practice of giving return tickets on the M. & S. M. R. and S. I. R. although they have week-end tickets. The week-end tickets are not quite so helpful to the travelling public as the return tickets. The return ticket system exists on most of the railways in Northern India. I would like that the S. I. R. and the M. & S. M. R. should be induced to introduce that system on their lines also.

As regards refreshments, the railways should take care to see that the meat that is supplied to the passengers on the railways is slaughtered meat. Even those people who are non-Muslims but who are accustomed to non-vegetarian diet have no objection to taking slaughtered meat. Therefore, by supplying slaughtered meat, you would not be depriving others of the kind of meat they want. On the other hand, you would be removing the objection that some Muslims have to take unslaughtered meat, the *jhatka* meat.

Just a word about the representation of the various classes and communities on the railways. I did not want to refer to this question at all, but I am forced to do so on account of some observations which were made by my Honourable friend Rai Bahadur Lala Ram Saran Das. He has complained that on account of communal considerations, the efficiency of the railways has suffered.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : It is a fact.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : It might be that it has suffered, but then, certainly for reasons other than communal considerations. My experience is that even with all this talk of due protection to the communities, very little has been done in the way of adjusting the communal inequalities in the railway services. In my own province, my experience has been that whenever a general vacancy was announced and there were a lot of highly qualified Muslim boys applying for it, the selection was always of a non-Muslim,

and that in spite of the fact that they had a number of highest qualified Muslim applicants also. I would request the railway authorities to see that this inequality is adjusted and Muslims are recruited in larger numbers both on the State-owned and Company-managed railways.

Just one word about the surplus. We are told that the surplus is going to be Rs. 2·13 crores. I find that that is not the real surplus. It is due only to the reduction in the interest charges. In 1936-37 interest charges were Rs. 30·81 crores and in the coming financial year 1939-40—

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Hossain Imam has completely dealt with that point, as to how the surplus is made up.

THE HONOURABLE SAYYED MOHAMED PADSHAH SAHIB BAHADUR: I simply want to say that the actual surplus is only Rs. 28 lakhs and not Rs. 2·13 crores. I do not want to say anything more about it. I leave it at that.

Just one word more about accidents. All I wish to say is that it is very regrettable that accidents have now become so frequent, and whatever may be the questions that might be considered in connection with accidents, care should also be taken to find out whether some of these have not been the result of discontent on the part of railway subordinates. To this aspect of the question reference has been made. I simply refer to it with a view to stress it. Nor do I wish to enlarge upon the many and serious grievances under which the subordinate staff of the railways are labouring now. As has been observed by my Honourable friend Lala Ram Saran Das, there is a very great disparity between the treatment accorded to the two classes of employees on the railways, the higher paid officials and the lower paid subordinate staff. They receive very different treatment and that kind of disparity must go.

Finally, Sir, I should like to know about the activities of the Railway Bureau in London. The Central Publicity Bureau here has an office in London which advertises Indian railways. I should like to know what amount of money is spent on that and how far they have been able to popularise Indian railways and to encourage tourist traffic.

THE HONOURABLE SIR THOMAS STEWART (Railway Member): Sir, I should be very grateful to you if you would permit me to take this opportunity of expressing my sincere thanks to those Honourable Members who have congratulated me today. Having said that I turn to the business of the day. It is a very difficult task, Sir, if not an impossible one, adequately to wind up a debate such as today's which has lasted so long, in which so many speakers have taken part and in which some of the speeches have been of considerable length. Nor is it possible for me to touch on all the topics that have been mentioned today. At most I can deal with a few of what I conceive to be the more important of them. Many matters of detail and of personal experience have been brought before the House today. Well, I cannot deal with them here and now, but I can assure Honourable Members that suggestions and criticisms, whether they refer to major matters of policy or merely to personal experiences, will be taken note of and an examination will be made as to whether any action can profitably be taken in order to meet those suggestions and criticisms. (Applause.)

