

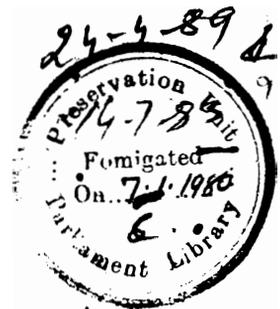
22nd February 1945

THE
LEGISLATIVE ASSEMBLY DEBATES
Official Report

Volume I, 1945

(8th February to 23rd February, 1945)

TWENTY-SECOND SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1945



LEGISLATIVE ASSEMBLY

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Deputy President :

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Mr. N. M. JOSHI, M.L.A.

Sardar SANT SINGH, M.L.A.

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LEGISLATIVE ASSEMBLY

Thursday, 22nd February, 1945

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

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

SUBSIDIES TO NEWSPAPERS FOR NATIONAL WAR FRONT WORK

465. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member for Information and Broadcasting please state:

- (a) whether Government are paying subsidies directly or indirectly to any newspaper for supporting the work of the National War Front;
- (b) if so, the newspapers which receive such subsidies; and
- (c) whether any of the Provincial Governments are spending from the amounts allotted to National War Front work in those Provinces for subsidising any newspapers?

The Honourable Sir Sultan Ahmed: (a) No.

(b) Does not arise.

(c) No part of the funds allotted by the centre is used for subsidizing newspapers. Whether Provincial Governments use any part of the provincial revenues for the purpose is not known and may well form the subject of inquiry from them direct.

Mr. N. M. Joshi: May I know whether the purchase of copies of newspapers is considered to be a subsidy: if not, I would like to ask the Honourable Member whether he can give us information regarding the number of copies Government purchase for the National War Front.

The Honourable Sir Sultan Ahmed: We do not consider buying newspapers as subsidising papers. The question was answered by me sometime back on a question put by Mr. Gupta in the last Session. Some of the papers that we do subscribe to now for the National War Front will be given up from the 1st of April, 1945.

Mr. T. S. Avinashilingam Chettiar: What are the newspapers which they are subscribing to now?

The Honourable Sir Sultan Ahmed: I had mentioned in my answer to a question put in the last Session that the *Vanguard* was purchased for use by the workers in the Provinces during the year April 1944 to March 1945.

Mr. Abdul Qaiyum: May I know how many copies of the *Vanguard* are purchased by the Central Government?

The Honourable Sir Sultan Ahmed: 1,500.

DETENTION OF SRI JAI PRAKASH NARAIN

466. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable the Home Member please state:

- (a) whether Sri Jai Prakash Narain is still detained in the Lahore Fort;
- (b) who are his companions there;
- (c) whether he is allowed interviews, letters, etc., which are normally allowed to all security prisoners, and whether they have come to a conclusion in the matter whether to put up a case against him or not;
- (d) whether he has been given facilities to take legal aid from one or more lawyers of his choice; and
- (e) whether it is true that he is allowed to talk even to his lawyers only in the presence of C.I.D.?

The Honourable Sir Francis Mudie: (a) and (b). The attention of the Honourable Member is drawn to my reply to Mr. Satya Narain Sinha's short notice question on the 10th February.

(c) The answer to the first part of the question is in the affirmative. Whether he will be brought to trial is still under consideration.

(d) He enjoys all the facilities for taking legal aid which are permissible under the United Provinces Security Prisoners Rules.

(e) Interviews with legal advisers are subject to such conditions and restrictions as the Superintendent may consider necessary to ensure Security and prevent the passing of unauthorised communications unconnected with the case relating to which the interview is granted.

Mr. T. S. Avinashilingam Chettiar: Are the United Provinces Rules the same as or are different from the Punjab Government rules?

The Honourable Sir Francis Mudie: There is very little difference. Each Province makes its own rules.

Mr. Abdul Qaiyum: May I know if the rules require that the C.I.D., must be present even when a prisoner is interviewing his legal adviser?

The Honourable Sir Francis Mudie: I have quoted practically from the rule. The rule is:

"Subject to such conditions and restrictions as the Superintendent may consider necessary to ensure security and prevent the passing of unauthorised communications unconnected with the case relating to which the interview is granted."

Mr. Sri Prakasa: With reference to part (b) of the question, in answer to the short notice question of the 10th instant to which the Honourable Member has referred, he had stated that Dr. Ram Manohar Lohia and Mr. Jai Prakash Narain were not kept in the same barrack, because there were some difficulties at Agra. Would the Honourable Member now say what the present position is and whether the two prisoners are kept together?

The Honourable Sir Francis Mudie: My recollection is that I said that I did not know,—that I had no objection to their meeting one another and that the United Provinces Government had been told that there was no objection.

Mr. T. S. Avinashilingam Chettiar: There was no answer to part (b) of my question.

The Honourable Sir Francis Mudie: Parts (a) and (b) were answered together.

Mr. T. S. Avinashilingam Chettiar: In that answer we have not been told who were Mr. J. P. Narain's companions?

The Honourable Sir Francis Mudie: I have just replied that we have no objection to Dr. Ram Manohar Lohia being his companion but the names of the other companions must vary from time to time.

Mr. T. S. Avinashilingam Chettiar: The Honourable Member has only said that he has no objection to Dr. Ram Manohar Lohia being Mr. Jai Prakash Narain's companion but I want to know who *are* his companions?

The Honourable Sir Francis Mudie: If the Honourable Member wants to know who they are on a particular date, I shall obtain the information.

Mr. Sri Prakasa: With reference to part (d) of the question, may I know if it is a fact that Mr. Jai Prakash Narain wanted to sue Government for maltreatment and desired to interview his lawyer, but that the Punjab Government did not allow him any facilities and rejected his application. I ask this in view of the fact that the Honourable Member said that the Superintendent of Jail had full authority in the matter.

The Honourable Sir Francis Mudie: The Honourable Member will appreciate that the United Provinces Government would not do a thing like that.

NEW DEPARTMENTS IN CENTRAL SECRETARIAT

467. ***Mr. T. S. Avinashilingam Chettiar:** Will the Honourable the Home Member please state:

(a) how many new departments have been opened in the Central Secretariat after the beginning of the war;

(b) how many new posts of Gazetted and Non-Gazetted officers have been created; and

(c) with what financial effect?

The Honourable Sir Francis Mudie: (a) The following new Departments have been created since the commencement of the war.

- (1) Department of Information and Broadcasting;
- (2) Department of Industries and Civil Supplies;
- (3) Department of Food;
- (4) Department of Supply;
- (5) Department of Planning and Development; and
- (6) Department of Commonwealth Relations.

The following departments have been constituted out of existing Departments:

- (1) Department of Posts and Air;
- (2) War Transport Department;
- (3) War Department; and
- (4) Defence Department.

(b) and (c). The information asked for is not readily available and its collection would involve an amount of time and labour that would not be justifiable in war time.

Mr. T. S. Avinashilingam Chettiar: May I know if all these new offices are located in Delhi itself and that all the calculations necessary can be had in the Delhi Secretariat?

The Honourable Sir Francis Mudie: Possibly, but I am not sure. Perhaps Simla and Calcutta are also involved.

Mr. T. S. Avinashilingam Chettiar: Having regard to the importance of the question, may I know whether the Honourable Member will collect the information and place it on the table of the House?

The Honourable Sir Francis Mudie: No, Sir, for the reason that I have already given.

Mr. H. A. Sathar H. Essak Sait: What is the difficulty with regard to part (c), viz., the financial effect?

The Honourable Sir Francis Mudie: That is one of the main difficulties. It fluctuates from month to month.

Mr. T. S. Avinashilingam Chettiar: Do the Government open Departments without ascertaining what the financial effect would be?

The Honourable Sir Francis Mudie: I have never opened one: I cannot answer.

COUNTER PROPAGANDA DIRECTORATE

468. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member for Information and Broadcasting please state:

- (a) the policy and work of the Counter-Propaganda Directorate; and
- (b) when the new Directorate was started?

The Honourable Sir Sultan Ahmed: (a) To prepare and issue background material calculated to produce a correct appreciation of the progress of war, including counters to enemy broadcasts towards India.

- (b) 1st November, 1941.

PURCHASING POWER OF RUPEE

469. *Dr. Sir Zia Uddin Ahmad: (a) Will the Honourable the Finance Member be pleased to state the improvement or deterioration in the purchasing power of a rupee since November, 1944?

(b) What steps has the Honourable Member taken to increase the purchasing power of a rupee and with what result?

(c) Will the Honourable Member be pleased to give the price index of wheat, rice, cotton, cotton piece-goods, sugar and coal in January, 1945, assuming the price index in August, 1940, to be 100?

The Honourable Sir Jeremy Raisman: (a) I would draw the Honourable Member's attention to the answer I gave to his starred question No. 115 on the 17th February, 1943 and repeat that it is not possible to give an adequate statistical picture of changes in the general purchasing power of the rupee, particularly over short intervals of time.

(b) I would refer the Honourable Member to the answer given to his starred question No. 67 on the 3rd November 1944.

(c) Assuming prices in the week ending August 19, 1939 to be 100—which is the base on which Government's price indices are constructed—the wholesale indices on 27th January 1945 were:

Wheat	389
Rice	333
Cotton	198
Cotton piece goods	285
Sugar	165
Coal	315

Dr. Sir Zia Uddin Ahmad: What is the figure for coal?

The Honourable Sir Jeremy Raisman: 315.

Dr. Sir Zia Uddin Ahmad: May I ask whether it is not a fact, from the figures he has just quoted, that the purchasing power of the rupee is less than five annas at present, and also whether there is any tendency to improve or the tendency is towards deterioration?

The Honourable Sir Jeremy Raisman: The Honourable Member is too skilled a mathematician to expect me to extract a general weighted average from the figures I have mentioned.

Dr. Sir Zia Uddin Ahmad: A philosopher can answer the last part of my question: Is there a tendency towards deterioration or towards improvement?

The Honourable Sir Jeremy Raisman: I shall deal with the matter in the course of my Budget Speech; it is hardly a subject which can be dealt with in the course of question and answer.

REFUSAL OF INTERVIEW FACILITIES BY DETAINED CONGRESS WORKING COMMITTEE MEMBERS

470. *Mr. Abdul Qaiyum: Will the Honourable the Home Member please state:

(a) whether Maulana Abul Kalam Azad was in correspondence with the Government of India on the refusal of the Working Committee Members to avail themselves of the facilities of interviewing their relatives;

(b) whether the Government of India are prepared to publish the above correspondence; if not, the reasons therefor; and

(c) whether he will explain the points in issue in the correspondence and the action proposed or taken?

The Honourable Sir Francis Mudie: (a), (b) and (c). I would invite attention to the answer given to parts (c) and (d) of Mr. K. S. Gupta's question No. 219 on the 14th of this month.

Mr. Abdul Qaiyum: May I know whether there has been any correspondence, and if so, whether the Government is prepared to release that correspondence between Maulana Abul Kalam Azad and the Government?

The Honourable Sir Francis Mudie: That actually was one of the questions asked. I shall read out the reply to the previous question to which I referred: "Maulana Abul Kalam Azad addressed certain letters on this subject, not to the Government of India, but to His Excellency the Viceroy. The question of their publication is therefore not one for the Government of India."

Mr. Abdul Qaiyum: May I know if His Excellency had passed on those letters to the Government of India or the Home Department?

The Honourable Sir Francis Mudie: I may have seen the letters; that is another question; but I am not in a position to make a decision—they are not addressed to me—whether they should be published or not.

Mr. Abdul Qaiyum: May I know if, in view of this question, the Home Department have asked His Excellency if he had any objection to the publication of this correspondence?

The Honourable Sir Francis Mudie: No need for me to do so.

Mr. Abdul Qaiyum: Will the Honourable Member now ask His Excellency and publish the correspondence if there is no objection?

