

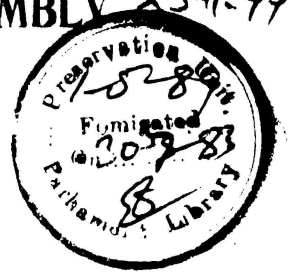
20th February, 1947

THE
LEGISLATIVE ASSEMBLY DEBATES
Official Report

Volume II, 1947

(20th February, 1947 to 5th March, 1947)

THIRD SESSION
OF THE
SIXTH LEGISLATIVE ASSEMBLY 23-11-94
1947



LEGISLATIVE ASSEMBLY

President :

The Honourable Mr. G. V. MAVALANKAR.

Deputy President :

Khan MOHAMMAD YAMIN KHAN, M.L.A.

Panel of Chairmen :

Syed GHULAM BEIK NAIRANG, M.L.A.

Mr. P. J. GRIFFITHS, M.L.A.

Sardar MANGAL SINGH, M.L.A.

Shrimati AMMU SWAMINADHAN, M.L.A.

Secretary :

Mr. M. N. KAUL, Barister-at-Law.

Assistants of the Secretary :

Mr. A. J. M. ATKINSON.

Mr. HASAN MOHAMMAD KHAN.

Mr. N. C. NANDI.

Marshal :

Captain Haji Sardar NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Petitions :

Khan MOHAMMAD YAMIN KHAN, M.L.A. (*Chairman*).

Syed GHULAM BEIK NAIRANG, M.L.A.

Shri SRI PRAKASA, M.L.A.

Mr. C. P. LAWSON, M.L.A.

Sardar MANGAL SINGH, M.L.A.

CONTENTS

Volume II—20th February, 1947 to 5th March, 1947

THURSDAY 20TH FEBRUARY, 1947—

Members Sworn	809
Starred Questions and Answers	809—32
Railway Budget—General Discussion	832—79

FRIDAY, 21st FEBRUARY 1947—

Member Sworn	881
Starred Questions and Answers	881—917
Unstarred Question and Answer	917
Short Notice Question and Answer	918—19
Motion for Adjournment <i>re</i> Use of Troops by the Punjab Government—Ruled out of order	919—20
Election of Members to the Committee on Public Accounts	920
Election of a Member to the Standing Committee for the Department of Labour	921
Delhi Sikh Gurdwaras and Religious Endowments Bill—Message from the Council of State <i>re</i> Nomination of Members on the Joint Committee	921
Trading with the Enemy (Continuance of Emergency Powers) Bill—Introduced	921
Industrial Disputes Bill—Passed as amended	921—58

SATURDAY, 22ND FEBRUARY, 1947—

Member Sworn	959
Starred Questions and Answers	959—83
Unstarred Question and Answer	982
Railway Budget—List of Demands	983—1018
Demand No. 1.—Railway Board	948—1014
Revisional Policy of Rates and Freights	984—98
Reorganisation of Railway Administration including Indianisation of Railway Board	998—1011
Demand No. 4.—Working Expenses—Administration	1011—12
Economy in Railway Administration and Maintenance	1011—18

MONDAY, 24TH FEBRUARY, 1947—

Starred Questions and Answers	1019—50
Railway Budget—List of Demands— <i>contd.</i>	1050—87
Demand No. 15—Construction of New lines	1050—86
Opening of New Lines and Restoration of Dismantled Lines	1050—86
Demand No. 16.—Open Line Works—Additions	1066—87
Manufacture of Locomotives, Wagons and Coaches	1066—81
Policy of Rail-Road Coordination	1081—87

TUESDAY, 25TH FEBRUARY, 1947—

Starred Questions and Answers	1089—1146
Unstarred Questions and Answers	1146—149
Statements laid on the Table	1150—53
Message from the Council of State	1154
Railway Budget—List of Demands— <i>contd.</i>	1154—90
Demand No. 1.—Railway Board— <i>contd.</i>	1154—90
Amenities for Passengers	1154—78
Shortage of Wagons	1178—83
Disbursement of Salary through Private Agency on Payment of Commission	1183—87
Greater Utilisation of Electricity for Running Railways	1187—90

WEDNESDAY, 26TH FEBRUARY, 1947—

Starred Questions and Answers	1191—99
Short Notice Question and Answer	1199—1201
Message from the Council of State	1201—02
Indian Trade Unions (Amendment) Bill—Presentation of the Report of Select Committee	1202
Railway Budget—List of Demands— <i>contd.</i>	1202—38
Demand No. 1.—Railway Board.— <i>contd.</i>	1 202—19, 1228—36

Capacity of Indian Railways to meet Transport needs of the Country	1202—19
Increase of Railway Fares below Re. 1	1228—29
Failure of the Railway Board to implement the Interim Settlement with the All-India Railwaymen's Federation	1229—36
Demand No. 11.—Working Expenses—Appropriation to Depreciation Fund	1219—27
Depreciation Fund in Relation to the whole question of Railway Reserves and the Railway Separation Convention	1220—27
Demands Nos. 2, 3, 5—10, 12—18	1236—38
THURSDAY 27TH FEBRUARY 1947—	
Starred Questions and Answers	1239—58
Unstarred Questions and Answers	1258—60
Short Notice Question and Answer	1260
Notifications under the Central Excises and Salt Act—Laid on the Table	1260—61
Declarations of Exemption under the Registration of Foreigners Act—Laid on the Table	1261—63
Demands for Supplementary Grants for 1946-47—Railways	1263—65
Explosives (Temporary Provisions) Bill—Passed as amended	1266—72
Delhi and Ajmer-Merwara Rent Control Bill—Referred to Select Committee	1273—82
Imports and Exports (Control) Bill—Referred to Select Committee	1296—1306
Reserve Bank of India (Amendment) Bill—Passed	1306—08
Railways (Transport of Goods) Bill—Passed as amended	1309—10
Trading with the Enemy (Continuance of Emergency Provisions) Bill—Consi- deration of Clauses not concluded	1311—14
FRIDAY, 28TH FEBRUARY, 1947—	
Presentation of the General Budget for 1947-48	1315—37
Indian Finance Bill—Introduced	1337
Income-Tax and Excess Profits Tax (Amendment) Bill—Introduced	1337
Business Profits Tax Bill—Introduced	1337
Taxation on Income (Investigation Commission) Bill—Introduced	1338
MONDAY, 3RD MARCH, 1947—	
Member Sworn	1339
Starred Questions and Answers	1339—82
Unstarred Questions and Answers	1383—87
Short Notice Questions and Answers	1387—89
General Budget—General Discussion— <i>not concluded</i>	1389—1435
TUESDAY, 4TH MARCH, 1947—	
Member Sworn	1437
Starred Questions and Answers	1437—63
General Budget—General Discussion—	1463—77
.	1478—1508
Suspension of Question Hour	1477—78
WEDNESDAY, 5TH MARCH, 1947,—	
Members Sworn	1509
Starred Questions and Answers	1509—33
Unstarred Question and Answer	1533—36
Short Notice Question and Answer	1537
Message from the Council of State	1538
Delhi and Ajmer-Merwara Rent Control Bill—Date for Presentation of Report of Select Committee extended	1538
Insurance (Second Amendment) Bill—Presentation of the Report of Select Committee	1538
Publicity by certain Newspapers of the Recommendations of the Select Committee on Insurance (Second Amendment) Bill before the Presentation of the Report	1538—39
Business Profits Tax Bill—Referred to Select Committee	1539—41
Income-Tax and Excess Profits Tax (Amendment) Bill—Referred to Select Committee	1541—42
Taxation on Income (Investigation Commission) Bill—Referred to Select Committee	1542—43
Trading with the Enemy (Continuance of Emergency Provisions) Bill—Passed as amended	1544—57
Armed Forces (Emergency Duties) Bill—Passed as amended	1557—77

LEGISLATIVE ASSEMBLY

Thursday, 20th February, 1947

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. G. V. Mavalankar) in the Chair.

MEMBERS SWORN:

Mr. Alfred Augustus Brown, M.L.A. (Government of India: Nominated Official); and

Khan Bahadur Zaffar Hussain Khan, M.L.A. (Government of India: Nominated Official).

STARRED QUESTIONS AND ANSWERS.

Srijut Dharendra Kanta Lahiri Choudhury (Bengal Landlords): Sir, in consultation with the other parties it has been decided that the Question Hour be dispensed with and the General Discussion of the Railway Budget may be started immediately.

Mr. Ahmed E. H. Jaffer (Bombay Southern Division: Muhammadan Rural): I hope it is understood that we are not going to sit beyond five o'clock.

Srijut Dharendra Kanta Lahiri Choudhury: Yes.

Mr. President: As regards sitting beyond five o'clock there has been some misunderstanding, I think. It is only on the days when Government legislative business is to be carried on that the House is to sit till six o'clock and not on all days that is how it was decided the other day.

As regards the Question Hour, if the House is agreeable I have no objection to dispense with the Question Hour.

Several Honourable Members: We have no objection.

Mr. President: Then there will be no Question Hour.

MILITARY DAIRY FARMS AT JUBBULPORE.

405. *Seth Govind Das: Will the Secretary of the Defence Department be pleased to state:

(a) whether the war-time extension of the Military Dairy Farms at Jubbulpore is again to be curtailed; and

(b) if so, whether the original size of the farms will be adhered to or whether part of the present extension will be retained as a permanent measure?

Mr. G. S. Bhalja: (a) Yes.

(b) The answer depends on the post-war strength of the garrison at Jubbulpore which has not yet been decided. As matters stand at present these Farms are likely to be at least their pre-war size, if not larger.

MEDICAL AND HEALTH FACILITIES IN INDIA TO IMPLEMENT THE BHOSE COMMITTEE RECOMMENDATIONS.

406. *Seth Govind Das: Will the Secretary of the Health Department be pleased to state:

(a) if the attention of Government has been drawn to the speech of Dr. H. S. Souttar, ex-President of the British Medical Association delivered at Delhi in

December, 1946, pointing out that India would need 500,000 Doctors to have adequate medical and health facilities for her population of 400 millions;

(b) whether Government are aware of the appalling state of public health in India as shown in the report of the Bhore Committee; and

(c) the steps Government are taking to implement the recommendations of the Bhore Committee and for better and extensive medical education in this country?

Mr. S. H. Y. Oulsnam: (a) Yes.

(b) Yes.

(c) A statement is laid on the table of the House.

Steps being taken to implement the recommendations of the Bhore Committee and for the improvement and extension of medical education.

1. *Medical education.*—All Provincial Governments have made plans for the extension of facilities for medical education with the assistance of the development grants made by the Central Government. The Government of India are assisting, in accordance with the recommendations of the Bhore Committee, in the development and improvement of medical education in the country firstly by arranging for the advanced training abroad of selected students and secondly by establishing a high grade up to date medical training and research centre which will compare favourably with the best medical training institutions in other countries. Under the scheme for advanced training abroad 54 students were selected for training in 1946 and 70 are being selected in 1947. These students are being placed for advanced training under well-known teachers in the various branches of medical science abroad. In regard to the scheme for a medical institute, the Government of India have set up a committee under the chairmanship of Dr. Sir Lakshmanaswamy Mudaliar, and including leaders in medical education from all the principal medical centres, to advise Government in the organisation of the institute, its location and the steps to be taken to establish it. The Committee has held its first meeting and its report is expected early in April, 1947. In the two Universities for which the Central Government is primarily responsible, namely the Benares Hindu and Aligarh Universities, the Government of India propose to assist, by grants the establishment of medical colleges. The Government of India have opened in Calcutta a temporary medical college to provide a course for medical licentiates to enable them to take their degrees. The college will train 1,000 licentiates in five years.

2. *Medical research.*—The Central Government proposes to provide a crore of rupees during the next five years for the promotion of medical research. As a beginning, the annual grant to the Indian Research Fund Association has been increased from 6 lakhs to 11 lakhs for 1947-48 to enable it to extend its activities and, in particular, to continue and initiate research in cholera, plague, malaria, industrial health and nutrition. The reorganisation of the Indian Research Fund Association and the establishment of a statutory body as recommended by the Bhore Committee is under consideration in consultation with the Association.

3. *Revision of the curriculum in medical colleges.*—The recommendations of the Bhore Committee for the revision of the medical curriculum have been approved by the Medical Council of India and the views of the Council have been referred to the Provincial Governments for action.

4. *Training of personnel other than medical personnel.*—(a) The Government of India have opened in Delhi a college of nursing to provide higher training for nursing teachers and administrators. In order to supplement training facilities in India arrangements have been made for the special training of a small number of Indian nurses in hospitals in the United Kingdom. The possibility of arranging a similar scheme for training in Australia is being explored.

(b) The facilities for training of public health officers at the All-India Institute of Hygiene and Public Health have been expanded in order to provide for 60 students a year instead of 30. In addition to the regular courses for the Diploma of Public Health, special courses have also been instituted for the training of laboratory technicians and nutrition workers.

(c) Courses for malariologists and engineers at the Malaria Institute of India, suspended during the war, have been resumed.

5. *Malaria control.*—The accommodation and staff of the Malaria Institute of India is being increased to enable it to expand its activities. Schemes of malaria control are being undertaken in all the centrally administered areas. The question of undertaking demonstration schemes of malaria control in some provincial areas is under consideration.

The targets for quinine production recommended by the Bhow Committee have been accepted and development plans have been prepared by Bengal and Madras, the producing Provinces. After extensive trials of the new anti-malaria drug, paludrine, it has been decided that this quinine substitute should be used instead of mepacrine and the question of its manufacture in India is under examination.

6. *Improvements in hospital design and construction.*—A bureau of standards has been set up to advise Provincial Governments on modern design and construction of hospitals and other medical institutions and to make available to them information regarding the latest advances in other countries.

7. *Legislation for the control of the dental pharmaceutical and nursing professions.*—Legislation for the regulation of the pharmaceutical and nursing professions has been introduced in the Legislature. Legislation for the regulation of the dental profession is under preparation.

8. *Development in the centrally administered areas.*—Plans have been prepared and will be put into execution in 1947-48 for extensive development of the health services in the centrally administered areas, with special emphasis on the provision of medical services in the rural areas, generally on the lines recommended by the Bhow Committee.

9. *Provincial development schemes.*—A conference of provincial health ministers was held in October, 1946, to consider some of the principal recommendations of the Bhow Committee. It was agreed at that conference that provincial plans should be reviewed in the light of the Committee's recommendations and the results of that review are awaited.

GOVERNMENT EMPLOYEES ASSOCIATED WITH CONGRESS ACTIVITIES

407. *Seth Govind Das: Will the Honourable the Home Member be pleased to state:

(a) whether Government are aware that according to the orders of the Government of India issued by the War Department under their No. 18452/W-III-AO-II/10, dated the 10th August, 1942, certain Central Government employees were debarred from Government service on the ground that they or their relations were in some way or the other associated with the Congress activities;

(b) if so, whether in view of the removal of the ban on the Congress Organization, Government of India have taken or propose to take early action to cancel the orders referred to in part (a) above;

(c) whether Government are also aware that the orders, in question were cancelled in a few cases on reconsideration by Government and that fresh enquiries are now being made into those cases again; and

(d) if so, whether Government propose to disclose the nature and object of such fresh inquiries?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) Instructions have been issued requiring Departments to review cases of persons who have been disqualified during the last five years on adverse police reports or on political grounds with a view to deciding whether such persons should continue to be debarred from Government employment.

(c) The orders referred to have been cancelled in some cases as the result of a review. No fresh inquiries are being made in such cases.

(d) Does not arise.

FACILITIES FOR PRIVATE STUDENTS FOR GOING ABROAD.

408. *Seth Govind Das: Will the Honourable Member for Education be pleased to state:

(a) the number of students who have so far been selected by Government to proceed overseas at their own (students') expenses for advanced technical studies;

(b) whether it is a fact that such private students were given little or no facilities for their studies abroad and it is for this reason that only a few students have gone out;

(c) if so, the reasons for this; and

(d) whether Government propose to increase the number of private students for going abroad by providing more and more facilities to them?

The Honourable Maulana Abul Kalam Azad: (a) The Government do not exercise any selective scrutiny over the applications submitted by students who wish to go abroad for studies at their own expense. All the applications received are forwarded to the Government of India's appropriate representatives abroad with instructions to make every possible effort to secure suitable places for these students. During the last two years 570 such students have secured admission in the United Kingdom and 115 in the United States of America through the High Commissioner in London and His Majesty's Charge d'Affairs (lately Agent-General) in Washington respectively. It has not been possible to secure the information as to how many of these students are engaged in technical studies.

(b) No Sir. Every endeavour is made to help Indian students proceeding to foreign countries for further studies, but it is not possible to secure places in foreign Universities for all students who wish to go abroad because some of them do not possess adequate qualifications which would make them acceptable to those Universities, and secondly because the Universities abroad are at present extremely overcrowded on account of the large number of ex-servicemen seeking admission.

(c) Does not arise.

(d) It is not the policy of Government to encourage all students, whatever their qualifications and other circumstances, to go abroad for further studies. In so far, however, as suitably qualified students wish to go abroad for studies or training for which adequate facilities are not available in this country, the Government of India will give them all possible assistance in regard to their admission to Universities etc. and also their general welfare while they are abroad. For this purpose the educational establishments in the India House, London and the Indian Embassy in Washington have been strengthened and it is proposed to strengthen them further according to needs. It is, however, equally necessary that students must be provided with proper information and advice before they go abroad. Provincial Governments and Universities have been repeatedly urged to establish or strengthen Students' Advisory Bureaux which can give the necessary information and advice to students going abroad. The Government of India have offered to provide these Bureaux with the necessary information material, and for this purpose they have established in the Department of Education an Overseas Information Bureau, whose main function it is to collect and collate all information regarding facilities for studies abroad and to circulate it to the Provincial and University Bureaux in the form of handbooks, pamphlets and bulletins.

ARREST OF MEMBERS OF THE COMMUNIST PARTY IN INDIA

409. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable the Home Member please state what is the estimated strength of the Communist Party in India?

(b) How many members of the Communist Party have been arrested and convicted during the past year for taking part in activities endangering the safety of the State and for advocating violence and bloodshed?

(c) Do Government propose to make a statement in the House on this subject?

(d) How many papers are published throughout India by the Communist Party and where are they printed and published?

The Honourable Sardar Vallabhbhai Patel: (a) A membership of 58,700 has been claimed on behalf of the Party.

(b) During 1946, about 1,950 Communists were arrested in the Provinces. Full information about the number of persons convicted during the year is not available.

(c) No.

(d) A statement showing the number of papers and where they are printed and published is laid on the table.

List of Newspapers Published by Communist Party of India

S. No.	Province	Name of paper	Place of printing	Place of publication	Remarks
1	Madras	Prajasakti (Telugu)	Mogalrajapuram	Bezwada, Kistna District.	
2	Madras	Janasakti (Tamil) Weekly	1/3, Davidson Street	George Town, Madras city.	
3	Madras	Thosilarasu (Tamil)	Railway Union Press	Golden Rock, Trichinopoly.	
4	Madras	Desabhimani (Malayalam)	Calicut, Malabar.		
5	Bombay	People's Age (English)	New Age Printing Press, 190-B, Khetwadi Main Road, Bombay, 4	People's Age Office, 190-B, R. K. Building, Khetwadi Main Road, Bombay 4.	
6	Bombay	Lokayug (Marathi)	Do.	New Age Printing Press, 190-B, Khetwadi Main Road, Bombay No. 4.	
7	Bombay	Janayug (Gujarati)	Do.	Do.	
8	Bombay	Naya Zemana (Urdu)	United Fine Art Litho Press, Mazagaon, Bombay No. 10.	190-B, Khetwadi Main Road, Bombay, 4.	
9	Bombay	Janayug (Hindi)	New Age Printing Press, 190-B, Khetwadi Main Road, Bombay No. 4.	Janayug Office, 190-B, R. K. Building, Khetwadi Main Road, Bombay, 4.	
10	Bombay	Toiler's Front (English)	Nootan Sahitya	156, Tadeo Bombay.	
11	Bngal	Swadhinata (English Daily)	8 E, Daores Lane	Bowbazar, Calcutta.	
12	Punjab	Jang-i-Azadi	114, McLeod Road, Lahore.	Desh Bhagat Press, Lahore.	
13	Orissa	Mukti Judha (Oriya)	Naba Juga Press	Cuttack town.	
14	Sind	Sadaqat	Alwahid Printing Press, Karachi.	Communist Party Office, Karachi.	

SUPPRESSION OF CORRUPTION AND BLACK-MARKETING

410. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable the Home Member please state whether Government propose to consider the appointment of a Committee to devise ways and means of combatting corruption and anti-Social evils in Government Departments, especially the suppression of Black-marketing?

(b) Will Government consider the proposal of sending a Committee to the United States of America, France, the United Kingdom and Russia to study the methods adopted in these countries to suppress corruption?

(c) Is it a fact that a sum of Rupees ten crores is estimated to have been lost by Government as a result of corruption on the part of Government servants during the last six years?

(d) Do Government propose to consider the imposition of the death penalty as in France, Russia and other countries for such anti-social crimes as Black-marketing and profiteering?

(e) Do Government propose to make a statement in the House, explaining what further measures are required to deal with these anti-social evils?

(f) Do Government propose to bring forward special legislation at an early date in this connection?

The Honourable Sardar Vallabhbhai Patel: (a), (b) and (d). No.

(c) The loss to Government involved in cases investigated by the Special Police Establishment upto the end of December, 1946 is estimated at about Rs. 2.6 crores. Some of this has been prevented or recovered and of the remainder it is not possible to say accurately how much was the direct result of corruption on the part of government servants.

(e) and (f). During the previous and this Sessions this House has already passed two legislative measures on the subject which are, in the view of Government, quite adequate. No further action is considered necessary at present.

BRIGADIER DESMOND YOUNG'S STATEMENT *re* COMPOSITION OF TROOPS SENT TO PROVINCES DURING COMMUNAL DISTURBANCES

411. *Mr. Ahmed E. H. Jaffer: (a) Will the Secretary of the Defence Department please lay on the table of the House a statement of figures showing the number of Battalions—Indian, British and Gurkha—sent to Bengal, Bihar, the United Provinces and other Provinces where there were communal disturbances in recent months?

(b) What was the proportion of Hindus and Muslims serving in these Battalions and despatched to these disturbed areas?

(c) Is it a fact that, as admitted by Brigadier Desmond Young in a statement to the News Paper "Dawn" of December 11, that majority of these troops were Hindus and a very small proportion were Muslims, especially those sent to Bihar Province during the recent disturbances?

Mr. G. S. Bhalja: (a) and (b). Two statements giving the required information are placed on the table (Statements I and II).

(c) No Sir, Brigadier Desmond Young's letter to the Editor of the "Dawn" brought out that the original disposition of troops in, and subsequent reinforcements sent to, Calcutta, East Bengal, and Bihar, included a substantial proportion of Muslim troops. A copy of Brigadier Desmond Young's letter is placed on the table of the House. (Statement III).

May I add, Sir, that neither the location nor the movement of troops is governed by communal considerations for the purpose of quelling civil disorder, the most unpleasant and unpopular duty that troops can be called upon to perform; those nearest to hand are employed irrespective of their class composition.

STATEMENT I

The number of Battalions—Indians British and Gurkha—employed in Bengal, Bihar, U. P. and other Provinces between 15th October, 1946 and 6th January, 1947 is as follows:—

All units have been assessed on a Battalion basis and where a proportion was used a representative fraction is given.

	Indian	British	Gurkha
Calcutta	2	7	2
Bengal and Assam (Noakhali)	5		2
Bihar	9	1½	2
U. P.	3	3½	
Delhi	1	1	1

STATEMENT II

Table showing units employed in aid of civil power during grave disturbances from 15th October, 1946 to 6th January, 1947

Units	Posted Strength	Class Composition						Remarks
		British	Gurkhas	Muslims	Hindus	Sikhs	Others	
CALCUTTA								
<i>British</i>								
1 Wilsie	715	100%	...	...	...	...	...
2 East Lanes	706	100%	...	...	...	...	...
2 Y & Lanes	628	100%	...	...	...	...	...
2 Green Howards	683	100%	...	...	...	...	...
25 Dragoons (less one Squadron)	380	100%	...	...	...	...	...
7 Wores (less one company)	553	100%	...	...	...	...	...
160 British F.d. Regt. R. A.	454	100%	...	...	...	...	...
<i>Indian</i>								
3/2 Punjab	973	...	...	5/9 P. M. 22% Pathan 33% P. M.	2/9 Dogras 23% "	2/9 Sikh 22% "	...
4/14 Punjab	944	...	...	...	...	...	...
<i>Gurkha</i>								
4/2 G. R. (less two companies)	435	...	100%	...	...	...	...
3/8 G. R. (less two companies)	436	...	100%	...	...	...	...

NOTE:—P. M. stands for Punjabi Muslims. M. R. stands for Mazbhi Ram dasia Sikh.