To turn to the Budget as a financial statement of our present condition in the railways. From what has been said today I take it that the general consensus of opinion is that on the whole the financial story which we had to tell was not unsatisfactory. There have been criticisms to which I will make mention a little later; but I want to say this, that though for two years in succession

[Sir Thomas Stewart.]

there has been produced what we may call a fairly satisfactory budget, we do not want any one to think that because of that fact we are indulging in any undue complacency or taking to ourselves any undue credit. We realise full well that external circumstances, which unfortunately may change so very quickly, have been in our favour. All we can do is to hope that they will remain as favourable.

One criticism that was put forward from more than one quarter was that an analysis of our Budget showed that we were intending to spend more in order to gain less. Now that in itself sounds at first a rather serious criticism, but occasions may arise when it is the wisest policy, in fact the only possible policy. An alternative to spending more even though the returns are going to be less is to spend the same amount and to get in return a good deal less, not a little less. We have made an attempt to explain to you why we are spending more, why it is necessary to spend more. We set out in the Explanatory Memorandum those reasons. One is that our coal has gone up in price. Do our critics suggest that we should burn less coal in the engines? I do not think that is possible.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: But the item for increased price of coal is only Rs. 37 lakhs.

THE HONOURABLE SIR THOMAS STEWART: I have not said that it was accountable for the whole of the increase. We are confronted with a general rise in the price of materials. We have got to do a lot of repairs, and the reason why we have got to do these repairs is because there has been false economy; there has been too much saving and scraping. It is because we are using stock which ought to have been replaced long ago. There has definitely been false economy. There appears to have been a mistake made by at least two Members of the House. We were accused of indulging in undue capital expenditure out of India and the astonishing statement was made in two places that rails to the extent of one crore and seventy lakhs were bought from abroad. I think if the Honourable Members will look again at the statement which they consulted they will find that the figure is Rs. 1,70,000. Reference was made to the fact that the B. N. R. and the A. B. R. show rather less satisfactory results than the other railways. Well, the others are more fortunate in their natural circumstances. The B. N. R., in the first place, carries for the most part very lowly rated traffic; it is carrying ores and coal and so on. It also runs for a considerable part of its length through very difficult country with many gradients. Working traffic on these sections is most expensive. Similarly on the A. B. R. there is a very expensive hill section and it is the interest charges on the cost of that particular section which makes the position of the A. B. R. so unhappy. But I think the tables that we have published show that in respect of the B. N. R. things are not altogether unencouraging. My Honourable friend Pandit Hirday Nath Kunzru asked what steps were being taken to put things right on the B. N. R. In answer to that I would say that the B. N. R. are doing just as the other railways are doing; they are following our advice, our recommendations. The Agent himself is a man of ability and he is applying his mind in every possible way to secure improvement. And if one looks to the results of the last five or six years it will be seen that there is a very distinct tendency towards improvement.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Not during the last three years.

THE HONOURABLE SIR THOMAS STEWART : The curve comes down and goes up again.

Now, Sir, there has been a very considerable discussion today over depreciation. Well, I feel a certain amount of hesitation in rushing in where experts themselves do not agree. On the one hand we are confronted with the assertion that we are putting away far too much to depreciation and we are robbing the shareholder. On the other hand we are told that there should be no limit. Well, I am not going to take sides. I can merely tell you what our position is. With the advice of a committee of experts who examined this matter—experts in railway practice rather than in theoretical accountancy—we were advised that we should go ahead until our depreciation fund reached a sum of Rs. 30 crores. We are not yet at that figure. So as far as depreciation is concerned, the argument is for the moment made academic as to whether we should stop at Rs. 30 crores or whether we should go further ; but in any case we are convinced that at the present moment we have not put away more than enough for purposes for which a depreciation fund is required. Then, the question was raised as to what should be debited against the depreciation fund. I think the Honourable Mr. Parker has perhaps misunderstood the purport of paragraph 209 of the Report of the Railway Inquiry Committee. That does not contain any recommendation of the Committee, but merely represents a statement of what actually was the practice that had been adopted by the Government of India in, I think, 1935-36. The reasons why the change was then made are somewhat too long for me to go through this evening, but there is an exposition of them in the Review of the Appropriation Accounts of Railways for 1934-35 which was written by Sir P. R. Rau on pages 42 to 57 of that brochure and there will be found the reasons why we have adopted our present practice in respect of debits to depreciation and allocations of debits in general.

