

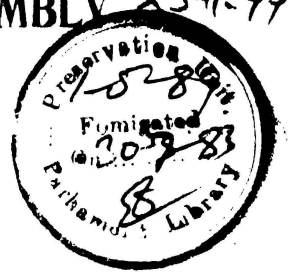
THE  
LEGISLATIVE ASSEMBLY DEBATES  
Official Report

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Volume II, 1947

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

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



# LEGISLATIVE ASSEMBLY

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Sardar MANGAL SINGH, M.L.A.

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# LEGISLATIVE ASSEMBLY

Wednesday, 26th 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.

## STARRED QUESTIONS AND ANSWERS

### (a) ORAL ANSWERS

\*606. [Withdrawn.]

#### SEGREGATION OF INDIANS IN SOUTH AFRICA

†607. \*Mr. Ahmed E. H. Jaffer: Will the Honourable Member for Commonwealth Relations please state whether Government propose to lay on the table of the House a statement showing the number of Indians at present residing in the Union of South Africa and the number of Indians subjected to segregation and other hardships in the Union?

The Honourable Pandit Jawaharlal Nehru: There are about 2,77,000 Indians in the Union of South Africa. About 16,500 Indians residing in the Cape Province are not subjected to any serious statutory disabilities and hardships. All the remaining Indians (that is to say about 2,60,500) who reside in the Transvaal and Natal Provinces are, however, subject to segregation and other discriminatory measures causing hardships. The segregation laws have been actually enforced in areas which have an Indian population of about 1,68,500 and this population may be said to have been subjected to segregation.

#### MR. R. K. NEHRU'S DELEGATION TO THE U. N. O. CONFERENCE ON TRADE IN LONDON

†608. \*Mr. Ahmed E. H. Jaffer: (a) Will the Honourable the Commerce Member be pleased to state whether Government propose to lay on the table of the House a copy of the instructions, if any given to the Indian Delegate Mr. R. K. Nehru attending the U. N. O. Conference on Trade in London?

(b) Have Government received a report from Mr. Nehru on the results of the Conference?

(c) If so, do Government propose to lay it on the table of the House?

(d) Has the Conference agreed on the reduction of Tariff Barriers and the removal of discrimination?

(e) When will the next Conference be held and where?

(f) Do Government propose to give an assurance that all parties from the assembly will be represented?

(g) Do Government propose to appoint in future, a non-official as leader of the delegation instead of an official?

The Honourable Mr. I. I. Chundrigar: (a) Six copies of the brief given to the Indian Delegates have been placed in the Library.

(b) No.

(c) This does not arise at present.

(d) The Committee was in general agreement with the basic principles that members of the International Trade Organization should enter into reciprocal and mutually advantageous negotiations with each other directed to the substantial reduction of tariffs and to the elimination of preferences.

(e) The second Session of the Preparatory Committee of the International Conference on Trade and Employment is scheduled to commence at Geneva on the 10th April 1947.

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†Answer to this question laid on the table, the questioner being absent.

(f) Though the discussions at the Preparatory Committee meeting are to be held at an expert official level, the Government of India are considering the question of attaching non-officials representing different interests, to the Delegation.

(g) I am hoping to be able to lead the Delegation myself.

**COMPLAINTS AGAINST MESSRS TURNER MORRISON & Co., re STRANDING OF PILGRIMS AT JEDDAH**

†609. \*Mr. Ahmed E. H. Jaffer: (a) Will the Honourable Member for Commonwealth Relations please state whether Government had received an urgent cable in November last from Moulana Ismail Ghaznavi from Mecca, complaining against the action of Messrs. Turner Morrison & Co., in instructing their ships to return to Egypt with Egyptian Pilgrims, thereby leaving stranded at Jeddah very large number of Indian pilgrims who should have been previously taken in accordance with the terms of contract?

(b) Has any correspondence taken place between the firm and the Government of India in respect of this matter?

(c) If so, what explanation has been received from the firm in question?

**The Honourable Pandit Jawaharlal Nehru:** (a) Yes a telegram to this effect was received.

(b) Yes.

(c) The shipping company have explained that all the pilgrims who were likely to arrive at Jeddah up to the end of November were adequately catered for, and such delay as occurred in the return of pilgrims was due partly to bad weather conditions and partly to damage caused to one of their biggest ships by a tornado. They have also urged that the transporting of Egyptian pilgrims, without causing undue inconvenience to Indian pilgrims is one of the reasons why they are able to accept the present rates of fares for Indian pilgrims.

**610.\*—612.\*** [Withdrawn.]

**ARREST OF INDIANS IN CONNECTION WITH SATYAGRAHA CAMPAIGN IN SOUTH AFRICA**

**613. \*Pandit Sri Krishna Dutt Paliwal:** Will the Honourable Member for Commonwealth Relations please state—

(a) the number of Indians arrested in connection with Satyagraha Campaign in South Africa till the end of 1946;

(b) the number convicted until then;

(c) the treatment being meted out to the Satyagrahis in the prison;

(d) the progress and the prospects of the Satyagraha movement; and

(e) the assistance being given or proposed to be given by the Indian Government and the Indian people to their nationals in South Africa in this campaign?

**The Honourable Pandit Jawaharlal Nehru:** (a) 1,546.

(b) 1,545.

(c) According to the information received by the Government of India, complaints have been made by passive resisters of undue strictness in enforcing gaol discipline. There is stated to be no distinction in South African prisons between political offenders and criminal prisoners.

(d) The passive resistance movement is still continuing and the leaders of the passive resistance movement have declared their intention of continuing this movement until discriminatory laws are repealed.

(e) The attention of the Honourable Member is invited to the replies to part (b) of question No. 140 asked by Shri Sri Prakasa, on the 1st November

1946, to question No. 64 asked by Babu Ram Narayan Singh on the 5th February 1947 and to question No. 501 asked by Sardar Mangal Singh on the 22nd February, 1947.

**Sardar Mangal Singh:** May I know whether the Government of India wrote directly to the Union Government or through His Majesty's Government to get information about the condition of prisoners?

**The Honourable Pandit Jawaharlal Nehru:** We got the information from our Agent. The High Commissioner has come back, but his Assistant is still there and he supplies with this information which he obtains in South Africa.

#### FRONTIER POLICY OF GOVERNMENT OF INDIA

**614. \*Pandit Sri Krishna Dutt Paliwal:** Will the Honourable Member for External Affairs please state:

(a) whether Government have finally decided their policy about the frontier; if so, what; and

(b) the nature and extent of the change in the situation as a result of that new policy?

**The Honourable Pandit Jawaharlal Nehru:** (a) and (b). No final conclusions have been reached. As the Advisory Committee of the Constituent Assembly will presumably deal with Tribal Areas, it is proposed to await the report of that Committee before any final conclusions are reached. The general policy aims at the well-being of the Tribal Areas and the maintenance of peace. While this objective is clear the means to achieve it have to be carefully considered.

#### GOVERNMENT'S RELATIONS WITH FAKIR OF IPI.

**615. \*Pandit Sri Krishna Dutt Paliwal:** Will the Honourable Member for External Affairs please state:

(a) whether Government have established friendly relations with the Fakir of Ipi by now; and

(b) whether Government have received any communication from the Fakir in this connection.

**The Honourable Pandit Jawaharlal Nehru:** (a) I have nothing to add to the reply which I gave to the Honourable Member's question No. 147 at the meeting of this Assembly on the 1st November 1946. Government are desirous of maintaining friendly relations.

(b) No.

#### DELAY IN PUBLICATION OF COMMERCIAL JOURNALS BY THE GOVERNMENT OF INDIA

**616. \*Mr. Vadilal Lalubhai:** (a) Will the Honourable the Commerce Member please state how many commercial and other publications are published by the Government of India in the Commerce Department directly or through other Departments such as that of the Economic Adviser and Commercial Intelligence and what are their titles?

(b) Which are the latest published issues of the same?

(c) Is it a fact that many important and informative journals of the Government of India are published when they are out of date?

(d) What is the reason for the delay in publishing these journals which reduces the usefulness of these publications?

(e) Have the Government taken or propose to take any steps to have these publications published regularly and in time?

**The Honourable Mr. I. I. Chundrigar:** (a) and (b). I lay on the table a statement giving the information in respect of the periodical publications of this Department.

(c) and (d). There has been some delay in the issue of most of the publications, owing mainly to (i) the dislocation and accumulation of work during and after the War, (ii) Labour unrest in the Presses, and (iii) delayed transmission of relevant statistics from reporting authorities.

(e) The matter is already engaging attention and efforts are being made to overtake arrears and reduce the time-lag.

Statement showing

periodical publications of the Department of Commerce.

List of publications (1)	Latest issues (2)	Remarks (3)
<b>WEEKLY</b>		
(1) Indian Trade Journal . . .	20th February, 1947 (Published on Thursday).	....
Statistics of Rail and River-borne Trade Weekly arrivals and despatches of certain staple commodities into and from selected trade centre.	Four weeks from week ending 22-9-45 to w. e. 13-10-46.	The issue for four weeks from week-ending 20th October 1945 to week-ending 10th November 1945 (combined) is passing through the Press. Compilation of data upto the w. e. 7th September 1946 is ready.
(3) Indian Market Review . . .	22nd February 1947	....
Foreign Market Review . . .	24th February 1946	....
<b>MONTHLY</b>		
(5) Accounts relating to the Seaborne Trade Navigation British India.	May, 1946	The issue for June, 1946 is passing through the Press. Compilation of data upto the month of September 1946 is ready.
(6) Monthly Statistics of the Cotton Spinning & Weaving in Indian Mills.	February and March 1946 (combined).	The issue for April and May, 1946 (combined) is passing through the Press.
(7) Monthly Statistics of the Production of certain selected Industries of India.	December, 1944 to March, 1945 (Combined.)	The issue for April and May, 1945 is passing through the Press.
(8) Indian Customs and Central Excise Revenue.	January, 1947	....
(9) Joint Stock Companies (registered in British India and in the Indian States of Hyderabad, Baroda, Mysore, Travancore and Cochin.	July, 1944	The issues for August and September, 1944 are passing through the Press. Compilation of data upto December, 1944 is ready.
(10) Trade at stations adjacent to Land Frontier Routes.	January, 1944	The issue for February, 1944 is passing through the Press. Compilation of data upto December, 1944 is ready.
(11) Raw Cotton Trade Statistics (Rail & River).	September 1945	The issue for October 1945 is passing through the Press. Compilation of data upto August, 1946 is ready.

List of publication (1)	Latest issues (2)	Remarks (3)
(12) Exports of Indian Artware and Sports goods.	....	The publication was temporarily discontinued after the issue of December, 1939 and is now being re-published. The March, 1946 issue is passing through the Press.
(13) Trade Statistics relating to the Maritime States in Kathiawar and the State of Travancore.	March, 1945 . .	The issue for April, 1945 is passing through the press. Compilation of data upto December 1945 is ready.
(14) Accounts relating to the Coasting Trade and Navigation of British India.	August, 1944 . .	The issue for September, 1944 is passing through the press. Compilation of data upto June, 1945 is ready.
(15) Monthly Statement of wholesale price of certain selected article at various centres in India.	June, 1945 . .	The issue for July, August and September, 1945 (Combined) is passing through the press. Compilation of data upto December, 1945 is ready.
(16) Accounts relating to the Inland (Rail and River-borne) Trade of India.	August, 1944 . .	The issue for September, 1944 is passing through the press. Compilation of data upto July, 1945 is ready.
(17) Trade Marks Journal . .	1st February, 1947	....
(18) Monthly Survey of business Condition in India.	March, 1946 . .	....
<b>QUARTERLY</b>		
(19) Statutory and Other Notices.	Quarter ending March 1945.	....
<b>ANNUAL</b>		
(20) Annual Statement of the Seaborne Trade of British India with the British Empire and Foreign Countries Vols. I & II.	Vol. I—1942-43 and 1943-44 (combined) Vol. II—1939-40.	The issue for Vol. II for 1941-42 to 1943-44 (combined) covering figures for five years ending 1943-44 is now passing through the Press.
(21) Statistical Abstract for British India.	1939-40 . .	The issue for 1940-41 is now passing through the press.
(22) Agricultural Statistics of India, Vols. I & II.	Vol. I—1938-39 . Vol. II—1938-39 .	....
(23) Agricultural Statistics of British India (Provisional).	1942-43 . .	Issue for 1943-44 is passing through the press.
(24) Estimates of Area and Yield of Principal crops in India.	1940-41 . .	Combined issue for the three years ending 1943-44 is passing through the press.
(25) Indian Tea Statistics . .	1940 . .	Compilation of data for the combined issue for two years 1941 and 1942 is ready.
(26) Indian Coal Statistics . .	1943 . .	....

List of publications (1)	Latest issues (2)	Remarks (3)
(27) Indian Rubber Statistics .	1941 & 1942 (Combined).	....
(28) Indian Coffee Statistics .	1940-41 .	Compilation of data for the (combined issue for two years 1941-42 and 1942-43 is ready.
Cotton pressing factories with names of owners and particulars of marks allotted to them in the different provinces of British India and in certain Indian States.	1941-42 and amendments for 1942-43.	Compilation of data for the issue for 1943-44 is ready.
(30) Joint Stock Companies in British India, and in the Indian States of Hyderabad, Mysore, Baroda, Gwalior, Indore, Travancore and Cochin.	1938-39 . .	The issue for 1942-43 containing figures for four years 1939-40; 1942-43 is passing through the press.
(31) Indian Customs Tariff .	27th Issue . .	Also issued as Supplement to the Indian Trade Journal.
(32) The Review of the Trade of India.	1943-44 . .	....
(33) The Indian Insurance Year Book.	1946 . .	....
(34) Register of Accountants .	September, 1946 .	....
(35) Prospectus of the Indian Mercantile Marine Training Ship "Dufferin"	1946 . . .	....
BIENNIAL		
(36) Large Industrial Establishments in India.	1942 . . .	The issue for 1944 is passing through the press.
QUINQUENNIAL		
(37) Quinquennial Report of the average yield per acre of principal crops in India.	1936-37 . .	....
(38) Live-Stock Statistics, India .	1940 . . .	The issue for 1945 is passing through the press.
(39) Quinquennial Catalogue of the Commercial Library.	Part I—corrected upto 30th April 1932. Part II—brought upto April, 1941.	Revised edition will be sent to the press shortly.

List of publications (1)	Latest issues (2)	Remarks (3)
<b>OTHER PERIODICALS</b>		
<b>(40) Crop forecasts :</b>		
(i) Rice—1st, 2nd and Final		
(ii) Wheat—1st, 2nd, 3rd, 4th and Final.	(ii) Wheat and (iv) Linseed, Rape and Mustard for 1945-46.	
(iii) Cotton—1st, 2nd, 3rd, final and supplementary.		
(iv) Linseed, Rape and Mustard—1st, 2nd and Final.	For other crops, only 1st and 2nd forecasts for 1945-47 have been issued so far.	
(v) Sesamum, 1st, 2nd, final and supplementary.		
(iv) Groundnut—1st, 2nd and final.		
(vii) Castor seed—February .		
(viii) Sugarcane—1st, 2nd and final.		

**Mr. Vadilal Lallubhai:** Is the Honourable Member aware that statistical abstracts are not available for the last five years?

**The Honourable Mr. I. I. Chundrigar:** It was decided that certain publications should be suspended because of shortage of paper and the question of resuming publication is under consideration.

**Mr. Vadilal Lallubhai:** Does the Honourable Member think that statistical abstracts are not important?

**Mr. President:** Order, order, that is a matter of opinion.

**Mr. Vadilal Lallubhai:** Is the Honourable Member aware that monthly statistics of sea-borne trade, statistics of price of cotton etc., are not available for the last twelve months?

**The Honourable Mr. I. I. Chundrigar:** I have explained the reasons which led to the stoppage of these publications.

**Mr. Vadilal Lallubhai:** Does the Honourable Member consider that twelve months delay is not a long delay?

**Mr. President:** That is a matter of opinion. Next question.

#### URANIUM AND THORIUM DEPOSITS IN INDIA

**617. \*Mr. Tamizuddin Khan:** Will the Secretary of the Works, Mines and Power Department be pleased to state:

(a) the places where Uranium and Thorium deposit have been discovered in India;

(b) whether Government have any plan with regard to these deposits;

(c) in whom their proprietary rights are vested;

(d) the steps taken to prevent foreign exploitation of these deposits; and

(e) whether any legislation is contemplated with regard to these?