(No answer was given.)

LANGUAGE RESTRICTION ON MR. HARI KRISHNA MEHTAB'S INTERVIEW WITH HIS BROTHER

471. *Mr. Abdul Qaiyum: Will the Honourable the Home Member please state:

(a) whether a brother of Mr. Hari Krishna Mehtab came to Ahmadnagar for an interview;

(b) if he was told that he could not speak in the Oriya Language;

(c) whether he was asked to bring an interpreter;

(d) the reasons for this ban on an individual's right to speak in his mother tongue; and

(e) whether this restriction has since been removed?

The Honourable Sir Francis Mudie: (a) No, but a brother-in-law of Mr. Hari Krishna Mehtab applied by letter from Orissa for an interview with him.

(b) and (c). In his letter the brother-in-law asked whether he would be allowed to speak in Oriya or whether he should bring an interpreter with him, as he himself did not know English. He was asked to bring an interpreter since a conversation in Oriya could not be allowed.

(d) and (e). The interview never took place, but the intention of the Bombay Government was that the visitor should speak to the interpreter in Oriya: the interpreter would translate what he said into English, within the hearing of the Camp Superintendent: and the prisoner would reply in English, his reply being translated by the interpreter for the benefit of the visitor. As the interpreter was not an official but a person chosen by the visitor, it was considered necessary for security reasons that part of the conversation should be in English. A more usual and, in the opinion of the Government of India, a more suitable procedure is to arrange for the presence of an official who knows the language in which the conversation is to be carried on in which case no part of it need be in English.

Mr. Abdul Qaiyum: May I know if this particular relative was asked before he left Orissa that he had to bring an interpreter with him?

The Honourable Sir Francis Mudie: I will read the answer again perhaps the meaning will be clearer this time:

"No, but a brother-in-law of Mr. Hari Krishna Mehtab applied by letter from Orissa for an interview with him.

In his letter the brother-in-law asked whether he would be allowed to speak in Oriya or whether he should bring an interpreter with him, as he himself did not know English. He was asked to bring an interpreter since a conversation in Oriya could not be allowed".

That is my answer.

Mr. Abdul Qaiyum: May I know if it is necessary that the conversation should be held in English? Why not have Hindustani as a substitute?

The Honourable Sir Francis Mudie: Shall I read out the answer to parts (c) and (d)?

Mr. Abdul Qaiyum: No; it is no use; the Honourable Member is reading out the same thing again and again: I asked a very simple question whether Hindustani would be allowed.

Mr. President (The Honourable Sir Abdur Rahim): He has given his answer.

The Honourable Sir Francis Mudie: My reason for reading out the answer again and again is because the questions are asked again and again.

Mr. Abdul Qaiyum: Because the replies are not satisfactory.

PROPAGANDA ABOUT INDIA CARRIED ON IN AMERICA BY INDIAN GOVERNMENT

472. *Mr. Abdul Qaiyum: Will the Honourable Member for Information and Broadcasting please state:

(a) if his attention has been invited to an article in the *Tribune*, Lahore, dated the 18th January, 1945, "British Propagandists Can't Fool Us";

(b) whether the Government of India spend two and a half million rupees annually on propaganda in the United States of America;

(c) if not, the amount so spent every year in 1940, 1941, 1942, 1943 and 1944;

(d) the total number of Indians now engaged in such propaganda in the United States of America; and

(e) whether he would lay on the table a copy of each of the books or pamphlets sent out by the Department to the United States of America in 1943 and 1944?

The Honourable Sir Sultan Ahmed: (a) Yes.

(b) and (c). The attention of the Honourable Member is invited to the answer given by me to his starred question No. 338 on 19th February, 1945.

(d) Two Indian Officers have been appointed in the Indian Information Services. In addition there is one Indian Army Officer on the Agent General's staff, who supplies information about the Indian Defence Services.

(e) A number of books and periodicals etc., are sent from time to time for the information of the Agent General and the Information Staff. It is not possible to table them all.

Mr. Abdul Qaiyum: As far as I remember the Honourable Member only gave the figures for 1944. With reference to part (b) of the question, will the Honourable Member give the figures for the other years mentioned?

The Honourable Sir Sultan Ahmed: We have not got the figures.

Mr. Abdul Qaiyum: May I know if only one copy of the pamphlet is sent to the Agent General or whether a large number of copies are sent for his information?

The Honourable Sir Sultan Ahmed: No; sometimes two, sometimes three and sometimes one.

Mr. Abdul Qaiyum: May I know if Mr. Hennessey is the officer in charge of the distribution of pamphlets in the U.S.A.?

The Honourable Sir Sultan Ahmed: The question of distribution has already been answered in answer to a question put by my Honourable friend on the 19th.

Mr. Abdul Qaiyum: May I know if the pamphlets sent out to the Agent General are distributed to American newspapers?

The Honourable Sir Sultan Ahmed: No; not these: there are plenty of other small pamphlets: for instance I can give you some of these: "The Way Out" by Mr. Rajagopalachariar, "Pakistan and India" published by the All India Muslim League, Speeches and Writings of Mr. Jinnah, Correspondence between Mr. Gandhi and Mr. Jinnah, Higher Scientific Industrial Research, and so on: there are plenty of these pamphlets going.

Mr. Abdul Qaiyum: May I know if it is a fact that the British Government, to the knowledge of the Government of India, is spending a lot of money on propaganda relating to India, in the United States of America?

The Honourable Sir Sultan Ahmed: I have no definite information about 'a lot of money'.

Mr. Abdul Qaiyum: May I know if the Honourable Member has seen in the same article that the British Government spends something like 10 to 12 million rupees every year on Indian propaganda?

The Honourable Sir Sultan Ahmed: I have no information about that.

Mr. Abdul Qaiyum: May I know. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has said that he has no knowledge.

REFUSAL OF INTERVIEW FACILITIES BY DETAINED CONGRESS WORKING COMMITTEE MEMBERS

473. *Sardar Mangal Singh: Will the Honourable the Home Member please state:

(a) whether his attention has been drawn to the press statement of Dr. P. C. Ghosh, Member, Congress Working Committee, which has been published in the Indian press on the 23rd January, 1945;

(b) how far the allegations of uncivil and humiliating treatment as stated therein are correct; and

(c) whether Government will publish the correspondence which has passed between the Congress President and the Government about the subject of refusal of interviews with their relatives?

The Honourable Sir Francis Mudie: (a) Government have seen a report in the press of the informal talk which Dr. Ghosh had with Congress workers on the 21st of January.

(b) It contained no allegations of uncivil or humiliating treatment.

(c) The Honourable Member's attention is invited to the reply given to parts (c) and (d) of Mr. K. S. Gupta's question No. 219 on the 14th February.

HYDARI MISSION

474. ***Mr. Manu Subedar:** (a) Will the War Secretary please state the object of sending the Hydari Mission to the United Kingdom?

(b) What are the difficulties which Government noticed with regard to production and procurement of requirements for the Army, and what are the proposals which the Hydari Mission is taking to His Majesty's Government?

(c) Have Government considered the possibility that the same thing might happen to the rupee as happened to the Mark and the Rouble, if unlimited purchases in India cannot be avoided?

(d) What is the major difficulty with regard to coal by which production both for war purposes and for the civil population is abruptly interrupted at so many places in regard to such essential goods as cloth and paper?

(e) Why has no non-official been sent with this Mission?

(f) What is Government's policy in this matter and what is their explanation for this Mission?

(g) What is the total amount of the purchases in India for Army purposes (both Indian and the Allied Armies) during 1943-44 and 1944-45 (up to the 31st December, 1944)?

Mr. C. M. Trivedi: (a) and (b). I would refer the Honourable Member to the Press Note on the subject issued on 17th January 1945.

(c) Government are fully aware of the dangers of the situation, and are continually doing all in their power to combat inflationary tendencies.

(d) Allocations of coal to the various industries are at present made having regard to the availability of coal from time to time and the requirements of the industry for meeting essential civil and military demands for goods. Every effort is made to provide coal supplies upto the allocations fixed but shortfalls occur for causes such as a failure on the part of the supplying collieries to indent for wagons, short loadings on account of festivals, or railway operational difficulties due to accidents or congestions.

(e) The Mission has been sent on purely official business largely as an administrative convenience in order to save time and correspondence in handling many thousands of war demands.

(f) The policy of Government is to deal with each case on its merits.

(g) The total amounts charged in the Defence Services Accounts on account of stores and supplies purchased in India are given below:

(In round crores of Rs.)	
1943-44	312
April to December 1944	245

Mr. Manu Subedar: May I know whether the Government considered at the time of deciding on this mission the question of associating non-officials either from this House or from outside this House with this Mission? Was the question considered?

Mr. C. M. Trivedi: I have answered that already. The mission was sent for purely official business as a matter of administrative convenience.

Mr. Manu Subedar: Does the Honourable Member convey that the question was never considered—of associating a non-official with this mission?

Mr. C. M. Trivedi: I have given the answer.

Mr. K. C. Neogy: Am I to understand that the Hydari Mission represents the War Department and not the Department of Industries and Civil Supplies?

Mr. C. M. Trivedi: It represents the Government of India.

Prof. N. G. Ranga: Is the Mission authorised to come to final conclusions in England or will it do so only after consulting the Government of India in India?

Mr. C. M. Trivedi: If the Mission considers it necessary, it will consult the Government of India on doubtful points.

Mr. Abdul Qaiyum: Will the Honourable Member confirm the newspaper report published this morning in the *Hindustan Times* that the conclusions arrived at by this Mission will be kept a 'top secret'.

Mr. C. M. Trivedi: I have seen the press report referred to by the Honourable Member. I am not responsible for what has appeared in the *Hindustan Times*.

Mr. Abdul Qaiyum: This news is from London. Have any instructions been issued to this particular mission, whereby the conclusions arrived at by them will not be disclosed either to this House or the country?

Mr. C. M. Trivedi: No instructions have been issued to the mission on the point referred to by the Honourable Member.

Mr. Manu Subedar: Will the report of the mission be placed before this House?

Mr. C. M. Trivedi: No, Sir.

Mr. Manu Subedar: May I know whether there are any special reasons for not informing this Legislature about the report that this Mission will make?

Mr. C. M. Trivedi: I will consider the question of acquainting the Legislature with the broad results of the Mission. I cannot undertake that the report will be published or that the Legislature will be consulted because the mission will deal with many thousands of war demands, the nature of which it would not be in the interests of security to disclose.

Mr. Manu Subedar: Does it mean that when crores of rupees are committed to the debit of India, this House should not be informed? Is it the policy of the Government of India that the larger the commitments the less the information supplied to this House?

Mr. C. M. Trivedi: I have said that I will consider the question of acquainting the House with the broad results of the mission.

Mr. K. C. Neogy: Can the Honourable Member give us an idea about the extent of the authority of this Mission to commit the Government of India in regard to any question of policy or finance?

Mr. C. M. Trivedi: No question of policy is involved. This is not a mission for exploring or formulating policy.

Mr. K. C. Neogy: What about finance?

(No reply.)

NON-INDIAN EVACUEES AND REFUGEES EMPLOYED BY GOVERNMENT

475. *Mr. Manu Subedar: (a) Will the Honourable the Defence Member please state how many non-Indian evacuees and refugees have found employment under (i) Government of India, (ii) Provincial Governments, and (iii) other public bodies?

(b) How many of these have been assisted to such employment by agencies set up by Government?

(c) Have Government received any complaints that jobs which should have gone to Indians, have been taken by these refugees and in some cases even men who have put in many years of faithful service in Government have been passed over in favour of some of the evacuees?

(d) Do Government propose to appoint a committee to go into this question and to prepare a plan for demobilising the evacuees and refugees immediately on the cessation of the hostilities? If not, why not?