There has been today, Sir, very strong criticism of the policy which has been followed by railways in respect of their purchase of stores. Now, I should like to say at once that we on the railways have no stores purchase policy which is in any way different from that of the Government of India in other Departments. The stores purchase policy of the Government of India which we, as I say, follow, is a purchase policy which was designed in order to promote Indian industry to the utmost. It is, we believe, the policy which is best calculated so to do and we on the railway side have faithfully followed it. I may say that in our own way we are doing something to help it along. Our process of standardisation, which is always going on, gives Indian firms a chance to set up establishments for manufacture on mass production scale. We have endeavoured to induce the Company-managed railways to follow our example and we believe that we are achieving a certain amount of success in that direction. It is true that there is a falling off in the last year as compared with the year before ; but the year before was an entirely exceptional year representing one very large purchase which will be spread over a number of succeeding years. Special criticism was directed towards our failure to establish a large scale plant for the manufacture of locomotives in India. That is a complaint which comes to us periodically. This year it appears to be reinforced with the argument " You are making locomotives in Ajmer, why not set up a complete plant for yourselves ? " Well, one thing about Ajmer is this, that it is by no means a question of manufacture of locomotives *ab initio* ; there is to be a good deal of manufactured material imported. In the second place, the success or non-success of the locomotive building shop is not a test of whether a separate institution would be successful, because it must be remembered that the

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Ajmer Shop is merely a branch of a very much larger workshop and that its overheads are accordingly very much smaller than would be those of a separate institution.

I may also mention—I was going to take it for credit to ourselves—that we had done a very great deal to establish the wagon building industry in India. I was going to take that on the credit side, but my Honourable friend Mr. Hossain Imam wants to put it on the debit side. Well, he may, but I am perfectly certain that if he does a little arithmetic when he goes home, after taking everything into account, he will see that the purchase of 6,000 wagons a few years ago saved us a very considerable amount of money. It does not represent expansion; it represents expenditure on replacement of wagon stock.

We have been criticised for the slowness of the process of Indianisation within the railways. Well, Sir, I claim that we have loyally followed the policy of Indianisation as it was laid down for us in 1926 and I ask to be forgiven if I quote only a very few figures. I am not going to quote percentages because they mean little or nothing. The number of Indian officers increased from 305 in 1924-25 to 508 in 1937-38. In the same period, European officers decreased from 732 to 459. During the eight years ending 31st March, the recruitment made to the superior railway services by direct appointment and promotion was 185, of whom 45 were Europeans and 140 Indians. During the year 1937-38, 21 officers were appointed direct to the superior railway services, of whom three were Europeans and 18 Indians. These figures, I think, do exhibit that we have been doing what we could to carry out our understanding. I quite realise that, starting as we did with a very very large proportion of Europeans in the service, the ultimate goal of 100 per cent. Indianisation of the service must be remote. But what is the alternative? We cannot in all fairness dispossess the men already in the service in order to make room for others. As regards the Company-managed railways, there has been encouraging progress also. Indian officers increased from 143 in 1925 to 356 in 1938.

Now, I think some apprehension was expressed by Pandit Kunzru that there was on the E. I. R. some discrimination against Indians in favour of Anglo-Indians. Well, in the first place, so far as classification is concerned, the Anglo-Indian is an Indian, but I do realise that on the railways there is a distinction made between the two. But I should like to assure him that in fact there is no discrimination. It may be perfectly true that for the time being most of the promotions or a large proportion of these promotions are going to Anglo-Indians, but is not that merely the result of history? The officers eligible, the senior officers, the officers with experience, happen to be Anglo-Indians. For that reason they are selected for promotion.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: It was the same with regard to direct recruitment.