**Mr. B. K. Gokhale:** (a) A statement is laid on the table giving the names of places where Uranium and Thorium bearing deposits have been discovered in India.

(b) An Atomic Research Committee has been formed under the Chairmanship of Prof. H. J. Bhaba. It is also proposed to establish a Uranium Unit under the Geological Survey of India in charge of Dr. M. S. Krishnan. It will be for these two organizations to work out some plan in due course.

(c) It is not possible to give a reply to this question without detailed investigation of each particular property; but generally speaking, proprietary rights in minerals belong to the State so far as Indian States and certain provinces are concerned, while in other places proprietary rights are claimed by private parties. Each case has, therefore, have to be examined on merits by the Provincial Government or State concerned.

(d) and (e). So far as British India is concerned, the export of Uranium, Monazite and Thorium is at present controlled under the Commerce Department Export Control Notifications which will continue in force upto the 25th March 1947. The other points raised are now under consideration.

#### *Statement*

There have been small occasional finds of specimens of uranium-bearing minerals from the Abraki Pahar Mica Mines and from Pichhli in the Gaya District, from Sungri in Singhbhum District, from the Sankara and Kodandarama Mica Mines and from Tummalatalupur in the Nellore District, from near Vaiyampatti in the Trichinopoly District, from Yedur in Mysore, from Thadagay Hill in Travancore and from Bisundni in Ajmer-Merwara.

Monazite, one of the thorium-bearing minerals, occurs in the Beach Sands in Travancore State and in the coastal areas of the Madras Presidency and Orissa.

**Mr. Tamisuddin Khan:** Will the Honourable Member be pleased to state the names of places in the list? If the list is not a long one, he might give the names of places on the floor of the House.

**Mr. B. K. Gokhale:** The list is fairly lengthy. Some of the names are difficult to pronounce. If you want me, Sir, I shall read it.

**Mr. President:** It need not be read now; it may be referred to later on.

#### REPORT OF THE INDIAN DELEGATION TO THE SECOND PART OF FIRST SESSION OF GENERAL ASSEMBLY OF UNITED NATIONS.

**618. \*Mr. M. R. Masani:** Will the Honourable Member for External Affairs please state whether Government propose to lay on the table of the House a copy of the Report submitted to them by the Indian Delegation to the second part of the First Session of the General Assembly of the United Nations held in October—December 1946?

**The Honourable Pandit Jawaharlal Nehru:** The report in question has not yet been submitted to Government. It is expected very shortly and a copy will be laid on the table as soon as it has been printed.

**Mr. M. R. Masani:** Is the Honourable Member aware that the Report on the work of the United States Delegation to the U. N. Assembly was submitted to Congress by President Truman on 6th February, and will the Honourable Member please expedite the submission to this Assembly of the Report of the Indian Delegation on their work at the U. N. Assembly?

**The Honourable Pandit Jawaharlal Nehru:** Is the Honourable Member referring to the report of the last Session?

**Mr. M. R. Masani:** Yes, it is for the same session that the United States Delegation has already submitted its report, and it was also presented to Congress by President Truman on 6th February.

**The Honourable Pandit Jawaharlal Nehru:** I am not aware that President Truman sent the report to the Congress, but I shall certainly expedite our report as far as I can.

**Mr. M. E. Masani:** Will the Honourable Member also kindly take steps to place in the Library of this House a copy of the Journal of the United Nations containing the proceedings of the Session from October to December last year, which otherwise are not available to Honourable Members of this House?

**The Honourable Pandit Jawaharlal Nehru:** I shall certainly try to do that. I am not quite sure how many copies are available. I believe there is a copy in the External Affairs Department. Normally we should not like to part with it, but I hope the Library of the Legislative Assembly Department will subscribe to these Journals. I do not know why they should not get them direct. Anyhow I shall try to do my best.

TRADE RELATIONS OF NEPAL WITH FOREIGN COUNTRIES.

†619. **\*Mr. Madandhari Singh:** Will the Honourable the Commerce Member be pleased to state whether Nepal is under the Government of India for her imports, exports and trade dealings with other countries?

**The Honourable Mr. I. I. Chundrigar:** The Honourable Member presumably wants to know whether Government of India control the import and export trade of Nepal. If so, the answer is in the negative.

CREATION OF AN EMBASSY IN NEPAL.

†620. **\*Mr. Madandhari Singh:** Will the Honourable Member for External Affairs be pleased to state whether the Government of India propose to create an embassy in Nepal?

**The Honourable Pandit Jawaharlal Nehru:** The Government of India have not yet reached a decision regarding the establishment of a diplomatic Mission in Nepal.

SHORT NOTICE QUESTION AND ANSWER.

TAKING OVER OF D. E. S. T., CO. LTD., AND THE QUESTION OF DISTRIBUTION OF ELECTRICITY IN DELHI BY D. C. E. P. A. AND THE MUNICIPALITY.

**Lala Deshbandhu Gupta:** Will the Secretary of the Department of Works, Mines and Power be pleased to state:

(a) whether Government are aware that the Delhi Central Electric Power Authority is taking over the generation and distribution of electricity hitherto done by the Delhi Electric Supply and Traction Company Ltd., in Old Delhi Municipal Area with effect from the 2nd March, 1947, and that an agreement has already been worked out to that effect in consultation with the Government of India;

(b) whether Government are aware that the Delhi Central Electric Power Authority, as at present constituted, will not be able to continue to charge the same rates as are being charged for electricity in the Delhi Electric Supply and Traction Company, Ltd., areas of supply and after deducting its cost of production and distribution to hand over the balance to the Delhi Municipal Committee;

(c) whether New Delhi Municipal Committee, being a distributing Licensee, is able to buy electricity in bulk from the Delhi Central Electric Power Authority and distribute through its own organisation in its area and thereby make a substantial profit which goes towards the general revenues of the Committee;

(d) whether Government's attention has been drawn to the resolution passed recently by the Delhi Municipal Committee to apply for the grant of a distributing License for its area and to be treated alike in this matter as the New Delhi Municipal Committee; if so, whether Government propose to consider the application of the Delhi Municipal Committee, or in the alternative, to under-

†Answer to this question laid on the table, the questioner being absent.

take to run the entire distribution system through the Delhi Central Electric Power Authority, which is already empowered to take over the Delhi Electric Supply and Traction Company, Ltd., as a going concern and pass on that part of the profits that it makes in each of the Municipal areas, which are served *pro rata*, to the Municipal Authority concerned and if not, why not;

(e) whether Government are aware that the Delhi Central Electric Power Authority is a purely nominated body and has no representative of the Delhi Municipal Committee on it; and

(f) whether Government propose to fill up the seat which was hitherto held by the representative of the Delhi Electric Supply and Traction Company, Ltd., after the said Company has been taken over by the Delhi Central Electric Power Authority?

**Mr. B. K. Gokhale:** (a) Yes, Sir.

(b) Government are not aware that the Delhi Central Electric Power Authority contemplate any alteration in the rate schedules fixed by the Delhi Electric Supply and Traction Co. Ltd., The question of amending the constitution of the Delhi Central Electric Power Authority to include retail distribution of electricity is under consideration. The question of handing over any balance to the Delhi Municipal Committee does not arise.

(c) Yes, Sir.

(d) Government have seen a statement to this effect in the press. When the Resolution comes up to Government through proper channel, it will be duly considered.

(e) The Delhi Central Electric Power Authority, Ltd., is a private company with seven members, of whom two are nominated by Government; the other five being appointed by their constituencies either by election or nomination, as the case may be. The Delhi Municipal Committee is entitled to elect or nominate one representative, but has so far refused to do so.

(f) The matter is under consideration.

**Lala Deshbandhu Gupta:** Is it a fact that out of the six non-official Directors of the Delhi Electric Power Authority four are Europeans and two are Indians?

**Mr. B. K. Gokhale:** I have not got the names but probably that is correct.

**Lala Deshbandhu Gupta:** Is it a fact that there is no representation either of the taxpayer or of the general consumer on this body?

**Mr. B. K. Gokhale:** The seven members represent (1) the Delhi Municipal Committee (2) the New Delhi Municipal Committee (3) the Punjab Chamber of Commerce (4) the Delhi Electric Supply and Traction Co., Ltd. (5) The Delhi Factory Owners' Federation (6) a nominee of the Governor General in Council, and (7) a nominee of the Commander, Delhi Independent Brigade Area as representing the interests of the military consumers.

**Lala Deshbandhu Gupta:** Does the Honourable Member therefore agree that there is no representation either of the taxpayer or of the general consumer on this body and these Directors are not responsible to the shareholders and their liability is limited to Rs. 50?

**Mr. B. K. Gokhale:** As I explained, this is a private company registered under the Companies Act and I have mentioned the names of the seven representatives, two of them are elected by the municipal bodies and some others by the Chamber of Commerce and others whom I presume represent the consumers in various forms. Some represent military consumers and some represent civil consumers; and the representative of the Factory Owners' Association represents the industrial consumers. So they do represent consumers directly or indirectly.

**Lala Deshbandhu Gupta:** Why did the Delhi Municipality non-co-operate with this body and not send its representatives?

**Mr. B. K. Gokhale:** The company was formed in 1938 and I believe the Delhi Municipality always refused to send their representative because they were only given one seat against two claimed by them.

**Lala Deshbandhu Gupta:** In view of the fact that the Delhi Electric Supply and Traction Co. will no longer be a constituent of this body and one seat will fall vacant will Government consider the desirability of ending that deadlock and giving another seat to the Delhi Municipality?

**Mr. B. K. Gokhale:** I said that the question is under examination, but I cannot commit Government to give that seat to the Delhi Municipality.

**Lala Deshbandhu Gupta:** Is it a fact that these Directors or so-called Directors enjoy unlimited powers and the accounts of the D.C.E.P.A.P. are not subject to the usual control which is exercised by Government over municipalities or other statutory bodies?

**Mr. B. K. Gokhale:** I explained that this is a private company registered under the Companies Act and they have got their Memorandum and Articles of Association. I can lay a copy on the table if desired, and the Honourable Member can draw his own inference as to the check exercised by Government. Out of seven members, two are Government nominees and the other five are nominated by other people.

**Lala Deshbandhu Gupta:** Is it not a private company only in name and the capital is entirely that of Government?

**Mr. President:** That is an argument and not asking for information. What information does the Honourable Member want?

**Lala Deshbandhu Gupta:** Is it a fact that the expenses of the D.C.E.P.A. have gone up considerably and its administration is top-heavy. Is it also a fact that the salary bill comes to a lakh per year?

**Mr. President:** Order, order. I do not think these questions are admissible.

**Shri Mohan Lal Saxena:** Will Government consider the desirability of nationalising or taking this company over?

**Mr. B. K. Gokhale:** I can only say that I will put up the matter before Government. But I may also explain that under the Electric (Supply) Bill introduced in this House last year, it would have been possible for Government to set up an electricity board for Delhi province. Unless and until that Bill is passed, it was not possible to set up a trading corporation and therefore Government decided that the best way was to have a private company registered under the Companies Act. Although it is a private company it is to a very large extent under Government control. But I will certainly put up the matter again before Government for consideration.

**Lala Deshbandhu Gupta:** Will Government consider the question of putting New Delhi and Old Delhi on the same basis, so far as the distribution of electricity is concerned in their respective areas?

**Mr. B. K. Gokhale:** That does not arise. I have said that all these points are now under consideration; I cannot go any further.

**Lala Deshbandhu Gupta:** Is it a fact that the Delhi Municipality has already applied for a license and the application is with Government?

**Mr. B. K. Gokhale:** It has not reached me, Sir.

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#### MESSAGE FROM THE COUNCIL OF STATE.

**Secretary of the Assembly:** Sir, the following message has been received from the Council of State:

"The Council of State at its meeting held on the 25th February, 1947, agreed without any amendment to the following Bills, which were passed by

the Legislative Assembly at its meetings held on Monday, the 3rd, Wednesday, the 5th and Monday, the 10th February, 1947, namely:—

1. A Bill for the more effective prevention of bribery and corruption.
2. A Bill further to amend the Indian Extradition Act, 1903.
3. A Bill further to amend the Coffee Market Expansion Act, 1942.
4. A Bill further to amend the Factories Act, 1934.
5. A Bill further to amend the Indian Railways Act, 1890.
6. A Bill to regulate certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion.
7. A Bill further to amend the Indian Navy (Discipline) Act, 1934.
8. A Bill to provide for the completion of recovery of the temporary excise duty on sugar."

### INDIAN TRADE UNIONS (AMENDMENT) BILL

#### PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

**The Honourable Shri Jagjivan Ram** (Labour Member): Sir, I present the Report of the Select Committee on the Bill further to amend the Indian Trade Unions Act, 1920.

### THE RAILWAY BUDGET—LIST OF DEMANDS

#### SECOND STAGE—contd.

#### DEMAND NO. 1—RAILWAY BOARD—contd.

##### *Capacity of Indian Railways to meet Transport needs of the Country.*

**Mr. President:** The House will now proceed to consider the various cut motions. May I know whether in view of the early termination of the Question Hour it is proposed to stick to the time table? The other day there was some complaint on behalf of the unattached members that the time allotted to them was insufficient.

**Mr. P. J. Griffiths** (Assam: European): We are quite willing to give up half an hour which may be allotted to the unattached members.

**Shri Mohan Lal Saksena** (Lucknow Division: Non-Muhammadan Rural): There is one cut motion on which the Government have now got an opportunity of giving a reply. Some time may be set apart for that; it was standing over from day-before-yesterday.

**Mr. President:** That would be outside the agreement. I take it that the European Group will carry on up to 8-30.

**Mr. W. M. Martin** (Bombay: European): Sir, I move:

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

Sir, in discussing the capacity of the present and future in regard to the Indian Railways, I would like to assure the Honourable Member for Transport that I do fully appreciate the difficulties that the Railways today have to contend with. We are quite aware of labour troubles, steel shortages and wood and other shortages, so that in making my criticism, I would like to assure the Honourable Member that I am bearing all his troubles in mind. In discussing the capacity of the Railways I think it is fairly obvious that it must be divided into the long term policy and the short term policy. I think the long term policy is a fairly simple one and I would only ask two questions: Whether the present passenger traffic is going to be maintained and whether there would be the same demand for goods freight. The questions are easy, but the answers may not be so easy. In my opinion the passenger demand has certainly come

to stay. The Honourable Member said yesterday, Sir, that more money and more leisure was having the effect of making people more travel-minded and I feel that as it is the policy of this Government and the Provincial Governments to increase the standard of living I think it certainly can be taken for granted that with an increased standard of living the people will get even more travel-minded than they are today.

With regard to the freight traffic, that, Sir, is not quite so easy to answer. It depends very largely on the pace of the industrialization of this country. I am going to leave the long term policy and to get on to the policy which interests us more and that is the short term policy. Now I have taken a great deal of trouble to examine the Railway Board's Reports for the purpose of comparing the railway capacity in 1939 and in 1945, and I am aware that it is rather dangerous to prove ones points on figures and even more dangerous on statistics and it is just as easy to disprove what one has tried to prove by almost the same figures. With regard to the capacity in 1939 compared to 1945 the freight carried in 1939 was 86.4 million tons over 25.159 million miles, and the average was 256.2 miles per ton. In 1945 the freight carried was 101 million tons over 28.410 million miles at average of 279.3 miles per ton. That, Sir, is approximately  $17\frac{1}{2}$  per cent. increase. I understand, and I believe that in 1946, that is the year under review, the amount of freight carried was not as much as in 1945. It would be interesting to hear from you what you estimate to be the freight demand for the coming year.

Another point is that wagon usage was 40 miles per day in 1939 and also 40 miles per day in 1945. An interesting point is that in 1939 the average wagon usage included those that were standing and stabled, and in those figures there is an allowance for 10,000 wagons having laid idle for two months and this figure went up to as high as 18,000 at one time.