Units	Posted Strength	Class Composition					Remarks
		British	Gurkhas	Muslims	Hindus	Sikhs		Others
BENGAL AND ASSAM (NOAKHALI)							
<i>British</i>							
7 Wores (one company)	184	100%			...	...	...
<i>Indian</i>							
1/1 Punjab	888	...	..	5/8 P. M.	2/8 Rajput.	1/8 Sikhs	...
4 Rajput	863	...	...	1/2 P. M.	1/2 Rajput.	...	...
1 Bihar	933	...	...	22% Muslim	45% Adibasis. 14% Ahira. 16% Rajputs.	3% Others	Employed since disturbances ceased.
3 Jat	930	...	...	30% P. M. 30% M. R.	40% Jat.	...	...
1 L. A. A.	937	...	...	100% P. M.	...	...	...
<i>Gurkhas</i>							
1/3 G. R.	880	...	100%	...	...	...	...
3/8 G. R. (two companies).	436	...	100%	...	...	...	...
4/2 G. R. (two companies).	435	...	100%	...	...	...	...
BIHAR AND ORISSA							
<i>British</i>							
1 N Staffs	631	100%	...	...	...	...	...
1 Sqn 25 Dragoons	140	100%	...	...	...	...	...

<i>Indians</i>													
• 3/2 Punjab	973	...	5/9 P. M.	2/9 Dogras	2/9 Sikh	...	Presumably Christian.						
1 Madras	908	...	1/8 Muslim	5/8 Hindu	...	2/8 Others							
2½ Punjab (two companies)	441	...	1/2 P. M.	1/2 Gujars	...	...	Not known which companies were used.				
1/16 Punjab	933	...	1/2 P. M.	1/4 Dogras	1/4 Sikhs	...							
1 Dogra	778	...	...	100% "	...	...					
3 Garhwal Rifles	988	...	...	100% Garhwalis	...	...					
1 Mahar	777	...	...	100% Mahar	...	...	A few Mahatras.		
3 Bihar	821	...	...	100% Adibasis	...	...					
214 Garrison Company	199	...	...	1/3 Dogras	1/3 Sikhs	1/3	Others are Gujars, Jats, Ahirs (Probably all Hindu).				
215 Garrison Company	207	...	1/5 P. M.	...	...	4/5 Christian					
1 Bihar	933	...	22% Muslim	48 Adibasis 14% Ahirs 16% Rajput	...	3% Others							
<i>Gurkhas</i>													
1/3 G. R.	878	...	...	...	...	...	...
4/10 G. R.	711	...	...	...	...	...	...

Units	Posted Strength	Class Composition					Remarks
		British	Gurkhas	Muslims	Hindus	Sikhs		Others
UNITED PROVINCES							
<i>British</i>							
8 Staffs (two companies)	405	100%	...	...	...	...	...
1 Kings	712	100%	...	...	...	...	...
1 Beds & Herts	740	100%	...	...	...	...	...
2 D. W. R.	681	100%	...	...	...	...	...
<i>Indian</i>							
4/14 Punjab	944	...	...	22% Pathans 33% P. M.	23% Dogras	22% Sikhs	75% Christians
8/15 Punjab	878	...	...	25% P. M.	...	...	Scheduled Castes
Chamars	300	...	...	...	100% Chamars	...	...
Gurkha	...	...	...	...	...	...	...
Nil	...	...	...	...	...	...	...
DELHI DISTRICT							
<i>British</i>							
1 RRF	762	100%	...	...	...	...	...
<i>Indian</i>							
9/14 Punjab	886	...	...	30% Pathans 25% P. M.	25% Jats 20% Dogras	...	...
<i>Gurkha</i>							
4/9 G. R.	712	...	100%	...	...	...	...

Statement III

COPY OF BRIGADIER DESMOND YOUNG'S LETTER No. 7503/DPR, DATED THE 7TH DECEMBER 1946, TO THE EDITOR, THE DAWN, DELHI, PLACED ON THE TABLE OF THE HOUSE IN REPLY TO PART (c) OF STARRED QUESTION No. 411, ANSWERED ON THE 20TH FEBRUARY 1947.

Army and the riots

In your issue of November, 23, your Military Correspondent purports to give details of the Forces used in the suppression of civil riots and of their class composition.

From his statement he (and the sub-editor responsible for the headline) draw the deduction that "sinister policies" are in operation. Since the statement is inaccurate, owing to omissions, I must ask you to publish the facts.

The troops employed in Calcutta, East Bengal and Bihar were as follows:—

(1) *Original disposition in Calcutta before the riots :*

One squadron 25 Dragoons.

2 East Lancs.

2 York and Lancs.

2 Green Howards.

7 Worcester.

1/3 Gurkhas.

5/9 Jats (66 per cent. Mussalman 34 per cent. Hindu).

8/15 Punjab (50 per cent. Mussaman 50 per cent. Christian).

(2) *Reinforcements sent to Calcutta :*

2 Norfolks (temporarily).

25 Dragoons less two squadrons.

3/8 Gurkhas.

4 Rajput (45 per cent. Muslim 55 per cent. Hindu).

1/1 Punjab (64 per cent. Muslim 36 per cent. Hindu).

(3) *Original disposition in East Bengal :*

8/12 Frontier Force (48 per cent. Muslim 52 per cent. Hindu and Christian).

1/3 Gurkhas.

(4) *Reinforcements sent to East Bengal :*

4 Rajputs (45 per cent. Muslim 55 per cent. Hindu).

1/1 Punjab (64 per cent. Muslim 36 per cent. Hindu) (less one Coy.).

4/2 Gurkhas (Two Companies).

3/8 Gurkhas (Two Companies)

One Coy. 7 Worcester.

(5) *Original disposition in Bihar :*

One squadron 25 Dragoons.

N. Staffords.

4/3 Gurkhas.

4/10 Gurkhas

2/8 Punjab (60 per cent. Muslim 40 per cent. Hindu).

(6) *Reinforcements sent to Bihar :*

HQ 5 Ind. Div. (mixed).

HQ 9 Ind. Inf. Brigade (Mixed).

1 Madras (14 per cent. Muslim 58 per cent. Hindu and 28 per cent. Christian).

HQ 123 Ind. Inf. Rde. (mixed).

1 Dogras (100 per cent. Hindu).

1 Bihar (25 per cent. Muslim 75 per cent. Hindu and Christian).

1 Mahar (95 per cent. Hindu).

3/2 Punjab (47 per cent. Muslim 53 per cent. Hindu).

3 Bihar (100 per cent. Hindu).

Artillery units to be used as infantry (100 per cent. Muslim).

As regards Bombay, your correspondent distorts the press note issued on October 11 from GHQ. It was never said that troops could not be used because they were 30 miles away. What was said was that other troops were used instead because they were already on the spot.

As regards Madras, there is no record at GHQ of Gurkha troops having been moved 1,000 miles from Northern India to Malabar for possible use against the Moplahs.

As for the Division to be stationed in Northern India, though its composition will vary from time to time with the change of units composing it, it is quite likely that the majority of the troops will normally be other than Muslim since Muslims form only 34 per cent. of the Indian Army.

May I repeat that "neither the location nor the movement of troops is governed by communal considerations, which have no place in the Army. For the purpose of quelling civil disorder, notoriously the most unpleasant and unpopular duty that troops can be called upon to perform, those nearest to hand are employed, irrespective of their class composition".

If your Military Correspondent seriously supposes that the Defence Member or the Commander-in-Chief personally give orders for the movement of particular units in the event of civil riots or that any senior officer concerned with such movements considers for a moment the question of their class composition, I would suggest that his title is a misnomer.

REDUCTION OF STERLING BALANCES FOR IMPORT OF TOILET ARTICLES .

412. *Sri R. Venkatasubba Reddiar: Will the Honourable the Finance Member be pleased to state:

(a) whether it is a fact that sterling balance has been reduced in the year 1946-47;

(b) if so, by how much and by what means; and

(c) whether any portion of it was utilised for import of toilet articles and if so, what is the amount?

The Honourable Mr. Liaquat Ali Khan: (a) Yes.

(b) By about Rs. 129 crores owing mainly to a deficit in the balance of payments.

(c) During April to August 1946, Rs. 77 lakhs were spent on the import of toilet goods. Later figures are not yet available.

DOLLAR POOL

413. *Sri R. Venkatasubba Reddiar: Will the Honourable the Finance Member be pleased to state:

(a) whether the amount of 20 million dollars placed at the disposal of the Government of India from the dollar pool has been utilised this year; and

(b) if so, how this amount was used?

The Honourable Mr. Liaquat Ali Khan: (a) and (b). The Honourable Member is no doubt referring to the Post-War Dollar Fund which has been credited by His Majesty's Government with 40 Million Dollars. Liabilities have already

been entered into in excess of this amount but the actual sum expended up to the 30th August 1946 was 3,156,000 Dollars. This was spent mostly on the purchase of capital goods and in payment of technical services connected with the establishment of new industries in India.

REDUCTION IN TAXATION.

414. *Shri D. P. Karmarkar: Will the Honourable the Finance Member be pleased to state:

(a) whether Government propose to consider the feasibility of introducing economy measure in respect of Central Government expenditure and of giving relief in taxation imposed owing to the exigencies of war; and

(b) whether Government propose to appoint an economy committee to enquire into matters referred to in part (a) above?

The Honourable Mr. Liaquat Ali Khan: (a) and (b). These and other matters relating to the finances of the country are already under the active consideration of Government.

BANNING RE-EMPLOYMENT OF I.N.A. MEN IN GOVERNMENT DEPARTMENTS.

415. *Khan Abdul Ghani Khan: (a) Will the Honourable the Home Member be pleased to state whether the employment of the Indian National Army men has been banned in any Department of Government on the ground that they are Indian National Army Men; if so, will the Honourable Member please specify the Departments concerned?

(b) In Departments where their employment has not been banned, have Government informed the Federal Public Service Commission that it could select Indian National Army men on their merits for appointments for which they have to make selection?

The Honourable Sardar Vallabhbhai Patel: (a) I am concerned with Civil Departments only. There is no ban on the employment of ex-Indian National Army men as such unless they were guilty of acts of brutality. In regard to military employment, enquiries should be addressed to the Defence Secretary.

(b) The Federal Public Service Commission are aware of Government's policy in the matter.

INCOME FROM CONSUMPTION OF LIQUOR IN AJMER-MERWARA.

416. *Pandit Mukut Bihari Lal Bhargava: Will the Honourable the Finance Member be pleased to state:

(a) the quantity of liquor consumed in the urban and the rural areas of Ajmer-Merwara for each of the years, from 1935 to 1946, and the income derived from this by Government;

(b) the similar figures for other intoxicating drugs, as opium, charas, ganja, bhang; and

(c) whether Government are contemplating enforcement of prohibition in Ajmer-Merwara; if so, has any scheme been chalked out for this purpose; if so, what is that scheme?

The Honourable Mr. Liaquat Ali Khan: (a) and (b). I place on the Table of the House a statement giving the requisite information as far as available.

(c) The matter has not been considered so far. It has, however, been recently decided that opium smoking should be prohibited throughout British India, exception being made only in favour of existing addicts so long as they survive and subject to their producing medical certificates to be prescribed for the purpose.

Statement showing the quantity of intoxicating liquor and drugs consumed, and the amount of revenue derived therefrom in Ajmer-Merwara Province from 1934-35 to 1945-46

Year	Quantity of liquor drug consumed		Revenue derived	Remarks	
	Imperial gallans				
	I. Country liquor				
	Urban	Rural	Rs.		
1934-35	63,018	24,704	5,63,790	Revenue figures for urban and rural areas are not available separately.	
1935-36	61,602	26,335	5,67,343		
1936-37	56,198	25,720	5,33,679		...
1937-38	57,068	27,522	5,45,419		...
1938-39	56,772	23,520	5,44,276		...
1939-40	50,485	19,792	4,84,232		...
1940-41	53,322	26,626	5,07,850		...
1941-42	58,150	32,865	5,84,724		...
1942-43	68,555	40,560	7,06,721		...
1943-44	84,525	53,915	9,44,554		...
1944-45	88,429	67,656	10,81,034		...
1945-46	99,146	75,340	13,17,292		...
	II. Opium				
	Seers				
1934-35	3,321		62,784	Consumption and revenue figure for urban and rural areas are not available separately. ॥ ॥	
1935-36	3,458	...	62,172		
1936-37	2,790	...	76,793		
1937-38	2,716	...	71,319		...
1938-39	2,501	...	68,299		...
1939-40	2,386	...	59,870		...
1940-41	2,451	...	63,708		...
1941-42	2,535	...	65,468		...
1942-43	2,837	...	72,691		...
1943-44	3,149	...	75,488		...
1944-45	4,235	...	94,794		...
1945-46	4,901	...	1,88,394		...

Year	Quantity of liquor drug consumed			Revenue derived	Remarks	
	III. Charas, Ganja, Bhang					
	Seers Charas	Seers Ganja	Seers Bhang	Rs.		
1934-35	832	50	3,214	64,891	Figures of consumption and revenue for urban and rural areas are not available separately. Revenue figures for Charas, Ganja and Bhang are not available separately	
1935-36	863	39	3,259	67,138		
1936-37	823	34	3,434	66,559		
1937-38	859	46	3,373	64,960		
1938-39	814	47	3,147	57,130		
1939-40	581	71	3,057	66,688		
1940-41	522	71	2,805	44,436		...
1941-42	530	111	3,514	48,688		...
1942-43	520	155	3,549	50,819		...
1943-44	6	540	5,940	14,514		
1944-45	Nil	2,126	3,708	29,511		
1945-46	Nil	1,232	2,837	39,213	...	

DEPUTY SUPERINTENDENTS OF POLICE IN AJMER-MERWARA

417. *Pandit Mukut Bihari Lal Bhargava: Will the Honourable the Home Member be pleased to state:

- (a) the number of Deputy Superintendents of Police who were in Ajmer-Merwara in the year 1939;
- (b) similar figures for the year 1946; and
- (c) the reasons for any increase in the number that might have taken place?

The Honourable Sardar Vallabhbhai Patel: (a) Two.

(b) Three (excluding one post of Deputy Superintendent of Police) sanctioned recently as a temporary measure for anti-Corruption work.

(c) Increase of work.

NEED FOR A UNIVERSITY AND POST-GRADUATE CLASSES IN AJMER-MERWARA

418. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Member for Education be pleased to state whether Government are aware of the fact that there is an urgent need of a University in Ajmer-Merwara?

(b) Do Government propose to have a University in Ajmer-Merwara in the near future? If so, when?

(c) In what subjects Post-Graduate classes have been opened by Government in the Government College, Ajmer? Do Government propose to open in other subjects also? If so, when and if not, why not?

(d) Do Government propose to provide facilities for the study of technical subjects like, Law, Medicine, Engineering, etc., in Ajmer and if not, why not?

The Honourable Maulana Abul Kalam Azad: (a) No. Ajmer-Merwara having only one Degree College and one B.T. Training College cannot justify the establishment of a separate University of its own.

(b) Does not arise.

(c) Government College, Ajmer, has at present Post-graduate classes in Economics, Zoology, and Botany. The question of opening post-graduate classes in other subjects is under consideration.

(d) The question of opening Law Classes is also under consideration. As regards other technical subjects, scholarships are awarded by the Local Administration to Ajmer-Merwara candidates for technical studies in colleges situated outside Ajmer-Merwara.

CRIMINAL TRIBES IN AJMER-MERWARA

419. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable the Home Member be pleased to state the various kinds of the "criminal tribes" existing in Ajmer-Merwara and what is their number and at what places are they located?

(b) Have any efforts been made in the past by Government to civilise and educate these tribes? If so, what has been the result of such efforts? If not, do Government propose to do so in the future and what are their proposals in this concern?

(c) Are Government aware that a large number of "Sansies" have been allowed to settle almost permanently very near the Kasba of Bhinai in Ajmer-Merwara?

(d) Are Government aware that the inhabitants of the Kasba of Bhinai have often been complaining about theft and harassment by the "Sansies"? If so, what steps if any, have been taken by Government to shift the "Sansies" from the spot and to protect the inhabitants of the Kasba from depredations, thefts and harassments by the Sansies?

The Honourable Sardar Vallabhbhai Patel: The necessary information has been called for from the Chief Commissioner and will be laid on the table of the House when ready.

USE OF ARMY FOR MAINTAINING LAW AND ORDER

420. *Dr. Zia Uddin Ahmad: Will the Secretary of the Defence Department be pleased to state:

(a) whether local Commander and the Army are under the Provincial Government or under the Central Government; and

(b) whether the local Governments without reference to the Government of India use the Army for the maintenance of Law and Order?

Mr. G. S. Bhalja: (a) The Indian Army is under the control of the Central Government.

(b) Yes, Sir. As it is clearly desirable that Provincial Governments should be able to rely on military assistance in an emergency, the Government of India's standing orders are that local military authorities should comply with all requests for military assistance for the prevention or suppression of disorder which may be made by a civil authority. The understanding is that Provincial Governments are not to exercise the power to requisition military assistance for this purpose without reference to the Central Government unless, in the opinion of the authority making the requisition, the situation urgently demands such assistance and there is not sufficient time to obtain the orders of the Central Government. In no case, however, are troops to be employed at the request of Provincial Governments or their officers for a period exceeding 10 days without obtaining the orders of the Central Government.

BUILDINGS NEAR BAMROLI AERODROME AND THE DISPOSAL OF MILITARY HOSPITAL BUILDING AT MORADABAD

421. *Mr. Hafiz M. Ghasanfarulla: (a) Will the Secretary of the Defence Department please state whether Government are aware that nearly all the buildings on the North of Grand Trunk Road at the Bamroli Aerodrome are vacant for a long time?

(b) When will the land be vacated and buildings removed in this area?

(c) Are Government making any arrangement for handing over the villagers' houses situated inside Bamroli Aerodrome, and if so, when?

(d) Are the villagers getting any rent, if not since when?

(e) What are the proposals of Government regarding the disposal of military Hospital Buildings at Moradabad?

(f) Are the said buildings going to be sold or kept for any use?

Mr. G. S. Bhalja: (a) These buildings have been lying vacant since the 1st May 1946. This was due to the uncertainty regarding civil post-war requirements.

(b) Government of India's orders for the disposal of all surplus land and buildings at this airfield were issued in December 1946.

(c) Yes, Sir. This is being done.

(d) Yes, Sir. Payment of rent will cease from the date of de-requisition.

(e) and (f). There are two hospitals at Moradabad, neither of which is to be retained by the Armed Forces—

(i) 131 Indian General Hospital. The land is owned by the U. P. Government. As regards the buildings, some are the property of the Salvation Army, to whom they will be returned; others have been offered to the U. P. Government along with the land.

(ii) Indian Military Hospital. Disposal instructions have been issued. Information as to the exact manner in which the buildings, etc., will be disposed of is not yet available. This is being collected and will be laid on the table of the House in due course.

REMARKS BY THE GOVERNMENT OF INDIA ON THE PERSONNEL OF INDIAN NATIONAL ARMY

422. *Shri Sri Prakasa: Will the Secretary of the Defence Department be pleased to state:

(a) the nature of the remarks, if any, that have been made by Government of India on the personnel of the Indian National Army and the reasons for making them;

(b) whether these remarks interfere with members of the Indian National Army personnel being able to get employment in civil life; and

(c) whether Government propose to consider the desirability of withdrawing these remarks?

Mr. G. S. Bhalja: I assume that the Honourable Member refers to the remarks endorsed on the discharge certificates of dismissed or discharged personnel of the Indian National Army. On this assumption, I reply as follows:

(a) Discharge Certificates show that a person has been dismissed or discharged, as the case may be. Reasons for dismissal or discharge in the case of these personnel, are shown as "Services No Longer Required". The assessment of character of such personnel is shown as "Bad" in the case of personnel who were "Dismissed" from the service and "Indifferent" in the case of those who were "Discharged".

(b) Government have no information to show what effect the remarks in the Discharge Certificate have had on the employment of such personnel in civil life. It should be noted, however, that personnel who have been "Discharged" from the service are eligible to use Government Employment Exchange machinery and for such other assistance for re-settlement in civilian life, as is being provided by the Central Government.

(c) Government will examine the question.

RELEASE OF I. N. A. PERSONNEL

423. *Shri Sri Prakasa: Will the Secretary of the Defence Department be pleased to state:

(a) the number of Indian National Army personnel that are undergoing sentences of imprisonment, and the period of imprisonment that has still to run in each case; and

(b) whether Government have examined these cases and if they propose to release these men?

Mr. G. S. Bhalja: (a) I lay a statement on the table of the House.

(b) The matter is under the consideration of Government.

Statement

Serial No.	Number, Name and Unit	Sentence	Date from which sentence has effect
1	IC 79 Capt. Burhanuddin, 2 Baluch Regt.	Transportation for life and to be cashiered. Commuted by the C.-in-C. to 7 years' R. I. and to be cashiered.	14th February 1946.
2	IEC 138 Capt. Abdul Rashid, 1/14 Punjab Regt.	Ditto	9th January 1946.
3	9101 Subedar Shingara Singh, 5/14 Punjab Regt.	Death. Commuted by the C.-in-C. to 14 years' R. I. and dismissal.	February 1946.
4	15691 Jem. Fateh Khan, 5/14 Punjab Regt.	Ditto	Ditto.
5	10401 Jem. Purnan Singh Khawas, 2/1 Gurkha Rifles.	Transportation for life. Commuted by the C.-in-C. to 7 years' R. I. and dismissal.	Ditto.
6	11190 Hav./Clerk Jaswant Singh, 5/2 Punjab Regt.	3 years' R. I. and dismissal	15th March 1946.
7	GSF 17569 Sweeper Nibua, IGSC.	1 year's R. I. and dismissal	Ditto.
8	17053 Sepoy Resham Singh, 2/12 F. F. Regt.	2 years' R. I. and dismissal	25th April 1946.
9	9940 Hav. Mela Singh, 15 Punjab Regt.	8 years, R. I. and dismissal. On revision—Death. Commuted by the C.-in-C. to transportation for life and subsequently to R. I. for 6 years and dismissal.	12th June 1944.
10	15217 Sep. (L/Nk) Kartar Singh, 1/11 Sikh Regt.	Transportation for life and dismissal. Commuted by the C.-in-C. to R. I. for 6 years and dismissal.	15th July 1944.
11	16183 Sep. Sajjan Singh 1/11 Sikh Regt.	Ditto	19th July 1944.
12	15718 Sep. Gurdial Singh, 1/11 Sikh Regt.	Ditto	Ditto.
13	15657 Sep. Ishar Singh, 1/11 Sikh Regt.	R. I. for 6 years and dismissal	7th September 1944.

ARREARS OF PAY OF DISCHARGED I. N. A. MEN

424. *Shri Sri Prakasa: Will the Secretary of the Defence Department be pleased to state:

(a) the amount of money that is due as arrears of pay to the Indian National Army men now discharged; and

(b) whether Government intend to pay these arrears; and if not, why not?

Mr. G. S. Bhalja: (a) Presumably the Honourable Member refers to the emoluments of ex-I. N. A. men who were discharged from the Indian Army. If so, the information is not available, but an attempt will be made to collect it; when compiled, it will be laid on the table of the House.

(b) I would invite the attention of the Honourable Member to my answer to part (b) of starred question No. 191 asked by Mr. Sasanka Sekhar Sanyal on the 11th February 1947.

FACILITIES TO MUSLIM INDUSTRIALISTS IN ACQUIRING LAND FROM THE DELHI IMPROVEMENT TRUST

425. *Syed Ghulam Bhik Nairang: Will the Secretary of the Health Department please state:

(a) whether the Delhi Improvement Trust has set apart a certain area near Delhi for the location of factories and industrial concerns;

(b) the total area so far acquired and reserved for this purpose, if any;

(c) the area already sold or leased under this scheme, the names of individuals to whom or firms to which, land has been sold or leased, showing in each case, the area, the price and also whether the sale or lease was effected through private negotiations or public tenders;

(d) whether Government are aware that a very small fraction of the area has so far been sold or leased to Muslim industrialists, inspite of the fact that a large number of Muslim industrialists have been approaching the Improvement Trust with a view to obtaining land;

(e) whether Government are aware that a Muslim textile manufacturing firm of Delhi named The Punjabi Cloth Mill, Delhi, Ltd., has been corresponding with the Trust for some months past without getting a satisfactory reply; and

(f) whether the Government of India propose to issue necessary instructions to the Improvement Trust to give the Punjabi Cloth Mill, Ltd., and other Muslim industrialists who may be anxious to obtain land, the same facilities as regards area and price as have been given to others in the past?

Mr. S. H. Y. Oulsnam: (a) Yes.

(b) The total area is 583 acres out of which 439 acres have already been acquired and the remainder will be acquired in due course.

(c) A statement is laid on the table of the House.

(d) and (e). The Government are aware that a very small fraction of the area has so far, been sold to Muslims. Inquiries into the reason for this and into the complaint mentioned in part (e) of the question are being made and the result will be communicated to the Honourable Member in due course.

(f) Such instructions will be given as may appear proper in the light of the inquiries which are being made.

Statement showing the names of individuals and firms, etc., to whom land has been allotted in the Industrial Area Scheme of the Delhi Improvement Trust.