Mr. C. M. Trivedi: (a) and (b). I would invite the attention of the Honourable Member to the answer given to starred question No. 277 on the 18th November 1943. It is hoped that a statement giving the results of the enquiry conducted in connexion with that question will shortly be placed on the table of the House. Government consider that the collection of any further information would involve an expenditure of time and labour not commensurate with the results to be achieved.

(c) I am not aware of any such complaints, but will be prepared to look into any that are brought to my notice.

(d) Government do not consider that the appointment of a Committee is necessary.

Prof. N. G. Ranga: Is it not a fact that the allowances that have been granted to a number of people in the Madras Presidency are being stopped now?

Mr. C. M. Trivedi: I have no information. I will inquire and let the Honourable Member know.

Mr. Manu Subedar: With reference to part (d) may I know why Government will not set up a committee in order to demobilise from service those evacuees who have been taken into service, in order to find places for the returned soldiers to whom they are committed.

Mr. C. M. Trivedi: If the posts in which these evacuees are employed are no longer necessary after the war, the posts will be abolished.

Mr. Manu Subedar: Have there been any cases in which Indians in Government service of long standing have been passed over in favour of the evacuees and the evacuees have been placed in higher positions on top of these Indians?

Mr. C. M. Trivedi: I am not aware of any such cases. If the Honourable Member will give me specific instances, I will ask the Defence Department to look into them.

Mr. Manu Subedar: Will the Honourable Member give us a list of those who have been appointed getting over Rs. 200, we could then point out thousands of cases like that.

Mr. C. M. Trivedi: The statement that will be furnished to the House in reply to the previous question to which I have referred will give the Honourable Member the information which he requires.

Mr. Abdul Qaiyum: Is it the case of the Government that Indians with the requisite qualifications were not available for the posts which were filled by these non-Indian evacuees?

Mr. C. M. Trivedi: So far as I know, the appointment of these evacuees has not in any way harmed or prejudiced any suitable Indian.

Mr. Abdul Qaiyum: Have Government satisfied themselves that Indians with the requisite qualifications were not available?

Mr. C. M. Trivedi: I cannot answer for all the employing authorities, but I suppose they must have done so.

IMMORAL TRAFFIC

476. *Shrimati K. Radha Bai Subbarayan: Will the Honourable the Home Member please state:

(a) if Government are aware that immoral traffic has increased in the country since the war; and, if so, what steps the Government of India have taken to suppress it in the centrally administered areas;

(b) if Government have seen repeated reports in the New Delhi Press that the number of brothels in the Delhi areas has increased causing much insecurity and danger to youngwomen and girls; and, if so, whether Government have taken any steps to investigate the matter and to check the evil;

(c) if the Government of India or any voluntary organisations maintain homes for the care of rescued or destitute women and girls; and if the answer is in the negative, whether Government will take necessary steps to establish such homes in Delhi; and

(d) when the last report on immoral traffic in Delhi Province was submitted to Government by the officials concerned; and when the next report is due?

The Honourable Sir Francis Mudie: (a) to (d). I have no information as far as Governors' Provinces are concerned. As regards Chief Commissioners' Provinces, there has been an increase in the number of brothels and prostitutes in Delhi. The measures in force in Delhi for the control of prostitution are—

Sections 152 and 153 of the Punjab Municipal Act, 1911; the Bengal Suppression of Immoral Traffic Act, 1933; and, in Cantonments, sections 235, 236 and 237 of the Cantonments Act, 1921.

The Y. W. C. A. and certain other non-official organizations maintain homes in which young women can find accommodation, but there is no institution in Delhi specifically designed for the reception of reclaimed prostitutes. An annual report is submitted each year to the Legislative Department in a form prescribed by the League of Nations. The last report was submitted in August 1944 and the next will be submitted in July or August this year. The attention of the Chief Commissioner is being called to this matter and he is being asked to do all that he can to combat this evil.

Shrimati K. Radha Bai Subbarayan: May I ask if Government have appointed a Women's welfare officer to assist the police in detecting brothels and rescuing women from brothels as some of the provinces have done?

The Honourable Sir Francis Mudie: I will ask the Chief Commissioner to consider that.

Mr. Sri Prakasa: Will the Honourable Member kindly give an idea of the action, if any, taken by the Delhi administration under the various rules and regulations he has mentioned?

The Honourable Sir Francis Mudie: I cannot give that.

Mr. Sri Prakasa: Does it mean that no action has been taken?

The Honourable Sir Francis Mudie: No.

Prof. N. G. Ranga: Will the Honourable Member bring to the notice of the Provincial Governments the questions and the answers here in this connection so that they may take whatever action they may think proper?

The Honourable Sir Francis Mudie: No objection to that.

JUVENILE DELINQUENTS AND DESTITUATES IN DELHI PROVINCE

477. *Shrimati K. Radha Bai Subbarayan: Will the Honourable the Home Member please state:

(a) whether Government have any information that since January, 1940, there has been an increase of juvenile delinquents and destitutes in Delhi Province; and if not, do they propose to call for it; and

(b) what steps Government have taken for the care and reform of juvenile delinquents, and for the care and education of destitute children and juveniles?

The Honourable Sir Francis Mudie: The information is being collected and will be laid on the table of the House in due course.

ADVISER ON PLASTICS

478. *Mr. T. T. Krishnamachari: Will the Honourable Member for Planning and Development please state:

(a) whether his Department has recently appointed any adviser on plastics;

(b) if the answer to the above is in the affirmative, whether the individual appointed is a person who had been running a plastics factory which had been liquidated; and

(c) whether it is a fact that the Government of India had refused permission to the concern run by this individual for issue of capital because it was not a sound concern?

The Honourable Sir Ardeshir Dalal: (a) No. (b) and (c). Do not arise.

MUNSTER REPORT RECOMMENDATIONS

†479. *Sardar Sant Singh: (a) Will the Honourable the Defence Member please state the various improvements effected in the conditions of service of British Troops in India in implementing the recommendations contained in the report of Earl of Munster? Which of the recommendations have not been given effect to and why?

(b) What is the total cost involved in implementing such recommendations?

(c) Was the Government of India consulted in this matter before implementing these recommendations? Why was not Central Legislature consulted?

Mr. C. M. Trivedi: (a) and (b). I would refer the Honourable Member to the reply given by me to starred Question No. 344 on the 19th February, 1945.

(c) The answer to the first part is that it is for the Government of India to consider the recommendations contained in the Report in so far as they concern them. The answer to the second part is that questions of this nature relating as they do to matters of every-day administration are always dealt with by the Executive Government.

ASSOCIATION OF NON-GAZETTED SUPERIOR STAFF (INCOME-TAX), SIND

†480. *Mr. Lalchand Navalrai: Will the Honourable the Finance Member be pleased to state:

(a) whether an Association of non-Gazetted Superior Staff, Income-Tax Department, exists in Sind;

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

(b) whether this Association is recognized by Government; if not, why not;

(c) whether it is a fact that this Association has amended its constitution to permit election of two office-bearers from outside the Department in a Managing Committee of eleven members; whether this amendment has been communicated by the Association to the Central Board of Revenue;

(d) whether the amendment of the Association's constitution requires the approval of the Government or any other lower authority; if so, under what rule;

(e) whether the Honourable Member is aware that the Indian Trade Unions Act XVI of 1926 allows a larger number of outsiders in the Managing Committee of a Union or an Association than provided by the Income-Tax Association, Karachi; if so, whether Government propose to accord approval to the amendment of the Association's Rules; if not, why not; and

(f) if the matter is still under consideration, how long it has been pending and whether Government propose to expedite a decision thereon?

The Honourable Sir Jeremy Raisman: (a) to (f). I am making enquiries and a reply will be laid on the table of the House in due course.

ILL-TREATMENT TO SOUTH AFRICAN GOVERNMENT INDIAN OFFICIAL IN CONNECTION WITH CUSTOMS AT BOMBAY

481. *Mr. Manu Subedar: (a) Has the Honourable the Finance Member noticed a statement in the *Blitz* of Bombay by an Indian official of the South African Government who visited India and who was subjected to ill-treatment and extortion in connection with customs at Bombay?

(b) Has the Board of Revenue made any enquiries and called for any report on the subject? If so, what is the report?

(c) Have Government been able to identify the parties mentioned in this case or through plain clothes men and otherwise, have they ascertained whether such practices as are indicated in this statement prevail?

(d) Have complaints of similar harassment reached Government, or have Government seen them in the press in connection with any other port?

(e) What steps do Government propose to take in order to remove such practices?

The Honourable Sir Jeremy Reisman: (a) Yes.

(b) and (c). The statement published by *Blitz* in its issue dated February 3, 1945, had already reached Government from another source in September 1944. Enquiries were, of course, immediately made. But it is regrettable that Mr. Patel, who claims to be a responsible official of a Government Department in South Africa, had not cared to make a factual complaint to any responsible authority, e.g., the Collector of Customs concerned, during all the four months he stayed at home in this country and preferred instead to give a colourful account to journalists after his return to South Africa. This has rendered it impossible to have the allegations substantiated by the personal testimony of Mr. Patel.

(d) Not so far as I am aware.

(e) Though, as I have said, the allegations have not been substantiated, the Collector of Customs has personally and in very strong terms impressed upon his staff that practices of the kind alleged will not be tolerated. Superior officers have been exercising the strictest vigilance but no further complaint has come to notice.

Mr. Manu Subedar: Does the Honourable Member wish to convey that South African Government sent an important official engaged in important and vital war work to this country in order to libel the Government of India as a retaliation for the action and non-action of the Member for Commonwealth Relations?

The Honourable Sir Jeremy Raisman: No, Sir. I think there is no connection whatsoever between these two matters.

Mr. Abdul Qaiyum: Is the Honourable Member aware that the reason why people do not put in any complaints is that most of them go absolutely unheeded?

The Honourable Sir Jeremy Raisman: No, Sir, that is entirely incorrect. In this present case, I can assure the Honourable Member that if charges of this kind had come to my notice whilst Mr. Patel was here and if he had come directly to any Department under my control, the matter would have been dealt with in the most vigorous manner.

Mr. Abdul Qaiyum: I know the Honourable Member would have dealt with it in the most vigorous manner. But the question is will the Honourable Member enquire what percentage of these complaints have ultimately resulted in some action being taken. He will then find out the reason why people do not complain?

The Honourable Sir Jeremy Raisman: I do not know how I can discover cases which do not come to my notice, but I will repeat if cases of this kind come to my notice, they will be dealt with vigorously.

Mr. Manu Subedar: Have the Department considered the use of plain clothes men who would come to India as passengers and who would then be subject to these exactions and who would thus be able to trap the officials who are addicted to this practice in large numbers?

The Honourable Sir Jeremy Raisman: My own experience is, and I have some experience in this Department, my own experience is that the best cure is for gazetted officers of suitable status to be able to move about the docks and for the staff to be aware that that is happening. Unfortunately in the conditions of war, there has been such a strain on the superior staff that we have not been able to maintain that degree of personal supervision which is desirable.

Mr. Manu Subedar: Will the Honourable Member have some C. I. D. enquiry into this important question?

The Honourable Sir Jeremy Raisman: The matter has been investigated with great care by the Collector of Customs himself.

RESTRICTIONS ON DRILLS, ETC., AT SEVAGRAM

482. *Mr. Amarendra Nath Chattopadhyaya: Will the Honourable the Home Member be pleased to state if it is a fact that the Government of India and the Central Provinces Government have through district authorities in Wardha addressed letters to several persons connected with Sevagram institutions regarding restrictions on drills, demonstration and marches resembling those of the military? If so, what is meant by a "drill resembling the military"?

The Honourable Sir Francis Mudie: The Government of India have addressed no such letters, and have no information about any such action that may have been taken by the Central Provinces Government.