Load per train (steam) in 1945 was 460 tons and in 1939 380 tons, and speed of a goods train—that is not quite so easy—in 1945 is stated to be 10 miles an hour, but I cannot find any figures for 1939. I gather that the average speed was round about 15 miles an hour. The point I am trying to make is this: We are told that the capacity today is 30 per cent. more than it was in 1939. If the freight moved in 1946 was less than 1945, which was only  $17\frac{1}{2}$  per cent. higher than in 1939, am I not right in assuming that today there should be no shortages of wagons, but, Sir, there are shortages and there is certainly great difficulty—not of course as great as it was—in getting ones goods moved. I think I can anticipate your rely to that point, and that is, as you stated yesterday, that a good deal of wagon reserve had to be kept for the movement of grain. That is quite as it should be, but the point I want to make is that it seems wrong—looking to the future and in regard to the capacity of the Indian railways to meet the transport needs of the country—that the whole of the commercial movement should be held up on account of some sort of crisis in this country. I therefore suggest, Sir, that in looking to the future there should be a pool of wagons which should be kept for emergency purposes. There are lots of things that might happen in this country: shortage of food, shortage of coal and difficulties in times of flood, when it is necessary to rush wagons to the various parts that are affected. The point is that after the railways have met the demands of commerce and industry in this country, there should certainly be some means of preventing any crisis interfering with the commercial trade of the country. I think I have tried to point out in my comparisons of 1939 and 1945 that the wagon miles was about the same. The increase of  $17\frac{1}{2}$  per cent. has now been made up by 30 per cent. of more general service wagons in operation today. The speed of the trains has certainly slowed down, and I think one of the troubles is that the wagons are not being used as extensively as they should.

In order to be constructive, I think that it is necessary that the railways should first of all create a pool of emergency wagons: that it is most essential

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that the speed of the trains should be increased: that there should be a quicker turnover of wagons: that there should be a strategic placing of wagons so that if they are so placed it means if there are any special demands from any part of India these wagons can get there as quickly as possible in order to relieve congestion.

I am going to leave the wagons alone for the moment and to get on to one or other things which are relevant to the Indian railways. In the handling of goods a good deal of speeding up is required there. I think there is one thing which can be speeded up and we can take a lesson from the war, and that is the use of mobile cranes. At present a lorry drives in with its 10 bales of cotton and a team of coolies come along and probably take the best part of an hour or one and a half hours to unload that lorry. If one had these motor-cranes, it is more than likely that that lorry would have unloaded in half an hour. I think another thing that wants speeding up is the settlement of claims. I notice in the statistics that the time taken to pay claims varies from 40 to 188 days. An extraordinary thing is that the railway which pays its claim in 40 days has 77,000 claims against the railway 12,000 claims which takes 188 days. It looks as if the railway with the larger quantity of claims is more efficient than the railway which takes longer. The reason why I mention this question of claims, is, because it does cause a great deal of dissatisfaction amongst the public. After all, Sir, it would pay the railway, at any rate, to please a few of the people some at a time. If out of 10 claims one is genuine, and it can be paid quickly, then do so and at least have one satisfied customer if you have to keep the other nine waiting.

I will now deal briefly with passenger service. I do not think there is any doubt whatever that this country has to face up to a very radical change in the manufacture and supply of passenger carriages. The project of manufacturing locomotives and rolling-stock in this country is very excellent and very laudable and we are all very glad to see it. But, Sir, you or your successor will be shot at for years to come unless something is done quickly to relieve the congestion of the passengers carried. I would suggest that it is most important that from somewhere you should obtain as much rolling-stock for passenger carrying as quickly as possible. I think the policy should be not what it costs but from where you can get it quickly; whether it is from Russia or the United States of America or any other foreign country it should be got as quickly as possible, until such time as you are able to manufacture all one's requirements in this country.

I think there is another important point, and that is that most countries have realized the value of tourist traffic. I think in your future programme of carrying capacity you should include the building of observation cars and of saloon carriages which is going to impress the foreigner. After all, the foreigner comes here to spend money and I think for the good of the country. The more that you can attract the better it will be for the state of the finances of this country. Therefore, Sir, I repeat that in your programme this should be given consideration.

I am going to finish up with a very brief reference to the potential passenger that you are not carrying. One presumes in this enormous country, the only citizen who is interested in the railways is the man who lives within hailing distance of a railway. There are many millions of potential travellers in various parts of India which I do not think that the rail can ever serve. I think that it is most essential that the Railway Board, considering their future plans, should consider as well the development of roads and the bringing in of the development of rail-road transport. I do not think, Sir, that you need worry about competition. The ordinary third class fare on the railway is very much

lower than I think it is ever likely to be on a bus. But, supposing for the sake of argument that the railways do feel competition. We should remember that every department of the Government is part of a family and where possibly the railways might lose some other part of the Government will benefit, I think, a much larger income will be received from taxation from motor transport. Another department will get a tax on petrol, tyres, trucks and licenses, so that if it did come about that the railways lost income due to road transport competition, I think that another department of the Government would make this up. I would therefore be interested, if when the Honourable Member replies, he would let us have exactly an idea what he as well as those who advise him feel with regard to the future development of roads in this country and of rail-road transport.

Sir, I move:

**Mr. President:** Cut motion moved:

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

**Sjt. N. V. Gadgil** (Bombay Central Division: Non-Muhammadian Rural): Sir, it is very clear that the present equipment of the Indian railways is not enough for the transport needs of this country. That fact has been substantially admitted even by the railway authorities. Not only this but in the speech of the Honourable the Railway Member he held out no great hope about meeting adequately the needs in this connection in the immediate future.

Sir, every country requires an adequate, efficient and cheap system of transport. There is a certain optimum which has got to be kept in view and provided for in terms of population, production and trade. If such a basis were to be laid down, I am sure the railways of this country will show a great lag, they are far behind the requirements of the country.

Mr. President, in the course of the last ten years many factors have come into existence, which augment this lag further. There has been an increase of population. Owing to the war there has been an increase in production also and hence an increase in trade and an increase in employment in the country. These four factors are the basic factors which generally determine the needs of the transport system in any country. When one looks at our railways and what it has done in the past so many years, I think nobody will accuse the Indian railways at least of efficiency. So far as adequacy is concerned, its absence is also an admitted fact. I do concede that they are in a way a cheap system of transport. But what we are concerned with today is not so much the cheapness of the transport as with its adequacy. In this connection we have seen in the course of this debate and also outside that there has not been enough facilities for the passengers, nor enough wagons to carry the goods from one part of the country to another. Ordinarily this state of affairs would have been a little too much to bear but when this country has accepted a system of rationing of foodstuffs and other essentials on a very large scale and practically in the major part of the country, the transport system of this country assumes much more importance. Any break down in the transport system means a break down in the entire system of rationing. If there had been no rationing the problem of transport would not certainly have become so important. Therefore what I am greatly interested in today is to see that at any rate the transport system works in a manner so as to keep the rationing system in perfect order and if possible, to improve it.

Sir, I have said that railway transport facilities in this country are inadequate and so one would naturally look to some constructive suggestions. Yesterday, while speaking about the amenities of the third class passengers I suggested that in view of the fact that the railway authorities are unable to manufacture enough coaches in the near future, they should seriously consider requisitioning whatever material may be released or may have been released by the military department and enlist this to serve the passenger traffic. I

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do not want to be dogmatic about the particular method of doing it—whether it should be done as a state concern or on the principles of a tripartite agreement to which reference was made by the Honourable the Railway Member or whether it should be left to private enterprise governed by a sort of regulatory system. I am not keen on any of these methods but what I am keen on is that there must be adequate facilities for passenger traffic.

In the course of his reply the Honourable Member discussed at some length about the additional purchasing power which at present remains in the hands of the masses and if there is at the same time a sort of rationing of articles or commodities, naturally this additional purchasing power must have some outlet, and he suggested that as a result of this there has been greater resort to railway travel as also to drink and certain other things like visiting cinemas, etc. Mr. President, you will be surprised to learn that before the war started the excise revenue of the Bombay Presidency was near about 150 lakhs but in 1945-46 it went up to nearly 9 crores and this is because there has been enough purchasing power left in the hands of the working classes. In the absence of any good and fruitful source of investment or expenditure part of that purchasing power has been directed towards the purchase of drinks. That also is an aspect which has got to be taken into consideration. If there are no other ways in which the purchasing power can be diverted, would it not be better to encourage travel? If that is so, is it not then incumbent on the leaders of the country as also the Government of the day to provide adequate facilities for travel? As I said yesterday, passenger traffic has a special significance in terms of a short term solution. I again want to repeat, Sir, that thousands of military lorries and cars are available today. If the Government is determined to make the utmost use of them it is possible that congestion in the railway traffic may be eliminated to a very great extent. The Government is trying to settle and rehabilitate people who have been demobilised. May I not suggest that what they are doing with respect to human elements they may do with respect to the material equipment that may be released as a result of the cessation of war? If a determined effort is made then even in respect of goods traffic the inadequacy of wagons and the consequent occasional shortage one finds here and there may be avoided. The railways, I know, are trying in some places the experiment of running goods lorries. I also know in some places—and a reference to this was made by the Honourable Member in his speech—the railways have encouraged what is called railway relief service. I again want to repeat that I am not keen on the character of the agency—it may be a straightaway state concern, it may be under private enterprise—but the need of the hour is that there must be enough facilities both for passenger traffic and for goods traffic. But if the Railway Member is inclined to look at this problem from a higher point of view I may invite his attention to one aspect of the thing, namely that the railways in so far as they have developed up till now have resulted in the concentration of industries in certain regions. Whether it is good or not is another matter. But the fact remains that it has raised a number of problems such as housing and concentration of labour, and it is for him to consider whether a policy different from this, namely the policy of dispersal of industries and not the concentration of industries in certain localities and in certain centres is worth pursuing at this hour of the day. If he appreciates this part of my argument I respectfully want to suggest to him that for this purpose he cannot have a better agency of transport than the motor transport, because it is possible for motor transport to go into the innermost parts of the country. That it will be able to develop markets is an accepted fact. It seems there has been some prejudice in the minds of the railway authorities and they look upon motor transport as a sort of competitive transport agency. I want to point out that in reality it is not competitive but complementary. Even in regions where the

road; run parallel to the railway lines a careful enquiry will go to show that the motor transport system brings more traffic to the railway. I do not think that in certain parts of the country railways have been planned with any view to industry or traffic. In most of the cases they have been planned with a view to securing internal security. In those regions the parallel roads bring more traffic to the railways. To be particular I will give an example to the Honourable the Railway Member. The M. & S. M. railway line from Poona to Hubli, at any rate that part of it which runs from Poona to Dharwar has been planned in such a manner as not to bring any kind of traffic. If he were to see the returns of goods and even of passenger traffic he will find that that is not a paying proposition and if it has become a paying proposition in the course of the last 10 years it is because of the development of motor transport. New markets have come into existence because the motor transport is doing better business. So, the point is that he may not look upon motor transport as a sort of competitive system. It is not an alternative but is an addition. Further he will find that it is in the highest interests of the industry, and it will also serve more useful purposes so far as trade is concerned, that he should encourage the motor transport system.

Now, in the railway the rates structure is based on certain principles and one of the principles is what the traffic can bear. So far as motor transport is concerned that is not the principle. The principle that works out there is the cost of service because they have not the so-called overhead charges to bear and they do not make any difference whether the article is valuable or whether the article is merely bulk and of no value. In Railway rates structure you have a number of principles. When the article is of value you have to declare the value and you naturally ask for a higher rate. But the poor lorrywallah, whether you ask him to carry gold or gur, that is jaggery, will charge the same rate because he charges in terms of bulk, and that has encouraged to a great extent trade in certain centres. I will give the Honourable Member another example how very costly the railway transport ultimately becomes with the result that commodities which would have been otherwise sold for less have got to be sold for more. For example at Telegaon, a few miles to the north of Poona there is a glass factory. It is about a mile from the railway station. If the factory wants to send its articles from Telegaon to Bombay, it has to take it from the factory to the railway station and from the Victoria Terminus to its godown, and that means additional cost of transport between Telegaon station and the factory as also from the Victoria Terminus to their godowns. Imagine, if they have motor lorries, right from the gates of the factory the commodities can be removed straightaway without any tranship to the gates of the godown. It means less cost. It means less use of human energy with the result that commodities are sold at less price for the consumer. I want to bring to the notice of the Honourable Member that, although this year the goods traffic is shown to have been less to a very small extent, hereafter, as he himself will be willing to admit, the traffic will increase. If this country is to enter on an ambitious scheme of industrialisation, no industrialisation is possible unless there is an adequate system of transport. If it is to run on coal it also means additional facilities of transport. More industry means more production, more employment. And if employment is more, it is certain that it is only possible if labour is mobile. That means labour will move from place to place. In other words there will be more travel. I therefore submit that even in the interests of his long-term plan he must seriously consider the suggestion that I made yesterday in connection with the passenger traffic and I suggest to him on the same lines that he can requisition Military lorries for goods traffic. He has budgeted Rs. 1,50,00,000 for investing in the tripartite companies that may come into existence. I hold no brief for any existing operators, In fact, I stand for

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nationalisation. I know that in the initial stages there are risks. It may become bureaucratic. It may be even costly, for I have before me a scheme

12 Noon prepared by the Bombay Government and if it is to run on the present tariff it means a loss of 6 lakhs every year. The scheme is merely confined to passenger traffic but if the rates are increased, it is sure to bring additional revenue to the Government of Bombay.

**Mr. President:** The Honourable Member has exceeded his time limit considerably. He must bring his remarks to a close.

**Sjt. N. V. Gadgil:** I shall do so in a couple of minutes, if they are allowed to me. I only want to repeat that although I have suggested this as a short term solution I still believe that out of this short term solution there will emerge a long term solution which will be more successful. Sir, I have done.

**Mr. Muhammad Nauman** (Patna and Chota Nagpur cum Orissa, Muhammadan): I have already indirectly referred to the question of capacity in connection with the shortage of wagon about which I was speaking yesterday, which is inter-related with the question of capacity of the railways. I did say that you will have to increase the quantity of wagons and the rolling stock to at least 50 per cent., if not more to cope with the needs and requirements of this country at the moment as more later as we have greater prospects in future. The Honourable Member stated that they have been working to their utmost capacity. That was also the statement given a few years ago by the Honourable Member's predecessor. We have seen overcrowding in the matter of passengers and also shortage in the matter of movement of commodities, raw materials, and industrial products. The normal channels of trade have been mostly choked owing to inefficient or inadequate supply of wagons. In any case the shortage of supply of particular commodities in some centres has been mainly due to shortage in the matter of movements and this has resulted in black marketing in the case of even those commodities which were in abundance at other places. It has adversely affected perishable commodities which may have been in abundance at one place and owing to shortage of movement they were either allowed to perish or to be sold at far lesser value than the commercial value and thereby affecting the producers in that area.

Speaking of capacity, we have not only got to look to the rolling stock and the wagon position but also to the question of greater number of "Locomotives" and also introduction of double line system or triple line system so that the movements may be easier. Even if we increase the number of wagons by two times, we would not be able to move our commodities unless we have the double or triple line system on the most vital areas of the railways. In many places particularly in Bengal there is a bottle neck position. Even double lines are not sufficient and probably triple lines may have to be laid before congestion can be removed.

Even in old India when the population of this country was one eighth of what it is now or even less, the movement of commodities through indigenous boat system was about the same as it is now. The rivers provided us with natural navigation by means of the indigenous boat system. In those days Patna used to be one of the most important towns for import and export from different parts of India. With the advent of the Railways we have not been able to cover even a reasonable proportion of that internal movement as we used to have in the past. If you compare the average distances covered by the railway line in this country with the average mileage in other parts of the world you will notice that we are probably short by about 200 per cent. or some thing like that. We should have by now three times area covered by rail more than what we have today to cover our needs and adequately move our trains to meet the necessity of passengers and trade.

Now, as regards motor transport, the matter was very ably discussed by Mr. Gadgil, who gave us the pros and cons of it although he himself feels that nationalisation is the only scheme that would ultimately benefit the country. He has certain views which he has placed before this House. I feel that motor transport has to be nationalised from the very beginning because the freight rate structure has got to be based on a certain uniform policy. As Mr. Gadgil pointed out that in the case of private motor transport, the freight rate structure is based on mileage and weight and nothing else, the rate for coal and sugar being the same for the same distance. The Railway freight rate structure has got to be based on many other considerations and unless the road transport is also nationalised, it may not be possible to carry on the same rate structure by this or that system of control. It may be argued that by controls or by legislation we can compel certain rate structure policy by motor transport as well but we all know what is the fate of so many controls in this country, how black marketing has been rampant and if you allow things to be abused, this would be going on on a larger scale. I want to impress on the House that with the increase of the capacity of the railways it is necessary that co-ordination has to be maintained with the motor transport and for this we must have nationalised transport. Whether the interest of the Railways should be 80 per cent. or 80 per cent. or 50 per cent. in the motor transport business, I am not concerned. I thought at first that 100 per cent. interest should go to the Railways and Railway as co-ordinating Motor Transport service should be nationalized to have smooth working in this country. But later on we had many other considerations and we know the policy that we have decided and on which I need not dilate any further. I will only say that the Honourable Member should appreciate the fact that in the conditions in which we are and the prospects that we have for this country, we may be able to become a leading country for the whole of Asia and even Europe in commerce and trade as a whole. We have got to increase our capacity tremendously. We cannot continue our trade and the development of industry with the limited resources and capacity of our railways as we have them today. Even if we double the number of wagons, it would not solve our problem. As I said, the question of laying down lines and thus increasing the rail mileage is also very essential. With these words I support the motion.