Serial No.	Number of plot	Name of allottee	Area (acres)	Price per acre	Mode of sale	Date of sanction of transaction	Remarks
1	2	3	4	5	6	7	8
				Rs.			
1	13	Mr. T. N. Bhaskar, Managing Director, M/s. The Capital Industries, Ltd., Serai Rohilla, Delhi.	1.05	4,400	Offer	26-9-41	
2	14	Ditto	1.03	4,070	"	"	
3	15	Mr. Gopi Nath, s/o L. Manohar Lal, C/o M/s. Gopi Nath, Ltd., Chawri Bazar, Delhi.	0.99	4,070	"	"	
4	16	Ditto	0.99	4,015	"	"	
5	17	Mr. Ganga Sabai Basil, B.A., Room No. 21, Delhi Cloth Mills Quarters, Delhi.	1.00	3,960	"	"	
6	18	M/s. Radhey Shiam Man Mohan Lal, Katra Pyare Lal, Chandni Chowk, Delhi.	1.00	3,905	"	"	
7	19	Mr. D. S. Kashyap, s/o Mr. L. D. Kashyap, 26, Ajmere Gate, Delhi.	0.99	3,805	"	"	
8	20	Mr. Gian Singh Rajpal, C/o M/s. B. Uttam Singh Kasar Singh, Chandni Chowk, Delhi.	0.98	3,905	"	"	
9	21	L. Makhan Lal Jain, Prop. Jayana Glass Works, Chandni Chowk, Delhi. (Transferred by S. M. Zulfiqarali)	1.01	3,900	"	"	
10	22	Ditto	1.01	4,015	"	"	
11	23	Mr. Nand Kishore Jain, C/o M/s. N. K. Jain & Co., 280, Esplanade Road, Delhi.	0.94	4,400	"	"	
12	24	M/s. Teja Singh Soni and Surjit Singh Soni, C/o Sonion-ki-Dukan (Reg.), Chandni Chowk, Delhi.	0.99	4,400	"	"	
13	25	Mr. R. N. Mehra, Prop.; M/s. R. N. Mehra & Co., Chandni Chowk, Delhi.	0.98	4,200	"	"	
14	26	Sh. Imarti Devi, C/o L. Paras Ram Jain, M/s. C. A. Sumair & Co., Nai Sarak, Delhi.	0.95	4,300	"	"	
15	27	S. Kanhaya Singh, Prop., The Sanitary Goods Manufacturers, Karol Bagh, Delhi.	1.19	3,300	"	"	

Serial No.	Number of plots	Name of allottee	Area (acres)	Price per acre	Mode of sale	Date of sanction of transaction	Remarks
1	2	3	4	5	6	7	8
16	28	Messrs. Fateh Chand Ram Richhpal, Katra Asharfi, Chandni Chowk, Delhi.	1.32	Rs. 3,200	Offer	26-9-41	
17	29	Ditto	1.5	3,150	"	"	
18	30	Mr. Hans Raj Gupta, Delhi Iron Syndicate, Ajmere Gate, Delhi.	1.66	3,150	"	"	
19	31	Ditto	1.75	3,150	"	"	
20	32	M/s. The Indo-European Machinery Co., Chandni Chowk, Delhi.	2.16	3,200	"	"	
21	34	Mr. Hans Raj Gupta, Delhi Iron Syndicate, Ajmere Gate, Delhi.	1.71	3,150	"	"	
22	35	Ditto	1.60	3,150	"	"	
23	36	M/s. Fateh Chand Ram Richhpal, Katra Asnarfi, Chandni Chowk, Delhi.	1.47	3,150	"	"	
24	37	Ditto	1.31	3,200	"	"	
25	38	Mr. P. L. Mehta, 5, Joffre Square, New Delhi.	1.22	3,300	"	"	
26	39	Sh. Imarti Devi, C/o L. Paras Ram Jain, M/s. C. A. Sumair & Co., Nai Sarak, Delhi.	0.97	4,300	"	"	
27	40	M/s. Sultan Ahmad Nisar Ahmad & Mohd. Ahmad, Coronation Hotel, Fatehpuri, Delhi.	0.98	4,185	"	"	
28	41	M/s. Teja Singh Soni and Surjit Singh Soni, C/o Sonion-ki-Dukan (Regd.), Chandni Chowk, Delhi.	0.86	4,400	"	"	
29	42	Mr. Loke Nath, Prop. M/s. Lalit & Co., Paint Merchant, Fatehpuri, Chandni Chowk, Delhi.	0.28	3,950	"	"	
30	43	Mr. Sardari Lal Datta, Prop., The Delhi Colour Paint, Fatehpuri, Chandni Chowk, Delhi.	0.27	4,000	"	"	
31	44	Mr. F. C. Khanna, 8, Doctor's Lane, New Delhi.	0.26	4,050	"	"	
32	45	Hakim Ram Nath, Prop. Swadeshi Dawakhana, Sadar Bazar, Delhi.	0.27	4,100	"	"	
33	46	Mr. Sita Ram, Prop. The Bharat Paint House, Chandni Chowk, Delhi.	0.26	4,150	"	"	

Serial No.	Number of plot	Name of allottee	Area (acres)	Price per acre	Mode of sale	Date of sanction of transaction	Remarks
1	2	3	4	5	6	7	8
				Rs.			
34	47	S. Tirlok Singh, Gurdwara Road, Lachman Das Building, Paharganj, Delhi.	0.25	4,200	Offer	26-9-41	
35	48	Mr. Kanj Lal Oswal, C/o M/s. Kashi Ram Hans Raj Oswal, Sadar Bazar, Delhi.	1.33	4,300	"	"	
36	49	Ditto	0.97	4,350	"	"	
37	50	M/s. Manak Chand Diwan Chand, Sadar Bazar, Delhi.	1.16	4,350	"	"	
38	51	Mr. Banarsi Dass Oswal, Prop., M/s. Panna Lal Walaiti Ram, Sadar Bazar, Delhi.	1.20	4,350	"	"	
39	52	Mr. Ram Rakha (Mal Jain, Prop., M/s. Ram Rakha Mal Madan Lal Jain, Sadar Bazar, Delhi.	1.66	4,300	"	"	
40	53	The Manager, Delhi Acid & Chemical Works, Near Kishan Ganj Railway Station, Delhi.	2.24	9,111	Tender	29-3-44	
41	54	Mr. Satya Paul, Prop., M/s. Ravi Paint & Varnish Works, Chandni Chowk, Delhi.	2.34	3,400	Offer	26-9-41	
42	55	M/s. Bhagwan Dass Babu Ram, Hosiery and Umbrella Merchants, Aggarwal Hosiery Mills, Sadar Bazar, Delhi.	2.65	3,300	"	"	
43	56	Mr. Mela Ram Chandiok, Prop., M/s. Kailash Bros., Chandni Chowk, Delhi.	2.85	8,000	Tender	29-3-44	
44	57	M/s. Bhana Mal Gulzari Mal, Chawri Bazar, Delhi.	3.33	7,671	"	31-1-45	
45	58	M/s. Kh. Mohd. Sharif Mohd. Siddiq, C/o M/s. H. Mohd. Said Mohd. Sharif, Chandni Chowk, P. B. No. 7, Delhi.	3.88	7,005	"	29-3-44	
46	59	Mr. Dewan Chand, C/o M/s. Soi Bros. & Co., Jhandewala Road, Karol Bagh, Delhi.	2.27	10,000	"	"	
47	60	Dr. Prem Narain, Egerton Road, Delhi.	2.22	8,019	"	29-9-44	
48	61	The Manager, The Delhi Iron and Steel Co., Grand Trunk Road, Ghaziabad.	4.70	3,200	Offer	26-9-41	

Serial No.	Number of plot	Name of allottee	Area (acres)	Price per acre	Mode of sale	Date of sanction of transaction	Remarks
1	2	3	4	5	6	7	8
49	62	The Manager, The Delhi Iron and Steel Co., Grand Trunk Road Ghaziabad.	4.59	Rs. 3,200	Offer	26-9-41	
50	63	Raizada Kidar Nath Modi, General Manager, Modi Food Products, Co., Ltd., Begamabad, Meerut, U. P.			...		
51	64	The Manager, The Ganesh Flour Mills Ltd., Subzimandi, Delhi.	11.48	7,000	Tender	29-3-44	
52	65	Ditto	10.83	7,000	"	"	
53	66	M/s. Shambhu Nath Chemical Works, Ltd., G. T. Road, Shahdara.	8.26	7,000	"	"	
54	67	M/s. Kayeco Industries, 8, Hailey Road, New Delhi.	7.43	7,000	"	"	
55	68	L. Bashesar Nath, 15, Bara khamba Road, New Delhi.	9.90	2,800	Offer	26-9-41	
56	69	R. B. G. M. Modi, Managing Director, Modi Sugar Mills, Ltd., Begamabad, Meerut, U. P.	12.41	7,000	Tender	28-8-44	
57	70	The Vital Chemical, Ltd., Opp. Odeon Cinema, Connaught Place, New Delhi.	10.76	7,000	"	"	
58	72	Delhi Cloth and General Mills Co., Ltd., Delhi.	278	(a), (b) & (c).	Negotiation	9-1-42	

(a) Cost of acquisition + 10 per cent.

(b) Rs. 40,000 towards development of the area.

(c) Proportionate contribution for installing water supply and sewerage.

BROADCASTING STATION AT PATNA

426. *Babu Ram Narayan Singh: Will the Honourable Member for Information and Broadcasting please state:

(a) the number of Broadcasting stations proposed to be established in the country;

(b) the number of Broadcasting stations under construction; and

(c) the stage at which the proposed Broadcasting station at Patna stands today?

The Honourable Sardar Vallabhbhai Patel: (a) Our plans to cover the next eight years provide for the establishment of ten new transmitting stations.

(b) None.

(c) The attention of the Honourable Member is invited to the reply given by me on the 6th February 1947 to Mr. Madandhari Singh's Starred Question No. 109.

IMPORT OF BROADCASTING MACHINERY

427. *Babu Ram Narayan Singh: Will the Honourable Member for Information and Broadcasting please state:

(a) whether all Broadcasting machineries are imported from foreign countries;

(b) the names of countries from which these machineries are imported; and

(c) whether Government propose to popularise the use of Receiving Radio Sets and, if so, how?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) U. K., U. S. A. and Holland.

(c) Government's aim is to popularise broadcasting by expansion of the existing broadcasting network and by broadcasting the best possible programmes within the resources available to All-India Radio.

DEMobilIZATION OF ARMY

428. *Babu Ram Narayan Singh: Will the Secretary of the Defence Department be pleased to state:

(a) the date of completion of demobilisation of the Army raised specially for the purposes of the last war; and

(b) the number of Bihari Soldiers and officers (i) already demobilised (ii) still to be demobilised and (iii) to be retained as part of the standing Indian Army?

Mr. G. S. Bhalja: (a) It is not possible to give the date when demobilisation will be completed until decisions are taken regarding the withdrawal of all overseas forces and the size of the post-war Army.

(b) (i) The approximate number of Bihari officers and Other Ranks demobilised up to the 1st December 1946 is 45 and 88,150 respectively

(ii) and (iii). The Honourable Member will appreciate that the Indian Army is not organised on a provincial basis and hence there is no fixed number allotted to Biharis as such. In the circumstances, it is not possible to forecast the number of Bihari soldiers that will be serving from time to time in the Indian Army. The present strength of Biharis is approximately 200 officers and 13,600 other ranks.

THE RAILWAY BUDGET—GENERAL DISCUSSION
FIRST STAGE

Mr. President: Before the General Discussion of the Railway Budget commences I have to announce to the House that under Rule 46, I fix the time limit for speeches as 15 minutes for each Honourable Member excepting the Government Member for whom 45 minutes or more will be allowed, if necessary.

Seth Govind Das (Central Provinces Hindi Divisions: Non-Muhammadian): Sir, I wish to make a few remarks on the Railway Budget and this I do as constructive suggestions and not in the spirit of destructive criticism. Sir, it is a unique occasion that the Railway Budget has been presented before this House by a true representative of this country, and I wish to congratulate Dr. Matthai for getting this opportunity.

Now, Sir, we have to look at this Budget from the rational point of view and not consider it purely from the sentimental point of view. Sentiments in human affairs have a place—an important place—but when there is a popular Government, even those things which people sentimentally do not like can be explained to them, and I am sure, Sir, that they do understand them.

There has been some criticism with respect to the increase in fares. I admit that in the very first year of the Interim Government it would have been better if there would not have been any increase in the fares. But we have to put the Railways on a sound financial position, and if the Honourable the Minister for Transport thinks that it is needed that the fares should be increased we should accept his proposal. If we see how the fares have been increased in different countries we find that in India the increase has been most moderate. In fact, Sir, I want to suggest to the Honourable the Transport Minister that it would be better if he further increases these fares—not of the third class passengers but of the second and the first class passengers. The fares of second class passengers should be increased by 12½ per cent. and of first class passengers by 25 per cent. This will give a little more money to the railways, and besides that it will satisfy the sentiments of the bulk of the people because they will think that if the poor have to pay a little more the rich have to pay much more.

Mr. Ahmed E. H. Jaffer (Bombay Southern Division: Muhammadan Rural): We will get more travelling allowance.

Seth Govind Das: It is not only we who travel by higher classes but there are others also—important industrialists, zamindars etc. who do not draw any travelling allowance. I hope the Honourable the Transport Minister will see whether he can increase the fares of second class and first class passengers.

As far as the amenities of the travelling classes are concerned, specially of third class, I wish to point out that nothing should be done in this respect in a haphazard way. There should be a definite plan for giving these amenities. Sir, the talk about these amenities has been going on for a considerable time and I, being in the Central Legislature for the last twentythree years, have been hearing about these amenities for all these years; but nothing substantial has been done in this respect so far. Now, Sir, with the assumption of power by popular representatives of this country I hope a planned action will be taken in this respect and those amenities which are urgently required will be given to the people immediately.

The first thing I would draw attention to is overcrowding. No doubt in the last few months overcrowding has been reduced, but the Honourable the Transport Minister will admit that still the condition is far from satisfactory. This overcrowding can be reduced by taking back those coaches which we have given to the military. This should be done as soon as possible. New bogies should also be constructed in as large numbers as feasible and this should also be done at an early date. The new bogies, I admit, would be made on a different design and more amenities will be provided in them. But if we only depend upon new bogies and don't improve the old bogies, the travelling public will not be very much benefitted since by building new bogies we are not going to discard the old ones certain amenities should be provided in the old coaches also. In this respect, first of all I should draw the attention of the Honourable Minister for Transport to the lighting arrangement. It is said that the bulbs are stolen no sooner these are fixed in the compartments. Now, this can be avoided if locks are provided for which can be done very easily and with very little expense. Secondly the lavatories should be of a better type in third class coaches. Thirdly in this hot country fans should be provided in third class coaches. It will be said that I am proposing a very ambitious scheme but if a detailed estimate is made, it will be seen that providing fans will not be very expensive. Then I do not want that every third class coach from this very time should have fans. We can make a start. If only a start is made in this direction people will know that something is being done and there would be a general satisfaction. I suggest that all these improvements should first take place in the women's compartments. There are very few women's compartments in our trains and if proper lighting arrangements, good lavatories and fans are provided in women's compartments, at least the travelling of women and children will become comfortable.

[Seth Govind Das]

Besides, the improvement of coaches the Honourable Transport Minister might be knowing that in wayside stations there are no proper facilities for getting drinking water. I hope something will be done in this respect also.

In his speech, the Honourable Transport Member said that the stations which were closed are going to be reopened. He might be knowing that in certain areas people have to walk long distances to catch trains and the sooner these stations are reopened the better would be for the rural population. I further suggest there should be only two classes in our railways, one upper and the other lower class; at least the first class should be immediately abolished. There are very few people in this poor country who travel by first class. (*An Honourable Member*: What about saloons?) Saloons should be abolished even before first class. I shall give example where there are only two classes. In the metre gauge trains which run between Jubbulpore and Gondia, there are only two classes, one upper and one lower. Formerly there were three classes, even on this line first, second and third. But they have changed that system and it is high time that this reform is introduced elsewhere also. Now, Sir, I wish to point out certain things regarding my Province. The Honourable Transport Minister might be knowing that there is no fast train between two important cities in the Central Provinces, Nagpur and Jubbulpore. He may be surprised to learn that Saugor station in the C. P. is situated on the wrong side of the road and every passenger who wants to go to the station has to cross the line. The Railway authorities on certain complaints have verified this fact. Now as a university has been established in Saugor and Saugor has become an important place in the Central Provinces, something should be done in this respect.

Shri Sri Prakasa (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Are they not prosecuted for trespass?

Seth Govind Das: They cannot help it. It is not their fault.

Shri Sri Prakasa: Even if that is so, people get prosecuted all the same.

Seth Govind Das: I am not in favour of palatial stations as that of Lucknow and Cawnpore but stations in my provinces are in a very wretched condition and I think something will be done in this respect also.

Then, Sir, the trains of Bina-Katni loop line are very slow. I hear that there is a proposal to run a through mail from Karachi to Calcutta. Dr. Sir Hari Singh Gour, the founder of the Saugor University informed me that there is such a proposal. If this is done, Saugor and Bina would come on the main line and the people who have to travel long distances in a circuitous route will also be benefitted. One grievance more I would like to bring forward with respect to my province. Bhandara station is about 9 miles from the Bhandara town. Bhandara town has developed as other towns in this country and it is a great inconvenience to the people there to travel nine miles either on tongas or lorries to catch trains.

One word more and I have done. The money which is to be spent from the betterment fund for building houses should not be spent on building hungalows but on the quarters of labourers and the poorer classes.

These are the few remarks I wished to make. I again congratulate the Honourable the Transport Minister on the Budget he has presented to us.

Mr. P. J. Griffiths (Assam European): One of the main difficulties of any popular Government is the fact that it is constantly exposed to the temptation of playing to the gallery to the danger of refusing to do what is unpalatable, even though that refusal may mean sacrificing the future to the present. By contrast, a bureaucratic government, whatever be its defects in the way of rigidity and lack of imagination, has at least this advantage that it can take an unpopular course without fear or favour. We should, therefore, have had some measure of sympathy with the Honourable the Railway Member if in this the

first budget of a popular Government in this country, he had decided to take the easy course. If he had felt bound to sacrifice the future to the present and be more careful about keeping freights and fares down than about the future stability of the railways, we should have sympathised with his position. But he has not done that. He has taken the courageous course. He has set himself to see that this great Indian railway system on which depends so much of the prosperity of this country shall go forward in a condition of financial stability. He has done that even at the cost of taking the very unpopular step of increasing the fares and increasing freights by adjustments. We admire him for that step, and under the background of our examination of this budget will be appreciation of the statesmanlike character and the wisdom which he has shown.

When we examined the railway budget last year, we in this Group sought to analyse it under four heads. First, we considered it in relation to the financial strength of the railways; secondly, we dealt with their physical and mechanical strength; thirdly, we considered the labour front; and, fourthly, we examined the problems of development. That classification still seems to me the logical basis for any examination of the railway budget and I propose to adhere to it today, though time will only permit me to deal with two of these four heads.

I begin first with the examination of the financial strength of the railways and here I shall try to focuss my remarks round the proposals for an increase in freight and fares. I make that my focal point not because I regard it as by any means the most important aspect of the budget but because by so doing I can make my remarks concrete rather than vague and abstract. It seems to me that when a Government, particularly when this Government, starts considering the strength of the railways and, in particular, when it considers the question of an increase in fares, it has four main factors to bear in mind. First, there is the question as to whether we have embarked on a period of contraction or one of expansion. Secondly, there is the general question of the strength of the railway reserves. Thirdly, there is the state of the rolling-stock and the other material assets. And, fourthly, there is the need for a contribution to the general revenues.

Let me take these four factors very briefly and see how they must have presented themselves to the mind of the Railway Member when he framed this budget. It is, of course, clear that we are, in fact, at the beginning of a period of contraction rather than one of expansion. If this were not clear from other reasons, the very figures given by the Railway Member himself would make it clear. The actual receipts for the last complete year were 225 crores, the revised receipt figures for this year are 206 crores and the budget figures of receipts for the coming year are 183 crores. It seems to us that, in budgeting for receipts of 23 crores less than during the current year, the Railway Member has been actuated by sound financial proposals. There are two factors which he has mentioned which are almost certain to result in decreased receipts during the forthcoming year. The decrease of military traffic is a mathematical certainty and the decrease in general traffic as a result of rail-road competition is at least a very high probability. Before the war, road competition had already begun to make inroads upon the financial strength of the railways. That tendency was held up during the War by shortages of petrol, shortages of vehicles, shortages of drivers and shortages of mechanics. But it is quite certain that that tendency will again be resumed and it is bound to have some effect on the railway revenues. It is true that there has been an upsurge of civilian traffic, but there are good grounds for thinking that that upsurge has reached its peak. So, it seems clear to us that the Railway Member was right to budget for a very considerable decrease in receipts during the forthcoming year. Even if the fact that we are in for a period of contraction were not clear from the railway figures, general considerations would suggest it. All those activities which were stimulated by the war are coming to an end and the other activities, the post-war development plans, which we hoped would to some extent take the place of war-time activities are necessarily slow in materialising. There is going to be a

[Mr. P. J. Griffiths]

considerable time lag before the activities resulting from our general development plans make up for the loss of activity consequent on the cessation of the war. It is therefore clear that we are at the beginning of a period of contraction and that at the beginning of such a period it is the moral duty of the Railway Member to do as he has done, namely, to take a somewhat gloomy view.

I come next to the second factor, the reserve position. As far as the reserve fund proper is concerned, I need go no further back than the Wedgwood Committee report, which expressed the view that the reserve should be maintained at 50 crores. At the end of the year under budget it will stand at 16½ crores and at the present rate of contribution it will be 7 years before we reach the moderate figure specified by the Wedgwood Committee. Then there is the depreciation fund which, at the end of the budgetary year, will stand at 101 crores. The whole question as to that fund and as to the life of railway assets, is at present under expert examination. It would therefore be premature to make any dogmatic statement about that fund but from the layman's view and bearing in mind not only the extent of the capital at charge but also, the great age of a large proportion of the assets, it seems reasonable to expect that as a result of that expert examination we shall find that the depreciation fund is too small rather than too great.

Then, there is the third form of reserve fund, the betterment fund. That will stand at 18.8 crores at the beginning of the budgetary year and 9 crores at the end of it. I suppose every member of this House would agree that a fund of that size is far too small to provide all those amenities which we had especially in view when this fund was called into existence. So, whichever of these three different types of reserve fund it may be, the reserve fund, the depreciation fund or the betterment fund, the reasonable conclusion is that they are all too small. Taking them together, they will come to 126 crores at the end of the Budget year. When a plan for post-war development of the railways was prepared by Sir H. P. Misra—I think that was the name of the gentleman—he arrived at the figures of 312 crores as the probable requirement for purposes of the kind we have in mind. Instead of 312 crores, we have 126 crores. I do not believe anybody in this House will contend that under those circumstances we can be satisfied with the existing reserves and it was right on the part of the Railway Member to regard an adequate contribution to the depreciation fund and a contribution though not an entirely adequate one to the reserve fund as being essential to satisfactory budgeting. The third factor which he had to bear in mind I will just mention and pass on. That is the present state of the rolling stock and the other material assets. I suppose there has never been a time when it has been so clear even to the lay observer that very large sums of money will have to be spent to bring them back to proper condition. Then, there is the fourth factor, the general contribution to the general revenues. That is a controversial question but we in this Group have always regarded that contribution as very important. Last year we went so far as to describe it as an integral and irreplaceable part of the whole scheme of the Central revenues which may have to be suspended from time to time. It may of course be necessary to suspend it from time to time or indeed it may be that in the next few years so much will have to be spent on improvements, that the contribution to the general revenues will have to take place all the same. Nevertheless, it is right that the railways should be expected to help in the general finance of this country. I know there are Honourable Members in this House who take a different view, but I am not going to embark into a controversy like this partly because the subject is shortly to be discussed and partly because it seems to me that a question of this kind is so closely linked with the whole constitution at issue—and, therefore, the financial future of this country—that this is not the most opportune time to discuss it. Be that as it may, under the present understanding the railways are expected to make a contribution to the general revenues. Sir, all these four factors were

bound to lead the Railway Member to the conclusion that he had to do something about securing increased sources of revenue. As to the form in which the increases have been put, first you have an increase in passenger fares, secondly, you have adjustment of freight rates. The increase in passenger fares seems to us to be modest and reasonable and certainly not more than commensurate with the present cash paying capacity of those who use the railways. As far as the adjustment of freight rates is concerned, it is not easy to speak very definitely because we have not seen details of what the exact effect will be on the various commodities concerned. But the figures which the Railway Member has put before us, do at any rate suggest that it will not in fact be an undue burden on the economy of the country. We therefore approve of the increases suggested.