Sardar Mangal Singh: Has the Honourable Member made any enquiry after he received notice of this question?

The Honourable Sir Francis Mudie: No, Sir.

PROMOTION OF INDIAN SUB-OFFICERS IN THE M.E.S. DEPARTMENT

483. *Mr. K. S. Gupta: (a) Will the War Secretary please state how many cases of promotion are pending in the Engineer-in-Chief's Branch, General Headquarters, with regard to the Indian Sub-Officers in the M.E.S. Department like S.D.Os. and A.G.S.?

(b) How many British Sergeants have been allowed to supersede the senior Indian officers in the above said Department?

(c) How many (i) New-Zealanders, and (ii) Australians have been brought into M.E.S. and what are their qualifications to hold the posts in M.E.S.?

(d) Is colour or nationality a special qualification to foreigners who are entertained as officers in the M.E.S.?

Mr. C. M. Trivedi: (a) and (b). None, Sir.

(c) 26 and nil respectively. All are specially selected and possess the requisite qualifications.

(d) No, Sir.

PAUCITY OF INDIANS IN RANKS OF A.G.E., S.G.E., ETC.

484. *Mr. K. S. Gupta: (a) Will the Honourable the Defence Member please state whether qualified Indians were not available to occupy the ranks of (i) A.G.E., (ii) S.G.E., (iii) C.R.E., (iv) D.C.E., and (v) C.E.?

(b) Is it not a fact that no action was taken against the subordinate officers who happened to be foreigners though charges were framed by the C.R.E. in each of the Departments?

Mr. C. M. Trivedi: (a) The answer is in the affirmative as regards the appointments of Deputy Chief Engineer and Chief Engineer. Qualified Indians are, however, available for the other appointments.

(b) Government have no knowledge of this. If the Honourable Member can quote any specific cases, I shall be glad to make enquiries.

IMPRISONMENT OF CIVILIANS IN MILITARY DETENTION CAMPS OF EASTERN COMMAND

485. *Mr. K. S. Gupta: (a) Will the Honourable the Defence Member please state if it is not a fact that civilians were imprisoned in the military detention camps of the Eastern Command without any trial or charges?

(b) What is the number of civilians so imprisoned?

(c) Who was responsible for such an act? Has any action been taken against the one who is responsible for such an offence?

Mr. C. M. Trivedi: (a) and (c). It has been necessary for operational security reasons to delegate powers under the Military Safety (Powers of Detention) Ordinance, 1944 to the General Officer Commanding-in-Chief, Eastern Command, to enable him to detain certain personnel who enter India from, or after having been in territory for the time being occupied by the enemy. Such detention is of course neither unjustifiable nor illegal.

(b) I am unable to give the information in the interests of security.

Prof. N. G. Ranga: Is there any time-limit for such detentions?

Mr. C. M. Trivedi: There is no time-limit for such detention, but the standing instructions to the General Officer Commanding-in-Chief, Eastern Command are that he should review these cases every three months.

Prof. N. G. Ranga: Is there any opportunity given to civilian authorities, such as District Magistrates, to enquire into this matter at any stage and find out if any civilian has been detained?

Mr. C. M. Trivedi: No, Sir.

Prof. N. G. Ranga: Why not?

Mr. C. M. Trivedi: The Ordinance does not provide for this.

CHARGES BROUGHT BY COL. SMITH, C.R.E., AGAINST INDIAN SUBORDINATES

486. *Mr. K. S. Gupta: (a) Will the Honourable the Defence Member please state whether it is not a fact that Colonel Smith, C.R.E., of South Bengal Eastern Command brought charges against several of his Indian subordinates and they were proved to be baseless and false on enquiry by the C. E.?

(b) If the answer to (a) is in the affirmative, what action has been taken against that officer?

(c) If no action is taken against him, why?

Mr. C. M. Trivedi: (a) The following briefly are the facts of the case to which the Honourable Member is presumably referring.

An investigation was held in July last year by a Departmental Court of Enquiry, about the conduct of a Sub-Divisional Officer and an Overseer who failed to obey a verbal order given by Lieut.-Colonel Trevor Smith. The proceedings of the Court of Enquiry were referred to the Deputy Chief Engineer concerned who considered that there were extenuating circumstances and insufficient evidence, in consequence of which the case was not pursued.

(b) and (c). I am calling for the papers relating to the case to see whether any action is necessary.

DISCRIMINATION BETWEEN CIVILIAN AND MILITARY STAFF IN WAR DEPARTMENT

487. *Mr. K. S. Gupta: (a) Will the War Secretary please state whether there is any difference in the nature and hours of work between (i) civilian, and (ii) military subordinates and officers in the Department?

(b) If the work done is the same by both, do Government propose to see its way to grant Dearness Allowance to civilians corresponding to free rations given to the military?

(c) Is it not a fact that freshers from the United Kingdom are appointed direct as officers in the Engineer-in-Chief's Branch over and above those available senior qualified Indians, recommended by the General Headquarters? If so, do Government propose to put an end to such a practice? If not, why not?

Mr. C. M. Trivedi: (a) No, Sir.

(b) Gazetted and non-gazetted civilian officers are already in receipt of dearness allowance at Rs. 14 per month, or an allowance at 10 per cent. of pay within limits, whichever is greater.

(c) Government have no knowledge of such a practice. If however, the Honourable Member can quote a specific case of the nature he has in mind, I shall be glad to make enquires.

Prof. N. G. Ranga: Is the same kind of dearness allowance being granted to civilian officers as well as military officers?

Mr. C. M. Trivedi: No dearness allowance is given to military officers.

Prof. N. G. Ranga: With reference to part (b), may I know if, corresponding to free rations given to the military, the same facility is given to civilian officers also?

Mr. C. M. Trivedi: Free rations are not given to civilian officers.

LETTER BY MR. BUDHAN RAI VERMA, A SECURITY PRISONER

†488. ***Mr. Ramayan Prasad:** Will the Honourable the Home Member please state:

(a) whether it is a fact that one Mr. Budhan Rai Verma, M.L.A., (Bihar), a security prisoner detained in the Central Jail, Hazaribagh, addressed a letter to Sir Reginald Maxwell, the then Home Member to the Government of India, in the latter part of the year 1943, protesting therein against certain portion of his statement made on the floor of the Assembly in reply to Sardar Sant Singh, regarding the condition of the security prisoners detained in the different jails of the country;

(b) if the answer to (a) be in the affirmative, whether the letter was withheld by the Government of Bihar and the security prisoner was punished for attempting to inform the then Home Member regarding certain criminal facts, referred to in his statement; and

(c) whether any action has been taken by the Government of India on this letter?

The Honourable Sir Francis Mudie: I have made an inquiry from the Government of Bihar but their answer has not yet been received. I will lay a reply on the table in due course.

NON-COMPLIANCE OF LAW AFFORDING CERTAIN STATUTORY PRIVILEGES TO INDIAN FORCES

489. ***Mr. Ram Narayan Singh:** (a) Will the War Secretary please state if he is aware of the fact that in case of members of the forces raised on behalf of His Majesty under Section 313 (2) (b) of the Government of India Act, 1935, arrests have been effected by Civilian Officers and investigation of offences have been made by officials other than the alleged offender's Commanding Officers in contravention of Section 124 of the Indian Army Act, Section 45 of the Army Act and Rule (14) of the Indian Army Act Rules?

(b) What action does he propose to take with regard to the non-compliance of the law affording statutory privileges in case of Indian Forces raised as in (a) above?

Mr. C. M. Trivedi: (a) Any person who joins His Majesty's Indian Forces and becomes subject to Military law does not thereby cease to be subject to the civil law of India. An enquiry by the civil police into an alleged offence against the criminal law by a person subject to the Indian Army Act does not constitute a breach of the Indian Army Act or the rules made thereunder.

(b) Does not arise in view of the answer to (a) above.

Mr. Ram Narayan Singh: Is the Honourable Member aware that Havildar Gauri Shankar Sarma has been arrested by a civilian officer at Bareilly and is being tried in a civil court in Delhi which is against the provisions of this Act?

Mr. C. M. Trivedi: I am not aware of the specific instance.

Mr. Ram Narayan Singh: Will the Honourable Member enquire into the matter and inform me?

Mr. C. M. Trivedi: What does the Honourable Member exactly want me to inform him about? Whether he was arrested?

Prof. N. G. Ranga: Whether he has been arrested by a civilian officer and whether he is being tried in a civil court?

Mr. C. M. Trivedi: I shall find out and let him know.

CONSTITUTIONAL DEFECT *re* MILITARY PENSIONS RULES

490. *Mr. Hari Sharan Prasad Srivastava: (a) Will the War Secretary please state if his attention has been drawn to the fact that the subject of War Pensions is not included in the Legislative List I, Seventh Schedule, Government of India Act, 1935, and the rules for reduction, stoppages and forfeitures of Military Pensions, so far made, have been made under Section 313 (2) (b) of the Government of India Act, 1935, under the belief that the expression "Government of His Majesty's forces borne on the Indian establishment" includes the power in relation to the aforesaid reduction, stoppages and forfeitures of Military Pensions, irrespective of the fact whether the Military Pensions accrue during the war on "Active Service" or otherwise?

(b) What action does he propose to take to remedy this constitutional defect and when?

Mr. C. M. Trivedi: (a) I cannot subscribe to the view that section 313 (2) of the Government of India Act read with the relevant entries in the Federal Legislative List does not give the Governor General in Council power to regulate the pensions of persons who have served in His Majesty's Naval, Military and Air Forces.

(b) Does not arise.

INSTRUCTIONS TO AGENT-GENERAL *re* PROPAGANDA ABOUT INDIA CARRIED ON IN AMERICA

491. *Mr. K. C. Neogy: (a) Will the Honourable Member for Information and Broadcasting please state whether instructions are given on behalf of the Government of India to the Agent-General in the United States of America as regards the lines on which positive propaganda should be carried on, or adverse propaganda countered, in America? If so, will the Honourable Member give to this House a summary of all such instructions for the years 1942, 1943 and 1944?

(b) Are regular reports received by the Government of India from the Agent-General regarding the propaganda carried on in the United States of America on behalf of the Government? If so, will the Honourable Member give to this House a summary of all such reports for the years 1942, 1943 and 1944?

(c) Does the Agent-General keep in touch with any propaganda that may be carried on in the United States of America in regard to India at the instance of the British Government, and does he keep the Government of India informed about the subject matter and tendencies of such propaganda? If so, will the Honourable Member make a statement giving the substance of all communications on the subject received from the Agent-General in the years 1942, 1943 and 1944?

(d) To what extent, if any, is the Agent-General influenced by the British Embassy in the United States of America in matters relating to propaganda on behalf of India? Is it a fact that the Agent-General occupies the third place in the British Embassy, has no independent diplomatic status, and is expected to take his general instructions as regards publicity from the British Embassy and officers of the British Ministry of Information in the United States of America, though in an informal manner?

The Honourable Sir Sultan Ahmed: (a) The Agent-General in the United States of America is fully apprised of the Government of India's policy in the

matter of publicity. No special instruments of instructions are issued to him, nor are they necessary.

(b) Reports are received from the Public Relations Officer with the Agent-General, but to summarise these reports would involve an amount of time and labour that would not be justifiable in wartime.

(c) The Agent-General keeps himself personally in touch with all affairs of public business in the United States of America, and submits to the Government of India reports on matters which he considers Government should know. It would be neither possible nor desirable to summarise these communications.

(d) The Agent-General takes his instructions from the Government of India in this matter and the question asked does not arise. As regards the second part, the Agent-General is formally associated with H. M. Embassy but he maintains a separate office and as I have said, he receives his publicity material entirely from the Government of India.

Mr. K. C. Neogy: With reference to parts (b) and (c), is the Honourable Member prepared to place all such reports and communications in the Library of the House for the information of Honourable Members, if it is difficult to summarise them?