Mr. Geoffrey W. Tyson (Bengal: European): Sir, the case of trade and industry has been very eloquently put before the Honourable the Railway Member for the last two days and I can only assure him that so far as I am concerned, he is now coming to the end of his long ordeal on the Railway budget. Various speakers have drawn attention to the needs of industry and the needs of commerce. They are cogently expressed in the conclusions in one of the Chapters of the Indian Coalfields Committee report where it is pointed out that if their suggestions should result in a net increase of an output of coal of 11 million tons by 1956, a great many more transport facilities will be required. I take it that those are the recommendations which the Honourable Member in charge of the Department is bearing in mind. The Coalfields Committee goes on to suggest that a high power inquiry should be initiated to go into the entire question of rail transport facilities, not merely for coal traffic but for all traffic and the last of their recommendations is the one which was emphasised by my Honourable friend Mr. Martin this morning when he said that the speed should be increased. Those are all recommendations in general terms and as they come from a body like the Coalfields Inquiry Committee, I am quite sure that the Railway Board and the Member in charge will give them their appropriate weight. They are all long-term recommendations. What we are concerned with, and particularly concerned with in the moving of these cut motions, is to draw attention to problems which affect us in the short run of things which are taking place now.

[Mr. Geoffrey W. Tyson]

A few days ago I remember listening to some questions, and some supplementary questions in this House about the match shortage in Delhi. The match shortage in Delhi may seem to be rather remote from this special cut motion, and the questions that were put and the answers that were given on that occasion certainly related to the distribution aspect of the matter. But my inquiries and my information suggest that distribution is not the only cause of such an important thing as the match shortage. Actually, the shortage began at the factories, and the factories difficulties were related to the very subject which we are discussing in connection with this cut motion this morning. The factories in the match industry are dependent for their principal source of supply upon *simul* timber, most of which is grown in northern Bengal and, also I believe, in Assam. Early last month before I came to Delhi, I was informed in Calcutta, in answer to some inquiries that I made, that a number of match factories had been obliged, by reason of the shortages of *simul*, to close down their works for periods varying from one to three weeks. I was also credibly informed—I put this forward with some reserve but in good faith—that the shortage of *simul* coming to the factories was in turn due to a shortage of wagons on the Bengal and Assam Railway, where at the beginning of January, I was told, no less than 1,800 tons of *simul* was reported to be lying at various railway stations awaiting transit or transport to the factories, which, as I said, were either closed or were working on short time. The obvious result of this was that the workers were laid off and their wages were lost either in part or wholly. The earnings of the companies concerned were down and the profits of the shareholders were correspondingly reduced, and we come back to the proposition that Delhi and other cities were going short of the essential article like matches. Now, Sir, the shortage of wagons was given to me as the reason for this state of affairs in one relatively small industry, which I have quoted. But it was also suggested to me by people in the trade that the shortage of wagons was more apparent than real. I was told that however irregular the movement of goods was, there was a very regular traffic in wagon permits in that part of the world and that the whole situation required investigation at a fairly high level. The suggestion that was made to me was that local stationmaster in the matter of wagon supplies is a good deal more of a tyrant than the Railway Member himself or the Railway Board. I do not know how far that is true, but it does seem to me that there is a case for closer examination of this matter. As my Honourable friend the Mover of the cut motion emphasised this morning, there are long and short term aspects of this subject. One aspect of the long-term consideration is to be found in the recently published report of the Indian Coalfields Committee. The short term aspect is, I suggest, an overhaul to look into the grievances of relatively small but important and essential industries. This is just as important as adding to the wagon supply. It is urgent and essential that wagons should be used to the best purpose; that distribution should be fair and that those concerned in arranging distribution should be seized of the importance of the duty which is entrusted to them. Sir, I support the motion.

**Pandit Lakshmi Kanta Mishra** (Calcutta: Non-Muhammadan Urban): Sir, this cut motion raises issues of very vital importance to the question of the development of the potential resources of this country. The question is how far the capacity of the Indian railways is sufficient to meet the growing needs of the country. The Government of India has got an elaborate scheme of Post war re-construction in this country in its various Departments. Naturally, therefore, the greatest strain must be borne for this purpose by the railway systems in India. I think the Government of India have now realised that for all schemes of future construction in India they have got to be careful among others about four things. There is in the first place shortage of coal, then the shortage of steel, then there is the shortage of cement and then shortage of bricks and building materials. Now, Sir, if the Honourable Railway

Member will kindly analyse the cause of these shortages he will find that his railway is the primary cause of all these shortages. The failure of the railways in India to face up to these growing needs would ultimately be responsible for all these shortages. The problem is a very big one and it is not possible to touch upon all its aspects within the space of ten or fifteen minutes. I will therefore confine my observations to one or two points which I think are of the utmost importance. I will deal with the question of supply of coal. We are all aware of the crisis which U.K. is passing through now on account of shortage of coal. Does the Honourable Railway Member realise that a similar crisis threatens India, stares India in the face unless the resources of the railway are harnessed immediately to coal supply in this country? What is happening at the moment? During the war the railways were called upon to carry very heavy military traffic but now that the war is over, we all expect that the railways would be able to place enough wagons at the disposal of civilian traffic so that the necessaries of life could be obtained. Unfortunately we are even now passing through the same shortage of wagons as during the war period. I do not know if the wagon-capacity is being utilised to the full. It is for the Honourable Member to say. But there is enough scope for criticism that the capacity of wagons is not being utilised to the full at the present moment. There are bottlenecks at different parts. In the collieries, we find a sort of differential treatment going on in the matter of wagon supply. I have received telegrams, and I think some other Honourable Members also have, from the coal fields of Bengal and Bihar, that for months on end they have not received any supply of wagons. It is not the case that we are not raising enough coal, let there be no misconception about that. There is no trouble about raising of coal, there is no shortage of mining labour,—enough coal is being raised,—but the difficulty is that coal cannot move from the centres of production to distribution areas for want of transport. That is the main trouble. These wagons are being distributed under different schemes of priority. I respectfully beseech the Honourable the Railway Member to go into this scheme and examine whether these priorities have been properly established. I may tell this House that the smaller collieries in Bengal and Bihar have so far supplied the normal domestic requirements of coal for the greater part of the year. Now, these collieries have not got storage facilities. They take out coal and send them straightaway to railway stations to be transhipped in wagons. My information is that for months past these smaller collieries have not been supplied with any wagons at all. What is the result? The result is acute shortage of fuel in this country. Honourable Members are aware of the position in the city of Delhi a few days ago with regard to coal. I am just informed by a communication that during the last ten or twelve days, coal is being distributed at the rate of five seers per family in Calcutta and you are left to wonder why Calcutta being on the very doorway of coal fields, with three huge railway systems traversing the country—the E. I. R., the B. N. R., and B. & A. railways, should at all suffer for want of fuel. Everywhere the fear is expressed that the industries are going to be closed down for want of supply of coal. My Honourable friend Mr. Tyson just now remarked that there must be something hidden somewhere, that somebody is blackmarketing in wagons and that therefore the whole situation required to be investigated. I submit that the fact must be squarely faced. All your schemes of post-war reconstruction will prove abortive unless you tackle the question at its source and that source, I maintain is the supply of transport and the only transport that we can think of in the present scheme of things is the railway transport. Sir, these collieries make a grievance that even during the war Grade III-A and Grade III-B Coal used to be consumed by railways with quite satisfactory results and even in certain industries, Grade III-A and Grade III-B coal are used. Why have the Railways suddenly stopped this? The result is a still more limited supply of coal of all grades, largely brought about by railways

[Pandit Lakshmi Kanta Maitra]

and big industries. This must be looked into. I would also suggest to the Honourable Railway Member for his consideration whether the Group system which used to obtain two or three years ago and under which small collieries would usually get the supply of wagons by a process of rotation, should not again be introduced now. If that system could be adopted, I am sure we will get adequate supply of domestic coke and our small industries would also get their supply of coal. I am not unmindful of the fact that under any scheme of priority, the railway loco department, the defence department, iron and steel works, rice mills, *atta* and flour mills, all these important and basic industries should have the first claim. But after these claims are satisfied, I maintain that the scarcity of wagons should be equally shared by the rest of the industries. There should be no discrimination in favour of any particular industry or against any other. That policy of discrimination cannot be defended now on any ground. Formerly the ground was effect of prosecution of war. That ground is no longer tenable. Therefore, I feel that the Honourable Member would do well to go into the whole question and see that even with the limited supply of wagons at his disposal there is a fair and equitable distribution to all the collieries and industries. Above all it will not do to forget that the vast people in this country are the consumers of coal who have got provincial quotas which must be met. The present fuel situation in the country is simply awful and this problem must be looked into from all points of view. You must tackle that with all possible seriousness. Sir, just now I receive a representation from the Brickfields owners Association in Bengal. They have got a doleful story to tell. I am informed that they have addressed several letters to the Honourable Member's Department during the last three or four months. The position is this. The Deputy Controller of Coal sanctioned certain quota for brick manufacture in Bengal so that the work of construction which had been in arrears during the war might be taken up in right earnest without delay. But curiously enough from the month of November right up to February, 1947, not a single wagon has been supplied for transport of coal to the brick fields in Bengal. The brickfield season in Bengal and Bihar begins from December and continues till May. Now the season is in full swing; crores of bricks have actually been manufactured but they could not be burnt for want of an ounce of coal. I ask my Honourable friend to realise what this means. I am further informed that due to showers recently, these brickfield owners have already suffered tremendous loss. If the unburnt bricks cannot be burnt for want of coal it means all waste and loss. You can imagine what the position is going to be in the matter of repairing buildings and new constructions. My province of Bengal had to bear the brunt of the last disastrous war and for seven long years all manner of construction had been held up there. And coming from the city of Calcutta I can tell the Honourable Member that the people there are badly suffering for want of coal. There is urgent need of essential repairs and reconstruction of damaged houses and construction of new ones, as Calcutta has now got a population of nearly 50 lakhs for many of whom there is no accommodation. The insistent demand is for building materials and the first building material for any scheme of construction is bricks. If for three months you withhold the supply of coal with which to burn bricks and if in this way another month or two passes the whole season for brick making will be over. The result will be that for the next 12 months there will not be one single piece of brick with which to construct a house or make essential repairs. It is not only necessary for private persons but also for railways for building platforms, sheds and other constructional purposes. This will have a very adverse effect not only on the question of reconstruction but also on labour. The labourers now engaged in the brick field would have to be discharged because unless there is immediate supply of coal they cannot be indefinitely maintained. So there will be

labour unrest. Thus I come to this basic fact that ultimately the railways become responsible for the shortage of building materials and for the shortage of things with which to reconstruct this country. The railways would also be responsible for the shortage of fuel and for any crisis that may follow in its wake. I again maintain that there is absolutely no shortage of coal now in this country. There has been enough raising and the coal that is being raised at the pitheads every day is enough to meet the requirements of the whole country. But there must be some bottleneck somewhere where things are getting stuck up, and it is for the Honourable Member to find it out. I also submit that he should revise the scheme of priorities and make certain readjustments and direct the Divisional Superintendents to send here regular weekly reports as to how they dispose of the wagons that are placed under their charge. Unless he personally looks into the question of wagon supply I am afraid there is very little chance of carrying on any scheme of post-war reconstruction.

Sir, I support the motion.

**Babu Ram Narayan Singh** (Chota Nagpur Division: Non-Muhammadan): Sir, I support this motion and all that has been said in support of it and I specially support every word that has fallen from the lips of Honourable friend Pandit Maitra. Sir, I represent the colliery area and I have also received a telegram that the coal production is all right but only for want of wagons there is fuel famine in the country. There is a great complaint regarding discrimination; and everybody knows that discrimination is the result of corruption. Everybody has stressed the point—and I also do it—that the Honourable Member should go into this personally. The position is that the small colliery owners are not in a position to move their coal from the production centre to the place of distribution, and the result is that small colliery business is failing. And we must see the result of that. Experts say that business follows mails; wherever there is means of communication there business flourishes. I am unfortunate enough to belong to a tract which is still called a backward tract. In my province of Bihar almost every district town is connected with a railway line but my own district of Hazaribagh has not yet got a railway line. The backwardness of a tract results very much from want of communication; if there is enough communication the area is developed in anyway. In my part of the country there are millions of people who have never seen a railway train. With regard to railways I do not find that Government have ever taken the initiative. Companies like the E. I. R. or the B. N. R. have constructed these lines and Government have later taken them over; they took no initiative themselves. I will not go into details but I have received news personally from Jharia and Dhanbad as regards lack of wagon supply and I hope the Honourable Member will see that every colliery owner gets a wagon. If the supply is insufficient they should get them in turn, as suggested by Pandit Maitra. Sir, I support the motion.

**Maharajkumar Dr. Sir Vijaya Ananda** (United Provinces: Landholders): Sir, I rise to support this motion and endorse every word that has been said so far. Much has been said on it and I suppose there is very little for me to add. Nevertheless I wish to emphasise one or two things for the information of the Honourable Member in charge. In an article written by Mahatma Gandhi he said that India lives in her villages because 90 per cent of the Indian population is in the remotest parts of the country. Sir, it is very necessary that we should have more and more railway lines laid out in the interior. For instance, I happen to come from Kashi and I have seen thousands of villagers coming there from distant places on occasions like *Grahana* or other occasions when they have to take a bath in the Ganges. We in India are very superstitious and in every part of this country we have these annual or periodical baths. To see the misery of these people who walk long distances without shoes breaks one's heart. It is very necessary that we should, in our scheme of expansion, have lines running into the remotest parts of the country. For

[Maharajkumar Dr. Sir Vijaya Ananda]

instance, in the forest areas where Bhils, Gonds, etc. live, I have come across these people and they complain bitterly that to get to a city even for medical aid they have to walk thousands of miles. For moving our agricultural product it is very necessary that we should have loop-lines especially in those areas where it is not possible to have bus services so that the grains could be moved to cities. In this connection I wish to bring to your notice that in my opinion the Bengal famine in which millions of lives were lost was not entirely due to lack of food, but it was partly due to lack of transport facilities. Had there been smaller trains running in to the interior, whatever little food was available might have saved a number of lives.

It should be our first and foremost consideration to have more and more third-class compartments. We are told that we should shortly be seeing third-class compartments on exhibition. I submit, Sir, that the time for exhibition is over, and that we should have hundreds and thousands of third-class compartments, and within a year all our difficulties should be removed.

As regards motor transport, I do hope that the Government will expedite this programme and will arrange to provide motor transport in the remotest parts of our country.

With these few words I resume my seat.

**Mr. P. B. Gole** (Berar: Non-Muhammadian): Mr. President, Sir, the subject matter of this motion is really a very important one and it can be looked at from several points of view. It has already been remarked that the present capacity of the Railways is not sufficient to meet the demands of the travelling public or even of transport, and several kinds of difficulties and inconveniences are being experienced by the people and also by the industry. Why this is so? The only excuse that the Railways have so far been putting forward is that on account of military traffic the whole transport system of the railways has been disorganized and unless the wagons and coaches which are with the Military at present are released by them it is not possible for the Railway to arrange traffic as they were doing before. Let us take into consideration the time that has elapsed since the war is over. Nearly two years have passed and still the disorganization that was caused by the war has not been set right, and still the excuse put forward is that the military authorities have not released a sufficient number of wagons to admit of reorganisation of railway traffic. I do not accept this excuse at all. I am aware that many coaches in the military specials which are running between Bombay and Calcutta and Delhi and Bombay remain empty. Surely the Railway can take notice of this and ask the military authorities to release half the coaches for general civilian traffic. But, Sir, I know that during the last six months no attempt has been made by the Railway authorities to see that more wagons and coaches are made available for the civilian traffic. I will give you an instance which shows complete want of imagination on the part of railway authorities. Between Nagpur and Bombay there was formerly a mail train, an express train and there were three passenger trains between Nagpur and Bhusawal with connecting trains from Bhusawal to Bombay. After the war started the number of trains was curtailed on this section. There was only one mail train between Bombay and Nagpur, and there was only one passenger train between Bhusawal and Nagpur without any connecting train between Bhusawal and Bombay. Since the termination of the war several train services have been restored, but curiously enough although people have been clamouring in this area for more trains nothing has been done. The G.I.P. Railway have been giving us the excuse that military coaches have not yet been released, but I was really surprised at the want of imagination on the part of railway authorities there. Between Bhusawal and Wardha they have introduced a small shuttle train. You will probably remember, as you have travelled on that route, that there is

a through railway between Bhusawal and Nagpur. This shuttle train curiously enough is made to stop at Wardha, and passengers are stranded at the Wardha Railway Station; they have to wait for hours in order to reach Nagpur which is 50 miles from Wardha. If this shuttle train could run from Wardha direct to Nagpur it would be far more convenient, but the railway authorities do not seem to have any imagination whatever.