There is however one other aspect of finance to which I must refer briefly, and that is the question of economy. Here, at the first reading of the Railway Member's speech, I was inclined to think that he was speaking with two voices—though he is not a man who is accustomed to speak with two voices—first I will refer to page 7 of his budget speech where he spoke of the urgent need for effecting economy and he very rightly referred to the committee set up for this particular purpose. Later on when he came towards the end of his speech, the part where he was discussing rates and fares, there, I found a sentence which I did not like very much. He said:

"Hopeful as Government are that some economies may prove practicable, it is expected that they will do no more than arrest the rise in operating costs."

I should like to see the Railway Member take a more full-flooded view about that when he gives instructions to the Enquiry Committee. I hope he will not then deal with it in any doubtful or hesitant fashion but that he will speak it, as he does on page 7, in which he says that economies have to be effected. We in this House ought to tell him that we are not prepared to take it lightly for granted that in any institution spending 135 crores a year, there is no scope for economy. We all know the wastefulness of large organisations, we all know the particular wastefulness when these organisations happen to be Government controlled. We take it for granted that by the exercise of due diligence, it will be possible for the Railway Member to insist on effecting some reasonable and substantial measure of economy.

The third aspect of finance to which I can only refer to in passing is the new technique of control which it is proposed to introduce. We cannot judge this in any detail because we have not been told what that technique is to be. We only hope it means something different from what as many of us know, is often meant by governmental financial control. Over and over again, financial control in the sphere of government means that you can waste as much money as you like as long as you do it according to the rules. We hope that the financial control which is going to be introduced in the railways will be of a different order than that. We hope that when the new financial advisers are attached to the various General Managers, the test they will apply will not be, 'can we say, no, have we got a good excuse to turn down this proposal at once' that, we know, very often is the test applied by Finance Departments. Here the test should be, 'would it pay? Is it a sound scheme? Is it perhaps conceived on too niggardly and inadequate lines?' We hope their financial advice will be real financial advice, and not a mere device for cutting down expenditure.

There is another aspect of financial control or rather of finance on which I should have liked to speak in detail, if time had permitted, and that is the revision of rating structure. I merely would say on this point that last year, we urged in this Group the need for revision of rating structures. We now consider that this monograph which has been produced on the subject ought to go a very long way towards effecting the kind of revision which we had in mind. It is a well thought out and scientifically framed document, and it lays down three principles which seem to us important. The first is the principle of the telegraphic rate, the second is the abolition of exceptional class rates and the third which is more a matter of procedure than anything else, is the preparation of a

[Mr. P. J. Griffiths]

rates register. We always disliked the system under which separate calculations have to be made for every particular journey or for every particular consignment of goods from one place to another. It always seemed to us not only antiquated, but also time wasting and also likely to lead to corruption. We therefore very much welcome the attempt which has been made to place this matter on a more scientific footing by going in for a rates register.

I have spoken of the financial strength of the railways. I cannot stop to deal with their physical and mechanical strength and I will now speak briefly about the labour strength of the railways! It is no use having engines, wagons, plant for manufacturing locomotives and so on together with adequate finance, unless you have not a well ordered labour force to operate your machines. We are frankly very apprehensive of the labour situation all over the country. Everywhere labour is making unreasonable demands, based on impossible promises dangled before them by irresponsible persons who pose as leaders of labour. They have created in the mind of labour a mood which has made them believe that there is some kind of magic box from which all their fantastic demands can be met and which makes them completely indifferent to the financial capacity of the railway organisation to bear the strain. That is the mood of labour all over the country. The Honourable the Railway Member is alive to the dangers of that mood and we heartily endorse the warning given by him in his speech the other day. Desirous as we all are that labour should get a fair deal, nevertheless the pitching of labour demands too high, the fixing the scales of salaries and wages unreasonably high in proportion to the capacity of the railways to pay will in the long run have disastrous effects, not only all over the country as a whole, but over that very labour in whose interests these increases are sought. Linked with that is the question of retrenchment. Nobody in this House can talk lightly of retrenchment or can fail to realise its seriousness particularly for those employees who have their families to support. But that does not alter the fact that in a great key industry like the railways, you cannot continue indefinitely employing men who from an economic point of view are not needed. Last year we hoped that most of the large numbers of what might be called surplus labour would be absorbed in new productive work. It now looks as if we pitched our hopes too high. It appears clear now that quite a large number of men can not be so absorbed and therefore we shall have to face boldly the question of retrenchment. It is a pity, according to my view, that that question has been postponed—I know this was done on the advice of the Standing Finance Committee, and I am not blaming the Government for its postponement, but I think that postponement was a mistake. The question ought to have been faced boldly as soon as it arose. It seems to me that the Honourable the Transport Member has already shown courage in this his first Budget and we hope that he will show more courage during the months and years to come. We particularly hope he will have the courage to say, no, where necessary and will say, 'we cannot and will not employ people who are not required' No question of sentiment ought in this matter to play any part or lead to a policy of a kind which in the long run will bring benefit and prosperity neither to the country nor to the workers themselves.

Finally I must say one word about the coal situation. As I speak about the question of coal, I do so under the shadow of a great calamity which has befallen my country. In that country today a very large number of people are suffering intense privations in one of the worst winters known for many years. More serious still, in the long view, the wheels of industry have stopped turning, export trade has come to a stand still and Britain will find herself in a weakened position *vis-a-vis* the rest of the world as a result of that great calamity which has befallen her in regard to coal. That should serve as a warning to this country also. Here the coal position is very far from satisfactory. In a great many major industries, concerns are carrying now without any reserve at

all, with just enough coal to keep their business going from day to day, with nothing whatsoever to fall back upon. I do press on Government the necessity of giving number one priority in all their deliberations to the coal problem so that coal may be made available in larger quantities. The seriousness of that situation has been realised by the Railway Member and I am certain he is determined to take the matter in hand. It will be a gratification to this House, if in his reply he can give us rather more details, if he thinks it wise to do so in the public interest as to what the coal position is and as to the plans Government may have in view. He may be able to give us some idea as to how long it is likely to take before the wagon carrying capacity is equivalent to the coal that ought to be carried. We know this problem is uppermost in his mind and it will relieve the anxieties of us all if he can tell us what he has in mind and what is the particular method by which the Government intends to deal with this problem.

To sum up, we have before us a budget, which we regard as wise and statesmanlike. We think it shows a proper appreciation of the financial difficulties that lie ahead and above all we think it shows a determination to grapple with these difficulties rather than a desire to take the easy course of courting cheap popularity at the cost of the future interests of India.

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I do not think I will be able to comment on the budget proposals as a whole in the 15 minutes at my disposal; I will only say that these proposals and the estimates are in the same old bureaucratic style as we have seen all through these years, and shows no change either in the language or in the manner of preparation of the budget. If you look to the complaints made in this House about the railways from the year 1912 when Sir Vithaldas Thackersay spoke in the old Imperial Legislative Council you will find the same feature continuing till now. A lot has been said about the railways being a national concern of 800 crores and that they are being run on business principles. But the 1946-47 budget reveals an expenditure of 159 crores against an earning of 206 crores and including depreciation etc. it comes to 174 crores, which means that the working expenses were 80 per cent. if it is 159 crores and 87 per cent. if it is 174 crores. In 1947-48 the estimate of gross earnings is 183 crores and the estimate of expenditure is 185 crores, excluding of course the Pay Commission's findings, on which wages will increase. That gives us a proportion of 73 per cent. in 1947-48. I would like to know whether any business concern would spend 70 to 80 per cent. of its gross earnings. They have only multiplied the number of officers. In his speech the Honourable Member referred to the appointment of Financial Advisers on the E. I. R. and other railways, with their paraphernalia of staff to effect economies. It reminds me of an incident in Patna where when a bund was made on the Ganges the engineers' inspection charges and travelling and other bills came to Rs. 12,000 whereas the bund itself cost only Rs. 3,000. That is exactly how the Honourable Railway Member is running the railways,—exactly as his predecessors did. Instead of calling the railways a public utility concern it should be called a public usury concern. It is proposed to raise rates and fares at a time when you have taken away all the amenities that could be expected in a civilised country like India and when you have done nothing except making of an exhibition of a new design compartment in New Delhi station some time in March last. It does not serve the public to know that you have an exhibition, held and promised to introduce this soon which will not be complied with before two years; it only makes us uncomfortable in our constituencies when we give them only promises and nothing else.

Now, Sir, every effort should have been made to check inflationary tendencies but we find nothing about it here except the increase in rates and fares. The budget also reveals a bankruptcy in the system of accounting in the Railway Board. The Honourable Member said that there has been an increase of 12½

[Mr. Muhammad Nauman]

per cent. over the pre-war rates so far. I do not know whom he wants to convince by these fallacious arguments. He knows very well that in pre-war days there were week-end return tickets, ordinary return tickets, etc., which were availed of by 50 per cent. of the travelling public. In spite of it you are increasing rates and fares at a time when corruption is rampant. I am surprised that the Honourable Member made no mention of this corruption on the railways or the anti-corruption drive which his predecessor mentioned in previous years. It probably means that he and his men in the Railway Board are not willing to take notice of corruption at all. These fares are being increased every day, every hour and every minute by undue corruption existing in purchase of tickets, reservations, etc. I mentioned the ordinary and week-end return tickets which were in pre-war days used by 50 per cent. of the travelling public. I will give just one illustration to prove that ticket rate have increased by 66 per cent. Between Patna and Calcutta the week-end return tickets used to cost Rs. 21 for Second class and Rs. 42 for First class—giving you three days to stay at your destination. The ordinary return tickets used to cost Rs. 24 for Second class and Rs. 48 for First class. And now a single ticket each way costs Rs. 21 Second class and Rs. 42 First class. This shows that the fares have not been raised by 12½ per cent. as alleged by Railway Member but by 66 per cent. I hope the Honourable Member will revise his system of accounting and understand the incidence of taxation.

Sir, we expected this budget speech of the Honourable Member to be different from those of his predecessors, but we find no change. The speech is dry, insipid and devoid of any interest from the point of view of the public. He has made no mention of railway accidents; he takes no notice of the fact that the railways have greatly deteriorated during war time and there have been more frequent accidents than in any other part of the world. And he has not mentioned what steps he has taken or propose to take to eliminate these as far as is possible for human agency. Indiscipline is rampant and that has been encouraged by the All-India Railwaymen's Federation of which the Honourable Member is so enamoured. He mentioned that Federation and the threatened general strike but did not mention the Muslim Railway Employees League, Calcutta who were responsible for keeping the Muslim employees out of this proposed strike. The Railwaymen's Federation is responsible for creating unrest on the railways and they are out to gain popularity or notoriety, but the Railway Board has been encouraging that body. Even the Railway officers are often encouraging strikes in order to gain popularity. I have often written to General Managers but have found that some of them were not at all enthusiastic about anti-strike arrangements being made. No facilities were offered to the Railway Muslim Employees League, Calcutta, the Muslim Employees League Branches to carry on anti-strike movement in the manner they wanted. That means a sort of encouragement for 'strike' was being given by the Railways themselves, and the Federation people were trying to gain popularity or notoriety, whatever you may call it. They knew that those who created the disturbances in August 1942 won laurels and therefore it will bring laurels to them also if Federation created disturbance. It is a peculiar thing in this country that by creating disturbances you prove your capacity for all sorts of power and you are honoured. Sir, I want to impress upon the Honourable Member that he should try to run the Railways in the interest of the people concerned. He has mentioned that the Railway Federation and their henchmen have been preaching the 'Go Slow' slogan with the result that he cannot even supply the public with printed tickets on many railway stations. and I have been told by the General Manager, E. I. R and a few others that they could not help it because the press would not work. And it is because of this 'Go Slow' campaign. May I know from the Honourable Member what steps he has taken to put a stop to this tendency and to check the activities of the "Railway Federation", agencies who are responsible for this campaign

Sir, I do not wish to say much on the question of how the various commodities will be affected by this increase in freight because I will have a chance to say a word or two on that at some later stage, but I must say that it is not an increase of 6½ per cent. in fares as represented by the Honourable Member but it is in fact 66½ per cent. on the pre-war rates as I have already explained. He has no business to give a false impression to the people of this country by saying that it is a small increase and that the Railways have been one of those organisations which have not taken advantage of the spoils of this war. As a matter of fact Railways has been an active participant in it and he must confess it boldly. I definitely oppose any proposal of increasing the rates and fares and I would ask the House to oppose it. In 1944 when the rates and fares were increased by Sir Edward Benthall, we opposed it, and this year we should not accept it simply because the Budget has been presented by Dr. John Matthai. No new facts have been brought to light justifying any further increase in rates and fares and I hope the House will support me in compelling the Honourable Member to withdraw his proposal of making an increase in rates and fares.

Mr. S. Guruswami (Nominated: Non-Official): Sir, in the first place I congratulate the first popular Indian Transport Member on the courage with which he has presented the Budget. But that does not mean that I agree with what he says. As a matter of fact he has made a few statements in his budget speech which I contest. In paragraph 37 of his Budget Speech he said:

"That the Government have decided that the time has come to raise the level of railway charges to ensure the solvency of this national undertaking."

I most respectfully repudiate the statement contained here that this national undertaking is in danger of being insolvent.

Secondly, he has made himself responsible for another statement that the Railway Reserves are such that it will take some seven years, at the rate of contribution which he proposes now, to build up a reserve as recommended by the Wedgwood Committee.

Thirdly, I want to make it clear that he has not sufficiently emphasised the contribution which the railwaymen have made to the prosperity of the country in these difficult years.

In the first place, Sir, he proposes to increase the rates and fares to balance the budget to the tune of 10½ crores of rupees. I submit that this increase in rates and fares is not required for railway purposes. It is required to meet the needs of the Finance Department and not for balancing the Budget, so far as railway requirements are concerned. He has budgeted for a contribution of 7½ crores of rupees to the General Revenue after meeting the loss on strategic railways. This story of reprehensive contribution to the general revenues by taking it from a public utility concern is a very old one but the Honourable the Railway Member has not taken any lesson from the criticisms which have been offered in the past on this question and he has in this respect followed the reasoning of his predecessors. He has also not considered that the Railways have been contributing to the general revenues by charging the military traffic at lower rates, with the result that if the contribution which the Railways have made to the general revenues is properly assessed it would be of the order of 30 to 40 crores of rupees and not 9½ crores which the Honourable Member has mentioned for the year 1947-48. Therefore, I submit that there would be no danger to the prosperity of this national undertaking if this increase in rates and fares is not effected. Let the public understand that this increase in rates and fares is not required for railway purposes, but for the purposes of the Central Government; it is a method of raising taxation for the Central Government and not a method of balancing the railway budget.

[Mr. S. Guruswami.]

Another statement which the Honourable Member made was that according to the Wedgewood Committee's report a reserve of 50 crores of rupees is required, and that reserve is not possible for another seven years, and therefore he is trying to make a contribution to that from now. I want to make it clear to him that in 1937 when the Wedgewood Committee enquired into the state of railway finances they found that the actual balance in the depreciation fund was only 14 crores as against a book balance of 40 crores, and they said that 30 crores in the depreciation fund would be a reasonable figure. According to the figures which he has quoted for the information of this House 'the balances in the Betterment Fund, Depreciation Fund and Railway Reserve at the end of 1947-48 are estimated at 14.56 crores, 101.92 crores and 26.45 crores respectively, totalling in all 143 crores of rupees as against 50 plus 30=80 crores of rupees which the Wedgewood Committee contemplated as an ideal figure to be reached. Therefore, I submit he has already got in his pocket more money than the Wedgewood Committee considered as a reasonable figure for the purpose of railway reserves. Therefore I say that he is creating new funds which are intended only as window dressing; it is a book keeping trick—I hope he will excuse my using that expression—to show that the railway reserves are in a bad way and need replenishing by increasing rates and fares. Really speaking he wants to increase the rates and fares for the purpose of meeting the requirements of the Central Government, let him say so instead of saying that there is a deficit budget for the next year.

Then, Sir, he has referred to the fact that 85½ crores of rupees is the pay bill for 1947-48. He obviously wants to give the impression that it is a very high figure. In 1939 the Wages Bill was 35 crores of rupees and any person who is not acquainted with the railway finances will be tempted to say 'Oh! the wages Bill has increased from 35 crores to 85 crores of rupees', but I have with me the figures quoted by the Transport Member himself which show that the cost of living has increased by 159 per cent. and the general number of people that were employed in 1939 were continued to be employed now without any addition to their pay, I submit that the wages bill should have been 90 crores of rupees instead of 85 crores of rupees to offset the increased cost of living. They have not been compensated for that rise in the cost of living. This labour strength has increased by 300,000 nearly 50 per cent. in this period and on that basis I submit that the contribution which the railwaymen are paying to the relief of the Central Government or to the railway revenues is to the tune of Rs. 45 to 50 crores and this credit is not given to the railwaymen. The public are not being told that today if on the basis of the principle that full compensation would be paid for the increase in the cost of living for the men who are now today employed at the rates which were prevalent in 1939, the wages bill should be about Rs. 140 crores instead of Rs. 85 crores that it is to-day.

There is the third point—the Depreciation Fund. I have made it clear before the Standing Railway Finance Committee—and I challenge them to look into the practices prevalent in Great Britain and the United States—that on that basis they are charging Rs. 5 crores more on the revenue side every year in the name of the Depreciation Fund. They are all secret reserves and if you have too much money there is a temptation to spend extravagantly on capital undertakings. For example, we have been told that several McArthur locomotives have been purchased. There are many more locomotives to be purchased and there is a complaint that the locomotives are being purchased at three times the pre-war figure. The All India Railwaymen's Federation is affiliated to a body known as the International Transport Workers Federation. They gave me a document to say that in Europe the office of the United States Foreign Liquidation Commissioner in Paris

announced that by 10th December 1956 American locomotives are being offered for sale in Europe at 25 per cent of the original cost and some of them which are coalburning locomotives and stored in German yards in Frankfurt and Stuttgart are priced at ten thousand dollars. I want the Transport Member to know what is happening here. It is for his Department to keep in touch with the progress of locomotive development undertakings and to say whether we are getting American locomotives at the prices at which we should get them and not at an extravagant prices in order to liquidate all the balances in the Depreciation Fund which have been built up at the cost of the railwaymen and the public. Today the public are saying that the railwaymen are asking for an increase in wages and therefore there has been this increase in fares. This is a white lie. On the contrary it is to help Mr. Liaquat Ali Khan, the Finance Member. Let that be made quite clear. As a measure of taxation I do not oppose an increase in rates and taxes. It may be necessary to increase the present taxes further. But if you say it is required for the necessity of implementing the demands of the Pay Commission, I say it is not, because if you go into the financial aspect of the railway undertaking, if you examine the Depreciation Fund rules, if you examine the arguments of the All-India Railwaymen's Federation which have not been properly considered, you will find that the railways are opposed to meet the reasonable demands of the railwaymen and the demands of the public. That is what I want to emphasize in the course of my general observations on the budget.

Then Mr. Griffiths was very eloquent about the necessity of retrenchment. I say we are not against reasonable retrenchment if properly done. In other countries there are unemployment insurance institutions which enable industrial undertakings to weed out inefficiency, to remove surplus labour and to balance their man-power according to actual requirements. Here conditions are different. At the same time let me make it clear that it is a wrong impression that thousands of men are simply sitting quiet and feasting on the railway revenues. That is not correct. If all the evidence submitted before the Railway adjudicator is properly considered, it will be seen that the railwaymen is not only worked but over-worked, and to say that there is a surplus of men is not true. It is not true that there are large numbers of men who are surplus today. But the Transport Member is responsible for giving that kind of impression. He said that according to the agreement reached with the All India Railwaymen's Federation we have stopped retrenchment. Technically he is right. But it means nothing. In a year about 3 to 4 per cent of the Staff retire by death and voluntary retirement: that means a reduction in manpower of 30/40,000. And if 35,000 men have been compulsorily retrenched, it would mean that about 70,000 posts have been made vacant in spite of the undertaking with the All India Railwaymen's Federation. This House must realise that many thousands of men are working 84 hours a week though the intensity of that comes to 84 hours a day although the total number of physical hours are 24, because they are over-worked. Morally, I am correct in saying that they are working 84 hours in a day of 24 hours. But it is not that which I want to say now. What I am saying is that all the men are having a worse standard of life than was the case before the War. That is a fact which this House must realise. What is more the wages scale today is worse than what it was a quarter of a century ago on the railways, considering the high cost of living in addition to the need for rise in standards of life. I do want to say that if railway revenues have to be properly administered let this House revise the recommendation concerning rail-road transport. You are going to face more than Rs. 5 crores loss on account of unfair competition from the road motor transport. What are the steps which this House has to recommend to counteract that danger? That must be fully understood if the public are to be made to pay Rs. 10½ crores. Then you have to re-examine the rules of the Depreciation Fund and I make this challenge to the Transport Member. Tell me whether it is not a fact that in the United

[Mr. S. Guruswami.]

States of America not more than 4 to 5 per cent of the gross revenues are taken for the Depreciation Fund as against Rs. 13 to 14 crores that are spent here.

I do not want to take up more time. But I want to make it clear that the railwaymen have contributed by accepting a lower standard, a profit of Rs. 50 crores per annum by not being paid what they should have been paid and the recommendations that may have to be implemented as the result of the Pay Commission and the Railway Adjudicator are not such as to unbalance the Railway Budget. And whatever the Government are proposing to do by way of increased rates and fares is not for railway purposes but for the purposes of general finance.

Dr. Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I congratulate ourselves for the unique occasion that the Railway Budget is for the first time presented by a Government representing all the Parties and represented by an eminent economist who belongs to the minority community and we hope all our difficulties, financial and economic will be gradually removed.

Shri Sri Prakasa: And the minority will become the majority!

Dr. Zia Uddin Ahmad: That calculation I leave to you.

Mr. President: Order, order.

Dr. Zia Uddin Ahmad: I shall first ask the Honourable Member a simple question, on which the Railway economic policy will depend. Should the Indian Railways be considered as a nationalised industrial fund or should they be taken as solvent service of public utility. The administration ideals will substantially differ under these two different ideals. In the case of rates and fares to which reference was made by Mr. Griffiths, you have, in the opening paragraph of the Railway Advisory Committee report said that the railway is a national industry and the product manufactured is transportation and the movement of persons and goods from one place to another, this be taken as the commodity produced. This is the opening paragraph of the report on which you have formulated your policy and naturally you were led to follow the wrong dictum, 'charge what the traffic can bear,' a dictum which was devised at a time when the railways were run by the companies and when the railways were considered to be business concerns, or treated as industrial units. The policy of rates is framed on this principle, but in the last paragraph of the same report the opposite ideal is mentioned:

"The railways are a national undertaking and their purpose is to serve the best interests of the country to a degree consistent with their own solvency."

The opening paragraph is inconsistent with the concluding para. of the same report. You have to choose one or the other. Either you should be a national business concern or declare yourself to be a solvent service of public utility. In the first case your dictum on which rates and fares should depend will be 'charge what the traffic can bear'; and in the second case the dictum should be 'remit what your solvency can afford'. Therefore there are two different dictums. Choose one or the other totally different from the other, though I entirely agree with certain suggestions in this report which are a great improvement on the existing conditions.

In case you declare yourself to be a business concern we naturally ask you to pay income-tax in the same way as every other country is doing. You are exploiting labour in the same manner as other business people do, as my friend Mr. Guruswami said, and then you manipulate your finances in such a way as to cheat the shareholders and also the incometax-payers. You manipulate your finances as to make your contribution to the general revenues as little as possible.

If you consider yourself as a public utility service, then you will have to charge as much as may be necessary to make you solvent. Pay adequately to labour and provide all the facilities for the travelling public. When you are considering yourself to be a business concern you have to accumulate reserve under several heads—book-keeping tricks as my friend Mr. Guruswami called it. It is done to show the minimum surplus. You have accumulated like other business concerns you reserve under three different names, an amount aggregating to 163.73 crores and not 126 as my Honourable friend Mr. Griffiths said, according to the figures supplied in this budget. This accumulation is not justified and this is what has led labour to represent very strongly that they do not get enough to eat and that you keep in your pockets 163.73 crores in reserve. I beseech my Honourable friend the Railway Member that he should not put himself in a position like a bat who calls himself beast and bird, as it suits his purpose. I would like him to tell us here on the floor of this House whether the Railway should be considered by us as a public utility service or as a nationalised industrial firm following all the manipulations of business concerns.

The first thing I would impress on the Honourable Member is that the official policy about running the railways should be that it is a public utility service. In that case do not cripple your rivals (road transport service) as the railways are doing at present. They are making every effort to put all sort of artificial restrictions on road transport. They also enter into it as a paying business and they are trying to snatch away the capital from private enterprise. These are the modes of business people, who try to kill weak opponents which you must abjure if you decide to call yourself a public utility service. You call yourself a public utility service in order to avoid paying incometax and in actual working you proceed as if you are a businessman and employ all the methods of the businessman. This is very undesirable. It will be very strongly resented by people in general who have common sense and who understand business.

I would like to put the budget in a different form, as I do not like the manner in which it is put now. I do not use the word depreciation, because time after time I have been condemning it so much so that whenever I talk, people ask me not to talk of depreciation. I would only ask you to do what every other country is doing. I have read the railway reports of different countries. I can read French, German and Italian. I would ask my Honourable friend to read them, as there are certain principles which he can profitably adopt in this country.