The Honourable Sir Sultan Ahmed: So far as I am concerned, it will not be possible for me to do it because the materials come here almost every week.

Mr. K. C. Neogy: What is the difficulty then?

The Honourable Sir Sultan Ahmed: The quantity will be very big and sometimes these communications are confidential.

Mr. Abdul Qaiyum: May I know if the Agent-General receives any instructions to defend the present system of Government in India?

The Honourable Sir Sultan Ahmed: No, it is not necessary that he should receive any instructions at all; if he thinks it necessary he does it.

Mr. T. T. Krishnamachari: May I know if instructions have been sent to the Publicity Officer attached to the Agent-General,—Mr. Hennessy,—to do things which probably have not been sent to the Agent-General himself?

The Honourable Sir Sultan Ahmed: I am not aware.

Prof. N. G. Banga: Does the British Government send any instructions to the Agent-General for India in America?

The Honourable Sir Sultan Ahmed: I do not think so.

UNSTARRED QUESTIONS AND ANSWERS

APPELLATE ASSISTANT COMMISSIONERS OF INCOME-TAX AND INCOME-TAX OFFICERS

18. **Mr. K. C. Neogy:** Will the Honourable the Finance Member be pleased to lay on the table a statement showing, Province by Province:

(a) the sanctioned strength of Appellate Assistant Commissioners of Income-tax, and the number actually employed as Appellate Assistant Commissioners, and how many of them have been entertained as additional officers during the course of last four years, and the number of additional Appellate Assistant Commissioners appointed during the current year;

(b) the number of appeals and the proportion of such appeals to the total number of assessments in each of the previous four years;

(c) the sanctioned strength of Income-tax Officers and the number actually employed as Income-tax Officers, and how many of them have been entertained as additional officers, during the course of last four years;

(d) how many of the Income-tax Officers have completely passed the departmental examinations including the higher standard; and

(e) the number of Income-tax Officers, if any, who have not completely passed the departmental examinations, and the period during which they have been functioning as Income-tax Officers with powers of assessment?

The Honourable Sir Jeremy Raisman: (a) to (e). The information is being collected and a reply will be laid on the table of the House in due course.

INCOME-TAX OFFICERS FOR EXCESS PROFITS TAX ASSESSMENT WORK

19. **Mr. K. C. Neogy:** Will the Honourable the Finance Member be pleased to lay on the table showing, Province by Province:

(a) the number of Income-tax Officers engaged in the work of assessment of Excess Profits Tax during the year 1944-45;

(b) the number of such officers who are already confirmed Income-tax Officers, and the number who are only officiating as Income-tax Officers, and in the case of the latter category, how many, if any, have not yet completely passed the departmental examinations; and

(c) the total number of assessment cases of Excess Profits Tax in arrears in proportion to the number of cases started during each of the years 1942-43 and 1943-44, and the amounts involved in such arrears?

The Honourable Sir Jeremy Raisman: (a) to (c). The information is being collected and will be laid on the table of the House in due course.

SPECIAL POLICE ESTABLISHMENT INVESTIGATIONS INTO OFFENCES ON EAST INDIAN AND NORTH WESTERN RAILWAYS

20. **Mr. Ram Narayan Singh:** Will the War Secretary please state if it is a fact that none of the offences committed by the Railway Servants on the East Indian and North Western Railways have been made over to the Special Police Establishment by the Central Government for investigation since the enforcement of the Special Police Establishment Ordinance; if not so, what the fact is?

Mr. C. M. Trivedi: The Special Police Establishment have so far investigated 134 cases on the North Western Railway and 51 cases on the East Indian Railway. Nearly 75 per cent. of these cases were taken up by the Special Police Establishment on their own initiative. In the remaining 25 per cent. of the cases information was given in some cases by the Railway Administrations concerned or by Railway employees and in other cases by the general public.

REGISTRATION OF NEWS BY NEWS AGENCIES AS NEWS BULLETIN

21. **Mr. Ram Narayan Singh:** Will the Honourable Member for Information and Broadcasting please state if it is a fact that news sent by news agencies either by post or by telegram or by Air are to be registered as News Bulletin for the Paper Control (Economy) Order, 1944? If not so, what is the fact?

The Honourable Sir Sultan Ahmed: The question should have been addressed to the Honourable Member for Industries and Civil Supplies.

ARRESTS FOR IMPERSONATION AT SHAHDARA (DELHI) MUNICIPAL ELECTIONS

22. **Mr. Ram Narayan Singh:** Will the Honourable the Home Member please state:

(a) if it is a fact that the Sub-Inspector of Police, Shahdara-Delhi arrested, some persons found impersonifying during the voting in the Municipal elections held at Shahdara during January, 1945, and let them off after having them around the town in handcuffs; if not so, what the fact is; and

(b) if the reply to part (a) be in the affirmative, the action taken against the said Sub-Inspector; if no action has been taken, the reasons therefor?

The Honourable Sir Francis Mudie: (a) The facts are that seven persons were arrested for impersonation by the Police on duty under the orders of the Magistrate who was serving as the Presiding Officer of the election, and were sentenced to imprisonment till the rising of the court under section 171 of the Indian Penal Code. The persons in question were not paraded through the town.

(b) Does not arise.

THE RAILWAY BUDGET—LIST OF DEMANDS—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): I have received notice from Mr. Kureel that he wants to move cut motion No. 2 in the Late List. According to the arrangement arrived at between the Parties, which included the unattached Members, this motion would not be in the list at all. But I

[Mr. President]
understand there will be no objection on the part of unattached Members if this motion is placed after Sardar Mangal Singh's motion.

DEMAND No. 1—RAILWAY BOARD—contd.

Financial Position of the Railways

Mr. H. G. Stokes (Bombay: European): Sir, I move:

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

The object of this motion is to discuss the financial position of the railways. Honourable Members will remember that we moved a very similar motion to this last year, our spokesman then being my Honourable colleague Sir Frederick James. I make no apology, however, for the present motion as I suggest that the subject of railway finance is one of the greatest importance and one which should be continuously on review by this House. Also since last year the position has changed in two respects. We have, firstly, the unorthodox finance of the present budget and, secondly, we have heard from Sir L. P. Misra, in whose able hands the Railway Board have placed the preparation of their plans for the post-war era of development, some idea of the task that lies ahead.

First I should like to say something about these unorthodox methods of finance. The Honourable the War Transport Member pointed out in replying to the general discussion that unorthodoxy might not be unsound. With that we quite agree, but I would add that unorthodoxy is sometimes unpopular; and there is evidence that this departure from usual methods of finance does not find favour in all sections of this House. There is no doubt in our mind about the dangers ahead and for our part we consider that a debit to revenue of a portion of the cost of overvalued capital assets is sound. It is a practice that we in these days would often follow if we could persuade the revenue authorities to be more merciful over income-tax. The Honourable the War Transport Member is indeed fortunate enough in framing his Budget; he has not the eagle eye of the income-tax authorities upon him as with less fortunate mortals. He paints his budget picture within wide limits more or less as he wishes. It is true that a credit to reserve will technically give protection against possible losses occurring, but in practice reserves not earmarked for a special purpose have a very unpleasant habit of not being available when wanted. The new move to debit a portion of the cost of purchases to revenue safeguards the position once and for all and we approve it.

Now, Sir, I will turn to the post-war plan. The address to which I referred earlier in this speech was given by Sir L. P. Misra on or about September 23 or 24, 1944 and it was reported in the *Statesman* of September 25. I would like to refer briefly to its main features. After reference to the establishment in India of locomotive and boiler industries and annual replacements of wagons, which I see are put at four thousand broad gauge and seven hundred metre gauge, Sir L. P. Misra estimates that not less than 5,000 miles of new lines will have to be built in the first seven years after the war at a total cost of 100 crores. And this is in addition to relaying to make up for war damage which will be approximately 800 miles and will need no less than 125,000 tons of rails. Then there is the replacement of lines, annual replacements of workshop machinery, locomotives, wagons, coaches and there are operating improvements, such as doubling of tracks, additions to stations, improvements in signalling, overbridges, improvements to engine sheds, and so on. For this 125 crores is allowed.

Then, Sir, we come to a matter which, I am sure, will appeal to all sections of the House, that is better amenities for third class passengers, standardization of coaches, better seating, better lavatories, raised platforms, overbridges, waiting sheds, improved water supply, improved booking arrangements and additional coaches. That, Sir, will require 45 crores. Then there is staff welfare which we here regard as particularly important—such matters as supply of water, extensions to hospitals, extra dispensaries, training schools, railway institutes, etc. For that 48 crores is needed.

Then, Sir, we come to the bill for this huge programme and it comes to 45½ crores per year for seven years, or a total of 319 crores, a figure which Honourable Members may remember, my Leader gave in his speech on the general discussion. It may be argued, and perhaps it will be argued, that it is a waste of time to discuss such plans now as a National Government will not approve them. I submit that whatever Government there is in the post-war period, the Railways will require a huge betterment programme and will have to face a great outlay. I submit too that a Government which at this time sat with folded hands and made no plans for the future just because it did not enjoy the full confidence of the country would legitimately deserve the criticism of failing in its duty. Last year, my Honourable friend, Sir Frederick James asked three questions. They were, I quote from the record, first of all, what will be the position after the war confronting the Railways; secondly, what will be, as far as we can judge, the resources in the hands of the railways; and, thirdly, will those resources be enough to meet the demands which will be placed upon the railways? All these questions are pertinent today. I have endeavoured to give our views on the first question. As regards the second, Sir Frederick James last year made certain estimates for the Reserve and Depreciation funds on the basis of two more years of war, i.e., until April, 1947. It may be felt that it is safe to look further ahead than this, but the pace of the war is now such that, for my part, I do not think it safe to argue that by April 1947 we shall not be past the war period of exceptionally high earnings. Sir Frederick James put the Reserve at a possible 50 crores and the Depreciation at 70 crores, and he also allowed for a special amenities fund of 30 crores which was to have accrued from the raising of fares—a total of 150 crores in all. The amenities fund did not come into being in circumstances that we know, but we have in the 1945-46 estimate 92·7 crores in the Depreciation and 29·10 crores in the Reserve with one year still to go. It is true, Sir, that the Depreciation Fund is now at a higher figure than we anticipated but withdrawals in the coming years are also likely to be high and I do not feel it safe to predict that the balance in that fund will, in April 1947, be much if at all higher than it is now, i.e., 92 crores. The same applies too to the Reserve Fund and we seem likely therefore to come to the end of the war period of exceptional earnings with 122 crores only in the two funds. With the exception that high priced assets have been devalued, all the arguments that we brought up last year have even added force now and we reach the conclusion that Railway finances are in a thoroughly weak state and quite inadequate to meet the demands before them.

Sir L. P. Misra, has suggested that out of the total expenditure of 319 crores which he envisages, 125 crores be met from the Depreciation Fund and the balance be raised by borrowing. There is no doubt but that that the security the Railways can offer is first class and I imagine that if the programme set out in Sir L. P. Misra's address is taken in hand and compared to that in the Bombay plan which, if I remember aright, was to cost 434 crores—it is comparatively moderate—some borrowings will be necessary. But let us remember, Sir, that in these post-war years the Railways will not be the only Department out for borrowed money and it may be that a general curtailment of demands will have to be enforced if justice is to be done to all. The less therefore that the Railways have to raise by borrowing, the better for their prospects. Perhaps, Sir, in his reply the Honourable the War Transport Member will tell us how Government intend to raise the funds that will be required.