So far as traffic in goods is concerned, the railway authorities must have some sense of proportion if priority. As has been observed by my Honourable friend, Pandit Maitra, coal is a necessary fuel not only for industry but also for household purposes. We in Delhi have been suffering from the shortage of coal, and still the Railways would not give priority to this thing and make arrangements for its transport to the various places where the shortage is very acute. I will give one instance: Glass industry is growing rapidly, but many glass factories, which happen to be in the Bombay Presidency, had to stop work for want of coal. Bombay is a port where all sorts of foreign goods are being dumped today, and unfortunately these glass factories had to close down on account of the shortage of coal. I learn that the railway authorities are not able to transport coal from the pit heads to the destination, when there is enough coal to meet the needs of India as a whole. I hope the Honourable the Railway Member will take note of this and will take steps to supply coal for the basic industries of the country as well as for other requirements. Another matter with regard to these glass factories about which I have received many complaints is that the finished articles are not being transported. Priority is given to such unessential goods as *Biris*. Now, when there is a great demand for glass, because metal is very dear and glass is being manufactured on a larger scale than before in India, still it is not being transported. You probably know, Sir, that these glass factories are even willing to send this glassware by railway parcel but the railways will not accept any parcel of glassware at all. They insist they would only have bookings by goods train and therefore glassware cannot be sent by parcel and the Railway would give preference to *Biris*. The railways have also to help in the industrialisation of the country and they have to see that the industries are not starved. The glass factory is an instance in point. It is really a new industry so far as India is concerned. The glass industry is flourishing. It is the duty of the railway authorities to see that coal is supplied to these factories. It is also the duty of the railways to see that the finished article of the glass factory is given preference and sent to its destination. I know the Honourable Member in charge of railways is anxious to see that priorities are, as far as possible abolished. I entirely agree with him on this point. He has also introduced a Bill which will shortly be passed into law, where the number of priorities has been very much curtailed. But even then with regard to the other goods, I think some discretion ought to be exercised by railway authorities in giving not so much priority—because I am against priority—but in remembering that those basic industries which are in need of railway wagons must first be supplied with wagons. I will cite two instances of which complaints have come to me about the glass factory in Jubbulpore and the glass factory in Gondia. I hope the Railway Member will take this into consideration and see that the glassware prepared in these factories is allowed to be taken to its destination by giving sufficient wagons.

Then I come to a very important question so far as the capacity of the railway to supply transport is concerned. You probably remember that railways are after all public carriers. They are governed by the Contract Act, although they have certain exemptions under the Railway Act. But the liability of a public carrier must never be ignored by the Railways. Supposing the Railway Act and the special exemption that has been framed by the railways were not in force and the Contract Act ruled, in that case on account of the inconveniences suffered by the passengers thousands and lakhs of suits would have

[Mr. P. B. Gole]

been med for damages against the railways. They take shelter under a certain protection provided under the Railway Act, but as public carriers it is their duty to see that whatever they are paid for they must give proper service for it. Take the case of time. The trains arrive late. I know of accidents. I know also that the late coming of the trains has become an order of the day. This ought to have been mended. That shows that the railway authorities do not realize their responsibility as public carriers in carrying goods or passengers to their destination.

One question to which I wanted to refer was in connection with rail-road co-ordination. I am really surprised. Somehow or other in this planning, we are beginning at the wrong end. We are out to nationalise the motor transport system and co-ordinate it with the railway. I know that that will be the position if the Railway Member properly examines the rail-road co-ordination scheme. As soon as the private operator is out of the field, the railways and the provinces will come forward for enhancement of rates. Today for instance they are charging six pies per mile for motor transport. The operators have asked not to charge more. As soon as it is taken over as a nationalised industry and the railways begin to take part in it, you will find, and I know it is quite in the being, that the rates will be increased because they will say that the cost cannot be met. The two companies which were started on this basis in Nagpur have suffered and they have not been able to distribute any dividends to the shareholders. Before taking up this nationalization of rail-road co-ordination scheme, the first thing the railways should consider is from where are they to get all his fuel. If they had considered this properly, then this oil question which rules the whole world politics. would have shown them that the oil question must be first tackled. Electrical power alcohol ought to have been produced from the molasses. No attention has been given by the railways and provinces as to how to manufacture power alcohol. Unless that is done, I think we will be importing motor cars and petrol for them and depend upon foreign countries for their supply.

**Sri S. T. Adityan** (Madura and Ramnad *cum* Tinnevely: Non-Muham-madan Rural): Charcoal can be used for gas.

**Mr. P. B. Gole:** But that even is not available at present. First of all we must have fuel for motor cars and we must have lubricants. Until we can get all this, it is better that they should be in the hands of operators on whom you have already put an amount of restriction on account of the Motor Vehicles Act. You are also amending that. I do not think the time has come for nationalisation of that industry and for the railways to take it over. Under these circumstances I hope the Honourable the Railway Member will take these into consideration and before putting into practice this rail-road co-ordination scheme, he will put his Railway house in order, see that railways meet the demands of the public and also first nationalise those industries which are the key points in the motor industry. Unless that is done, it would be putting the cart before the horse in taking up as a national industry the rail-road co-ordination scheme.

**The Honourable Dr. John Matthai** (Member for Railways and Transport): The Honourable the Mover made a very carefully considered speech on the difficult and varied problems connected with the question of transport. He asked me at the beginning of his speech whether I could give any estimate of transport requirements in this country over a long-term basis and over a short-term basis and how far the railways would be in a position to meet these requirements. These of course are very difficult questions.

Taking first the long term transport requirements of the country, as I look at it, it is going to be bound up very much with the manner and pace of economic development in the country during the next decade. There are still various

circumstances which make it difficult for us to undertake planning on anything like the scale which the requirements of the country demand:

1 P. M. Unless we have a fairly clear picture of how the economic development of the country will proceed during the next few years, it is difficult to say what the transport requirements would be, because the two things are very closely linked together.

My Honourable friend asked me particularly about passenger traffic. I said yesterday that the increase in purchasing power had a good deal to do with the increase in passenger traffic. I believe that is true. The Honourable the Mover asked me what is likely to be the position when the present inflationary position has begun to relax. That again is a difficult question and I should not like to commit myself to any definite statement about it. But the way I am trying to visualise the situation is this: As a result of the impetus to railway traffic which has been given by increased purchasing power the habit of railway travel has grown I think once that habit has been formed, as a result of whatever circumstances, that habit is not likely to disappear, so that, irrespective of the question of purchasing power, I think railway travel is going to be on the increase and whatever plans we make have to be made on that basis.

Practically all the problems which have been raised this morning have centred on the short term position. I do not want to disclaim our responsibility for meeting the present transport difficulties but I think it is necessary that the House should realise that the problems which have been thrown up during the aftermath of war are in many respects more difficult than the problems which arose during the period of the war itself. That, I think, has been the experience of most countries both in respect of this war and in respect of the first World War. If therefore we have not been able, within a period of 18 months, to rectify the railway position to the satisfaction of the public, the House ought to realise that there have been inherent difficulties resulting from the very situation in which we find ourselves.

My Honourable friend Mr. Martin asked me with reference what I said about the heavy movements necessitated by the import of foodgrains and the heavy concentration of wagons in port areas, whether something could not be done in the way of organising an emergency reserve. The idea of an emergency reserve is a sound one but when at a time like this when you have to face half a dozen emergencies simultaneously, it is not easy to work it out. In the course of the discussion today, the food question has been raised, the coal question has been raised, the match question has been raised, and the glass question has been raised and if I am to provide an emergency reserve for all these, it would be entirely beyond my resources. I think the Honourable Member's suggestion would be a useful one to keep in mind under more or less normal conditions. I propose to keep in mind the two principal suggestions that he made, *viz.*, that we should aim at a quicker turnover of wagons and that we should aim at a strategic placing of wagons.

The general question has been raised, in view of the fact that traffic has increased both in respect to passengers and goods, why don't we increase the number of wagons, coaches and locomotives. We are doing our best under the present limiting conditions. We propose to make the fullest use of the indigenous manufacturing capacity in respect of all these three forms of rolling stock. The only way in which we can supplement indigenous manufacturing capacity is by importing. I think that in regard to the extent to which we have been able to supplement the indigenous resources of the country by imports from abroad during the war period of locomotives and other forms of rolling stock this country has been more fortunate than many others. It was a difficult time during the war with regard to manufacturing industries, particularly industries manufacturing capital goods in other countries. Looking through the figures since I took charge of the department, I have been surprised at the

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extent to which we have been able to supplement our indigenous resources by imports.

Looking to the future, my opinion is (and I have no doubt the House will generally agree with me) that we should not think of importing rolling stock unless we are assured that the indigenous manufacturing capacity has been fully utilised and also that the possible increase in that capacity if necessary has been taken into account. We want in the next few years to make the fullest possible use not merely of our existing capacity but also of our potential capacity. If beyond that, it is found necessary, in view of the requirements of large railway development, that we have to get rolling stock from abroad, we may be faced with serious difficulties. There is the question of the extent to which manufacturers abroad can spare capital goods at this time for export. There is next the question of the foreign exchange which is likely to be available to us. There is also the question of shipping. As I said, my first consideration would be that the fullest possible use should be made of the indigenous resources.

My Honourable friend raised the question of tourist traffic. I am interested in the idea of tourist traffic not merely from the railway point of view but from the general economic point of view. There is a great deal to be said for encouraging tourist traffic, because it is not merely going to provide more business for our railways but it will, I believe, also provide more employment in the country. I should therefore welcome the idea. But the question of tourist traffic is not merely that of providing railway facilities: it is bound up with a number of other questions, for example, the kind of hotel accommodation that we can provide in the country today, especially for tourists who come from countries with a high standard of living like the U.S.A. I believe unless we can take in hand a comprehensive plan which includes not merely the question of transport facilities but also the question of residential accommodation, I do not think that we shall get very far with it.

Then, Sir, the now familiar question of rail-road transport has again been raised. I have spoken so much on this question that I am disinclined to say anything more. But since the question has been raised by several speakers this morning, I want to say once more that we have no intention whatsoever of preventing the expansion of road traffic. On the other hand, I believe it is to the interest of the railways to develop road traffic, because in the end the development of road traffic will help the development of railway traffic. But that is no argument against the principle of co-ordination. After all transport is one aspect of economic development and if it is agreed that planning implies the idea of co-ordination, then it seems to me that the development of transport must be based on co-ordination. When you are trying to develop such an important economic activity in the country as transport you cannot do away with the idea of co-ordination which is the central idea of every arrangement that Government has put forward. We have been told by some speakers that the idea of nationalising motor transport is an unsound one while others have said that this is precisely the line on which we should proceed. As far as I am concerned, I have an open mind on this question of nationalisation of motor traffic or of any other kind of industrial undertaking. My feeling with regard to general issues like nationalisation, protection and so forth is that you cannot lay down a general principle of universal application. These questions have to be considered with reference to the particular circumstances of each industry. If you find in respect of any industry that nationalisation will spell rationalisation, then you can go ahead with it. If it is ultimately going to increase efficiency and reduce costs, then by all means proceed with nationalisation. If, on the other hand, in the circumstances of a particular industry nationalisation will work differently, then don't undertake. That is my view of the problem. The general arguments that have been put forward today do not appeal to me.

My Honourable friend Mr. Tyson raised the question of match factories. I think he was right in referring to the match industry. It has a good deal of bearing on the point raised by my Honourable friend Mr. Gadgil, namely dispersal or regionalisation of industries and the extent to which railways can contribute to it. I think the match industry is a typical case of an industry which should be regionalised or dispersed but has not been, partly I think for reasons of difficulties of transport. That is an industry which depends for its essential raw material, namely wood, on parts of the country which are very far from where the factories are. Of course, as the House knows, our great factories have started almost invariably in the port areas. The market was there, the labour was there and also various other matters that help the development of industries. Since then it has been a practice whenever new industries have been started to think of locating them in the port areas in the first instance. To some extent the way in which railway development of the country has proceeded has helped it. It is necessary hereafter to keep this idea of regionalisation in mind, and I agree with the general suggestion that it is one of the responsibilities of railways to see that that idea is carried forward.

Sir, a good deal has been said about coal. My Honourable friend Pandit Maitra particularly referred to this question. I am well aware that the coal position at present is pretty serious. I am aware also that the question of transport is closely linked up with the situation and probably to some extent accounts for it, because, as Pandit Maitra pointed out, if you cannot provide sufficient transport in time, raisings are curtailed. Unless coal raised can be promptly transported raisings would be reduced. We in the Railway Department are well aware of the position, and we are doing all that we can to meet the difficult situation which has arisen in connection with the coal industry. That is as far as I can carry the matter at present. I want my Honourable friends who are interested in coal to know that the Railway Department is well aware of the position and is seized of it, and we are impressing on the Railway administrations immediately concerned with the transport of coal to do everything in their power to speed up despatches of coal.

**Mr. President:** The Honourable Member may resume his speech after Lunch.

**The Honourable Dr. John Matthai:** I have very nearly finished, Sir. My Honourable friend Mr. Gole raised the question of the coaches which are still on loan to the Defence Department. It is not that the Railway Department is not making every effort to get these coaches back. It is possible that instances of the kind he has mentioned have been happening. But we are impressing almost every day on the Defence Department the importance of having these coaches returned to us, and as far as effort on our part is concerned I can assure the Honourable Member it will not be lacking. He ended up his case against the Railway Department by stating that railways generally lack imagination in dealing with the difficulties of transport. What the railways lack, Sir, is not imagination but straw with which to make bricks.

**Mr. W. M. Martin:** In view of the statement made by the Honourable Member, I beg leave of the House to withdraw the motion.

The cut motion was, by leave of the Assembly, withdrawn.

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. President (the Honourable Mr. G. V. Mavalankar) in the Chair.

#### DEMAND NO. 11.—WORKING EXPENSES—APPROPRIATION TO DEPRECIATION FUND

**The Honourable Dr. John Matthai:** Sir, I move:

"That a sum not exceeding Rs. 15,35,86,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Appropriation to Depreciation Fund'."

**Mr. President:** Motion moved:

"That a sum not exceeding Rs. 15,33,86,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Appropriation to Depreciation Fund'."

*Depreciation Fund in relation to the whole question of Railway Reserves and the Railway Separation Convention.*

**Mr. M. A. F. Hirtzel** (Bengal: European): Sir, I move:

"That the demand under the head 'Working Expenses—Appropriation to Depreciation Fund' be reduced by Rs. 100."

I should like to explain that I appreciate that the Honourable Member did make certain remarks on this subject in his reply to the general discussion on the Railway Budget and it might have seemed that perhaps enough has already been said on that point. We on this side however felt that this matter, in which we have always taken a very great interest, is one of vital importance to the railways and we thought it was very desirable that we and the House should have an opportunity of a further discussion, more particularly as this may be the last opportunity that we shall have for such a discussion if the Honourable Member is going soon to set up a Railway Convention Inquiry Committee. That is the reason why I have moved this cut motion.

Under this head I should like to deal briefly with all the three reserve funds with which we have to deal, namely, the Depreciation Fund, the Reserve Fund and the Betterment Fund. Taking first the Depreciation Fund, I would like to quote to the House, in order to make the point clear, the remarks made by Sir Arthur Lowes Dickinson in his 1927 Report on this subject. He said:

"There is much to be said for the view that the railway property should be handed on from year to year intact, i.e., properly maintained in its original state and the cost of this met out of earnings before net earnings are employed for any other purpose."