I request him to stick to the fundamental principle accepted by my country that every expenditure which does not yield income should be put under revenue account and every expenditure which yields income should be put under capital account. My Honourable friend should adopt the same principle. Accept this principle and railway finances will be simplified. Perhaps your financial experts will not advise you to adopt it, because they would not like to go outside the rut which they have been following. You cannot say that you are the only intelligent people in the world and all others are back numbers that your intelligentsia is superior to the intelligentsia of other countries. Other countries consider railways to be a public utility service, whereas you think that it is a business proposition, that you must build up your reserves which is already 163.73 crores. If it is, take betterment reserve, have you a programme? If you have prepared one, please lay it before us and we will grant you the money. You want to take our sanction by back door methods.

I have rearranged the budget figure myself, but time will not allow me to lay it before the House. The figures are just the same but I have only rearranged them on the following three principles. The first principle is

Shri Sri Prakasa: Why did you take so much trouble.

Dr. Zia Uddin Ahmed: Because we are paid Rs. 45 a day.

What should be the reserve? My Honourable friend Mr. Griffiths suggested Rs. 50 crores. Wedgewood Committee recommended the same, but I give him

[Dr. Zia Uddin Ahmad.]

Rs. 100 crores, because that will be just sufficient to meet the liabilities of lean years. I remember Sir Frederick James said 10 per cent. that is, 80 crores. But I allow 100 crores for the reserve.

(2) Every country discusses the operating ratios. Excluding the interest charges it should be 80 per cent. in flourishing times. It may even be increased to 85 and 90 per cent. when the prices are increasing and when the cost of living has gone up. I would like to put the operating ratio at 80 per cent. and even a bit further in the present days but dearness allowance in the shape of cheap food may partly be met by Reserve. That is the second principle.

(3) My third principle is about contribution to general revenues. This contribution is in lieu of income-tax. You don't pay income-tax and in lieu of it we pay Rs. 10 crores. In these days when the revenue is coming from the Government traffic it may be more. During war time a major portion of the revenue came from the Government. If you gave it back in the shape of contribution it will not be unworth. In normal years Rs. 10 crores is all right. You may fix it at Rs. 10 crores and it may vary in boom and lean years.

(4) Fourth principle is that every expenditure yielding revenue, should be debited to capital account and met by borrowing and every expenditure which does not yield revenue should be debited against revenue account.

Keeping these four principles in mind there is absolutely no room in this budget, or in the budget of any other country, for having one reserve, a second reserve, and a third reserve. Whatever you have to spend, if it does not yield, put the entire amount in the revenue and be finished with it. With this principle I have rearranged the whole budget. Whatever you spend for Betterment or Depreciation should come from revenue.

The next thing to which I would like to refer if time permits is the question of co-ordination of the rail, road, water and air services. If you put the co-ordination in the hands of the railways they are sure to kill their opponents. These different forms of transport should be under different Members so that anybody should be able to push forward his own form of traffic without crippling others. And they should be co-ordinated not by the Railway or other Members but by one who is in charge of Development Department and who co-ordinates expenditure on various plans. My Honourable friend Dr. Matthai as a Railway Member cannot protect Road services. But my point is that the work of co-ordination should be done by an entirely different agency.

There is one thing which I do not understand. The recruitment of Muslims has increased this year from 22.7 to 23.9 per cent., but when the recruitment has increased in percentage the deficiency in our quota should be improved. But I find that the deficiency in our quota last year was 9,021 and this deficiency has increased to 12,768 this year. The increase in the percentage of recruitment should lead to the diminution of our quota, but we find just the reverse. and I hope somebody would look into the matter.

Shri Sri Prakasa: Is there that trouble in the other countries also the reports of which you have read so closely?

Dr. Zia Uddin Ahmad: In other countries the problem does not arise.

As regards labour, they are at present dying of hunger. They do not like that you keep in your pocket Rs. 163 crores in reserve and allow them to starve.

Sreejut Rohini Kumar Chaudhuri (Assam Valley: Non-Muhammadian): Mr. President, Sir, the Honourable Member for Railways has already received the congratulations of different members and I do not want to burden his shoulders by putting more garlands round his neck. He has also received some adverse criticism but I do not wish to waste the time of the House by trying to expose the weakness of that criticism. But I will tell the House some hard facts which might sound like a story but which are nevertheless true. In the eastern corner of this great country which you had so long called *Bharathvarsha* there is a

town which is known as Tezpur which was formerly known as Sonitpur where Anirudhgha, the nephew of Lord Sri Krishna had gone and fought for a bride.

Shri Sri Prakasa: Did he go by rail?

Sreejut Rohini Kumar Chaudhuri: He came all the way from Dwarka and I am told that that system is still going on in that part of the country. But whatever that may be, there is a railway, which is called by my Honourable friend the Railway Member a tramway and which is known as the T. B. Railway. The word T. B. does not indicate the tubercular condition of the railway but it stands for something else. 'T' stands for the word Tezpur and 'B' for Balipara, and the Railway is the Tezpur-Balipara Railway.

Shri Mohan Lal Saksena (Lucknow Division: Non-Muhammadan Rural): The name of the railway should be changed, I think.

Sreejut Rohini Kumar Chaudhuri: In this railway there is only one engine. That engine also sometimes fails with the result that the passengers have either to go walking to their destination or give a helping hand in pushing the train. Then, Sir, in this railway the compartments have no doors. I had mentioned this last year also. There is no light in the compartments. There is no arrangement for lavatories, etc. There is no arrangement for water supply. In the last budget session I raised these particular points and I was told that this railway must continue for another five years. I do not see why in these days of nationalisation of even small things like motor buses, the Railway Department does not think it proper to nationalise this railway, or at least extend the B. A. Railway line from Rangapara to Tezpur.

There is another point which I want to say about my province of Assam and I hope Honourable Members will not be startled by hearing the name of Assam because I am not going to bring into the debate the question of Sections or Grouping or even of Pakistan. I am only speaking of the difficulties of railway travel which we really experience there. Now, there was a talk of having a bridge over the Brahmaputra and my honourable friend's predecessor said that it would be constructed at a point near Goalpara but subsequently the idea was abandoned because it was not considered commercially profitable. But it was said that it may be done if it was required for strategic purposes. I submit that even in peace time there is enough traffic to warrant the construction of a bridge so far as the province is concerned and I would like to bring to the notice of the Railway Department that it will be useful to have a bridge over the Brahmaputra river.

Again I would draw attention to several projects of new constructions. There was at one time a project of having a double line on the section between Golokganj and Amingaon. That was abandoned and a considerable sum of money was wasted. Then another survey was made between Mymensingh and Pandu. That was also abandoned. At present a survey is being made from Bongaigaon to Pandu. This will also be abandoned perhaps shortly. I would ask the Honourable Member to instruct his subordinates to make up their mind one way or other and decide what to do and not play with public money like this.

Then there are several services which were stopped during the war and which it was promised would be resumed. The Habiganj-Saistaganj branch line in B. A. railway is one which has not been resumed at all.

Yet another constructive suggestion which I would like to make is that a through metre gauge line should be constructed from Santhahar to Sealdah, so that fruits and vegetables may come directly to Calcutta without transshipment from Amingaon. If this is done, great relief will be given to the agriculturists of the province and this will also benefit the people of Bengal.

As regards the general budget, I do not quarrel much about the increase in rates and freights. Such increases must have been made after due consideration by the Honourable the Railway Member. What I would want him to do, in return is this. We want him to take effective steps to prevent loss of life due to

[Sreejot Rohini Kumar Chaudhuri.]

accidents which have been rather frequent of late. We want that there should be fewer occasions for employees to go on strike. We want that discontent among employees should be removed, so that there may not be any tactics of go slow process which is going on at present.

[At this stage Mr. President vacated the Chair which was then occupied by Mr. Deputy President (Khan Mohammad Yamin Khan)].

Something like an honest observance of the time tables should also be insisted upon. At present even the principal mails are late by hours. During the course of one year I have seen that the Delhi Mail which is one of the principal trains never comes in time. You must consider yourself lucky if the train comes within one hour or two hours. If this is the case with the Delhi Mail, you can imagine about the less important trains. The mail which takes you to the capital of India is always late by a couple of hours. What happens is that if the train comes at an unusual hour, great miseries are caused to the women and children. People who come to receive them have to go away because they do not know at what time the train would arrive. I have tried to enquire from the enquiry offices on the phone but I never get a reply. The phone is left on the table and we hear that the line is engaged. The happy period of engagement seems never to be over there.

Then another difficulty is this. If the train was always late by two or three hours, you can make allowance for it and arrange your plans accordingly but sometimes by a freak the train comes a few minutes after due time and then the whole arrangement gets upset. This thing ought to be prevented. You must ask the Railway Board to make the trains habitually late and avoid coming in time on occasions.

Then, Sir, I would also insist on the removal of congestion particularly in the third class. Unlike cinema houses and the road motor transport, tickets are issued without any regard to the fact whether there is accommodation or not. They simply go on issuing tickets. In the Railway Department, two classes of employees are very busy. One is selling tickets without any regard to the fact whether there is accommodation or not. They will sell tickets far in excess of the capacity of the train which is moving and the other is the ticket collectors who get hold of passengers in the hope of getting something for the railway and something for themselves. I say that some system should be introduced by which you must stop the issue of tickets when you know there is no room even for standing. It is dishonest to issue tickets when there is no accommodation in the train.

Then you must give facilities for passengers to get into the trains. Nowadays we find that long before the train starts the ordinary communication door cannot be used and the passenger has to go in by the window. It is all very easy for ordinary persons who are lean and slender to get in in that way but what happens when a man has a bulky female relation. You are talking of helping women and children. Children are all right. They can be put in but what about bulky women relations? What are you going to do about it? I say, Sir, that you should try to stop this method of going into the train through the windows which is a process fraught with danger. One may be slender at one time and may become bulky later on. Anyway this is a method which has got to be stopped.

Then once you get into a compartment it is very difficult to get out. You run the risk of being overcarried and then you run the risk of falling into the clutches of the ticket collector. You are over-carried because you cannot come out. Then, you find that the Ticket Collector is prowling about and you have got to give him something. So, a regular rescue party is necessary. You need a relation or a servant to bring the passenger out of the compartment. One has got to push them in the compartment and one has got to bring someone to bring them out of the compartment.

Mr. Deputy President: Honourable Member's time is up.

Shri Mohan Lal Saksena: Let him be over-carried for a few minutes.

Sreejut Rohini Kumar Chaudhuri: Sir, why not follow in this case also the railway authorities. They do not observe any time table. Why should you observe it?

Mr. Deputy President: The Honourable Member must conclude his speech.

Sreejut Rohini Kumar Chaudhuri: I know, Sir, that the Honourable the Deputy President of this Honourable House cannot put himself in the position of a Railway Manager or the Member of the Railway Board.

My point is this. I want to remove the congestion in the third class compartments and the proper method of getting into them and coming out of them. I want water at the railway station which we cannot get now. Then, third class passengers cannot come in contact with the vendors of food and get food for themselves. You might introduce a system by which a vendor should go to the third class compartments and sell his stuff.

Then, Sir, one word more about freights. The price of foodstuff has already increased and owing to the rise in these freights, the price of foodstuff would be further increased. Even then if we do not get foodstuff properly, things will come to such a pass that those who represent the public in this House will run the risk of personal and corporal punishment from our house-wives. These days everything is wanting. There is no fuel and there is no food. And if in addition to that I have to pay a higher freight, then life becomes very difficult.

One constructive suggestion that I would like to make about the removal of congestion is that we should allow freer use of motor transport on the roads and the number of motor buses must be allowed to be increased. If there are more buses running on the roads, I think the congestion may be somewhat eased.

Sardar Mangal Singh (East Punjab: Sikh): Sir, I congratulate the Honourable the Transport Member for his making the presentation of the railway budget for the first time, but I hasten to sympathise with him. He has been working under certain disadvantages. Although he is versatile enough and his abilities can be switched off at a short notice to different departments, his difficulties were peculiar. The Government have appointed about half a dozen Committees and Commissions whose reports are still to come and the Government have to make up their mind on those proposals. Under these circumstances, ordinarily the Transport Member ought to have waited for these reports to come and until such time as the Government had bestowed considered opinion on those recommendations. In his opening speech the Honourable Member said that it is a unique occasion. He spoke for 75 minutes and I was waiting all the time to hear from him any unique proposal from this Government. I confess that if his speech is to be read by a man who does not know the change of the Government and who has suddenly come to this country he would not be able to know whether the Honourable Member who has presented this budget belongs to a National Government or an Interim Government or a Care-taker Government or any other Government. There is no proposal and there is no aspect of the budget which reflects any unique occasion.

There are proposals to revise our rates structure and also to arrange re-grouping of the railway systems. These are undoubtedly welcome proposals. The rates structure of the Indian railways has so far been working very adversely towards the development of our industry, our business and, if I may say so, our agriculture. It is hoped that this Government will so revise our rates structure that it will give real assistance to our industries and to our agriculture and it will not be conceived, as it has been so far, in the interests of the exporters and importers.

Sir, I leave the highly intricate point of finance to other friends. I am here to put forward not the point of view of any capitalist but I want simply to put

[Sardar Mangal Singh.]

forward the point of view of a passenger. From that point of view, I must confess that the Railway Member has been rather harsh. In spite of his betterment fund, he has not been able to do anything. There is not a single proposal to increase the amenities of the third class passengers. Look at their waiting sheds; they are like cattle sheds. Look at the over-crowding of which my Honourable friend from Assam has given a real picture. Nothing has been done to provide any amenities for the third class passengers for whose benefit this betterment fund was originally instituted. They have spent some money out of this fund to re-model certain railway platforms. I submit, Sir, that this is a misuse of the fund. It was not conceived, it was never intended that any money should be spent from this fund for the construction of railway stations or for the building of railway platforms.

The most important point in his budget is his bold stand about increase of fares and rates. I noticed that the Leader of the European Group—who is not now in his seat—praised the Railway Member and the Government for not playing to the gallery. I wish to warn the Government that this is a dangerous advice. The old bureaucratic government could afford to heed that advice. What is this 'playing to the gallery' mean in plain language? It is to give due respect to public opinion in this country. This is a popular Government, our own Government and if this Government does not care for public opinion, who will care for that public opinion. I therefore respectfully submit that the advice given by the Leader of the European Group should not be accepted at its face value. The Government should take into consideration the difficulties and the views and the feelings of the people of this country. So far it was possible for the Railway administration to ignore those difficulties. But, now, Sir, a popular government is in power and it is expected that the difficulties of third class passengers and of our traders will be listened to. The important point to which I wish to refer is the increase in railway fares and rates. The Honourable Railway Member has justified it on several grounds. I am aware that when he gets up to reply to the debate this evening he will fling at me the rising index number. But may I respectfully ask him, has the income of the people increased according to that index number? Has the salary of the government employees increased according to that index number? Obviously, no. Then where is the justice of reminding this House and the public that the index number has gone up, as the Honourable Member said to 285 or 260. True, it has gone up. Is it the stand of the Government to increase the railway fares because the index number has gone up? My Honourable friend shakes his hand. On the other hand it is the greatest sin of the Government that they have allowed this index number to go high up. All governments in other countries have taken jolly good care to see that the index number does not go high. Look at U. K. and other countries where Governments have spent large sums and yet they have taken care to see that the prices do not go high. Then, the Honourable Railway Member says there is a gap of 10½ crores in the revenues of the country. I respectfully differ from him. I am sorry that the Honourable Railway Member, the great and eminent economist that he is, the able man that he is who can understand business well, has in this matter fallen a victim to his departmental chiefs. He has underestimated the income. Has he not seen the figures of last year? The income under traffic, according to the revised estimates of last year, has increased by 29 crores. It was originally budgetted to yield 177 crores but it came up to 206 crores. I am of the view that the same thing will happen now and the income which he has shown is definitely an under estimate. Expenditure again is over estimated. That is the trick of the bureaucracy to which my Honourable friend has fallen a victim this year also. I request him to reconsider the position and on reconsideration he may probably find that there is not much gap in his budget expenditure and income. There is nothing so urgent except of course the index number on which he denies he bases his claim. There is nothing urgent to increase the fares and rates. On the other hand this step of Government will

definitely lead to inflation which is our greatest curse in the country at present. I am sorry the interim government has done so far nothing to decrease the price of articles. The government is increasing the railway fares and freights. The Government is increasing the rents of buildings. What does this all lead to? It will add to the inflation. Prices will go up. Your employees will demand higher salaries and all this vicious circle will be perpetuated and there will be no end to our troubles. I therefore submit that this Government should postpone the proposals to increase the rates and fares. The Government have appointed a Railway Enquiry Committee to effect economies. The Government is also considering the question of amalgamation of railway systems. This will definitely decrease expenditure. These proposals are before the Government. The Government have plenty of funds to fall back upon in time of difficulties. My Honourable friend has got many pockets. He puts 7 crores from his outer pocket into his inner pocket and he says 'I have got no money, give me more money'. This is the usual trick of the bureaucracy. He keeps seven crores, puts something in the reserve fund, something in depreciation, puts something in betterment fund and then in the end comes before the House and asks for a sum of ten crores more. No, Sir. If he looks into it more carefully he will find there is no deficit. At the same time I should warn the Honourable Member that he should not act as the tax gatherer of the Finance Member. Railway after all is a public utility concern. If Government are going to increase railway fares and rates according to the index number, then may I ask the Government whether they are going to increase the price of post cards, envelopes, telegrams and so on according to the index number. Before the war the post card was three pice and we reduced it to two pice because it is a commodity of the utmost utility to all the people in the country. Its main object is to cater to the benefits and needs of the community as a whole.

Mr. Deputy President: The Honourable Member has one minute more.

Sardar Mangal Singh. I am sorry I have not got much time. I will not raise any new points. My only submission is that Government should consider the whole structure of fares and rates as they are also considering regrouping of railways. They have also appointed a Railway Enquiry Committee which will effect economies. In view of these steps, I hope the Government will postpone for the present the question of increasing railway rates and fares this year. If necessary, we may take it up next year and deal with it on its own merits. With these words, I resume my seat.

Hafiz M. Ghazanfarulla (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, this presentation of the budget and the speeches made on it have become an annual routine. I will request the Honourable Member to instruct the railway officials sitting behind him and in the gallery to go through the speeches made here and inform every member what has been done with regard to their complaints. My Honourable friend Mr. Nauman has already dealt with the proposed increase in rates and fares and so I will not go into that at length; but I should like to know what amenities have been provided for the travelling public. I have on occasions seen saloons 40 to 50 feet long being attached to trains while First and Second Class passengers had to sleep on the floor. On the O. & T. Railway I have seen sometimes four saloons together running from Gorakhpur to Allahabad, and third class passengers as a result had to travel with great discomfort. Of course this has been going on for years and no one, not even our present Railway Member, can do anything.

It is now two years that the war is over and what has been done about third-class passengers? Nothing has been done and nothing will be done. Only the other day I was travelling in the First and Second Class and there were not sufficient lights in the carriages and no lights in the bath rooms. The public cannot do anything about these. There is only one body; they are the managers, supervisors and proprietors of Railway concern. You call it

[Hafiz M. Ghazanfarulla.]

a business concern; if it were so, it would have paid 98 per cent in the last two years as excess profits tax; but you have paid nothing and done nothing.

The late running of trains has been referred to. The position on the E. I. R. is very bad. I asked a question the other day of which the answer was not read out in the House because it was not reached; but the answer was given to me. The question was about 13 Up and 14 Down trains. I asked whether these trains ever arrived in time in the whole month of January in Calcutta and Delhi. The reply was that they never reached in time. I think that is a disgrace for anybody who runs the administration. Do you think a business concern would have done that? If it did so somebody would in five minutes ask for an explanation: but here nobody does so. There is a proverb "*Khud Kooza; Khud Koozaga (Khud-gile-Kooza.)*"

"You are yourself the cup, the manufacturer of the cup, and also the earth out of which it is made." To whom can we complain and what can we expect? For God's sake please create some machinery. In the provinces there is a demand for the separation of judicial from executive functions; let there be some separation here and some one to look after the management. I was travelling one day recently between Moradabad and Lucknow and I found a dearth of tickets at the stations. They made tickets out of parcel receipt books; then they used receipts for dogs; and then they started with ordinary pieces of paper. The General Manager was in that train, and when I asked him he said they had no ticket forms. I suggested that he should get them printed in private presses; he said he could do nothing about it. That, Sir, is not the way to run a business concern. People cannot keep their business appointments. If I have to come here for a committee meeting I must come one day in advance. The other day I was coming to attend the Assembly session and I wanted to start from Allahabad by this famous 13 Up, but it was two or three hours late. So I sent my servant by this train with my luggage and myself left by air. When I reached here on the 2nd at 1.30 my servant had not arrived. I went to the station and was told that there was no news of the train, and when it arrived here in the evening it was nine hours late; the result of which was that I was without any bedding till 8 o'clock at night and had to borrow some bedding from a friend. Ultimately my man came at 10 p.m. Can you say that a business concern will run its show like this? My Honourable friend the Railway Member should instruct his officers to do something about this and look into our complaints; otherwise what is the use of our making speeches here and getting them printed? Recently I asked a question about the general late running of trains on the E. I. Railway and I was told that it was due to causes beyond the control of the railway administration. If you are not fit, why run the show at all? Please make some other arrangement. The Honourable Member for Railways has said that 'the Indian Government Railways are by far the largest industrial concern under one management in the country, employing over 9 lakhs of workers of all grades'. I think you had better make some sort of a distribution of Railways into different groups, otherwise it is quite obvious that you cannot run them properly.

We are hearing about the restoration of lines which were dismantled during the war for the last one year. I asked about the restoration of Bijnaur-Chandpur line which is one of the most important sections, but nothing has been done so far. We have been informed that action is being taken and perhaps a survey is being made, but what has been done. Nothing has been done up to this time.

There is a shortage of trains in Nagpur-Bombay Section. Only one mail train runs between these two stations. Efforts should be made to increase the number of trains on this section.

With these few remarks I resume my seat.

Mr. Sasanka Sekhar Sanyal. (Presidency Division: Non-Muhammadan Kural). Mr. Deputy President, Sir, I will not be just to myself or to the Honourable the Railway Member if I do not tell him that I do not feel very happy over the Budget which he has presented. He has been congratulated for having had the unique pride and privilege of presenting the first national railway budget. For that certainly we congratulate him because by congratulating him on that we congratulate ourselves. But so far as the Budget itself is concerned, I submit I may be allowed to tell the Government, which Government I support, that the general reaction outside this House, and therefore also to some extent upon the members of this House who represent the public outside, has not only been not happy but it has to some extent been disappointing. Sir, I agree with my Honourable friend, Sardar Mangal Singh, when he says that the congratulations of the Leader of the Opposition, my friend of the European Group, is rather dangerous. They have their own outlook on things; we have ours, and therefore unless there is something fundamentally not very acceptable so far as we are concerned, these people would not come out so easily to congratulate.

Sir, I will not deal with the wider and deeper aspects of the Budget; I will simply deal with it from the point of view of the common man. For one thing I do not understand the intricacies of high finance involved, but I certainly claim to understand the commoner's reaction to the budget proposals. From the discussion and criticism which we see in the press—although the Press is now-a-days very reticent because we are giving the present Government a chance—it is obvious that the press and the public do not favour this proposal of increasing the rates and fares. I will ask only one question: What is the justification for suddenly proposing this increase in rates and fares? Sir Edward Benthall once thought of doing so, but he dropped it. During the time of Mr. Asaf Ali we heard of a press conference and meetings of the Railway Board where it came out that the rates and fares were going to be increased.

Mr. Deputy President: The Honourable Member can go on with his speech after Lunch.

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

The Assembly re-assembled after lunch at Half Past Two of the Clock, Mr. Chairman (Syed Ghulam Bhik Nairang) in the Chair.

Mr. Sasanka Sekhar Sanyal: Mr. Chairman, Sir, as I was saying, I can understand the Government asking for money: I can understand Government asking for money for railway structure and finance: I can even understand Government asking for money so that the railway employees might be housed better: I can even understand the Government asking for more money out of railways for diverting to the Central revenues. But what worries me is this: that this is not the context for going in for abrupt increase of rates and fares.

In the first place, Sir, we know that there is a Pay Commission which is still sitting, and the decisions of the Pay Commission will have such an important bearing upon the implications of railway finance that it cannot be and ought not to be anticipated. There is, Sir, the Railway Enquiry Committee to which reference has been made by my good friend, Sardar Mangal Singh. There is also a Committee which is appointed by this Government, namely, the High Power Committee. This Committee will go into the overall question of retrenchment and regrouping and recasting of the railway position and this inevitably will have its bearing upon railway finance. Therefore from that point of view, from the financial ethical point of view, the Government ought to have waited till these decisions were forthcoming and I do not think, Sir, it will take very long for these decisions to be known.

[Mr. Sasanka Sekhar Sanyal.]