Here, Sir, I want to refer to a suggestion in respect of funds for amenities for third class passengers. The suggestion which has been embodied in a resolution on page 8 of the proceedings of the Standing Finance Committee for Railways held on 13th and 14th of February in the form of a resolution, suggests that a separate reserve fund be set up earmarked specifically for this purpose and receiving yearly credits from the surplus earnings. This resolution, or suggestion, was supported by our representative on the Committee and I want now, Sir, to urge it once again upon the Government. They have, as I have shown, a planned programme for amenities on a great scale to cost Rs. 45 crores—I can see that the Committee considered that about 40 crores would be enough,

[Mr. H. G. Stokes.]

but Sir L. P. Misra's figure, as I have said, is 45 crores,—and the War Transport Member said only yesterday that they would start work when they had the opportunity and the money. We cannot, I am afraid, ask them to start the work immediately, but let us, at any rate, see that the money is there ready for the purpose. Moreover, the idea was sufficiently acceptable to Government last to form part of their argument in favour of an increase in fares.

Replying to the Honourable the Deputy Leader of the Muslim League on the general discussion, the Honourable the War Transport Member said: "I have gone further. I have given an undertaking to the House that if they wish this to be put into the Budget for the purpose Government would have no objection". I hope that they will now still have no objection. But I would like to apply the same suggestion as the Standing Finance Committee have applied to amenities for third class passengers to the allotment that Sir L. P. Misra has set aside or recommended for staff welfare.

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

Mr. H. G. Stokes: I hope, Sir, that Government will accept this suggestion.

In conclusion I want to make it clear that we have moved this cut motion not in a spirit of censure but in order to give the House a further opportunity of discussing this most important subject. The Honourable the War Transport Member has done a great deal to safeguard the future, but we want more and still more. I hope we shall get it. Sir, I move:

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

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

Mr. Zahid Husain (Government of India: Nominated Official): I think it will help the discussion if at this stage I tell the House how we look at the financial position of railways. This question can be examined from two main points of view. Firstly, whether the railways would be able to maintain their solvency in a reasonable degree when the present abnormal conditions cease and the military traffic resumes its normal proportions; and secondly, whether the railways would be in a sufficiently strong position at the end of the war to undertake the post-war programme of railway construction, rehabilitation of over-age and worn out equipment, and improvements of lower class travel conditions.

The railways are at present passing through an abnormal period of prosperity but we all hope that the war will not now continue for long. With the fall in traffic there will be some economies in direct operating expenses and also in certain other directions. But they will be far from being sufficient to counter-balance the loss of earnings.

As regards earnings, it would not be unreasonable to hope that immediately on the termination of war conditions will not undergo such a radical transformation as to bring about a serious fall in railway revenues. The character and pattern of traffic will change and will certainly change but we hope that the volume will not be too seriously reduced for some time at least. Ultimately and essentially the prosperity of railways is bound up with the prosperity of the country and must depend on the general conditions of agriculture, trade, and industry. The railways might expect that the post-war balance relating to roads, agriculture and industry will gain momentum within a reasonable time after the war and provide directly and indirectly new sources of traffic which will at least partly take the place of present-day military traffic carried at low concessional rates. It would be a mistake to take a very optimistic view but there is no ground for pessimism. The attitude of railways must be that of watchfulness in order to take advantage of all opportunities that present themselves for serving the country. Such service will bring its fruits in the form of increased traffic. Railways must rely for their future prosperity on the inexhaustible reservoir of potential traffic, both goods and passengers in this great country of ours. Monetary reserves have their uses, but these uses are transitory and partial. Our railways are not in the fortunate position of these commercial

concerns who have managed by some means or other to pile up reserves exceeding even their share capital. The railways cannot do so without making large increases in rates and fares and without depriving the general taxpayer of his legitimate share in their prosperity. The real reserves of the railways lie in our country and its people and we must look to them for their future prosperity. It is not, I think, too much to hope that the world has learnt some lessons since the last great war and that the economists and administrators will be able to avoid the economic blizzards of the type from which the world suffered during the thirties.

I now refer to the post-war programme to which the Honourable Mover has rightly given great attention. Our tentative post-war programme covers a period of seven years and involves the following expenditure:

Rehabilitation: 125 crores a year.

Improvements:

Operative, 45 crores,

Staff welfare, 45 crores,

Lower class, 45 crores,

Construction of new lines varying between 50 and 100 crores.

That is, about 319 crores over a period of 7 years. Under our rules of allocation, rehabilitation will be chargeable mostly to depreciation fund, though improvements effected in the course of rehabilitation will be chargeable to capital. Improvements whether relating to operation or staff welfare or lower class amenities will be chargeable mostly to capital, but some charge will arise against the depreciation fund also. Construction of new lines will be a charge entirely to capital. Roughly, it may be assumed that an annual expenditure of 22 to 25 crores will arise against the depreciation fund. This expenditure will be financed to the extent of 13 to 14 crores from annual appropriations made year by year from revenue to depreciation fund. The difference will be met from the accumulated balance in the fund. We expect that we will start at the end of the war with a balance of at least 92 crores in the depreciation fund which is not so inadequate as to fill us with anxiety about our post-war plans. The depreciation fund should be able to stand the strain of the programme provided it is not depleted during the war as a result of excessive costs of the rolling stock we are purchasing and the works we are executing at the present time.

The position of railways is entirely different to that of a department like Education or Medical. These departments have to execute their programmes by what may be called external finance, while the railways as a commercial concern have to find ways and means on the basis of their own intrinsic financial strength. In order to enable the railways to face the post-war period with confidence, it is essential that their financial position at the end of the war should be reasonably good. We must hand over to the post-war administrators a strong capital structure so that it should, if necessary, be able to bear the strain of the cost of improvements and lower class amenities which must be provided at the earliest possible moment. Similarly, the depreciation fund should have a fairly substantial balance at the end of the war.

The capital account and the depreciation fund are the two sources of finance for our post-war plans. If they are damaged during the war the railways will be correspondingly disabled from carrying out their plans. The railway reserve is and must be regarded only as a reserve to fall back upon in extreme necessity.

The special measures included by Government in the Budget proposals should be looked at from this point of view. If these measures are abandoned, the depreciation fund will be reduced to a figure of 36 crores, which for the railways would be almost a disaster. Similarly, the capital account would be debited with an expenditure of about 15 crores and it follows that to that extent water will be injected into the capital structure making it less fit to stand the strain of post-war reconstruction expenditure.

These proposals have been criticised in certain quarters on the ground that we are departing from our normal rules. We are certainly departing from our normal rules but with very good purpose. This departure is necessary in the

[Mr. Zahid Husain.]
 interests of the country and for post-war reconstruction which we are disposed to place above the sanctity of rules. I should also say here that these proposals do not involve any assumptions regarding the level of post-war prices. Their sole purpose is to protect the capital account and the depreciation fund, in order to keep them in a strong and solvent condition for facing the claims which will arise against them after the war.

If our proposals are finally adopted, we will have taken an important step towards ensuring the execution of Railway plans for post-war period. It has been argued by some critics that with the increase in prices our assets must be regarded as under-valued. I must maintain that Railway assets cannot be regarded as gold holdings which can be marketed in the local bazar. Their value is related to their net earning power. The present surpluses are not a true index of their earning capacity, and it would be a most unsound measure to value the assets on that basis.

As regards the reserve we expect that at the end of the war we will have a balance of about Rs. 29 crores which is not as large as we would wish it to be. As I have explained before, our capital account and the depreciation fund are the first lines of defence which must be kept in a position to bear the shock of post-war reconstruction expenditure. Having taken measures for fortifying the front lines it remains to take whatever measures may be possible to strengthen the reserve. If the conditions of prosperity at the present or reduced scale continue for some time yet, as we hope they will, there will be time to build a more substantial reserve. This is necessary because a large proportion of the expenditure to be incurred on post-war plans including lower class amenities will be unremunerative and should be financed, if possible, from the reserve.

I would repeat that Railways are not in the fortunate position of those concerns who have used the war to build reserves equal to two or three times their share capital. They are nevertheless in a good financial condition today and can face the post-war reconstruction problems with a fair degree of confidence. If the measures proposed by Government are endorsed by the House, and if adequate measures are taken to co-ordinate the various forms of transport, there is every reason to hope that the end of the war will find our Railways ready to play their part in the post-war problems of our country.

In the course of the general debate one of the Honourable Members, I think it was Sir Cowasjee Jehangir, asked whether these proposals should not have been placed before the Convention Committee. When that Committee considered the draft of its interim report some of the members asked whether the committee should be continued or dissolved? These are the proceedings of the Committee:

"A draft report of the Committee was circulated among the members. Before the draft was taken into consideration, Sardar Sant Singh raised the question whether with the signing of the report the committee would be dissolved. The Chairman replied in the affirmative. Sardar Sant Singh did not agree and considered that the Committee should remain in existence, and the report of the enquiry decided upon on the previous day should be placed before the Committee for consideration. He pointed out that it should be possible for this report to be submitted to the Committee before the next session of the Assembly. Sir Cowasjee Jehangir agreed that the present Convention Committee should examine the report of the immediate enquiry which was suggested, but that the report of the more comprehensive enquiry should not be placed before this Committee."

The Committee had recommended that there should be an immediate enquiry to find out what additional appropriation should be made to the depreciation fund during the war as an emergency provision. The enquiry was made and a report was placed before the Committee, as a result of the recommendation of the Committee an additional appropriation has been made to the depreciation fund. There was no suggestion at any time in the past that the basis on which our surpluses should be shared between the Railways and the general revenues will have to be discussed in the Convention Committee from year to year. The following recommendation was made by the Convention Committee:

"They therefore recommend that in allocating the surplus on commercial lines between the railway reserve and general revenues, as provided in clause (iv) of the Resolution of March

the 2nd, 1943, until a new convention is adopted by the Assembly, the appropriation to the railway reserve should be the maximum consistent with a fair allocation to general revenues as determined from year to year by the general budgetary situation arising out of the present emergency."

Budget proposals are considered by the Standing Finance Committee in accordance with a Resolution of this House which was passed in 1924. We have been following the provisions of that Resolution.

An Honourable Member: 1924?

Mr. Zahid Husain: 1924. These proposals are part of the Budget proposals and were therefore discussed by the Standing Finance Committee with these remarks, Sir, I oppose the motion.

Mr. B. Das (Orissa Division: Non-Muhammadan): I knew the members of the European Group would pet and pat the Honourable the War Transport Member, but Sir, I was rather astounded when I heard the Financial Commissioner for Railways this morning. I was rather surprised to find my Honourable friend Mr. Zahid Husain expounding that the Convention Committee recommended certain things, and that the Standing Finance Committee accepted them and has the final word on them. The Honourable Mr. Zahid Husain is not a long time parliamentarian, but the Honourable the Finance Member knows that any recommendation of the Convention Committee about policy as regards allocation or finance should be approved by a resolution passed in this House. This has not been done. No attempt has been made by the Honourable the Finance Member nor by the Honourable the War Transport Member to bring such a motion. So it is no use to put forward the argument that certain things have been done with approval of the S. F. C. and if so, these were done in the most irregular way and not in conformity with the practice of this Legislature.

Now, Sir, the new deal of the European Group is not a new thing. For the last six or seven years that Group has been continuously placing before this House the European view point that the Railway Finance should not make any substantial contribution to General Finance, and that most of the surplus money should be absorbed, whether it is absorbed by the extravagance of military side of expenditure on the railways or in meeting the reconditioning of the Railways through the past extravagance and mistakes of the big railway bosses of the Railway Board it is immaterial, but this policy has been advocated by the European Group for the last seven years, and the Honourable Sir Edward Benthall, representative of the European community in the Government of India, has given sanctity to it this year.