That, I take it, represents fundamentally the object of the depreciation fund and we were encouraged by the views to which the Railway Member gave expression on this subject when replying to the general debate.

Now, Sir, the attitude of this House recently in connection with the increase of rates and freights has rather tended to be something like this. "As a result of the war we are very well off so why should we not postpone any further laying up of reserves until they seem to be more obviously necessary." The answer to that is I think the answer that the Honourable the Railway Member gave—that it is very desirable to err on the side of caution. In fact we cannot yet say that we are very well off, because it is extremely difficult, in fact, impossible, with the materials at present available to estimate what the actual position is. Take for instance, the Depreciation Fund which now amounts to a sum of more than Rs. 100 crores. It is useful to remember in this connection that no provision has been specifically made in the past for arrears of depreciation which were estimated to amount to Rs. 20 crores by the Depreciation Committee in 1922. Those arrears were depreciation which should have been provided on the company owned lines but for which under the rules then in force no actual provision had been made. Further when those companies were acquired by the State, they were acquired on the basis, I think I am correct in saying, of their earning capacity. That was the basis which had been laid down in the contracts. They were acquired not on the basis of the value of the capital assets but on the basis of earnings—which means that in fact a considerable premium was paid over and above the capital outlay, which represents what is known in commercial terms as goodwill. Now, that sum was estimated to amount to about 48½ crores of rupees. We thus have two liabilities amounting in all to over 60 crores of rupees which have not yet been specifically provided for and it appears to us that in seeking to estimate what the value of our Depreciation Reserve balance of 100 crores is at the present time, we must take into account factors

of that kind. Now, again, the attitude of the House today differs very materially from the attitude of the House some years back. Various members, I think, who are still members of this House today, took part in the battle that raged, I gather, with a certain amount of intensity when it was suggested that the loan that the Railway Board had to take from the Depreciation Fund in the years of depression, which, I understand, amounted to a sum in the neighbourhood of 50 crores of rupees, should be written off altogether. It was the view of the Government at that time or it was the original proposal of the Government at that time that the railway revenues had got into such a serious state on account of the depression that they would never have any chance of making good that liability; and the Government of the day proposed to this House that these liabilities should be written off. Now, the House at that time, I think very wisely, particularly in the light of subsequent events, decided that it would be a mistake to write off those liabilities altogether and they should be allowed to stand. I won't seek to enter into the considerations which may have guided the members of this House at that time in fighting that battle. Anyhow, it was a proper principle and one that we on this side of the House would like to see being adhered to today. Well, Sir, as I said, the importance of this fund was certainly recognised at that time. But the history of the past 20 years or more has not been, in fact, very encouraging. There have been continuous and repeated attempts to tackle the many problems which remain outstanding regarding the Depreciation Fund, and there has been nothing, in fact, but continuous postponement for various reasons ever since Sir Arthur Lowes Dickinson presented his report in 1927. Those delays we regard as very unfortunate. Against them we must, of course, place the fact that there has been a considerable accumulation of experience. Something like, I suppose, a dozen bodies or persons have formally held inquiries into the subject and have delivered themselves of formal reports, and certainly the work that has been done on the subject has not been entirely wasted. Amongst the views which have been expressed at various times over that period of 20 years, the latest perhaps was that of Sir James Grigg, who recommended that in dealing with this subject of the Depreciation Fund we should apply a spirit of "enlightened empiricism", leaving accounting free from the shackles of a "pseudo-scientific" attitude. I confess that the authority is a great one, but I am inclined to suspect a Finance Member when he is offering advice to a Railway Member and I think it is probably a mistake for us to suppose that these matters can be left simply to an enlightened empiricism. That savours to me of a larger application of expediency than circumstances, in fact, warrant. It was exactly expediency which drove us into shelving all these problems and raiding the Depreciation Fund until we had drawn on it to the extent of 50 crores of rupees. I think a more satisfactory attitude is that exhibited by the Interstate Commerce Commission, a short paragraph of whose I would like to quote. In one of their reports, that for 1931, they wrote:

"The purpose of accounting is to record the essential financial facts with respect to the property and its operations. Most of these facts can be ascertained with precision, but not all of them. It is not a sound principle of accounting that facts of the latter kind should be disregarded. Obviously the record will be closer to accuracy if they are approximated as nearly as may be. Depreciation is a fact of this type. It cannot be ascertained with precision, because the future cannot be foreseen with certainty, yet it is a part of the cost of operation: Accounting fails of its purpose if it does not supply the best available information with respect to this or any other similar fact."

We think that that represents a more desirable attitude than the attitude of enlightened empiricism. We should like to see—and we can now hope to see them shortly—the actual facts regarding the state of our capital account and the Depreciation Fund revealed to us in a report from the Government side.

Well, Sir, the problems involved might be briefly enumerated. I do not want to take too much time of the House, but it is useful, I think, just to touch on some of the problems involved, which appear to me to fall under the following heads.

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First of all, the actual state of the railway records. Are they accurate or not? Then, the light that is thrown on them by the actual experience of the railways. The lives of the assets and a forecast at what their lives will be in the future. That, of course, depends particularly on the standard of maintenance which is practicable or which is aimed at as an objective. Secondly, a major head is the question of over-capitalisation and with it the problem of amortization. Should the excess capital which is on the books be written off? If so, over what period? And so on. I mentioned earlier about the good-will of the company-managed railways. That is just a case in point. We have something like 48 crores which is merely good-will and not represented by any physical asset. Thirdly, the scale of the annual appropriation which is to be made to the Fund. As the House knows, we are at present appropriating to the Fund on the basis of 1/60th of the value of capital assets. Various views have been expressed on that figure and most of them, I think, are disadvantageous. The figure of 1/60th is really considered to be no more than a makeshift and we shall very much hope that out of the forthcoming Inquiry there will emerge something more scientific than that. Well, Sir, on all these problems, into which I do not propose to enter in detail and which I do not want to discuss on their merits, we must await the result of the Railway Board's inquiries. In the light of past history, I should like to warn the House that they should not be led away to suppose that these matters can be postponed again. It was the constitutional situation in 1928-29, the setting up of the Federal Railway Authority or the expectation of it in 1937 that led to the postponement of these problems on two occasions in the past. It would be a mistake, I think, if we are led away into thinking that because India's constitution is shortly to be remodelled, we would be wise again to postpone these enquiries. That applies to the Depreciation Fund, it applies even more to the question of the General Reserve where the temptation to postpone may be greater.

**Pandit Lakshmi Kanta Maitra:** Did my Honourable friend say that 1/60 of the capital head charge is adequate?

**Mr. M. A. F. Hirtzel:** I was not talking on merits. I was only concerned to point out that the opinion has been expressed that 1/60 or indeed any over-all percentage of that kind is not a satisfactory way of making provision. The provision should be more precise and more specific in relation to particular experience in connection with particular sections of assets. I am not here concerned to discuss the merits but only to point to the problems which I would like the House to bear in mind. Now, Sir, I was saying that we hope very much that the constitutional position is not to be allowed to interfere with the settling of this problem again. We have not only to examine the question of the Depreciation and Reserve Funds, but there is also the question of the Railway Separation Convention. It appears to me that, whatever view may be taken of the matter, we should arrive at a settlement which any how would put things on a firm footing for, say, a period of five years. I myself feel that that might be a very desirable principle to adopt permanently: that no convention should be laid down ostensibly for war, but that it should be subject to periodical review at regular intervals of five years. We on this side would favour putting things on that basis for five years to start with. By that time we hope that the various constitutions central and provincial would be working smoothly and the members of the legislatures and the governments concerned will then be in a position to take up further examination. I myself feel that a much wider examination is necessary in the case of the General Reserve and the whole question of a contribution by the railways to general revenues, because it appears to me that the issue is between the railways as a public utility in which aspect their profits become a tax on users of railways and as a commercial concern in which aspect their profits may be treated as a legitimate profit to the State. Those questions can only be settled by an over-all Taxation Enquiry Committee which would assess the

claims of various sections of the public and the benefits received by them in the form of services whether it be by railways or in the shape of the benefits of irrigation or any of the other large schemes which Government is undertaking. It appears to me that all these problems require over-all estimation which certainly could not possibly be undertaken today. But it may be undertaken at a later time. We should therefore be in favour of an interim settlement which would last for five years with the possibility of continuance. And that principle commends itself to us because working as we are today on a year to year basis, we feel that the Railway Member has insufficient protection from some of his colleagues on the same Bench. He happens to be fairly well off today, but tomorrow if he finds himself in a jam, he may find himself at the mercy of the Honourable Finance Member who unfortunately is not present here today to hear these remarks. We should like to see the Railway Member on a five year agreement which would guarantee him some of his earned profits. All these matters are of the greatest importance but the Convention Committee should not only consider the immediate position of the railways today. As I mentioned the other day the fact remains that the railways have been fighting a continuous battle for solvency and efficiency. In this aspect also, the railways have not merely to keep their present position on a sound footing, but they have got to look ahead to days when there may be very big technical developments. We are today about in the stage when George Stephenson first observed his kettle boiling and thought of a railway engine. We have just got to the stage when we have to visualise the possibilities of atomic energy and we may find in the course of the next 10 or 20 years very big developments made in the practical application of atomic energy. If we are not going to lay down adequate reserves to spend on these technical developments, then this country is going to find itself very seriously handicapped indeed. We shall then have the tourists whom the Honourable Member this morning welcomed to this country coming not to see the Taj, but to see the funny old steam engines still running on the Indian railways. The tourists would arrive jet-propelled and it would be very useful to draw the tourist traffic. But such railways will not be very much of use for our trade and industry. So in all seriousness, I would suggest that the possibility of our having to take up big technical developments must be thought of more than ever today, it must be borne in mind and provided for.

I am afraid my time is getting short. I would like to say a word about the Betterment Fund. The Betterment Fund is one subject in which we have made very considerable and salutary progress. As a result of the constitution of the fund we shall be able to meet out of accumulated reserves drawn from general revenues expenditure which is not of an immediate profit-earning nature. This is a very salutary reform.

The stage has been reached when the Honourable Member can promise to set up a Convention Committee. I myself felt a little different about another committee. As the Honourable Member himself said in his speech yesterday, we have had enough committees already. A dozen or so committees or various bodies have reported formally on this matter during the past 20 years and we feel there has been no practical result. There has of course been an accumulation of information and experience. On the other hand committees also tend to exhaust the urge for action. If you feel something has got to be done, you set up a Committee. But by the time the Committee reports months have passed and the whole situation has changed and then you say "We cannot possibly do anything with this report". We are anxious that that should not happen again. On the other hand we feel it is most important that members of this House should be kept fully acquainted with Government's thoughts on these matters while Government is framing its own ideas. Therefore, on balance, we certainly support the idea of another Convention Committee and we would support the Railway Member in any effort that he might make to make it as strong and as competent a Committee as possible. We should like to see these subjects dealt

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with not only quickly but with some prospect of finality and on a sound footing. We therefore hope that the Honourable Member will be able to set up this Committee as soon as possible and that it will be really a strong one. Sir, I move.

**Mr. President:** Cut motion moved:

"That the demand under the head 'Working Expenses—Appropriation to Depreciation Fund' be reduced by Rs. 100."

**Khan Mohammad Yamin Khan** (Agra Division: Muhammadan Rural): Sir, this question of the railway depreciation fund has been misunderstood to a great extent and should therefore be properly explained by Government. I shall try to place before the House what I have been able to gather after being for a long time a member of the Railway Standing Finance Committee and a member of the Convention Committee. There are two things which unfortunately we do not know. Firstly, we do not know anything about the depreciation fund before 1922, and it is impossible to find out anything about that. Another thing is that the companies which have been taken over were not strictly following the principle which has been followed by Government. It is of course true that the figure of 1/60th has been put down as a practicable proposition, but it does not strictly conform to the life of the different assets. For instance, the life of an engine is taken as 35 years and so on that basis the contribution to the depreciation fund would be 1/35th of the value. The lives of other assets were calculated on a different basis but they have been found to be wrong. For instance, the life of a railway station is taken as 200 years. I remember Sir Jeremy Raisman saying in one of the meetings of our Committee that he could not conceive of a railway station existing after 200 years, and it would surely not be worth while to have it as a station. Again railway lines have different lives and so have coaches and wagons. It is therefore difficult to calculate every year how much should be put in every year on account of all these different assets,—locomotives, coaches, lines, stations, etc. Therefore an average was calculated by taking 800½ crores worth of property, and it was found that 1/60th was a fair amount to be put into the depreciation fund as it came very near the average calculated on the basis of lines of different assets. That is the principle that the Railway Board have been following. But when the Railway Convention Committee met last time we found that our depreciation fund was very poor and we were told that by 1954 the whole fund would be spent up and there would be nothing left. This was a very gloomy prospect and the Committee decided to appoint a special officer to investigate and collect data and then submit a report to this Committee. The task was not easy; it was given to a very capable officer who had retired as Financial Commissioner of Railways. He has been collecting all these data. If it is found in 1954 that all our assets are consumed and have to be replaced all at once and we have no money left, Government will be forced to borrow and there will be nothing to put into the depreciation fund. Some Honourable Members here—and an Honourable Member of my own party—think that there should not be so many separate funds like the reserve fund, depreciation fund, betterment fund, etc. And I also find a mistaken idea prevailing that there should not be such a large amount in the depreciation fund as we have got at present. But when the railways started they were purchased all of a sudden; so much money has been invested and there comes up in the normal course of life a certain period when a large amount of your assets gets worn out and has to be replaced at once. You may have been accumulating money for years which you think excessive, but when it comes to replacement you find you require more than you have got. So it is not economical or wise to spend money and not put in anything into the depreciation fund. The Convention Committee went thoroughly into this question, but it is not functioning now. It was appointed by the last Assembly, and when the last Assembly came to an end, this committee also ceased to exist. Now this

Assembly will have to appoint another committee but that cannot function until the report of the special committee is ready. That report could not be ready because business connected with the war was more urgent, and so the work had to be stopped. Now this work will be taken in hand. I think the depreciation fund should never be depleted; it is a fund which you depend upon for replacing your assets when they get worn out from time to time. One thing which we cannot ignore is that our depreciation fund has been built up on the prices paid for our assets a very long time ago. At that time one engine would cost a lakh of rupees and naturally its depreciation was worked out on that basis. Now the price of engines and everything else has gone up very high, so that if an engine has to be replaced its price will not be covered by the depreciation set apart for this purpose. Now supposing the price of an engine is three lakhs now, one lakh would come out of the depreciation fund and two lakhs would have to be met from the capital. This creates a very difficult position which we shall have to face when we have to replace a large number of our locomotives in 1954 and 1955. In view of the uncertainty of price level during that period we must take this matter into serious consideration at this stage. Already Railways have to pay a debt of Rs. 850 crores, and if to this figure is added later on further amounts of borrowed capital, which will be necessary for replacements, the Railways will not be able to meet the interest charges even. Therefore it was decided that as much money as could be had from the revenues should be used for this purpose, and we should not increase the debt and the capital at charge. Sir, one thing which I have been pressing for a long time, and which I again bring to the notice of the Honourable the Railway Member today is this: Money is available at low rate of interest now. We borrowed money when the rate of interest was very high. If I remember correctly we are paying 4 per cent. as interest to the Government of India. Now I think we can raise a loan at  $2\frac{1}{2}$  to 3 per cent. because people have got a lot of money which they have made in blackmarketing and they want to invest it. Why not float a new loan at low rate of interest and pay off the old debt? In this way some amount can easily be saved.

Sir, I do not want to take up more time of the House. In the end I will only say that the Railway Administration should take all these questions into consideration.

**The Honourable Dr. John Matthai:** I am reluctant to express any views on the questions which have been raised in this discussion because, as I said in my Budget speech, it is our intention to set up a committee to go into precisely the questions that Honourable Members have raised. Perhaps I may state to the House straight away what my intention is regarding this committee. I entirely agree with my Honourable friend, Mr. Hirtzel that we should have a strong and competent committee to go into these difficult matters. My idea regarding the composition of the committee I propose to set up is this: Besides the Member for Finance and the Member for Transport and the Financial Commissioner for Railways I am going to suggest that nine Members of this House should be elected to the committee. I think a committee constituted on these lines would answer the purpose, we have in mind, and I have no doubt that the recommendations that they make will enable us to come to a satisfactory decision regarding these problems.