THE HONOURABLE SIR THOMAS STEWART: Reference was made to the commercial posts which were mentioned in the course of my own speech. Two points were raised in that connection. One was whether or not the creation of these posts had received the sanction or the approval of the Standing Finance Committee. Well, in so far as it was necessary to do so, they had. But the Honourable Member probably is aware that, when temporary posts

are brought into existence, it is unnecessary to place the matter before the Standing Finance Committee for their approval. It is only when a permanent post is created that approval is required.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How many of these posts will be temporary ?

THE HONOURABLE SIR THOMAS STEWART : All except two. Temporary in the first instance. They are either temporary posts or they are posts which have already been sanctioned and have been revived. But I ask the Honourable Member to take my word that none of these posts have been brought into existence improperly.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Then may I take it that eight of these posts are temporary ?

THE HONOURABLE SIR THOMAS STEWART : They are either temporary or are posts which have been held in abeyance and been revived. These posts it is not proposed to fill by recruitment from outside. These posts will be filled from among those already in the railway service, selected from the railway cadre.

Now, Sir, I turn to the question of amenities for travellers. This is a matter on which perhaps we are most severely criticised, but to start off with, I should like to say how heartening it was to find that when we had done something worth while our sternest critics were so ready to give us some commendation. Well, I know that progress must appear very slow. The amount of money that we are able to spend from year to year touches perhaps only the fringe of the problem but it is a very extensive fringe and our critics, I think, should give us credit for what we are doing. They cannot expect that in one year the whole of the rolling stock can be renewed, all the stations remodelled, every possible amenity provided. It is going to be a slow process. It must be a slow process. And I do ask that we be given credit for what is being done. There is a tendency on the part of our critics to take up the attitude that we are doing nothing. And that is an attitude that I resist very strongly.

Reference has been made to the overcrowding in railway trains. Now that argument too is repeated so often that to someone who did not know India at all, the picture would occur of every railway train in India crowded to overflowing. Now that is not true. If it were true, we should have produced a very much larger surplus than we have. It is perfectly true that on certain trains and on certain lines there is overcrowding. But, elsewhere, the third class carriages run by no means full to capacity. Other Members have brought up the question of accidents ; and there has been an attempt, I think, to establish by implication that accidents are the result of the staff being disgruntled or having a grievance. I think that that is an entirely wrong suggestion to make at this stage when there is on the point of being set up a Tribunal to inquire into what has been the reason for those accidents. There was also one, I thought, most dangerous suggestion. It was assumed that the staff had grievances and it was said, " Remove those grievances or there will be a further accident ". Now, I should protest most vigorously against this most dangerous form of blackmail.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR : Quite right.

THE HONOURABLE SIR THOMAS STEWART : I think it is really a wicked proposition.

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Then, Sir, to turn to rate policy. It was in regard to rate policy, that the Honourable Mr. Ramadas Pantulu said that there were fundamental differences between ourselves and those who criticise our rate policy. Well, I admit there are fundamental differences. The fundamental difference, as I see it, is this, that we have to take into account every commodity we carry while our critics are only concerned with the particular commodity that interests themselves. In practically every case that has come to my notice in which we have been criticised it has been in regard to particular commodities and by the people to whom it would be profitable if they got any concession in respect of the rate on that commodity.

Well, Sir, I think these were the more important general points which were raised in the course of the debate. I find it difficult to sort out the lesser things without giving preference to one over the other, and I will, therefore, conclude by thanking Honourable Members for the patient hearing they have given me. I apologise for the inadequacy of the reply. As I said, it was a very difficult task. But, as a last word, I would ask them to be a little patient with us. I would have them believe that we are doing our best and would have them believe, what I believe, that the best is a pretty good best.

The Council then adjourned till Eleven of the Clock on Monday, the 20th February, 1939.