I must say that the Budget is very much under-estimated. I am surprised that an astute businessman like my friend Sir Edward Benthall should introduce such under-estimates in his Budget. He has been Member for Communications for the last 2½ years—I do not like to talk of him as War Transport Member, because that will mean he should be talking of war and not of peacetime work. Last year (1943-44) the estimate of receipts was at 150 crores, the revised estimate was 178 crores and the actuals came to 185 crores. For 1944-45 the Honourable Sir Edward Benthall estimated under receipts 192 crores but unfortunately the Assembly cut it down by ten crores by not allowing him to raise the fares by 25 per cent. And now he revises that 182 crores and the revised forecast is that receipts should be Rs. 214 crores. This is also very much conservative and I take a bet with him and the Honourable the Finance Member that the actual will be Rs. 220 crores for 1944-45. The Honourable the Railway Member has made an under-estimate of 38 crores for 1944-45. The Honourable Member is a businessman and has to go by factual precedents and here he estimates that for the year 1945-46 his income will be only 220 crores which will be almost the same figure as the income of 1944-45; and yet he himself has confessed in his Budget speech that every month there is an excess of 10 million more passengers and he has given us a warning that there will be heavy military traffic and heavy movement of coal throughout. In spite of increased goods traffic and in spite of increased passenger traffic I cannot understand why the Honourable Member is under-estimating unless it is to conceal and camouflage facts.

[Mr. B. Das.]

A word, Sir, about his solicitude last year about the social amenities to the travelling public which he wanted to provide by funding the 25 per cent. enhancement of fares, which he wanted this House to accept. Not only did he have about 40 crores more of receipts or earnings in his original estimate but he wanted this 10 crores from the 25 per cent. enhancement of fares. I think it would not have been 10 but 15 crores. He pleaded that he wanted all this extra money for providing the social amenities to the travelling public. But this year he has not a word to say about the social amenities of the travelling public even in relation to post-war schemes. This year his speech is all about locomotives and wagon orders and the debits of their costs to the working expenses and sound finance requires these should be charged either to capital or to the funding whereby the Military department should have to pay more. It is very unfortunate that my Honourable friend Sir Jeremy Raisman does not take any part in the Railway debates. He ought to take part in view of what my Honourable friend Mr. Zahid Husain just said.

Is it the considered view of the Finance Department that they should no more adhere to the old orthodox system of finance, at which my Honourable friend Mr. Stokes had a joke this morning? If they had accepted this new system of allocating capital expenditure to Working Expenses as had been conceived by the War Transport Member, I should like to know why we have not been allowed a discussion on it. What is the considered opinion of the Finance Department on this new Benthall dispensation, this new method of accounting, viz., debiting every thing to working expenses to relieve the military burden of Britain to a certain extent and incidentally giving a little extra trouble to the Finance Member to find more money for his inflation policy. I do not at all like the way in which the allocation has been done. It is contrary to the spirit of public finance. I hold no brief for my Honourable friend, the Honourable the Finance Member, but I have been acquainted with the Finance Department's working for so many years and it is contrary to the spirit of the Department.

It is of course in conformity with the spirit of the European Group, with that of the Statutory Railway Authority. It was that which brought Brig. Hammond to India some time in 1930 to plan removal of the Railways completely from the jurisdiction of this legislature. How could we think that the Government of India and those Executive Councillors are contemplating some day that the responsibility would be handed over to this side! The originator of the Statutory Railway Authority is himself there as the War Transport Boss and he has given effect to the principles of the Statutory Railway Authority finance in his Budget this year without a definite vote of this House approving of that policy, without even our knowledge. In spite of our occasional differences with the Honourable the Finance Member, I should like to know whether he has given his approval to every thing that is implemented in the Budget Speech of the Honourable Sir Edward Benthall and if he has done so, he has completely been won over by the European trading community in India.

I believe that the Budget estimates on the receipts side for 1945-46 will not be 220 crores but will be 245 crores. If the Legislatures are helpless, I do hope the Executive Council will exercise a certain amount of control over the War Transport Member and not allow him to spend all this money as he liked. My Honourable friend, Sir Edward Benthall, is not a sun-dried bureaucrat and when I heard his speech, I felt at the moment that a businessman had applied his business acumen in preparing the Budget, though from the wrong angle, the angle being the angle of the European community in India.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has one minute more.

Mr. B. Das: Yet, for him to get so much money and play ducks and drakes with it in the name of efficiency, in the name of better rolling stock, is rather tricking the general finance and the public of India and acting contrary

to accepted principles. His Depreciation Fund should have been much more. Today the engines and wagons are working more number of hours than they were doing before the war. Where an engine or a wagon had been working before the war for 300 hours a year, they are working 600 and 800 hours now. Therefore the depreciation rates should have been much higher but what is the use of criticising when the Honourable Member does not want anything to be funded to the Depreciation Fund but wants everything to be used to strengthen the Railways with the idea of turning them into companies some time later.

Sir Syed Raza Ali (Cities of the United Provinces: Muhammadan Urban): Sir, hard indeed is the task and hard it has been since the beginning of the war, of the War Transport Member in preparing the Railway Budget. This year he has produced a carefully prepared Budget no doubt, which he calls unorthodox. If unorthodoxy is meant to cover a multitude of sins, then surely that will not commend itself to this House or anybody of impartial critics; but if unorthodoxy is real unorthodoxy, namely, it tends to promote the well being and happiness of the people of this country, I am sure this House would be too glad to give the War Transport Member his due for the efforts he has spent in preparing the Budget.

Before I come to the Budget for the year 1945-46, which we have to consider very carefully, I would allow myself to make one observation of a general character, and that is this: I have never been personally able to agree with the policy which throws on the general railway revenues the losses incurred on the working of the strategic lines. I have always maintained and I do maintain today that this loss should be borne by the defence budget and not by the railway revenues. The question is of very great importance. I raised the question more than once before the Public Accounts Committee and there the reply the Finance Member gave was—and he had perfect justification in taking that line—I do not complain—that it was a question of policy which could not possibly be gone into by the Public Accounts Committee, the main function of which is to perform a *post mortem* examination. I am raising this question now and this is the time and this is the occasion. The war has been going on. India has done her best to help the war effort; if possible she should do more and I entirely subscribe to that view: I have no doubt and I am not ashamed of saying that. But I think you prepare an artificial budget by not charging the Defence Department with a large item of expenditure which for this year amounts to 180 lakhs—not charging that to the defence but throwing that on the railway revenues

The Honourable Sir Jeremy Raisman (Finance Member): On a point of explanation: the loss on strategic lines is not borne by railway revenues but is borne by general revenues. My Honourable friend is, I am afraid, under a misapprehension. That is part of the convention and has always been part of the convention and is still maintained.

Sir Syed Raza Ali: The convention of 1924, I take it. That convention has been given the go-by really so far as the Budget for the year 1945-46 is concerned.

The Honourable Sir Jeremy Raisman: Not in that respect.

Sir Cowasjee Jehangir (Bombay City: Non-Muhammadan Urban): If it is not from general revenues, where should it come from?

Sir Syed Raza Ali: I think the question was plain enough. Whatever the defence budget is, if it is not enough to meet the defence requirements, it should be increased by the amount of the loss incurred on the running of the strategic lines. Surely that loss should not be borne by the railway receipts. It is such an obvious question; but having regard to the limited time, it is rather difficult for me to explain the obvious. My reply to what the Honourable the Finance Member has said is this: since you have punched so many holes in the convention of 1924, why not punch one more hole for the sake of the public good? That is in short my reply, but this is one which we can discuss in the course of the general budget debate.

Now, I am not a financier—I do not claim to be one. I appreciate the principles on which the War Transport Member has planned his Budget; but

[Sir Syed Raza Ali.]

being a layman, some serious doubts occur to me with respect to the soundness of certain parts of his Budget and it is those doubts that I propose to place before this House. In his speech the Honourable Member referred to the availability of money in India which, I believe, subsequently he interpreted as showing a sign of prosperity. There is a lot of inflation, no doubt; but I do not think that that can be taken as a sign of prosperity for the following reasons: the railways have done their level best to extract as much money as they can out of the public. All concessions have been withdrawn in the form of monthly and six-monthly tickets and so on and so forth. Goods booking has been stopped for months. At intermediate stations third class tickets are not sold for months at a stretch. I need hardly go into other orders that have been passed by the Railway Board; but the net result of all this is this, that people who generally travel third class are forced to travel second class, because they cannot get third class tickets. The same applies to goods and so on. Therefore, it is too much to claim that that can be taken as a sign of prosperity. People are really spending not because they necessarily have money but because they are forced to spend.

Another question on which I propose to say a few words is that the Honourable Member is not right in spending the unduly large sum of money, namely, 94½ crores, on purchasing locomotives and placing orders in countries outside India. My objection to that is a two-fold one. My first objection is that the cost of everything is very high just now. Why have you decided to place such a large order in countries outside India? The number of locomotives, if I am correct, is 1,500. At no time in the history of the Railway Board did it place an order for locomotives which ever exceeded 400 in number. The cost of locomotives is about 4 to 5 times, or even more, the cost in normal times. Is this the time when you should go out of your way to place this huge order? My next objection is that in order to find funds the War Transport Member has had recourse to a method which seems to me, a layman, to be objectionable. He himself says on page 11 of his speech:

"The amounts expected to be spent on locomotives and wagons in the four years 1943-44 to 1946-47 will be about 94.75. If this expenditure is allocated under the ordinary rules, there would be a debit of 16 crores to capital and of 78½ crores to the Depreciation Reserve Fund."

It may be that if the rules were strictly followed it would cripple the depreciation reserve fund but I entirely fail to see why a substantial portion of this should not be debited to capital. The last thing to which I would draw attention is the resolution passed by the Standing Finance Committee. We are entitled to know as to what policy the War Transport Member is going to adopt with reference to the creation of this reserve fund of 40 lakhs of rupees which is to be devoted to the improvement of the amenities of third class passengers.

Sir Cowasjee Jehangir: Mr. President, I think it would be wise indeed if this Honourable House would take a very cautious attitude towards railway finance. In times when large profits are being made, the Government and this House are liable to be less careful than would be the case under ordinary circumstances. The Honourable Member has characterised his Budget as unorthodox. If unorthodoxy means writing down inflated capital expenditure, I wish he had been still more unorthodox.

Now Sir, I would just like to remind Honourable Members on the Government Benches why the Convention Committee was appointed. The Honourable Member made a statement before this House which was read out by the Financial Commissioner to the effect that the Convention of 1924 would have to be scrapped due to the war and that they intended to have an *ad hoc* convention every year to be settled between the two Honourable Members most concerned in this matter. We felt that that was not a very satisfactory method of adjusting so important a financial allocation as was contemplated and that there should be some principle even in war time which should guide the two Honourable Members in coming to a decision and in order to consider

this important matter Government agreed to appoint a Convention Committee. The first result of the Convention Committee was an addition to the depreciation fund. We then were told—and I do not think this is giving away any secret,—that we could, not consider the matter further until we got the report on certain issues. That report was received, I believe, a week or ten days ago but in the meantime the Honourable Members came to a decision as to what should take place this year. I should have thought—I do not insist on it—it would have been advisable to at least consult the Convention Committee when so important a departure was to have been made. I have already indicated that far from disagreeing with the departure made I wish he had made more such departures, if the Honourable the Finance Member would allow him to make them. The Finance Member has to guard his own interests in this matter. There are two definite interests which this House has, one when we discuss the Railway Budget and another when we come to discuss the General Budget. When we come to the Budget I have no doubt that many of us would feel differently. Today we feel and justly feel that 32 crores is a little too much when we look to the real safety of railway finance. We may consider it too little when the Finance Member brings up his financial and taxation proposals. But we must consider this matter from the railway point of view. After all these big assets which we have been told belong to India are to go into the hands of the future Government and it is for us to see that the finances of the railways are in a sound position when they are handed over.