Both the Honourable the Mover and the Honourable the Deputy President discussed the various issues involved in the depreciation fund. That of course is an extremely difficult question, not merely in regard to railways but in regard to other concerns. What exactly is to be the annual rate of appropriation is one question which the committee will have to consider. They would have to consider also whether the level at which the fund stands at present is the proper level to adopt at the present time, that is to say whether arrears should be made up, whether replacement cost or original cost should be taken into

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account, whether some allowance should be made for goodwill, etc. These are all issues on which it would be unnecessary and probably inadvisable that I should express any opinion at this stage. On the whole I should like to say that the general attitude adopted on the question of these various funds by the Honourable the Mover and the Honourable the Deputy President is an attitude with which I am in sympathy. I understand that attitude to be one of prudence and financial conservatism. I think that is the right attitude to take up in regard to the question of these funds. As I said, it is not my business today, pending final examination by this committee, to express any views.

**Mr. P. J. Griffiths:** Could the Honourable Member tell us when the Committee is likely to be set up?

**The Honourable Dr. John Matthai:** I am glad the Honourable Member has raised that question. I wanted to say a word on that. My idea is that the Committee should be elected before the end of this Session, and I hope the necessary materials for the Committee would be ready some time in July, and it will be possible for the committee starting work on these materials in July to present its report some time during the Session preceding the Budget Session of 1948. That is my anticipation.

**Pandit Lakshmi Kanta Maitra:** May I know whether the Committee will also be asked to examine the desirability of maintaining other funds such as betterment fund and renewal reserve fund besides the depreciation fund, and whether they will also be asked to determine the sizes of these funds. The Honourable Member knows very well that there is enough room for honest difference of opinion as to the desirability or otherwise of having different funds with overlapping objects.

**The Honourable Dr. John Matthai:** Our idea is that the Committee should have wide terms of reference in this matter so that the question whether there should be separate funds or one consolidated fund could be examined by the Committee.

**Pandit Lakshmi Kanta Maitra:** May I also enquire whether in this connection it would be open to the Committee to consider whether or not such expenses as have been proposed by the Honourable Member in the Railway Budget out of the Betterment Fund for construction of works should be undertaken by the fund called the Betterment Fund which has been brought into being or whether they should be charged to capital?

**The Honourable Dr. John Matthai:** The Government's idea is that the definition of each of these funds would also be a proper matter for examination by this Committee and of course the question of the contribution to be made by the railways to general revenues would also come within their purview.

**Sir Cowasjee Jehangir (Nominated Non-Official):** During the discussion on the Railway Budget we have heard many demands made upon the Honourable Member. Now, Sir, I would like to ask a simple question. If these demands are to be met, are they to be met for this generation, and are they not to be met for future generations? This question of depreciation is no new one to this House. As we were reminded, Sir James Grigg laid down the law on the subject with which we disagreed at the time and for which we caused him a great deal of irritation and a great deal of support to the Railway Member of those days. Therefore, there are two schools of thought in this House. One school of thought consists of men who have had something to do with large industrial concerns. The other school of thought is of men who only look to the present advantage to be gained by the public and themselves from the Railway Department. My Honourable friend, who is now the head of the Department and Member in charge, has had wide experience of industrial concerns, and I think he expressed the opinion very rightly—the first time I have heard it expressed by a Member for Railways—that if there was a private concern with a capital of Rs. 850 crores, and if there was a Depreciation Fund of Rs. 100 crores and a reserve fund, I believe of about Rs. 26 crores, how could

any one like that balance sheet? I think my Honourable friend would immediately say that that industrial concern had not been properly managed and that the future of the shareholders was not in a sound condition. We have pleaded in season and out of season that the reserve fund of these railways should be on a much larger scale. But the Finance Member also had a say in the matter. Every time there were difficult times. The Finance Member's demands had to be met and with a lenient House, with a House that only looked for the present and not for the future, raids were made on the reserve fund of the railways, with the result that after having had prosperous years right through the war times, we find a depreciation fund of Rs. 100 crores and a reserve fund of about Rs. 26 crores. These railways are not only meant for ourselves. They are meant for our children, our grand children and great-grand children, and if we are to do our duty towards the state and to the future of our country, the most important point on which we have to concentrate is to see that further raids are not made upon our profits. By all means let the State get its due from the profits but not before a proper depreciation fund has been built up for future generations: not before a proper contribution is made towards reserve and towards depreciation funds: by all means let the profits then go to the State. But in order to increase the profits to the State to deliberately cut down the depreciation or reserve fund is not a sound policy. In war time things were different. As the Deputy President mentioned, efforts were made to get facts and figures. I believe that certain facts and figures were obtained. I realized the difficulties of getting facts and figures. But as my Honourable friend knows, that if this had been an industrial private concern a certain amount would have been allowed by the income-tax department for depreciation, and I am not going to ask him the most difficult question: What that sum would be in regard to our railways? Because I know that he is not in a position to answer it. Honourable Members must realise that an industrial concern before paying income-tax and corporation tax is allowed a certain amount of depreciation. This is worked out on a scientific basis. That is not possible with the railways. The Honourable Member told us the other day that we have contributed less towards the State during the war years than we would have contributed to the State by way of income-tax and super-tax. I say that the Honourable Member must at least see that the depreciation that is set aside for the railways is what an industrial concern would have had to put down in its accounts for income-tax purposes: that is the minimum. How that is to be worked out I am not in a position to say just now but it is possible to work it out and that should be the minimum basis—little more if possible.

Sir, not enough attention can be paid to this question of depreciation. The whole future of the railways depends upon it and I trust, having an Honourable Member in charge who has had wide experience in this connection, he will not neglect this important point which has, I am sorry to say, been neglected in the past.

**Mr. Leslie Gwilt** (Bombay: European): The question be now put.

**Mr. M. A. F. Hirtzel**: Sir, I beg leave of the House to withdraw my cut motion.

**Mr. President**: Has the Honourable Member leave of the Assembly to withdraw his motion?

The cut motion was, by leave of the Assembly, withdrawn.

**Mr. President**: The question is:

"That a sum not exceeding Rs. 15,33,86,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Appropriation to Depreciation Fund'."

The motion was adopted.

## DEMAND NO. 1.—RAILWAY BOARD—Contd.

*Increase of Railway fares below Re. 1*

**Sardar Mangal Singh** (East Punjab: Sikh): Sir, I move.

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

Sir, this is not a motion like the other motions which were moved and withdrawn but this is a motion which I hope the Government will accept and for several reasons. Even the Railway Member of the last bureaucratic Government did not think it proper to increase the railway fares below Re. 1. It was left to the Honourable Railway Member of the National Government to step in and put his hand into the pockets of the poorer people who travel short distances. In his budget speech the Honourable Member himself said

"and the application of a 6½ per cent. increase of fares below Re. 1, which have hitherto not been called upon."

I cannot calculate the financial implications of this motion, because the requisite statistics were not available to me, in spite of the fact that I looked into some reports. But I find that the average distance traveled by a third class passenger in round figures is below 40 miles and the average rate charged is 3.5 pies per mile. If we multiply 40 by 3.5 pies it comes to about 140 pies or nearly 12 annas. So the average fare paid by a third class passenger is nearly 12 annas. If my motion is accepted then the bulk of the travellers in the third class stand to gain a little. There has been all round sympathy for the third class passengers and my Honourable friend the Transport Member was also full of sympathy for them and their difficulties and miseries in the waiting rooms, before the booking windows, on the platforms and finally in the railway train itself. I would beg of him to reconsider this point. My Honourable friend Mr. Gadgil said the other day that if a motion in some suitable form to lighten the burden on the third class passengers were brought forward, the Government would see its way to accept it. I hope that the Honourable the Railway Member will see his way to accept this motion. This will benefit to some extent the third class passengers, particularly the villagers who travel short distances.

Another point which I would like the Honourable Transport Member to clear is this. If this motion is not accepted, I want to understand what will be the increase or a ticket costing 2 annas. As regards tickets costing one anna he has made the position clear. The one anna will remain intact. The railway does not charge a fraction of an anna. If it is slightly higher than two annas, I would like to know whether it will be three annas or the excess charge will be remitted and it will remain at two annas. Fraction of a rupee is on a different footing. If the fare is Rs. 1/7 the increase would be only one anna. If it is two or three annas I want to understand how much would be the increase. In the case of two anna tickets the increase would be as much as 50 per cent. and short distance third class passengers will be the most hard hit. A villager travelling 8 or 10 miles for a ticket of two annas will be required to pay three annas. I would therefore request that this question be re-examined and fares below Re. 1 should be free from the increase which is contemplated in the budget by my Honourable friend the Transport Member. This point is quite a simple one and I do not think any long speech is necessary, particularly because I want my Honourable friend Mr. Joshi to move his cut motion, which is a very important one.

Sir, I move.

**Mr. President:** Cut motion moved:

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

**The Honourable Dr. John Matthai:** Sir, I may perhaps cut short the discussion if I tell the House what the intentions of Government are in this matter. I told the House last week that we were considering the question of granting some relief in respect of the increase in fares proposed and that

I hoped to be able to make a statement on that point at an early date. We have gone carefully into this matter, and examined it from all points of view. The proposal made by my Honourable friend, Sardar Mangal Singh, that fares below Re. 1 should be exempted from the proposed increase is not one which we are in a position to accept, because the loss involved in that proposal would be such that the estimates that we have made for the budget year would be seriously disorganised. However, I have given careful consideration to the possibility of fixing a limit for exemption from the proposed increase.

**Sardar Mangal Singh:** Make it fifteen annas.

**The Honourable Dr. John Matthai:** My Honourable friend Mr. Gadgil the other day suggested that we might consider exempting all suburban tickets from the increased fare. That would not be fair to people who travel short distances in rural areas. If we are going to make any proposal for exemption, it seems to us that it should apply equally to rural areas. Therefore having considered the matter from all points of view, the announcement I have to make to the House is as follows:

Government have decided that the increase of  $6\frac{1}{2}$  per cent in passenger fares shall not apply to fares below eight annas, including those for season tickets between points where the single journey fare is below eight annas.

I should like to state briefly the financial implications of the proposal. If we accepted Sardar Mangal Singh's proposal, Government would stand to lose somewhere about  $1\frac{1}{2}$  to 2 crores of rupees. On the proposal that I have made the amount that we might lose is about 85 lakhs. We feel that this is as far as we can go.

**Sardar Mangal Singh:** May I know whether the increase on eight annas will be one anna and the increase on rupee one also will be one anna?

**The Honourable Dr. John Matthai:** It will be  $6\frac{1}{2}$  per cent of eight annas.

**Mr. President:** Does this apply to all classes of tickets?

**The Honourable Dr. John Matthai:** Yes, Sir.

**Sardar Mangal Singh:** In view of the announcement made by the Honourable the Railway Member—at least my motion has been accepted fifty per cent—I beg leave of the House to withdraw my cut motion.

The cut motion was, by leave of the Assembly, withdrawn.

#### *Failure of the Railway Board to implement the interim settlement with the All-India Railwaymen's Federation*

**Mr. N. M. Joshi (Nominated Non-Official):** Sir, I beg to move:

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

Sir, by making this motion I want to discuss certain matters arising out of the settlement arrived at between the Railway Board and the All-India Railwaymen's Federation in June 1946. You may remember, Sir, that in June 1946 the All-India Railwaymen's Federation had planned to declare a strike.

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

As a result of certain concessions made by way of an interim relief of Rs. 4-8-0 per month and as a result of the advice of some people who thought that that time was not quite favourable for a strike and also due to certain other concessions and promises given by the Railway Board the strike was not declared. Since that time the fulfilment of the terms of the settlement have been considered and watched by the All-India Railwaymen's Federation and by others who are interested in the welfare of the Indian railwaymen. I have therefore, considering the extent of the fulfilment, to place certain matters before the Honourable Member in charge namely that the Railway Board has not observed strictly the terms of the settlement and therefore some action to

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fulfil the terms of the settlement is necessary. One of the terms of the settlement was that interim relief with effect from 1st July 1945 should be granted in consultation with the All-India Railwaymen's Federation as recommended by the Railway Finance Committee. With regard to this condition I want to bring to the notice of the Honourable the Railway Member that in the first place all the terms of the settlement have not been observed by all the Indian Railways. They have to some extent—perhaps to a large extent—been fulfilled by the larger railways, but there are some smaller railways, not owned by the state but owned by private companies—which have not fulfilled these terms fully. Some of these companies have paid interim relief to a smaller extent and some, as far as I am told, have not yet paid interim relief.

Then there are a large number of people on various railways who are called 'casual labour' and they are not given the benefit of the interim relief of Rs. 4-8-0. Unfortunately, so far as I know, there is no proper definition of 'casual labour' I know, and I have got my original knowledge added to a little as a Member of the Pay Commission, that this term 'casual labour' is applied not only on railways but in several government concerns, for people who work not only for weeks regularly but for months and even years. Still they are called casual labour. The Railway Board, as far as I understand, have denied the benefit of the first term of the settlement to people who are called casual labour. I have stated that among the people who are called casual labour there are people who have worked for not only months but for years. The reason given, I am told, for not paying the interim relief to these people is that the labourers or workers are paid at market rates. My information is that these people are not paid at market rates, even if that was some justification for not paying them the interim relief of Rs. 4-8-0. So far as my knowledge goes, the rates paid to these people are less than what are known as the market rates. Therefore, the excuse for not giving the interim relief is not proper. I do not know what the idea of the Railway Board is regarding market rates. Some of these people have been working on the same wage for a long time. If they had been market rates they should have been changed every fortnight if not every week, because the cost of living either goes up or goes down. The cost of living is still going up although during certain periods the cost of living was going down. But the present trend is for the prices to go up still. If they had been really paid at market rates I think these rates should have been changing, but they are not changing very much. I therefore feel that the Railway Board is not really just in not paying the interim relief to a large number of their employees. Their number is not small. I am told the number on the G. I. P. Railway is about 26,000 and if you take all the railways together their number is 60,000.

There is another failure on the part of the Government in observing specially this term of the settlement. The term of the settlement was that an interim relief with effect from the 1st July 1945 should be granted in consultation with the Indian Railwaymen's Federation as recommended by the Railway Finance Committee. But I am told that persons in the employment of the Railway Board between July 1945 and 31st July 1946 are not given the benefit, that is people who retired before the 1st August 1946 have not been given the benefit of this interim relief. The justification given by the Railway Board, I am told, is that although their promise was to pay interim relief to all those people who were in the railway employment on the 1st of July 1945, still when the time for paying the actual interim relief came these people were not in the service of the Railway Board or the Indian railways. I feel that this is merely an excuse for not paying and I do not think there is any justification for not making the payment to these people on the ground that they had retired.

I think the Honourable Member will agree with me that a department of Government should never fail to honour their word. They have given their word, that all railwaymen who were in the employ of the railways on the 1st July 1945 will be paid interim relief according to a certain rate. And then to find out some excuse not to pay the interim relief to some people is not honouring their word. When the settlement was arrived at there was no understanding that the casual labourers will be omitted. There was no understanding that people who were or had retired before August 1946 will not be paid. I have nothing to say against the moral sense of the Railway Board but I know that at least on one occasion some years ago there was a Member of the Government of India who fulfilled his word, although the fulfilment of that word cost the Government of India a very large amount and although by fulfilling his word the Government of India at that time had to pay the workers for the days on which they were on strike. At that time there was Sir George Rainy, the Member in charge and he fulfilled his word to the letter, although that cost a large amount of money and it appeared as if the Railway Board were paying strike pay for their workmen. I would like the Honourable Member to remember this commendable behaviour of one of his predecessors and I would like him to realise what the result of not honouring their word on the part of the Government of India will be not only on their employees but on the whole public.

There is another point in connection with that settlement, namely, retrenchment. No employees of the Government of India who were in service on the 15th September 1945 would be retrenched but if some employees were found to be surplus the Government of India would find either alternative employment for them or keep them in their own employment. I want to speak on one or two aspects of this question of retrenchment. In the first place I am told that at Kanchrapara two thousand persons who were working not as railwaymen in those days but as civil-military units, were discharged from service. The justification given for this is that they were not regular railwaymen. They were parts of a civil-military unit or units. I feel that these people who were working in railway workshops should be treated as railwaymen, although they were not at that time on the regular railway musters but they were working under some military labour units. That is one point.