Then, I submit, Sir, when it comes to a question of increasing the burden of the passenger, what case has been made out for justifying these enhanced burdens upon the passengers. We know the horrible and miserable conditions through which the passengers have been passing for the last few years. The railway inconvenience has been the mightiest democratic leveller. First class passengers are put to enormous difficulties: second class passengers are put to serious difficulties: inter-class passengers have no amenities: and the third-class passengers live in and come out of hell. I am myself a habitual lower-class passenger, sometimes inter-class and sometimes third class. I have to travel by the higher class when I come on Government business. But my experience of all the classes tells me that there is inconvenience, unnoticed and unrecorded, in all the classes. In most of the first class and second class compartments there is a light during the day time but the light goes off when it is evening. Then there is that artificial European latrine-system in the first and second class. When I sit on the cushions, I feel somewhat comfortable though I feel a little unaccustomed to it. But when I go into the bathroom and observe the particular set-up of the latrines, it reminds me that even when we are placed in comfort, we are placed in prison.

Shri Sri Prakasa: You do not know what to do there!

Mr. Sasanka Sekhar Sanyal: Coming to the inter-class passenger. They have neither the physical strength of the third-class passenger to push their way in nor have they the attention of the railway people which is enjoyed by the first and second class passengers. Between these inter-class and third class people, Sir, I cannot describe the condition of these people in language, not even in my own language, not to speak of a foreign language. But I shall ask the Honourable the Railway Member, for whom I have the highest respect and esteem: Is he going to charge more fares on account of the footboards that are provided for these passengers? For 50 miles these daily office passengers—at least the bulk of them—take their seats on the footboards. What does it mean? It is not so much a question of immediate danger. It is not so much a question of inconvenience. But it is so much loss of national vitality, because consider that we Indians are already a sort of nervous race. Shocks, foreign domination and slavery have eaten into our nervous system and then if we have to travel on the footboard in a precarious condition all the time, thinking of the frowns we shall get from our bosses in the office, the nerves get shattered. And these people will be fathers of children and these are the children to come out of the worry of such nervousness. Then if the biologists have to consider anything, they will come to the conclusion that our future is doomed. I can give you one example in which a gentleman who was hale and hearty, on account of this critical travelling died one night of heart failure. There cannot be a large number of cases but the possibility is there, and the Railway Member, if he charges more rates, he must guarantee that a passenger who is charged must be given a seat inside the compartment. I repeat, I am proud of this National Government. But at the same time, to the extent of my pride with this Government, I owe a larger responsibility to the people outside.

My friend, Mr. Griffiths said that the proposed increases are modest and reasonable. They may be modest concerning that the people's purchasing power has increased for a time. But they are not reasonable. There cannot be anything reasonable in the proposed of enhancement unless you change the conditions of travel. Therefore I want to make it clear that this Government, instead of rushing through these increased rates, ought to have waited till conditions improved. I know that my friend will sincerely and honestly give assurances for improvement. He will not indulge in the embroidery of previous assurances. But I know that he has difficulties. 80 per cent of the coaching has been released but congestion has not been relieved.

If the remaining 20 per cent is released and made available, even then congestion will not be relieved because travelling has increased very much. The struggle for existence has increased and travelling has increased and you cannot expect to go back to the pre-war level of travelling. You have to manufacture or import more coaches. But that is a proposition for time. So you cannot speak out today and say, "we are making arrangements for more accommodation." In that case why should you go headlong into this question of adding to the people's burden. After all if the piper has to pay, you must give the piper the right and the credit for calling for the tune. What is the tune that they will call for. The railway has no tune to offer except that as my friend, Mr. Choudhury, has said, that when you cannot give space and you charge, it is dishonesty and this dishonesty has led to the dishonesty on the part of the travelling public. Let us all take in that many travel without tickets. The railways themselves are guilty because they cannot offer space. Therefore this vigilance has slackened, except for poor inter-class passengers like ourselves. We have to purchase tickets even if we do grudge because we do not like to be exposed and put into ignominy when caught but the large bulk of the travelling public who are not troubled by the principles of correct observation and high morality, travel *en masse* without tickets. Those who purchase tickets suffer and people in other compartments also suffer when there is a rush into their compartments lest the others fall and die outside, while the passengers inside have to open their compartments and accommodate them. So there is a vicious circle roundabout. Therefore I submit that unless the Honourable the Railway Member is in a position to give a real assurance that in the course of the next two or three months he will see that the facilities are improved and increased, he ought to stand up and say that he will consider the question of postponing these things for sometime. At least as a token of concession to public opinion I would advise him to go into the question of charging higher rates to first and second class passengers and not disturbing inter and third class passengers. Taking the cue from Mr. Griffiths and accepting the theory that the purchasing power has increased, it is the purchasing power of the richer people that has increased more than that of the poorer people. Let the higher class passengers pay a little more and let the Government make people feel assured that it is a government responsive to public opinion. Sir I have a few more constructive suggestions to make.

Mr. Chairman: The Honourable Member has only one minute more.

Mr. Sasanka Sekhar Sanyal: I would advise Government to go into the question of introducing the system of railway conductors to look after third and inter class passengers, for they need their help more than the first and second class passengers. I would request the Honourable Railway Member to go into the question of providing a doctor in each long distance train. I would give you an instance. A young man got an attack of cholera while travelling in a train. He travelled more than 50 miles vomiting and purging all the time. He reached his home station and was rushed in a carriage to his home but before he reached his house he died on the way. A train contains only a travelling population, sometimes bigger than the population of a whole village and there must be hospitals and doctors in the train.

I would ask the Honourable the Railway Member to go into the question of removing racial discriminations on railways. There should be no Indian and European refreshment rooms or dining rooms. No distinction should be made between Indian and European.

Shri Sri Prakasa: What about the commode?

Mr. Sasanka Sekhar Sanyal: That also should be removed. People must be made to realise that there is a Government with a new outlook.....

Mr. Chairman: The Honourable Member's time is up.

Mr. Sasanka Sekhar Sanyal: In conclusion I submit, as I began, this budget has created a sort of confusion in the minds of people. In the bigger sphere of politics where the Congress and the Muslim League are not combining, the independence of the country is held up but where both these parties are combining, the result has been more taxation! There must be an end to this.

Miss Maniben Kara (Nominated Non-Official): Sir, I listened with great interest to the speech of the Honourable the Railway Member. As I was listening my memory went back to the speech of Sir Edward Benthall last year. That was the time when I had first entered the Assembly and on that occasion I made a speech. Unfortunately I hardly find any difference between the policy which was followed in the budget of Sir Edward Benthall and the policy which has been presented to the House by the present Transport Member. There is a difference no doubt to the extent that the present Transport Member has replaced the previous Member but to my utter disappointment I find that the underlying principle of the Railway Budget is the same and has not changed. With the inception of the National Government it was expected that a budget with a new spirit, a new outlook and a new manner of economic planning would be placed before the country. The railways are essential for the prosperity of the nation. The prosperity of the trade and industry of a nation depends on the development of the transport system of the country. In a country like ours where the railways do not reach the smaller towns and villages of the interior how can we expect trade and industry to prosper? It was expected of the Honourable Member that he as the representative of the National Government would bring forward a budget whereby new projects of railways will be laid, and whereby hundreds and thousands of railway workers will get employment. We thought that we will not be thinking in terms of throwing out railway workers but in terms of employing more and more persons, because the aim of the Government was that the railways should reach the furthest ends of the country. We expected in this budget a new kind of economic planning based on the idea of giving full employment and placing more purchasing power in the hands of the people. I am extremely sorry to say that I have nothing to say in appreciative terms of the Budget presented by the Honourable the Transport Member.

I also listened with great disappointment when the Railway Member talked in a pessimistic manner of the precautions he was taking against an apprehended slump, as happened in 1930. Why are we thinking in terms of meeting the slump? Why are you not thinking in terms of laying down a policy by which India would be free from slump? Since the National Government is in power for the last 6 months, why not take a bold step to reconstruct the entire society in such a way so that we can think in terms of expansion of our industries and railways, so that we can give more and more employment to our people and so that our railways can reach the farthest corners of the country, thereby brightening the entire perspective before the country? We expected that of you. When we find that the budget which is presented before us is essentially not in any way different from the budget which was presented by the last Government we are disappointed. We are certainly disappointed. I am not one of those who is opposed to taxation. I believe that if you want to give social services and amenities to the public, if you want to improve the efficiency of railways, certainly you will have to find finances. We must also have taxation. But in the present budget what do we find? We find increment in fares. But correspondingly are you giving any additional facilities to the third class passengers? I would not object to increment in fares provided you gave some more facilities to the public in return for the higher taxation. I do not say that taxation will be wrong in every event because I believe that unless the Government has finances we cannot expect efficiency and better

social services for the public. But certainly when we were promised many comforts and facilities for third class passengers and we find that nothing has been given so far but that the third class passengers will be the biggest sufferers from the enhancement of fares, I feel disappointed. I feel and rightly expect of you that when you are presenting this budget as a representative of a National Government your budget will not only be different in the sense of a few changes in the allocation of a few crores here or a few crores there but that the entire background of the Budget will be different, that railways will not be treated as a commercial concern but as an essential service for the good of the people and that they will be within the reach of the people and that they will also be used as a lever for the prosperity of the entire country.

I would have expected you, Sir, to have in your budget, projects whereby you would have stated that new railway lines would be developed and that greater number of people would be employed. Instead, you give us as a consolation that not many workers will be thrown out. How can you expect us to be enthusiastic about a budget of this type though it is presented by a National Government?

Talking about the railway employees, we are sorry to find that even today we have not got the report of the Pay Commission, even after the workers have waited so patiently. The workers had sympathy, appreciation, and praises showered upon them by your predecessor as well as from you, but we expect something in concrete. Let your sympathies take some concrete form. Your predecessor had also talked of the great support which the railway employees had given and the hard work which they had put in during the strenuous war-time. The railway employees and the workers of this country, are entitled to all the benefits of the victory in the war. They are the people who kept the wagons going, they are the people who transported the troops, they are the people who took ammunition and food to the people who were fighting on the battlefield. Instead what do we find? Those workers are threatened with unemployment. Those workers have still to work, as was pointed out by my Honourable friend Mr. Guruswami, for long hours. Here I have to make particular mention of the running staff and I hope that you will make special investigation into the condition of the running staff where they have no limitation of hours of work. An engine driver, a fireman or a guard has to be on duty without any limitation of hours of work. They are not guided by the same rules as the other workers are guided. They are over-worked. Why not you frame rules and regulations for these workers who are subjected to such strenuous work. In their hands depend the lives of hundreds and thousands of people travelling in the trains. So many engine drivers have approached me and told me that they have to work at times for sixteen, seventeen and sometimes as long as eighteen hours a day. Imagine an engine driver who is responsible for the life of the entire train, is subjected to work for such long hours. Can we not reconstruct the whole system and employ more people so that relief could be given to these over-worked staff? These are the people who have worked strenuously during the last difficult days of the war. In spite of that, hoping and expecting the result of the Pay Commission they have not gone on strike and acted as responsible citizens. The railway employees in this country have acted in a way in which no workers of any other country would have acted. They certainly deserve all the credit and gratitude.

I expected the Honourable the Transport Member to have put before us such proposals which would have gladdened our hearts and which would have made us feel that there are prospects of thousands of new workers being taken over by expanding railways reaching furthest corners in the country, thereby improving the prospects of the entire prosperity of our nation. I am sorry, Sir, the proposals as have been put forward in your budget cannot be appreciated by me.

Mr. Ahmed E. H. Jaffer: Sir, I must congratulate my Honourable friend Dr. Matthai on the able manner in which he has presented his first budget, which I hope will not be his last, and let us hope and trust that with his past experience and his command over the economic and financial problems of the country, he may be able to help us to overcome various difficulties that face us in this problem of railway administration.

Sir, the important feature of this railway budget, is to my mind the increase of fares. What is the attitude of us today over this budget—at any rate of the two major parties in the country? As far as we are concerned, we are opposed entirely to this move, and we oppose this move tooth and nail. But I am surprised to find that my friends here to my left do not regard it so seriously. If this matter takes me back to that day when this original move was mooted out two years ago by the then Railway Member, the Honourable Sir Edward Benthall, I remember very well how his move was criticised and how he was abused from one part of the country to the other. Ultimately Sir Edward Benthall had to drop this move. Today this move comes from the Railway Member of the Interim Government, and I am sure that I am right when I say that our friends here are going to give him full support in this move which I am sure is not in the interests of the people as a whole. I do hope they will have the courage and oppose it and see that this move of increase in fares is thrown out. Sir, I have great regard and respect for the Railway Member for his vast experience of economic problems. He is a great economist and a great financier. But I must respectfully say that his logic is defective and his method of approach is absolutely wrong. He assumes certain things to be obligatory. I should like here first to read his reference to the Wedgewood Committee. In his speech which he delivered the other day he says:

“This fact was recognised by the Wedgewood Committee who recommended in 1937 that the reserve should be built up to at least 50 crores. Government therefore consider it essential to provide for a contribution of not less than 5 crores in the Budget year.”

Now, let us read what that report said. It is said in that report clearly:

“Having regard to these circumstances we recommend that all revenue balances, after provision for depreciation, should be appropriated to the general reserve fund until that fund has reached a total of not less than Rs. 50 crores.”

It does not say that it is absolutely necessary to have 50 crores. It says
 3 P.M. it should go from the revenue balances. Moreover this Committee did not say that 50 crores should be built up immediately. The contribution to this fund is not obligatory and moreover this should be done only when balances are available. If you look up the past record of contributions to this fund, you will see that in 1924-25 it was 6.38 crores and this ultimately dwindled down. In the year 1928, it was 2.58 and from 1929 onwards to the year 1931-32, for which I have figures it was minus. I personally see no reason why you should launch on this scheme of increasing fares, draw money and give it to the general revenue. I personally see that there is no justification whatsoever to give this amount to the general revenues. This means that the Honourable Member wants to squeeze the poor consumer and the producer and pay it to the taxpayer. Possibly this is in the Honourable Member's mind for in para. 35 of his speech he says:

“When there is a gap between revenue and expenditure, an industrial concern would set about putting matters on a sound financial basis by endeavouring to reduce costs as far as practicable and if by this means the gap could not be covered then it would have no option but to raise the prices of its products.”

If the railways make money, they must contribute by way of income-tax to the general revenues, but not otherwise. I do not see why the fares should be increased in a hurry especially at a time when the Pay Commission's report

and the adjudicator's award are awaited. Possibly the Honourable Member has got advanced copies of these and he may know the contents of these reports. So he is going ahead. Even assuming that the report is out and there is a liability, for which you wish to raise the amount, I think the Honourable Member can bring forward a supplementary demand for this purpose later. We are certainly prepared to help the Honourable Member and the Government, but I want, to point out that if this is a popular Government, I can assure my Honourable friend that by this move this Government will become most unpopular.

Then the Honourable Member in his speech has said that he expects this House to elect a committee to revise the Railway Convention. This committee will also shortly come into being and suppose it decides to increase the contribution or reduce it, then what happens? In this connection I should like to read a passage from the report on the Railways in the Union of South Africa. That report says:

"The railways, ports and harbours of the Union shall be administered on business principles, due regard being had to agricultural and industrial development within the Union, and promotion, by means of cheap transport, of the settlement of an agricultural and industrial population in the inland provinces of the Union.

Further on it says:

"and that the earnings of the Railways should be so regulated as to be not more than sufficient to make the Railways self-supporting."

Suppose the Railway Convention recommends a reduction, what is going to happen to the amount that is proposed to be raised by raising the fares.

In para. 32 of the Honourable Member's speech he says that the betterment fund is intended to defray the cost of amenities for passengers. Out of 5 crores, this will not amount to more than one crore. His proposals are too vague. We have no objection to the increase in fares provided the money goes to the betterment fund for the convenience of passengers which we do not get today. We have heard from various members of the House the great inconvenience caused to third class and Inter class passengers all over the country. There is overcrowding and there are various other difficulties. As I am tabling a cut motion on the subject, I would not like to take up the time of the House with that topic, but I would like to say that this amount, if it is to be raised at all, should be used for the convenience of passengers, and for the provision of retiring rooms, cloak rooms and refreshment rooms and other comforts and conveniences. I would not like to dwell on the inconveniences in different parts of the country but I would like the Honourable Member to take the trouble of going to the station in New Delhi station, which is said to be the station of the capital city of India and see what facilities are offered there. There is no cloak room, no waiting room and no refreshment room. I remember in the days of the curfew, the difficulties, people used to have, when they had to sleep in the station. I do hope that the Honourable Member will look into this matter and have all these inconveniences removed. The Honourable Member is not justified in saying that the increase in the freight will not lead to an increase in the price of foodstuffs and piecegoods. There is a good deal of black marketing in these things and the contemplated increase in fares and freights will surely lead to a rise in the prices of these two things.

I notice that the Railway Board have decided to extend the electrification of the railways. This is a move in the right direction and I hope that the electrification which is proposed to be started on a minimum scale will soon be extended all over the country. As the Leader of the Opposition has very rightly pointed out, in view of the serious fuel situation which exists in England today, we should take steps that a similar situation does not arise here but assuming it does, the electrification of the railways will help us considerably and ease the difficult fuel situation which may arise later on.

[Mr. Ahmed E. H. Jaffer.]

Repeated demands have been made for improving the system of appeals. It has not received the attention it deserves. It was pointed out that a person with a judicial mind should be appointed on the Railway Board and at the headquarters of each Railway administration to look after the appeals of subordinates, which at present are not being properly attended to. This should not be overlooked.

Lastly, I would like to refer to the position of Muslims in the railway services. I am sorry to note that the persistent demand for the due Muslim recruitment has not been attended to. 13 years have passed since the Government of India passed the Resolution for fixing a minimum of 25 per cent. for the recruitment of Muslims, and I am sorry to note from page 25 of the Administration Report that the number of Muslims in the superior and lower gazetted service is still only 11.18 per cent. and in the case of subordinates whose scales of pay are 250 per month it is only 9.09 per cent. Even during the war the percentage in permanent service of 25 per cent. was not observed. It was only 17.7. I would very strongly press that a special officer should be appointed to watch the recruitment of Muslims and draw the attention of the Honourable Member from time to time in the matter of Muslim recruitment.

Mr. Frank E. Anthony (Nominated Non-Official): Sir, it gives me particular pleasure to welcome Dr. Matthai as our new Transport Member. I extend that welcome to him cordially on behalf of a large number of railway employees whom I have the privilege to represent—railway employees who carried an unprecedented burden during the war and who represent a most reliable section of the employees in the railway administration. It is not necessary for me to remind the Honourable Member or to tell him that the task to which he has set his hand is one of the most, arduous and difficult tasks that face the members of the National Government. He is fortunate in this respect that his recent assumption of office has given him a right to expect welcoming bouquets from us. I sincerely hope that during his tenure of office he will bring to bear to his task not only his well-known qualities but imagination, courage and, above all, strength of administration. I know something if not a good deal, about the railway administration, and unless these qualities are brought by Dr. John Matthai to bear with the greatest emphasis on this administration, he may find on the next occasion when he has to meet this House that the bouquets will have to be substituted by stones. I sincerely hope that this will not arise. Those of us who have had something to do and some of us who have had a good deal to do with the railway administration realise with disappointment that most of our efforts to get the railway administration and the predecessors in office of the Railway Member to accept even reasonable suggestions have failed and failed miserably. It has been rather an inveterate psychology of the railway administration to resent criticism, however justified the criticism may be, and also to be unresponsive to the obvious needs for change and for progress. I would give some friendly advice, if I may, and even sound a note of friendly warning to the Railway Member about this psychology which his predecessors persisted in. If for some reason or other he chooses not to accept the requests or the reasonable demands of the more sober elements of the railway workers, if he chooses to ignore as his predecessors in office have done the friendly advice of responsible railway leaders, then I am afraid I can envisage only the most bitter unrest, sullen non-co-operation and the constant threat of a partial, if not complete, paralysis of the railway administration.

I know I have been regarded as a bitter critic of the railway administration, but I also know that I have had more than ample justification for my criticism in the past. I would like to tell the Railway Member that he has inherited in the administration moth-eaten legacies which it is his duty to attempt to

destroy. And I would ask him not to approach this problem superficially. The railway administration is suffering—I am not indulging in hyperbole, because I have had an unfortunate experience of it for a period of many years—from a deep-seated disease, a disease of long standing which has now become chronic, a disease which will only respond to the radical processes of the surgeon's knife. Sir, not only the public but the railway workers expect from you that you will bring about a complete and a long overdue re-orientation in railway policy. You have spoken in your budget speech of industrial peace during the war. I think you did refer to it. That, Sir, is not a correct diagnosis; it was certainly not a correct description. There was no industrial peace, at least so far as the railways were concerned, during the war. There may have been an induced peace, a coerced peace or a peace induced by methods of coercion and also a peace which was due largely to a sense of loyalty of a large section of your employees. I am sorry to say that that loyalty was abused and was exploited by the railway administration—a loyalty which made a large section of your employees put up with the most incredible hardships and difficulties, which would not have been endured by railway workers in any other country for a single day. I say this to you in all sincerity. You can secure, if you want them, the confidence, good-will and the co-operation of the responsible elements among the railway workers, but you can secure them on one condition and on one condition only, and that is by bringing about a change in the psychology of the railway administration—a change in the psychology which is prevalent at the top of the railway administration. I know it is not going to be an easy task. That psychology has seeped deeply into the roots of the whole railway administration for a period of many decades. Your predecessors in office have not only not attempted to change that psychology but had become assimilated to and part of it. The members of the Railway Board, I am not making any distinction between Europeans and Indians, as individuals may be very estimable persons, your General Managers, as individuals, may be very charming. When I meet them I am almost completely disarmed. But remember this, and I am talking from some knowledge because I meet hundreds and thousands of railway workers and I know what they are feeling, what they are thinking and what they are hoping; they are looking to you to bring about this long overdue change in the psychology of the railway administration. These men at the top—I am not pointing a finger at any one of them—are not to blame; they are the victims of their past traditions. They have been nurtured in the traditions of the company-owned railways, they have been wedded to the psychology of an authoritarian system of administration. And that is your greatest canker in the railway administration today and your greatest danger. Unless you face it and face it successfully, I can only envisage the most serious, widespread and most complete unrest on the railways. There is today, I am not exaggerating it, nothing less than a deep-seated class division on the railways. Your working man on the railways does not regard his officers as colleagues; he does not regard them as friends; but he regards them, and I say this without qualification, as masters and tyrants. That is the psychology which it will be your business to change. I sincerely hope that you will address yourself to this what I regard as your paramount task with tenacity and necessary courage to bring it to a successful conclusion. I have had occasions to meet the employees not only in this Department but in most of the Central Departments. The other departments have their limitations and they have their imperfections, but I can say without qualification that in no other department of Government are the employees treated, with greater harshness and with less consideration than your railway employees.

Mr. Chairman: The Honourable Member should address the Chair.

Mr. Frank B. Anthony: I was addressing the Member through you, Sir. I said, Sir, that in no department of the Government of India were the em-

[Mr. Frank R. Anthony.]

ployees treated with less consideration than in the railway department. There are provisions in the Indian State Railway Code, provisions alleged by relating to appeals, enquiries, dismissals, and punishments. Those of us who know how these provisions are implemented know how farcical these provisions are. We know what a flagrant travesty of justice they represent. My Honourable friend Miss Maniben Kara referred to the long standing grievance of the question of overwork. We have had repeatedly on the floor of the House, assurances, promises and professions that the railway administration will observe some degree of consideration with regard to hours of work. I can give today to the Honourable Railway Member instances on the B. N. R. and G. I. P. where men are compelled under threat of immediate removal from service to work for 16 hours, 18 hours, 24 hours and even 32 hours continuously. And this has been going on for years. They were given the omnibus excuse of the exigencies of war. But the war has long been over. This has been a burning grievance. The unresponsive railway administration continues to ignore this very reasonable request from railway workers. After all the railways are the greatest national asset of our country. I do want the Railway Member to do something to remove the grievances of these workers. He can do something provided he is not completely overborne by the psychology of the official. We want a certain degree of independence, a large degree of independence of outlook. We do not want the Railway Member to follow the old policy of his predecessors in office of being merely a rubber stamp to endorse the decisions of the Railway Board and of General Managers, however unjust they may be. We expect better things from him. He has a more responsible task because he is dealing with something which I regard as highly explosive. Yes, I believe that unless the Railway Member succeeds in removing this sense of resentment on the part of every railway employee, I am talking about the employees in the lower scales, this sense of feeling that they are not working but fighting against their official classes, he is heading for a most serious disaster. Sir, the Railway Member sounded a note of warning that the present inflation trend would be accentuated if wages of railwaymen were increased unreasonably. I am not asking him for one moment to accept or agree to unreasonable and extravagant demands of railwaymen. I am against irresponsible and extravagant demands by irresponsible labour leaders. I would ask him to remember this that there are responsible representatives of railway men who are asking for increases commensurate with the economic resources of this country. I would ask him to remember that the railway scales prevalent today are scales which were largely brought into being during the worst periods of depression in 1931. It is not unlikely that the Central Pay Commission will recommend reasonable, yes, and liberal increases in the salaries of railway employees, liberal against the background of the present resources of the country. I am certain that the Government will accept these recommendations when they are made. Here, I would like to refer to the bogey which is often trotted whenever there is a demand for reasonable increase in wages. It is often countered by the question as to where the money is to come from. Immediately this question of increase in wages is raised, this bogey is raised that it can only be met by a corresponding burden thrown on the taxpayers of the country—in the case of railways, the travelling public. This is an unfortunate way of presenting the railway employees case for an increase in wages however reasonable it may be. Their demand is immediately sabotaged by creating an unnecessary conflict between the worker and the travelling public. We have before us a proposal for increasing fares. Personally, I believe that this proposal with regard to increase in fares, at any rate, is premature. We know there is to be Railway Enquiry Committee and that committee has not yet submitted its report. It may very well be that that report might cover certain economies which will mean more than a

saving to the administration of 4½ crores which you expect to realise from increase in fares. More than that, there is the vexed question of contribution to the general revenues. There is also this aspect and it is contended and perhaps rightly contended that the Government have grossly underestimated their anticipated revenues. In any case this increase of fares is economically indefensible. The Honourable Railway Member told us that the cost of living index has gone up tremendously. Surely this is an argument against and not in favour of increase in fares. If the cost of living index has gone up, then surely it implies that the travelling public cannot afford to pay more and in the case of railway employees.

Mr. Chairman: The Honourable Member's time is over.

Mr. Frank E. Anthony: I am sorry Sir, that my time is up. I have a lot more to say. Anyhow I shall conclude. I was saying surely this means that the travelling public are less in a position to undertake further burdens. One other important matter to which I wished to refer was the question of increasing inefficiency of railways and the question of corruption in the railway administration. Perhaps I shall have another opportunity to deal with those subject when the Cut Motions are taken up.

Once again I would like to ask the Railway Member to remember that these criticisms, if they are criticisms at all, were made in a friendly spirit and I hope he will bear them in mind. What we expect from the Honourable Member is to do justice to the railway employees and he will get in return the co-operation of at least the sober elements among them.

Maharajkumar Dr. Sir Vijaya Ananda (United Provinces: Landholders): Sir I rise to support Dr. John Matthai's first railway budget. He was handed in the baby by the previous government and I am sure that when he presents the next budget he will make 100 not out. I am rather disappointed to see that third class passengers as well as the upper classes are to be made to pay a little more. I should have preferred the upper class passengers to pay and not the third class passengers. Year in and year out we have been discussing the problem of how to improve the lot of third class passengers. I feel it is a case of water on the duck's back. We are told that new third class compartments would soon be put out on exhibition and people can see them. I have not seen a single compartment so far. The same overcrowding, the same congestion and the same trouble are the lot of third class passengers. It is high time that instead of making the third class passenger pay more for his trouble, we give him something from our surplus funds. I see from Dr. Matthai's speech that a sum of 7½ crores is to be given to the central revenues; that might be diverted for the benefit of third class passengers. The betterment Fund can be used only to better the amenities for the third class passengers.

Sir, I find from the Honourable Member's speech that there are 384 locomotives that have already been ordered from Britain. I have no grouse about it but I should like other countries to send in their quotations for these, and if these other countries can give us locomotives cheaper I see no reason why Dr. Matthai should not cancel this order with Britain.

Sir, indiscipline in the railways has reached the zenith. There is neither order nor respect for anybody; utter indifference to public opinion has been going on. The excuse was that during the war nothing could be done, it was not possible to interfere, etc. Now that the war is over I find that the railway staff from top to bottom are insolent, disobedient and indifferent to public opinion. As regards corruption the least said the better. I do hope that under Dr. Matthai's regime in a year's time we will see most of these defects eradicated. For instance, when an Indian dressed in European clothes goes to a station and there happens to be a European there, the first thing the station staff does is to give preference to the European.—a thing that

[Dr. Sir Vijaya Ananda.]
 should not be done. At least now when we have got a national Government this should be a thing of the past. As regards an Indian going in an achkan or in a national costume he is completely ignored and even brushed aside if there happens to be a European as against him. All these are common factors. I said that last year when Sir Edward Benthall was in charge but I am afraid we get very little response.

As regards the third class carriages I am glad to see that from Benares we have got an inter class going from Kashi to Calcutta, and there are a limited number of berths. I should like to see that type of compartment for third class passengers. Although I know it is very difficult to have sleeping berths I feel at the same time that there should be a certain number of men allowed in that compartment and no more. If that could be done we would be saving so many lives. There is a distinct improvement as regards inter-class travel but nothing has been done about the third class,—that is my complaint.

My Honourable friend Mr. Chaudhury made a very good speech this morning when he mentioned the delays in the running of trains. I submit that in future, in another six months when we get our locomotives from whatever country they come we should recast our time table, and that time table should be in accordance with the wear and tear of our engines, so that we shall be saved the bother of going to a station and standing there for hours on end. The general way of dealing with the time-table should be that all these timings should be altered so that the least possible inconvenience is caused to people who come to the platform. As regards the station staff, if you ring them up and ask them at what time a train is due or is coming, you are told it is at such and such time. If you go there and report the matter to the Station Master he says I should lodge a complaint. But there is no reply to that. I have myself made many complaints of that kind and there has been no response.

As regards theft and robbery I do not think we have ever been more badly hit than in the last one year. Even the luggage vans that are sealed and sent out are broken into and very artfully too.

Sir, on the whole I have a feeling that within the next one year my Honourable friend Dr. Matthai will give a new orientation to the railways and that we shall have an infinitely better budget next year; and I do hope that he will save the poor third class passengers from being overtaxed.

Mr. M. A. F. Hirtzel (Bengal: European): Sir, I shall avoid repeating the points that were made by my Leader this morning. And after so many speeches have been made I do not want to give an elaborate discourse of my own. The point that I should like to deal with is the question of loco stock and coaching stock. Broadly speaking, the figures appear satisfactory enough on paper but I notice that included with these figures of locos, coaching stock and wagons are figures of overage stock. I have no doubt that the Railway Member has very much in the front of his mind the fact that overage stock is extremely uneconomical. It is uneconomical in respect of the period during which repairs are being carried out, because it occupies valuable capacity in the workshops and also uneconomical in respect of costs. I notice that the Railway Member has referred to the pressing need for passenger express locomotives. That is the most pressing need now, and I must say that the position cannot be described as very satisfactory; or rather, it is likely to remain very unsatisfactory until that need can be met and the unfortunate disparity between the existing level of passenger trains now and the pre-war level can be made good. At present passenger services are only 80 per cent. of pre-war. Of course until that percentage is made good we shall be losing the benefit of the additional passenger load; we shall also be inflicting continued

discomfort upon the passengers who are carried. I do not propose to go into that now because on the cut motions a great deal more will be said about it. But I should like to say that we on this side are equally anxious with other sections of the House to see that everything possible is done to remedy the defects at the earliest possible date. I must say that I am a little surprised that it has not yet been possible to show us the revised designs of third-class coaches; it is something like a year ago that we looked at the previous models. I should have thought that further models should have been ready before this. I also notice with considerable concern that out of 347 passenger carriage vehicles which were intended to be completed this year not more than 140 are likely to be ready before the 31st March. That appears to be a very serious lag, and while we appreciate the difficulties it must be recognised that all programmes will be correspondingly held up in future.

Now, Sir, the growth of civil aviation has given upper class passengers an opportunity—which they have shown themselves very ready to take—of an alternative and more comfortable means of travel. I do hope that the Railway Member will bring to the notice of his staff the fact that that is so and take advantage of the stimulus of competition to encourage his staff to provide greater facilities and show greater courtesy to passengers. Now, Sir, as regards goods stock, the figures given in another place show that by the 31st March we shall have 20 per cent. more broad gauge carrying capacity than in 1939, and 10 per cent. more metre gauge. Those figures are in themselves reassuring, but one is forced to enquire, since results are so poor, why the results continue to be so poor. One reason has been given in another place, namely that the staff has been greatly upset by the various civil commotions which we have unfortunately experienced during these months. That is a state of affairs with which we have great sympathy but we must also—and I think we should be failing in our duty if we did not—remind the House that that is part of the price that has to be paid and will continue to be paid for the failure to achieve internal peace in this country. That price, I say, will continue to be paid, and the possible consequences of a breakdown, a complete standstill of communications have to be viewed in the light of the fact that something like 170 million people in this country today depend on the rationing system; 170 million out of 400 million—the largest body of persons rationed in the whole world. The whole success of that endeavour depends on the continued functioning of the Railways.

Why are the results so poor—that is the question which we have been asking the Railway Member and which we shall continue to ask. The results quite certainly are poor. We are shortly to be asked to confer upon Government the necessary powers to continue the railway priority system. As the House is aware from the speech that I made when the Bill was introduced, we on this side of the House do not like that system, but we are forced by recognition of the present situation to admit that the system must be continued and that Government must have those powers. But the fact remains that the system or the need which necessitates continuance of that system is most unfortunate.

We listened to the remarks of the Honourable Member on the labour situation with considerable appreciation, because we feel that it is very necessary that that position should be made abundantly clear to everyone in the country, and we wish him every success in putting the views which he expressed into practice. All these problems—labour problems, the struggle to provide adequate rolling stock, adequate operation and so on—all of them are merely facets of the struggle to maintain the solvency and the efficiency of the Railways. That is to say the Railways are still on the defensive; the Railways have been on the defensive for a very long time. I do not propose in the short time available to go into the significance of that from the point of view of the propaganda that we are constantly hearing about nationalizing everything in the

[Mr. M. A. F. Hirtzel.]

country. I think no one has so far suggested that the legal profession should also be nationalized. but it seems to have been suggested at one time or another that almost everything else should be nationalized. The Railways have almost throughout their history been on the defensive. The fact that they have all along been fighting this battle for efficiency and solvency does not I think greatly strengthen but rather weakens the argument for taking on further liabilities. We should have most certainly liked to see the Railways not on the defensive but on the offensive, not in the sense of stealing traffic from other forms of transport but of increasing the quantum of transport in the country, and we should like to see the Honourable Member, when he has dealt with his defensive operations, launching a big offensive to increase the quantum of transport and turn the railways into a real public utility. That is his immediate task: to produce contented workers and contented users. After that we should like to see him adopt a forward attitude and go on to devote his attention to increasing the quantum of transport in the country.

We hear a great many slogans about transport co-ordination, eliminating wasteful competition and so on. Those who have studied the operations of the Railways fairly closely, while quite agreeing with the sentiments, sometimes wonder whether the railway department does not aim rather at the elimination of all competition whatsoever. Now, Sir, the crying need of the country today is transport, more particularly the expansion of road transport. It is forgotten, indeed probably not known to many people, that road transport in 1939 was making a contribution of over 9 crores of rupees to general revenues in the form of taxation. In the current financial year the Railways have made a contribution of 5½ crores. So from the point of view of national advantage, road transport which as it was operating in 1939, after discounting the railways own estimate of losses through competition from it, contributed 9 crores, was making a more valuable contribution to general revenues than the railways themselves made in the current year. I appealed to the Honourable Member's predecessor on a number of occasions, when he was taking these very wide powers or going to come before us to ask for very wide powers for the control of road transport, to tell us in his other capacity as Member for Transport exactly what he estimates, if he is going to strangle private enterprise in road transport, will be the liability of the State in providing the necessary quantum of road transport to replace private enterprise and, so to speak, adequately to mechanise the enormous road programme which the country needs. I suggest that if the Railway Member in consultation with the Transport Member is unable to answer that question, he should think again and try to put before us a real policy of co-ordination. I think it is perhaps significant that the new development of the setting up of a Central Transport Board, which is to eliminate wasteful competition, was not undertaken until it became apparent that civil aviation was making a very big inroad into railway revenues. Well, that may be a justification; but we should like to see the problems tackled from the positive point of view of increasing the total quantum of transport in the country. And I am quite sure that if the Transport Member can only find the right policy not only for protecting the revenues of the railways but for expanding road transport, he will be working in the best interests of the Railway Member and his railways also.

Chaudhri Sri Chand (Nominated Non-Official): (The Honourable Member spoke in Hindustani. For Hindustani text see Appendix to the Debates for the 20th February, 1947, English translation given below.—*Ed. of D.*)

Sir, Railway fare for the third class and the fourth class that is, foot-board, is proposed to be increased. What do the Government or, for that matter, the Railway Member offer them for the fare pay? It is a kind of looting, robbery and highhandedness. They neither get any seat in the carriage nor do they get any comfort. They get a foot-hold on the foot-board after missing three or four trains. For this, our learned proposes to increase the fare.

Sri Sri Prakasa: He does not understand you.

Chaudhri Sri Chand: That you will do and make him understand. Sir, if the passengers could get some comfort there was some justification for the increase. If they provided them with seats in the train they could raise the fare. When the passengers do not get seats in the trains there is no reason why the Government should increase the fare. The inconvenience that one suffers in a railway journey is much greater than that of a journey on foot. When I see a friend of mine worried and distressed I at once understand that he is to go on a journey by rail. He fears like the patient who is being taken to the operation table, and if he is to travel by the third class in the evening train he loses his appetite for the day. Very few of the villagers who happen to alight at big stations can return home with their full luggage. These stations abound in pick-pockets and thieves. If the passenger goes to purchase his ticket leaving behind his bedding he finds on return that his bedding has disappeared. If he goes with the bedding he cannot reach the booking office. If a seat is found in a third class compartment you will find that it is the abode of frogs, rats, cockroaches, mosquitoes and what not. Nobody knows whether these compartments are ever cleaned or not. It is an actual fact that in trains from Kalka, especially during the rainy weather rats, frogs and mosquitoes are found in abundance. Have the railway authorities ever taken the trouble to see if they were ever cleaned? And yet you are increasing the fare! Freight is also proposed to be increased. It is an open secret that corruption is rampant there. A carriage is given on an illegal payment of ranging from Rs. 140 to Rs. 150. Nobody even moves to stop the corruption. Under the circumstances, to increase the freight and the third class fare, when they get no seat in the train, is not just. Further, the third class passengers have no place on the stations to sit and wait for the train. At smaller stations they have to squat on the ground and in larger stations they are told that the waiting room was locked and the key was with the station master. The thing is that the waiting room is the place where the station master stores his wheat or other stolen things. This is how the waiting rooms are used. Congress issues large posters posing themselves as the champions of the poor but after they come in this House they come with clasp knife for these very poor people. When the Interim Government was formed the people were urged to make merry and be happy because self-rule was obtained. From a big platform it was announced that Indians have now got their own rule. Formerly, when budgets were presented by the British members all our learned friends would cry themselves hoarse to condemn them. Today the very congressites stand up to praise the budget presented by the Doctor Sahib and support it. I am surprised that they say something outside and quite the reverse of it here. If the fare was not increased what will happen? Will the railways stop? But, this is an old custom. The budget is prepared the Dr. Sahib has presented it. He has never troubled himself to see what is going on. Clerks work, papers are brought and signed and yet praises are being sung that the Doctor Sahib has brought out a very good budget. They say that the budget is the offspring of the old Government. Dr. Sahib is a very wise man. He should give milk to his own child why should he nourish another's child. It was said here yesterday that the Doctor Sahib has produced a very good budget. The learned doctor has now been here for so many days. Does he know the reason why the fares increased? Does he know who pays them? Will the working of the Government stop if the fares were not increased? What is the use of keeping so much in the reserve? The fact is there is nobody to champion the cause of the poor.

When these Congressites will go out they will say that their Government is not yet complete and that the fares have been increased under the orders of the Viceroy. They will say that they were waiting for the full power in the Government.

[Chaudhri Sri Chaud.]

In the last session surcharge and income-tax were decreased. The prices of post cards and envelopes were reduced. The poor people neither write post cards nor envelopes. Every thing was done for the wealthy and not for the poor.

I, therefore, appeal to the Doctor Sahib and say that in my opinion there is no need of increasing the fares. They say where will they find the ten crore rupees? But the railway is for the convenience of the poor and not for increasing the income.

[At this stage Mr. President (The Honourable Mr. G. V. Mavalankar) resumed the Chair].

Controls are in operation. People get their necessaries of life at ration shops; but the poor are driven to buy them from the black market. Controlled prices are for the rich and black market for the poor. They have to spend more than they earn. Now the Doctor Sahib has increased the railway fare, tomorrow something else will be increased. There is no mention of income-tax because all are rich here: There is no poor man. No income-tax is levied, no surcharge is going to be increased. People are earning crores of rupees in contracts but nothing is being done to them. I should therefore say that this increase of railway fare is sheer injustice. The Government is not giving a just return for the thing it takes from the poor. If you had made new carriages, had done something for the comfort of the passengers, had ordered the issue of only as many tickets as there were seats in the train you were justified in your action. What is happening in these days! Some throw in their beddings; others force in their cycles especially railway servants bring their cycles with them. The moment one gets into a compartment he gets hurt either in the foot or in the hand. Some get good beating on getting into a railway compartment. This is the condition and yet fares are being increased and congressites say it is a very good budget.

Yesterday, there was a mention in the House about the release of convicted I.N.A. men. It was said that there were difficulties in the way of the Government. Were there no difficulties in the way of the previous Government? Have all the difficulties cropped up on the formation of the Interim Government? I don't see what difficulty was there in releasing the I.N.A. personnel?

I appeal with all the emphasis at my disposal that the fares for the third class should not be increased. Inter-class is mostly used by Railway servants. They travel free. When they go on transfer from one place to the other they travel with all their household effects. Increase, therefore, the fares for the first and second classes. Double them. But, you cannot do it. The rich men in this House will not allow you to do it. I again appeal to you not to increase the third class fare; because the people hope that the Interim Government will help them and will not increase the taxes.

This is what I wanted to say and I hope that the Doctor Sahib will hear my appeal and will not increase the fares for the poor. He may increase them for the rich.

Mr. Tamizuddin Khan (Dacca *cum* Mymensingh: Muhammadan Rural): First of all, I would join in the general chorus of congratulation to the Honourable the Railway Member on the unique privilege he has of being the first Indian to present the Railway Budget before this House. But I must frankly confess that my congratulation ends there. I am in a fix. A problem has arisen in my mind to which I have not been able to find an answer. I would therefore like

to share my problem with this Honourable House. I find that of the members who have till now spoken only one seems to be enamoured of the Budget and he is the Honourable the Leader of the European Group.

Mr. P. J. Griffiths: I like it.

Mr. Bamisuddin Khan: That raises a problem in my mind. What is it that makes him enamoured of the budget and what is it that makes the Indian section of the House condemn it? Is it because Mr. Griffiths entertains a greater respect, esteem and love for the Interim Government than the Indian Members of the House? It is difficult to give an affirmative answer to this. When the aunt professes a greater love for the child than the mother, a suspicion arises in one's mind. Therefore I am trying to find out the real reason.

The real reason is probably this. My Honourable friend will excuse me if I am doing him any wrong. The real reason seems to be that the present budget does not differ from its predecessors in any respect whatsoever. So far as the previous budgets are concerned they were presented, always in the history of India, by the countrymen of the Leader of the European Group and as this budget does not differ in any way from those budgets, probably my Honourable friend enjoys a secret satisfaction that however, Indians may cry hoarse over Indianisation in actual practice when Indians are put in responsible positions they cannot act any better than the Europeans who preceded them. Probably that is the psychology that is working in my friend's mind and which makes him enamoured of this budget so broadly condemned by the Indian section of the House.

Sir, is it to be inferred from the general condemnation of the budget that there is no outstanding feature in it? Certainly there are outstanding features and the most outstanding feature is the increase of the rates and fares. I am not one of those who are opposed to increase of rates and fares in all circumstances. Certainly when the situation demands, rates and fares have to be increased. There are certain things that are in favour of the Honourable Member, I must admit. There is more money in the country at present, and people are in a better position to pay. That is no doubt in his favour but every thing else is against him. I do not know whether he is really doing a service to the country by increasing the rates and fares at the present juncture. Many Honourable Members have said that the Interim Government raised great expectations in the minds of the people. There may be, some justification for the raising of the rates and fares but the man in the street will look at the increase in this way: What the previous European Members in charge of the Railway Department dared not do the Indian Member has done. That will be the feeling of the man in the street. There-in-also lies the strength of the Honourable Member, in his being an Indian. Indians will certainly have more confidence in whatever he does than what a European might do. But has he made proper use of the privilege he enjoys? I think not. I think this action of the Honourable Member in raising the rates and fares at the present juncture will make for the unpopularity of the Interim Government to a certain extent. But as I have already said, if my Honourable friend had made a good case for increase in rates and fares, the House would not have objected to it. Even now the House will not throw it out. The House will probably accept what he has done but with a very heavy heart. But may I ask again, has he been able to make out a good case for the increase? I think he has not been able to do so.

Sir, I am not a budgetary expert and so I may be wrong in my view of the situation, but if we look at the budget, I feel that the Honourable Member might very easily have avoided this step. If one looks at the budget he will see that there has been an under estimate so far as the item of earnings from passenger traffic is concerned. If you look at the traffic receipts for the current year, the revised estimates show an increase of as much as 29 crores over the original budget figures. That being so, what is the justification for his providing under the same item 23 crores less than the revised estimates for the current year? There seems to be no apparent reason. My Honourable friend Mr. Griffiths has tried to give one reason. He said that the income from military traffic is certainly going to dwindle further in the coming year and not only that, he has said that the competition from other means of transport, mainly motor transport, is

[Mr. Tamizuddin Khan.]

likely to reduce the passenger traffic income substantially in the coming year. I think, Sir, there he has made a mistake. I do not think that income from passenger traffic will decrease substantially or at all in the coming year. The Honourable the Railway Member has himself admitted that there has been a very great upsurge in passenger traffic of late years. Everyone realizes that. That being so, I do not know why he apprehends that the income from that source will fall to such an extent in the coming year.

As regards the competition of motor transport I think the Honourable Member is going to do something in that respect. There will not be that free competition that obtained before the war. Therefore how does he infer that in the coming year the income from this head will be reduced to such an extent? I think he will prove a false prophet in his estimate of the railway income on this particular head. If there has been under-estimation there, one can easily see that there is no justification for the increase of rates and fares under the present circumstances.

Again, as many other members have pointed out, the present time is extremely inopportune for increase of rates and fares. What amenities are you giving to the travelling public? None whatsoever. The difficulties which they experienced during the war years are still continuing and in certain respects are continuing in an aggravated form. That being so, is it the proper time for increase of rates and fares, specially when you could have avoided it? I think that it has been a very unwise step on the part of the Government to increase rates and fares under the present circumstances. They have hardly any new plans. Have you tried to win the imagination of the people? Are there any new development plans that will appeal to the imagination of the people of this country? None whatsoever. That being so it is really distressing to find that the Government has taken this step of increasing rates and fares.

I do not like to repeat what other Honourable Members have said, but I would like to draw the attention of the Honourable the Railway Member to a matter which has not been discussed so much on the floor of this House, namely about corruption. Corruption there is in every department of Government. There is no doubt about that. And corruption there has been and there is in the Railway Department. But the pity is that there is avoidable corruption which goes on merrily in the Railway Department. I may relate my own experience in this respect sometime ago. I have had many experiences of this but I would narrate only one here. About a couple of months ago I was travelling in a railway train in a rural area. People who alighted at certain stations were giving their tickets to the ticket collector. Everytime the ticket collector was taking a ticket from a passenger he was putting his hand into his pocket. I wondered why everytime the ticket collector was taking a ticket he was putting his hand into his pocket.

An Honourable Member: Into his own pocket?

Mr. Tamizuddin Khan: Yes, into his own pocket. I discovered very soon that it was not tickets that were being handed over to the ticket collector but small coins. I felt very distressed to see that being done openly and I thought I should take some steps as a Member of the Central Assembly. But a minute later I was told by a fellow passenger that the real cause was that there were no printed railway tickets in the stations and that on account of the rush of passengers it was impossible for the railway officers concerned to write out so many tickets and people, on an understanding travelled without tickets and later on gave money to the ticket collector. That in my mind lightened the offence though I do not think that exonerated the bribe-takers, and I thought that under such circumstances it was futile to do anything. Cannot a thing like that be prevented? Nowadays so many people travel without tickets. If all this could be detected, railway income could have been substantially increased. However, as my time is almost up I would refer to my last point.

The public is really in the dark about what is being done regarding the rail-road co-ordination scheme. Since that scheme was unfavourably decided upon on the floor of the House last year we have heard that the Government has taken a contrary decision, but nothing clear is before the public in this respect. I am told that in the United Provinces as large a sum as Rs. 60 lakhs has been spent in purchasing motor vehicles. Sir, these vehicles are lying idle for the last twelve months. If you want to repair them now probably several thousands or one or two lakhs of rupees will be necessary to make them fit for use. Why should there be this waste of money I want to know. I want to know from the Honourable the Railway Member what is exactly the policy of the present Government regarding this.