Another point is that the Government of India when they provided alternative employment, that employment is not quite good and if the employees do not accept it they are discharged on the ground that they were offered some alternative employment and they did not avail themselves of it. I was given an instance by a man who knows the conditions on the G. I. P. Railway. Some persons who were getting Rs. 26 in Manmad were transferred to Bombay and at Bombay too they were promised to be given Rs. 26. Now, this is not an alternative employment. If a man was paid Rs. 26 in Manmad, he would like to be paid something more in Bombay. So, this is not fulfilling properly the conditions of your settlement.

There is one more question regarding retrenchment. We all want to avoid retrenchment and as a measure of avoiding retrenchment, they could apply the hours of employment regulations and the holiday regulations to all railways. It was in 1919 that the hours of work convention was passed by the International Labour Conference held in Washington more than 26 or 27 years ago. According to that convention, the Government of India agreed to apply that convention and regulate the hours on railways. Unfortunately the Government has been neglecting to fulfil their plighted word in this matter. For some years they did nothing. After some years they began to take some action and that too in such a halting manner that although the convention was passed in 1919 the convention is not yet fully applied to all the railways. During the last 25 years the Government of India have wavered with all their

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effort to apply the hours convention only to what are known as Class I Railways but that convention is not yet made applicable to Class II Railways and Class III Railways. I feel that the Government of India is doing a wrong thing. I remember some years ago my friend Mr. Jannudas Mehta had made a complaint to the International Labour Office that the Government of India is not fulfilling their agreement as regards these hours of employment regulations. Since then, the Government of India took some action, but they are so lethargic that even 25 years have not been enough for them to fulfil their word. I would like the Government of India to take up this question earnestly once for all. They should fulfil their word. It is wrong for a Government not to fulfil their pledged word. It has a bad effect not

4 P. M. only on your employees but also upon everybody else in the country. Sir, I do not wish to take any more of your time, but I would like the Honourable Member to consider the items in which the Government of India have failed in their duty and have failed to carry out the agreement. Therefore, I request him to consider these matters and give their employees the fullest satisfaction in this respect.

**Mr. Deputy President:** Cut motion moved:

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

**Miss Maniben Kara** (Nominated Non-Official): Sir, I rise to support this motion. The House is aware that last year the workers, not only of Government's own railways but the workers of all the railways, had given a strike notice. That was not a mere threat of a strike. There was complete preparation for a successful general strike, not as a result of the agitation of handful of trade unionists but as a result of deep seated dissatisfaction prevailing amongst the railway employees for many years. As a result of the negotiations carried on between the All-India Railwaymen's Federation and the Railway Board and also as a result of some kind of settlement that was arrived at between these two bodies, the railway employees were advised to wait a while and to watch. They were also hoping that the report of the Pay Commission will be out soon; the railway employees who are responsible citizens of the society, therefore withdrew their strike notice. I personally went on the B. B. and C. I. Railway line requesting and explaining to the workers the advisability of withholding strike action in view of the interim relief which was being offered by the Railway Board and also because the Pay Commission was busy with finding facts and making recommendations. But to my great disappointment, I found that the railway employees were betrayed as a result of certain loopholes that were left in the form of the agreement. As many as 60,000 railway employees who are entitled to this interim relief of a small amount of Rs. 4-8-0 a month have been deprived of that benefit, because we, the labour representatives, were not businessmen, and did not understand the loopholes in the settlement with the Railway Board. Sir, we are frank and straightforward people. When we arrived at the agreement, we understood the Railway Board to say that this relief will be given to all the railway employees, but now we find that these so-called casual labourers have been deprived of its benefit. The spirit of the agreement was that the workers in your service working for a number of years, whose claim of increment was accepted by the Railway Board, will all get the benefit, namely, the interim relief. The expression "casual labourer" unfortunately is very much misused and abused because a worker who may have spent all his life and grown grey in the service of the railway is still called a casual labourer; because of this definition of the casual labour, he is treated by the Railway Board as a temporary hand. Is it justifiable that the Railway Board should deprive as many as 60,000 railway employees of their benefit of Rs. 4-8-0 a month? If the intention of the agreement between the Railway Board and the Federation was to somehow or other minimise the dissatisfaction existing among the railway employees, then I make bold to say that you have certainly failed

in that respect. I would appeal to the Honourable the Transport Member that as a representative of a new Government in this country, he should come forward with a gesture that he would abide not by the letter but by the spirit of the agreement which was entered into between the Federation and the Railway Board. Sir, not only in this respect, but, in the other case, where the workers retired in August are also deprived of that benefit. Is this an excuse to say that because the workers retired from their services, the Railway Board can swallow the money which legitimately belongs to the workers? It is never too late to begin. I, therefore, hope that the present Railway Member will pay the dues back to the railway employees. It is a matter of great regret for me to point out to this House that the railway authorities have failed to honour the agreement which was not at all satisfactory to the employees, but which the employees honoured and the Railway Board did not.

**Sir Cowasjee Jehangir:** I find there is no quorum.

*(The bell was rung and the quorum was obtained).*

**Miss Maniben Kara:** In order to win the confidence of the railway employees the Railway Board should fulfil the terms of the agreement which was arrived at between the Federation and the Railway Board. Even about hours of work, it was agreed that they will be extended to all the railways which are members of the Indian Railway Conference Association. With regard to hours of work, I wish to point out that the hours of work differ for three different categories of workers. One category of worker is called continuous worker, the second category is called intermittent worker and the third is called unclassified worker. I ask the Honourable Member to consider whether it is desirable to have three different classifications for hours of work for the employees on railways. The continuous worker is supposed to be working for eight hours only. But in order to get the weekly holiday a worker in this particular category has to put in extra hours every day so that he earns his eight hours leave for one day in a week. This should not happen at all. A worker is expected to have a weekly holiday and he should not be working for more than eight hours to earn that rest. But the worker called the continuous worker, has to do overtime in order to obtain weekly rest. This must stop and he must get a calendar day for his rest. The intermittent workers are working for 12 hours. The argument advanced is that station masters, booking clerks and porters are not working continuously for all the time; but you forget that these people are required to be at their posts. They cannot go home, they cannot enjoy rest between hours of work. The very fact that these workers have got to be at their jobs for 12 hours means that they have to be working for such long hours. This discrimination should immediately go. I would very much like the Honourable Member to give his urgent attention to this so-called unclassified workers. I mentioned in my general remarks on the railway budget that these members of the running staff work for as many as 12 hours, 15 hours and 16 hours a day. They are mostly supervisory staff who have absolutely no regulation of hours of work. Imagine engine drivers who have to perform such responsible tasks, who are responsible for lives of hundreds of passengers have no regulation for hours of work. This is appalling. You are thinking in terms of retrenchment, you are thinking in terms of throwing out persons when you are not in a position to replace those people who have to be working for longer hours. I can understand that at times when a train is running late it is not easy to relieve these workers but then they should be compensated. I expect the Railway Member to give serious attention to this class of unclassified workers. I do not want to cover the points which have been so ably dealt with by Mr. Joshi so I shall make a few remarks about leave rules. There are four different sets of leave rules, company leave rules, fundamental leave rules, state railway rules and separate leave rules for inferior staff. All these complicated leave rules should be abolished and there

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should be only one leave rules. The Railwaymen Federation has already put forward this demand, which should receive serious consideration. With these words, I support the motion moved by Mr. Joshi.

**Mr. Z. H. Khan** (Government of India: Nominated Official): Sir, I will try and deal briefly with some of the points raised during the discussion. My Honourable friend Mr. Joshi referred to the failure of the Railway Board in not granting interim relief to employees of railways other than Indian Government railways. In June last year when a general railway strike was threatened, the Railway Board agreed to grant interim relief as recommended by the Railway Standing Finance Committee, but this relief referred only to the employees of Indian Government railways. The Board in fact could not give any assurance with regard to employees on company lines nor on lines managed by Indian States, as Government, generally speaking, have no power over the detailed management of these lines. I may point out that the assurance given to the Federation referred only to employees employed on the Indian Government railways as the conditions of service of staff on those railways are controlled by Government and the expenditure thereon is directly chargeable to railway revenues. This question was also discussed with the Federation and during the discussion the Federation asked if the Railway Board would support action to ensure uniformity of conditions of service on railways other than Indian Government railways. The Federation were told that the Board would have no objection to referring the matter to the I. R. C. A. if they so desired. Later on after detailed examination, however, it was found that they had no statutory control in regard to service conditions of staff employed on those railways. But the Board agreed to write to the working agencies of those railways and place before them the representations made by the Federation for their consideration; and this is being done.

The other point that Mr. Joshi raised was in respect of casual labour. Casual labour is labour whose employment is not regular and who are engaged for specific work, the employment terminating with the cessation of the work, and who are given wages at schedule rate or market rates as distinguished from the fixed scale applicable to regular establishments. The rates paid to casual labour therefore take into account the cost of living. So far as we are aware the wages paid to this sort of labour have distinct relation to market rates, that is, rates paid to similar labour in that area and, generally speaking, are higher than the wages paid to similar whole-time staff employed on railways. This question has been examined at great length by us. The Railway Board do not accept the allegation that casual labour is not paid at market rates; but if the Honourable the Mover can substantiate his statement the Board will be glad to reconsider the question.

The Honourable the Mover then raised the question of the payment of interim relief to railway employees who have retired. This question has also been very carefully considered and has been discussed more than once with the All-India Railwaymen's Federation. I may explain that the increase in pay was given on the recommendation of the Standing Finance Committee for Railways in order to relieve the staff actually in service of their most pressing financial anxieties to make their continuance in railway employment possible; and the relief was given with retrospective effect in order to place a lump sum amount in the hands of the serving employees to meet their immediate needs pending inquiry by the Pay Commission. It was never intended that this relief should be extended to men who had retired from service. There are real difficulties in the matter of giving interim relief to men who had retired before that date; and the main difficulty is the tracing of these men. That is, these men must have gone to their homes and we have no definite record as to where they could be found; it will also be extremely difficult to verify the

last pay drawn by them as such records are not usually available after a man has retired.

Then Mr. Joshi raised the question of retrenchment of the staff of the Civil Maintenance Units. This staff were recruited during the war on behalf of the Defence Department for work which was undertaken by the B. & A. Railway by the Controller No. 1 C. M. U. company who happened to be the Deputy Chief Mechanical Engineer of the Railway at Kanchrapara, without regard to railway rules or railway scales of pay. In many cases the scales of pay of several of them were higher than those given to regular railway staff, and the entire cost of their wages and allowances was debited to the Defence Department. They were at no time treated as regular railway employees. At the meeting of the All-India Railwaymen's Federation with the Board on 5th December 1945 it was made clear to the Federation that the men who were employed by railways on behalf of other departments and were doing their work were not railway servants and therefore had no claim for absorption in future vacancies. This position, I may say, was accepted by the Federation. Even though the C. M. U. staff were not treated as railway servants orders were issued to the B. & A. Railway directing them that they should endeavour to absorb this staff in regular railway employment when opportunity offered. In July last year the Federation mentioned this matter again to the Board and said that their retrenchment was against the undertaking given to them by the Board. At the same time some of the C. M. U. staff made an application to the Calcutta High Court to order the General Manager to cancel the notice of discharge issued to them; and the General Manager of the B. & A. Railway received a ruling from the court asking him why the notices of discharge should not be cancelled. The judgment of the Calcutta High Court has only recently been received and they have agreed with the Railway Department that the C. M. U. staff were never intended to be railway employees and that the notice of discharge issued against them were correctly issued.

The Honourable Member who followed the Honourable the Mover mentioned the hours of work rules. This matter is under reference to the Adjudicator along with the question of leave to staff and it is very difficult to say what the recommendations of the Adjudicator would be; but Government will certainly give every consideration to the award made by the Adjudicator.

**The Honourable Dr. John Matthai:** Sir, Mr. Zafar Husain Khan has explained the position of the Railway Board in regard to this matter. I was not concerned with the negotiations that took place last year and the settlement that was reached at the end of those negotiations. But since I received notice of Mr. Joshi's motion I have gone with some care into this question. I have seen the papers and I have discussed the matter with the Railway Board; and I should like to tell Mr. Joshi that having examined the question with a detached mind I am satisfied that in coming to the decisions that they have come to the Railway Board have not in the least been actuated by any desire to back out of the engagements which they reached with the All-India Railwaymen's Federation. And I hope Mr. Joshi will accept my assurance that in this matter or any matter of this kind that may come up in the future we shall fully and faithfully implement any undertakings that may be reached with labour. Speaking not merely personally but on behalf of the Government I should like to say that we are anxious that our relations with labour should be placed on a really satisfactory footing. We shall take every step necessary towards that purpose; and I hope Mr. Joshi and his colleagues will give us in this matter the fullest co-operation.

**Mr. N. M. Joshi:** Sir, I may say with regard to the assurance given by the Honourable the Railway Member that I never questioned the motives of the Railway Board; but I will surely say this that their action results in a failure to implement their promises. Their motive may not be to back out of these promises but the result is backing out.

**Mr. Deputy President:** The question is:

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

The motion was negatived.

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**Mr. Deputy President:** As there are no other cut motions left, I will put the Demands to the House.

**Haji Abdus Sattar Haji Ishaq Seth** (West Coast and Nilgiris: Muhammadan): I rise to a point of order. I just want to know what is the procedure in this case. If guillotine is applied at 5 O'clock, then the motions are put by the Chair. Now that there is half an hour more, the Honourable Member should put the motions so that if any Members of the House want to offer any observations they may do so.

**Sjt. N. V. Gadgil:** We have come to journey's end now.

**Mr. Deputy President:** If the Honourable Member wants to insist, that is the correct procedure, but as the cuts which were agreed upon to be moved are finished I thought it will save time if the motions are put by the Chair.

**Haji Abdus Sattar Haji Ishaq Seth:** I do not insist, Sir.

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 39,06,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Railway Board'."

The motion was adopted.

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#### DEMAND NO. 2.— AUDIT

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 19,94,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Audit'."

The motion was adopted.

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#### DEMAND NO. 3.— MISCELLANEOUS EXPENDITURE

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 54,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Miscellaneous Expenditure'."

The motion was adopted.

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#### DEMAND NO. 5.— WORKING EXPENSES—REPAIRS AND MAINTENANCE

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 40,14,88,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Repairs and Maintenance'."

The motion was adopted.

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#### DEMAND NO. 6.— WORKING EXPENSES—OPERATING STAFF

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 22,58,28,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Operating Staff'."

The motion was adopted.

## DEMAND No. 7.—WORKING EXPENSES—OPERATION (FUEL)

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 22,39,19,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Operation (Fuel)'."

The motion was adopted.

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## DEMAND No. 8.—WORKING EXPENSES—OPERATION OTHER THAN STAFF AND FUEL

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 7,93,67,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Operation Other than Staff and Fuel'."

The motion was adopted.

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## DEMAND No. 9.—WORKING EXPENSES—MISCELLANEOUS EXPENSES

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 24,45,16,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Working Expenses—Miscellaneous Expenses'."

The motion was adopted.

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## DEMAND No. 10.—PAYMENTS TO INDIAN STATES AND COMPANIES

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 1,66,80,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Payments to Indian States and Companies'."

The motion was adopted.

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## DEMAND No. 12.—INTEREST CHARGES

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 87,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Interest Charges'."

The motion was adopted.

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## DEMAND No. 13.—APPROPRIATION TO BETTERMENT FUND

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 5,00,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Appropriation to Betterment Fund'."

The motion was adopted.

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## DEMAND No. 14.—APPROPRIATION TO RESERVE

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 5,00,52,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Appropriation to Reserve'."

The motion was adopted.

## DEMAND No. 14A.—WITHDRAWAL FROM RESERVE.

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 1,86,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Withdrawal from Reserve'."

The motion was adopted.

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## DEMAND No. 15.—CONSTRUCTION OF NEW LINES

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 2,46,52,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Construction of New Lines'."

The motion was adopted.

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## DEMAND No. 16.—OPEN LINE WORKS—ADDITIONS

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 23,19,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Open Line Works—Additions'."

The motion was adopted.

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## DEMAND No. 17.—OPEN LINE WORKS—REPLACEMENTS

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 24,18,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Open Line Works—Replacements'."

The motion was adopted.

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## DEMAND No. 18.—CAPITAL OUTLAY ON VIZAGAPATAM PORT

**Mr. Deputy President:** The question is:

"That a sum not exceeding Rs. 15,08,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1948, in respect of 'Capital Outlay on Vizagapatam Port'."

The motion was adopted.

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The Assembly then adjourned till Eleven of the Clock on Thursday, the 27th February, 1947.