Sjt. N. V. Gadgil (Bombay Central Division: Non-Muhammadan Rural): **Mr. President**, I have heard with great attention the speeches that have been delivered today right from 11 A.M. up till now. I have noticed that the criticism has been throughout traditional and if I depart from this I depart not because the political circumstances have changed but I depart from it because I have come to a dispassionate conclusion which I want to lay before this House. I notice in the budget which has been presented by the Railway Member a happy combination of prudence and patriotism. I regret to say that that prudence has been severely criticised but the patriotism has not been adequately appreciated. Everyone of us who has taken part in these debates for several years has certainly done it from one point of view, namely, that we were in opposition and by no stretch of imagination there was any possibility of making our influence felt on the Government decisions or policies. Now, happily for us, this Government on all sides has been accepted as a representative Government. I noticed that strain even in the speeches of those who are sitting on my right hand side. If that is so, we must at least extend a measure of appreciation and try to understand what must have been the difficulties of the Railway Member in framing the budget as he has done.

The first thing that I want to point out, Mr. President, to the House is this that we are under the impression that the finances of the Government of India can be divided into several compartments which must not have any relation one to another. The right approach to the railway budget has been indicated by the Railway Member when he said:

"Further they are almost completely nationalised and their financial stability has, therefore, a large bearing on the financial stability of the Central Revenues and consequently on the economic position of the country generally."

To those who have criticised the slight increase in the rates of passenger and goods traffic today I can assure them that on the 28th of this month they will have not a very agreeable surprise. But it would be wrong to judge that budget separately just as it would be wrong to judge this budget in a different manner, altogether disconnected with the Central system of the Government of India's finances. Assuming for argument's sake that the railways are a commercial concern—undoubtedly they are to some extent, how many members who have taken part in the discussion today have said a word about that very commercial aspect. Every commercial enterprise has to pay something by way of income tax. If that aspect is taken into consideration, it will be found that whatever contributions the Railway Budget would make to the General Budget would not represent the amount which in ordinary circumstances a commercial enterprise of that character would be called upon to pay under the cannons or under the rules of the income tax system. My submission is this—if we look upon this as purely a commercial enterprise let us understand all its implications. It is a commercial concern in the sense that it must be run on business lines. No man who has any acquaintance with business will say that there should be no depreciation fund, that there should be no general reserve and that there must be no bettefment fund. If the Railway Member has made provision for all these and if he finds that having exhausted every possible avenue of retrenchment he cannot consistently with prudence effect any more economies, he must

[Sjt. N. V. Gadgil.]

have then the liberty to increase the income from that enterprise by raising the rates, there is no option. This is not a commercial enterprise in the sense that if it is running at a loss it is to be closed. It is not of that character. If an argument were to be advanced, as some labour representatives have done, that whatever earnings there are from the Railways, they must either go to the reduction of fares or to the payment of the labourers, that would be too tall a proposition. We may not pay as railway users but if there is no contribution from the railway finances to the general finances, then we will have to pay as ordinary taxpayers more than what we are paying today.

Mr. President, I want to submit that every country today is faced with the same difficulty. The Canada Railway Association are asking for an increase of 30 per cent. That demand has been made before the Transport Tribunal in Canada. Similar demand has been made by the U. S. A. Railways for an increase of 25 per cent. in the rates of passenger traffic and goods traffic. Even in Britain the same demand is being voiced. Now, the increase that has been effected in the budget proposals is certainly far less.

Now, the criticism has been made on the lines that there are no conveniences, no amenities and yet there has been an increase in the fares for passengers and goods. So far as the freight rates are concerned I would point out to the House that just as the present Government has inherited many bad legacies it has inherited a system of rate structure which is not calculated or which was never meant to be helpful to the expansion of Indian industries. One criticism which has been always levelled against the rates structure was that it was so framed as to encourage the import of manufactured articles and the export of raw materials. It is for the first time that you will find in this budget that a clear indication of the national government's mind is given—that the rate structure will be so evolved and so reviewed as to help the expansion of Indian industries. Now, as far as the increase in passenger traffic is concerned, I agree that there is no corresponding increase in the amenities but at the same time it has got to be borne in mind that these amenities cannot be made available all too soon. In this connection I want to make one suggestion to the Honourable the Railway Member. He must have seen that in the course of the last ten years and particularly in the last six years there are some definite trends in the matter of trade as well as population movement in this country. He must have noticed that there has been more and more urbanisation of the population. The population of cities has increased and that means more suburban traffic and those who flock to the towns are not necessarily rich men. They are mostly industrial workers, shop assistants and clerks. I would request the Honourable the Railway Member just to consider whether he can exempt suburban passengers from the increase which he proposes. Now, there is another tendency that in the course of the last six years has become evident. Several industrial centres have grown up in connection with the war efforts. We are not yet sure whether they will continue or whether they will cease to exist. We do not know in what way and in what particular regions industrial expansion will take place. Unless that is ascertained, unless that is mapped out, unless something definite is known about it, it is prudent on the part of the Railway Member to estimate that the earnings will not be as great as they were last year. If he has been cautious, certainly he is justified in his caution but I do not think he has been conservative either. I have noticed one criticism about this budget, that the Railway Member has produced a budget which is neither dynamic nor static nor restrictive but a combination of the three; I would rather say that it is its merit. If instead of going ahead recklessly he has shown caution, if instead of remaining static, he has shown signs of progress if instead of being expansive, he has shown some sense of restriction and proper restriction, I would be the last man to dub it as a wrong budget or a wrong approach to the budget. I cannot agree with the general line of criticism for the reasons that I have given. I do submit that

this little increase is necessary, not in the interest so much of running the railways at a profit but it is necessary in view of the general budgetary position which will be made clear on the 28th February.

Reference has been made to the recommendations of the Pay Commission. I happen to be one of the unfortunate members of the same. It is a job which will have little appreciation and much abuse. I am certain of it. I do not think it a breach of confidence if I were to say generally that if those recommendations are accepted by the Government, the addition to the wage bill as far as the Railways are concerned cannot be less than 15 crores. I want to know a single person who has ever accepted any increase in railway fare or any person who has ever accepted increase in any taxation. That man is yet to be born. Therefore this is the beginning to make the country more and more tax minded. I am not a believer in low taxation. I believe in high taxation because I understand that the function of the State is to find employment for every one. Last year when the question of retrenchment came before this House, all of us were very vociferous in insisting that not a single man should be retrenched or if he was to be retrenched, an alternative employment must be found for him. That alternative employment must mean money, the pay bill. You cannot find an alternative employment in a vacuum. Therefore, if you accept this proposition that the full employment of all the citizens in this country is one of the duties of the State—and it is the duty of a modern State—you must not grudge taxation and you must not every time say: Let us have less and less taxation; the modern theory of finance is: let us have more and more taxation. I think this increase in rates is a good step in the right direction to make the people more and more tax-minded. I sympathise with all that has been said about the poor. But the poor do not travel from Delhi to Bombay. They travel short distances of 50 to 100 miles. I think if a concrete suggestion is made that short distances may be exempted from the increase of fare, I have no doubt the Railway Member, with his broad sympathy, will consider it. This is all I have to say.

The Honourable Dr. John Matthai (Member for Railways and Transport): Mr. President, Sir, I have listened with very considerable interest to the discussion which has been proceeding all day on the budget which I have had the honour to present. That discussion has been most welcome to me in many directions. It has been certainly a stimulating discussion; it has been in certain respects an enlightening discussion. But at the same time it is a discussion, which I must confess with some regret, has not led us very far in appreciation of the problems which railway administration raises not only in this country but in every country. One broad impression that I gathered from the speeches that have been made by several Honourable Members is this, that if in this country we are going to carry forward a very big programme, an extensive programme of nationalisation, we are going to be in for very serious trouble. Nationalisation of industries in any country will imply difficulties of various kinds which, apparently, we have yet to size up and to appreciate. This question, for example, of the contribution that we make to the general revenues out of the railway receipts has been referred to by several speakers. It has been a subject of controversy for many years on end. It occurs to me that if instead of our railways being a nationalised undertaking, they had been run all along as a private enterprise, then the revenue that the Government would get in the shape of direct taxation from private enterprise running these railways would certainly disappear. If ever a large field of our industries was going to be nationalised, I think I can assure the House that the problem of taxation would become unmanageable if Honourable Members persist in the ideas they have been putting forward today. I have had a rough calculation of what the position would have been with regard to our own railways if during the period of the war from 1939-40 to the end of the war they had been run as private undertakings. Taking income-tax, excess profits tax and the other forms of taxation on income, the calculation shows that the revenue that we would have got

[Dr. John Matthai.]

would have exceeded the amount that the railways have contributed in the form of contribution to general revenues.

Sir Cowasjee Jehangir (Nominated Non-Official): Has the Honourable Member included the E. P. T.?

The Honourable Dr. John Matthai: Everything. I have been severely taken to task for having in my first budget made this very unpopular proposal to raise to the extent of 6½ per cent. the passenger fares. Supposing we had other nationalised undertakings and had to find revenue for the ordinary civil expenses of the country, would it be possible for us to do that unless we were prepared to introduce on a much bigger scale and in a much severe form the proposal that I have made in my budget? Take Soviet Russia, a country which we in this country are in the habit of admiring a great deal, rightly or wrongly. I do not know if Honourable Members have ever cared to study the budgetary mechanism of the Soviet Government. Every year, according to the financial needs of the country, what is done is to vary the prices of the products manufactured in the nationalised concerns in the country. It seems to me that in the case of a big nationalised undertaking like the railways in India it is certainly necessary for us to consider, as Mr. Gadgil very rightly pointed out, the financial position of the railways in relation to the general financial position of the country.

I am not for a moment trying to argue that this practice of contribution to the general revenues from the railways should continue in precisely the same form in which it has been in existence so far. The Committee which I am going to propose in the course of this session is specifically meant for going into the question of the relation between the railway revenues and the general revenues. It is open to that Committee to make whatever suggestions it considers proper and necessary. If that Committee comes to the conclusion that the system of general contribution should be on a different basis or should disappear altogether the House will have an opportunity of examining the whole position afresh. But today, since this practice has been in existence all these years, I think it is but right that the railways should make their contribution. I have not suggested contribution on an unnecessary or extravagant scale. Actually, the amount that has been suggested is precisely what we had decided to give to general revenues last year. It is an amount which has been fixed in consultation with the Finance Member and has been fixed on as moderate a scale as possible in relation to the possible expenditure that Government would have to meet in the coming year.

A criticism which has been made more than once in the course of the discussion has been that it would not have been wise to postpone raising the fares. That is a matter which I have considered, and on the most careful consideration that I could give to the problem, I came to the conclusion that, on the whole, taking a long view, the wisest thing for us would be to face the increase proposed. I have been asked in the course of the discussion whether on the statement of receipts and expenses that we have put forward there is real justification for this increase. Railways are one of those undertakings in which the bulk of the expenditure—and that is common to many other industrial undertakings—is in respect of labour and of power. Sir, in this country the greatest increases in the level of prices have been in those essential things which constitute the family budget of the labouring population. This is partly because our control of prices has been defective. After all, we are working in this country with an administration which has been in the main concerned with the problems of law and order, with the negative aspects of administration. When the question of control of prices became a live issue, it became necessary to use this somewhat defective organisation for the difficult problem of control of prices and our prices of essential commodities have gone up higher than in other countries we can think of and with them, necessarily wages have gone up. Along with wages, the cost of coal also has very considerably gone up. I can remember

the time in some of the industries with which I have been concerned, before the war, when you could get first rate coal, at pit's mouth for some where about Rs. 4 to Rs. 5. But today you have to pay 2½ to three times that price. Somebody has got to meet this cost. People tell me if you are going to increase the fares, you must provide also a corresponding measure of amenities. Here we are faced with an inevitable increase in costs and how on earth are we going to face it unless we are prepared to raise earnings.

If I am asked to provide for amenities, it is a matter which has to be considered on its own merits. I have been impressed with the demand that the House has made for the provision of further amenities, particularly for our third class passengers. If I may say so, respectfully, the demand that this House has made from time to time for the provision of increased amenities for the lowest class passengers on our railways does a great deal of credit to the House, because there is no part of our travelling public whose interest demands more earnest and urgent attention than our third class passengers, those voiceless millions whose interests would not be adequately looked into unless those who are representatives of the people are prepared to put them forward. I therefore listened with the greatest appreciation to the demand that while we are increasing these fares, we should at the same time take steps to increase the amenities we provide for the lowest class passengers. Actually in the estimates that we have put forward, there is not, I quite admit, as much provided as we might. It is a matter which I am going to have looked into. At present you will notice that in the expenditure we have provided out of the betterment fund roughly a sum of about a crore for the provision of amenities for the travelling public, mostly third class passengers.

Mr. Ahmed E. H. Jaffer: Why not increase it?

The Honourable Dr. John Matthai: That is just the point, whether it would not be possible to raise the standard of amenities provided for third class passengers, beyond what is indicated by the figures in the budget. I am not in a position at present to give any detailed indication of the extent to which we can go, but I would like the House to accept this general assurance that that is a matter which will be a subject of constant anxiety with me.

Sir, there has been a good deal said about the railways being public utility services. My Honourable friend Dr. Ziauddin Ahmad who always brings a fresh and original mind to bear upon these long standing problems took me to task for describing our railways as an industrial concern. I hope he will give me credit for not having described the railways as a capitalist concern. When I said it was an industrial concern, what I meant was that like all business concerns, the railways should make both ends meet. Railways cannot afford to go into debt. Railway expenses and railway receipts must balance. I did not say anything about the profit to be derived from a public utility undertaking like railways. That is a matter for consideration by this House hereafter. But in using the term 'industrial concern', I meant that the expenditure on railways and the revenues to be derived from railways must be properly co-ordinated. When I made this proposal to increase the fares by 6½ per cent. I proceeded on the basis that railways were an industrial concern to this extent and in this sense.

A point that has been raised by several Honourable Members is whether we have not deliberately underestimated the earnings of railways during the budget year. Sir, I am by nature a conservative person. I have had a fairly long working life during which I have sampled life at various points and I have found by long experience that if you err, it is much better to err on the safe side. The best estimate that we could make of our earnings is the estimate put forward in the budget. The various factors involved have been referred to more than once. There is this decline in military traffic which is inevitable. It has not declined during the current year as rapidly as we had expected because demobilisation has not been proceeded quite so rapidly as once we thought.

[Dr. John Matthai.]

The question is how far and how soon would the drop in military traffic be overtaken by the upsurge in civilian traffic. It will be overtaken sometime. It is quite likely it will be. But there is bound to be a time lag and that time lag may last over the year for which we budget. It is necessary that that factor should be taken fully into account. There is also the question, which is by no means to be ignored of the possibility of competition from other forms of transport. We are getting more and more motor vehicles into this country. During the budget year that competition is certainly going to affect the earnings of railways. Taking all these factors into account, we came to the conclusion that anything more than we have estimated would not be a prudent or reasonable estimate.

I have been asked in the course of the debate about the suitability of our reserves the betterment fund, the reserve fund and the depreciation fund. I have been in charge of this department for only a space of four weeks. When Honourable Members take me to task for not having produced an entirely different order of things on our railways since I took charge, I feel a bit indignant at the injustice of the criticism. But I feel at the same time that it was a subtle compliment to me that should be considered possible for me in the course of four weeks to produce a contented labour population, a contented passenger population and a surplus of revenue.

Coming back to this question of our reserve funds, one of the things that I observed as soon as I took charge was that the level at which reserve funds of the railways are standing today would by canons of ordinary business prudence be considered utterly inadequate. I cannot imagine a sound industrial concern with a total capitalisation of 800 crores being satisfied with a reserve of the existing dimension. When people tell me that I can put off paying money into reserve until the situation gets worse and worse, I begin to wonder whether a State and a legislature like ours can handle a large industry on a nationalised basis. It is a serious problem. In the course of a few years from now—I cannot name any exact period—we are going to face difficult problems economically, not merely in this country but in other countries. We shall soon reach a stage when we shall find, even with all the increases that we can think of in our passenger fares, that we shall not be able to put more money into reserve, and we shall have a huge national industry on our hands with little or no reserve to fall back on. If you take a long-term view you will appreciate that in spite of the difficulties with which we are faced today it is our duty to build up the reserves.

Dr. Zia Uddin Ahmad: How much reserve are you contemplating to build up?

The Honourable Dr. John Matthai: I will give that later on; I am just now on the general principle. The Railway reserve fund is a somewhat peculiar fund. The objects of this reserve fund have been defined in the Resolution governing the separation convention. As far as I can judge, it is a fund which is partly an equalisation fund, and partly also a general reserve. The railway reserve fund is mainly intended for the purpose of strengthening the general financial position of the railways—and that is a use to which the reserve fund is generally put in all business concerns. But in addition the railway reserve fund may be utilised for the purpose of reducing fares and rates. It may also be utilised for the purpose of making a contribution to the general revenues. The tax-payer who is the shareholder in this industry gets a dividend that way. If the railway reserve fund is to be regarded not merely as a reserve fund in the ordinary sense but also as a dividend equalisation fund the size of it is even less adequate than you would think otherwise.

With regard to the betterment fund I have not the slightest doubt in my mind that when my predecessors constituted the fund they took a wise step. I have been asked today. "If you want to build houses for your labour and for your inferior staff, provide amenities for passengers and safety appliances for the travelling public, why can't you do it out of revenues?" The point is this. If these purposes are essential purposes, that is to say, purposes for which you cannot put off expenditure under any conditions, is it not a wise, reasonable and prudent thing that you earmark a fund out of your revenues so that sufficient resources for meeting these requirements may be ensured? Providing housing for your people, providing amenities for your passengers, providing for increased safety,—these are purposes which have got to be met. We have been criticised for providing so large a part of the betterment fund expenditure this year on housing. The actual expenditure which we contemplate from the betterment fund on housing is somewhere about 3 or 3½ crores. All that is housing for workmen and for inferior staff,—generally I believe clerks getting less than a hundred rupees. If I am told that is an unnecessary expenditure or extravagant expenditure I must refuse to accept it. I was once in charge of one of the biggest industries in this country which employs about forty thousand people. The programme of housing they have for the next five years is of the order of about a crore of rupees every year. In a big undertaking like the railways with nearly a million men employed, for us to spend about three crores a year is to my mind not merely reasonable but is the very minimum required.

Dr. Zia Uddin Ahmad: Why have a separate fund?

The Honourable Dr. John Matthai: I have explained the reason for that, it is to ensure that the funds required for these essential purposes would be forthcoming as and when you want them.

Sir, some Honourable Members have strongly criticised the plans that we have in mind for further development. There have been two lines of criticism which to my mind seem to cancel out. Why do we spend so much? And why do we not spend more? As this is a question which has a very great deal of bearing on the future of our railways I want to explain what it is that we have in mind. We have provided during the budget year somewhere about 58 crores; out of that we are spending about 54 crores for replacement. The Advisory Planning Board, over which my Honourable friend Mr. Neogy presided, have made some suggestions in regard to development of all kinds. As regards railway development they have suggested that we should in the next few years proceed cautiously because there is a scarcity of essential materials just now and the railways therefore should not make too big a demand upon materials which are in short supply. But they have made a certain qualification, and that is that there should be no stinting of expenditure as far as the development of coal mines is concerned and increasing of despatches from coal mines. We are laying our plans on the basis that the requirements of coal should come first; and I have no doubt that the House will agree that this is a wise course. As regards the rest the line that we take is that there has been much wear and tear on the railways, so much maintenance that was overdue. If the railway services are to be improved, if all the complaints that one receives from time to time are to be met adequately, it is of the highest importance that all this overdue maintenance should be met in the next few years. I submit, therefore, that our development plan is on the whole proceeding on sound lines.

I want to come to the question of amenities. I made a general reference to the fact that this question of providing amenities, particularly for the lower class passengers, is to receive our most earnest consideration. I repeat that. There is one part of it to which we propose to give very early and immediate attention and that is the question of amenities for women passengers in third-class coaches. I want to take that matter into consideration soon. The most important step that we can take in the immediate

5 P. M.

[Dr. John Matthai.]

diate future in regard to the welfare of third-class passengers is to relieve overcrowding. That, I think, is the most obvious handicap from which third class passengers are suffering at present. There are obvious difficulties, difficulties which are almost entirely beyond our control, but we will see to it that the passenger accommodation available on our trains is increased at as early a date as possible.

There have been various other matters referred to. My Honourable friend, Mr. Tamizuddin, raised the question of rail-road co-ordination and I think also my Honourable friend, Mr. Hirtzel. As far as Government are concerned, the position that we have taken in regard to this matter is this: We believe that rail-road co-ordination will help to improve traffic generally by avoiding wasteful competition and by providing convenient and comfortable service. The really important point from a practical aspect—to what extent are the Railways to come into these rail-road schemes? The House may remember that about a year ago the Government of India announced its policy in this matter which was to the effect that there would be a tripartite arrangement, that is to say the Central Government through its Railways, the Provincial Governments and local road operators. We have been inviting suggestions from Provincial Governments. Many of them have replied and on the whole it looks as if the scheme would be on these lines: Where provinces put up provincialized motor schemes, there the Railways would be afforded a share which would be not less than 20 per cent. of the total capitalization. We have received actual proposals from three Provinces—I think Bombay, United Provinces, and Sind. In these proposals in two cases we have 25 per cent. interest and in the third case we have 38 per cent. It is possible also that other schemes may come up hereafter. As you will notice from the estimates that we have included in the Budget, there is a provision for 151 lakhs.

As far as motor transport is concerned, the question of restricting the distance it might travel is still under consideration. A suggestion has been made, as Honourable Members are aware, that motor traffic in goods should be restricted to a distance of a hundred miles; in exceptional cases it might be more; the usual limit should be 100 miles. Criticisms have been made to the effect that that would be undue restriction on motor traffic. The case of America has often been quoted in regard to this. We have had in this country recently two very distinguished road experts from America who went into this very question and examined our position in this regard. I was looking into their report the other day and found the interesting statement that of all traffic by motor trucks, 85 per cent. operates within a radius of 20 miles, so if we restricted goods traffic to 100 miles we should not be putting on our motor traffic an unreasonable limit. There was another interesting point in this report. An actual count was taken on a particular day of the motor vehicles on the big national Highways of America, which disclosed that there were only 400 motor vehicles on these long distance Highway routes on that particular day out of a total of 32 million cars in America which I think indicates that the extent to which we are trying to restrict motor traffic is not unreasonable.

I am afraid I have exceeded my time limit. There are many other points to which I would like to have referred.....

Some Honourable Members: You have not.

The Honourable Dr. John Matthai: I have been asked a number of questions in the course of the debate as to whether we are really in earnest about our economy programme. All that I can say is since I have got to answer questions every other day in this House and to present a Budget to one of the most critical audiences in India once a year, it is not likely that I shall fail to give all the attention that I am capable of to the economy programme of the Railways. We are economizing in the matter of coal. We are strengthen

ing financial control in various directions. With regard to this question of financial control, I think a suggestion was made by one Honourable Member that probably that was simply a way of providing superfluous employment for more people. I have looked into this question with some care in the little time that I have been in charge of this Department. The real point of the arrangements we are contemplating is this: At present there is not enough control that we can exercise from here in the matter of expenditure by the local administrations, for the reason that under the existing structure of demands various kinds of expenditure are put together; fixed expenditure and direct expenditure are lumped together often under the same demand, with the result that if we want to determine what amount of direct expenditure is incurred in regard to a particular quantum of traffic the present structure of demands would not enable us to spot it, which is the main reason for suggesting this alteration in our demands structure. But the criticism has been particularly directed at the provision that we are making in the local administrations. If we want to increase and rationalise the control that we exercise from here, it stands to reason that the local administrations should be placed in possession of the best financial advice that we can give them in order that the primary materials may be prepared with proper care before they come up to us. It is a co-ordinated scheme of that kind that we are contemplating and I put it to the House that it is in the interests of the Indian railways that that scheme should be proceeded with.

One of the questions in connection with this economy programme is that if we are proceeding with these economy measures, and have also all these Committees at work,—the High Power Committee, the Depreciation Committee etc.—cannot we wait until these Committees have reported and the economy programme has made some progress before we increase fares? I do not want to prejudge at this stage what the verdict of these Committees is likely to be. But taking as prudent a view as I can what they can achieve, I have come to the provisional conclusion that while they will be able to achieve much in the way of preventing an increase in our costs, it is not likely, it seems to me from an analysis of our actual expenditure, that they will be able to provide economies on such a scale that we should be able by sheer economy in the next few months to cover the gap in our budget. When I reached that conclusion, it was up to me to provide that the earnings were correspondingly reached. If I did not do that, I would not be a true guardian of the country's interests in the matter.

Various specific proposals have been made regarding improvement in local services and so on. I take it that it will be possible for me in the course of the discussion on the cut motions next week to deal with these matters. It is hardly necessary that I should do so here.

I shall not take up more of your time. I want to thank the House for the very stimulating discussion that I have had the privilege to listen to and I hope next year, if I am long enough in office to present another Railway Budget that I shall not have a less stimulating debate to listen to.

The Assembly then adjourned till Eleven of the Clock on Friday the 21st February 1947.