Now, Sir, we talk of large profits during the war but let us not forget that on the other side there is a corresponding degree of depreciation in your assets which would not have taken place had it not been for the war. You are making great profits due to the war but you are depreciating your assets. We do not yet know the extent of the depreciation due to the contingencies of the war. You have got to balance both. Now, I have a feeling that the depreciation is to a greater extent than we realise, while we dissipate our profits by handing over large sums to general revenues. The result will be the same as it was after the last war. You will have to raise large capital which ought not to have been raised but it ought to have been found, out of a larger depreciation fund which you ought to have collected during those years of prosperity. Are we doing the same thing today? I have a fear we are.

Now, Sir, the first principle I would like to lay down is this, that all the monies that will be required for the rehabilitation of railways should be collected in the depreciation fund, every rupee of it. You cannot depreciate the railway assets as you are doing now, without keeping an equivalent amount in your depreciation fund, so as at least to bring your railways to the same condition as they were in before the war. Are you doing that? In these years of prosperity, you ought also to have a reserve fund which will pay for the improvement of amenities of third class passengers. If you are not to raise the fares, the monies spent, 45 crores, will not bring in any return. If you raise the money by way of capital, and not raise the fares, which we hope you will not do, then I contend that, in these years of prosperity, the reserve fund should pay for these amenities which you will have to incur after the war. These are the two policies which I would ask the House to follow and insist upon following. I will repeat, that, firstly the depreciation fund should be capable of paying every rupee to rehabilitate railways and secondly the reserve fund should be of a character which will pay for all amenities that you may have to carry out for third class passengers. You are not doing that. You are taking 32 crores to general revenues. I do contend that that is too large an amount and I acknowledge with thanks the move made by the Honourable Member to write down his capital expenditure by at least 24 crores, but I do not believe that that would be sufficient. You are spending 94 crores, and what you contend by writing it down by 24 crores is that you are paying only 24 crores more than the normal value. You are not. We all know that you are paying really 100 per cent. more than you ought to. Therefore you ought really to have written down that capital nearer 45 crores than 24 crores. Of course,

[Sir Cowasjee Jehangir.]

I am quite satisfied with small mercies. You are spending 94 crores on your railways in buying locomotives and wagons. Are they worth pre-war value of 94 crores?

The Honourable Sir Jeremy Raisman: They may not be.

Sir Cowasjee Jehangir: How much more is it going to cost you?

The Honourable Sir Edward Benthall (Member for Railways and War Transport): On a point of explanation, Sir. The total cost of these locomotives and wagons in round figures is 94 crores. We propose to write them down by 24 crores during the current year and 30 crores next year, leaving 12 crores for the year after.

Sir Cowasjee Jehangir: If that is so, how much more are you going to order next year?

The Honourable Sir Edward Benthall: None at present.

Sir Cowasjee Jehangir: You will incur expenditure on other items for which 30 crores will be set aside next year. I will put it this way, to be on the safe side. You have ordered out 94 crores worth of goods, you are writing them down by 24 crores. What my Honourable friend means to say is that he will write them down by another 30 crores. He intends to do so. But I can only take facts as they stand. I consider 24 crores too low. Practically the Honourable Member admitted that 24 crores is not sufficient because he says, he is going to take 30 crores next year for the same purpose. If he does not order out any more and if 94 crores alone are to be written down by 54 crores, I will agree. But I do not believe that will happen. Now, Sir, I do not wish to take up much of the time of this Honourable House unnecessarily. But I would contend that this is a matter to be pursued in the Convention Committee. It is a very difficult matter to discuss without facts and figures and it is very difficult to get facts and figures during war time. I admit that. There may be such changes as we cannot foresee. We can act only to the best of our ability as we see things at present and as we may anticipate them for the future and our calculations may go very wrong. In six months we may be out of date. Therefore, caution is one of the things most necessary if this Department is to be run on commercial lines, paying to general revenues what an ordinary company would pay to its shareholders. Beyond that the Honourable the Finance Member has no right to claim during war time.

One more point I should like to raise before the House. You may take 32 crores today to general revenues which will mean that the Honourable the Finance Member will be relieved of the responsibility of raising 32 crores of loans. It must come to that. If we go wrong in our calculations, and we have to raise monies for railways as we have had to do after the last war, it will mean that the railways will have to borrow that money and not the general taxpayer. That will be the result. It is not a very safe financial position for the railways. It may be an excellent position for the general taxpayer. Therefore, Sir, I will repeat that we will have to look at this matter from two angles of view, one angle of view is being considered today, and from another angle of view, we shall have to consider the matter when the Honourable the Finance Member discusses his Budget. But I would prefer to look at this matter from the point of view of railways. If it is a commercial concern, the war has to be fought, monies have to be raised, let the general taxpayer bear that burden and do not shove it on to the railways, because you can do so. The Railways belong to the same owner, having two different pockets. You are taking it out of one pocket and putting it into another. The burden will be on one pocket and less on the other. If that is something that does not much matter, then I have nothing further to say, but to me it does matter, because these assets are to be handed over to the future Government and I want to see them handed over in a sound financial position.

Mr. Manu Subedar (Indian Merchants, Chamber and Bureau: Indian Commerce): Which future Government?

Sir Cowasjee Jehangir: When you sit on the Treasury Benches as the Finance Member. When you do that, I should like you to find the railways in a sound financial position.

Mr. Mann Subedar: I shall be only a *chaprasi* and not the Finance Member of the National Government.

Sir Cowasjee Jehangir: If that takes place, then you will be a most excellent *chaprasi*.

The Honourable Sir Edward Benthall: Question.

Mr. Jamnadas M. Mehta (Bombay Central Division: Non-Muhammadan Rural): I doubt that very much.

Sir Cowasjee Jehangir: Evidently the Honourable Member has many friends in this House. I believe he will make a very good *chaprasi*, but a better Finance Member.

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

Sir Cowasjee Jehangir: I will ask this House to be cautious. That is all I have to say.

Dr. Sir Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Before I develop my argument. I should like to comment on two points, the one was raised by my Honourable friend Sir Syed Raza Ali about strategic lines. We find in the Explanatory Memorandum that 1.88 crores are shown, as deficit on strategic lines. Then he said that this deficit ought to be met by the Defence Department and not debited against the contributions to the general revenues. Whenever we send a bill to the Defence Department for services rendered by Railways, then this 1.88 crores ought to be added to it. That is the first point. The second point is about the engines we are now purchasing. I should like the Honourable Member for War Transport to get up and meet definitely the objections which I am now going to raise. Is it or is it not a fact that these engines, we are now importing, cannot haul passenger trains with safety. They can only be used and they are being used only for goods trains because they are so powerful and quickly generate high speed that it is very dangerous to use them on passenger trains. The second point is that the life of these engines is very short—only 15 or 10 years against 70 years which is the normal life of present engines—and they have to be dismantled after the war. If I am wrong I hope the Honourable Member will give authoritative reply and correct me. If these are correct then the purchase of these engines is the fifteenth folly of the Railway Board, the fourteen wasteful undertakings I have described elsewhere.

Now, Sir, I think the present method of accounting in the Railway Board is wrong; we should adopt simple method, whenever you incur any expenditure you see whether it is a revenue yielding expenditure or not. If it yields revenue you should spend from the borrowed money or capital, otherwise it should be put under revenue expenditure. That is the principle adopted in all countries except ourselves. If the Railway Board had adopted this principle of accounting they would have been saved from a large number of wasteful undertakings and also from criticism from this side. I think the Finance Member will agree that this is the sound principle for all commercial concerns.

You spent over two crores for the construction of railways stations at Cawnpore and Lucknow and also another large sum on the B., B. & C. I. Central Station at Bombay. These are not revenue-yielding undertakings and they should have been met, according to my view, from revenue and not from borrowing.

Sir Cowasjee Jehangir: How would you build your own house? Capital or revenue?

Dr. Sir Zia-Uddin Ahmad: My Honourable friend is a rich business man. He can ponder over it. I have got neither revenue nor capital. If this principle were adopted, these large sums would not have been spent on such wasteful things. It is desirable that Railway Board should have a small

[Dr. Sir Zia Uddin Ahmad.]

committee of experts to which an outsider may be attached to scrutinize all expenditure exceeding 15 lakhs. Whenever this side demands any improvements in third class traffic or other amenities, they should come from revenue and not from capital. If the revenue permits, do it, otherwise raise the rates and fares for giving these amenities. The introduction of depreciation revenue is innovation of Indian Railways. This has produced new financial problems. I challenge any railway financier to tell me definitely whether a particular expenditure should be put in the depreciation fund, under revenue, or under capital. In the proceedings of S. F. C. they say at one place that a mistake was made in wrongly debiting it under depreciation and it is being corrected. Accurate determination is impossible because we have started in erecting a new fund, Depreciation Reserve. The point is that there ought to be only two funds, revenue and capital. Then you must have also a reserve fund not for different purpose. We find that there is a cycle of depression and a cycle of boom. We had six years' depression from 1930 to 1935 during which years we spent 86 crores by borrowing,—37.6 crores from reserve, 31.3 crores from depreciation, and 17.5 crores from contribution to general revenues. We thus spent 86.4 crores to meet the depression period. The entire amount should have come out from Reserve. Your reserve should be built up during the boom period to be utilised during depression. That is the purpose of the reserve fund. My Honourable friend Sir Frederick James said on one occasion—and I entirely agree with him—that the reserve should be 10 per cent. of your capital at charge, in order to have a good margin for depression period. In the last 50 years we have seen periods of boom being followed by periods of depression, and so 10 per cent. should be put in reserve to meet expenditure during the depression.

The Honourable Sir Edward Benthall: That is 100 crores.

Dr. Sir Zia Uddin Ahmad: Our capital at charge is 800 crores and 10 p. c. is 100 crores. That is a good figure which we should aim at, to meet the bad times which are bound to come later on. The other point is that we ought not to make the mistake that we made during the Great War on account of which we have fallen into the consequential error of starting the depreciation fund. You remember, Sir, that in 1875 we had that discussion between the Secretary of State and the Government of India and we abolished the depreciation fund in 1875—and those arguments which were used in 1875 are applicable today—but unfortunately the Government, during the Great War, made a mistake on account of which we had to swallow the pill of depreciation fund recommended by Ackworth Committee and accepted by us in the Convention of 1924. The thing is that whenever you set aside a certain amount for your replacement and renewals, if on account of war conditions materials are not available or prices are high, then put this money on one side and go on adding to it every year. So that during the war period you will build up a special reserve for replacement and renewal from which you can spend as soon as materials are available. In this connection I saw a resolution, which was to be moved in the Finance Committee and which I thought was on sound lines, but I never heard of it again. In any case you should set aside a certain amount of money for natural renewals and replacements every year, which ought to have been spent each year but which you could not spend because the materials are not available or because the cost of materials has gone very high. If you don't do that, you will be in trouble afterwards.

The other thing is that I do not mind if you open a Amortization Fund—for payment of debts—in the same way as you do in the case of general budget, you ought to introduce that in the Railway Budget as well. These things are necessary but the depreciation fund as it now exists is absolutely useless and not followed by any country. I am sure I will have no support in this matter, but my argument is that this practice is not followed by any other railway company in the world. Look into the figures published by International Society of Railways and you find that depreciation fund is not provided anywhere. I wish my Honourable friend would get up and tell me whether

British, American, French and German Railways have depreciation reserve fund in the same way as we are providing. My second argument against depreciation reserve is that it is exceedingly difficult to calculate. It has been laid down that it should be 1/60th of the capital at charge. I say, why not 1/59 or 1/61—I like prime numbers better than composite number 60. You have come to an autocratic conclusion which is not very fair. Your reply of calculating the life of all the assets is still more hopeless undertaking. Thirdly you cannot decide very definitely under what head a particular expenditure should be put. Therefore, for these three reasons I think we ought to follow the practice of other Railways in the world and not waste money and energy in the conundrum of the depreciation fund—which we had condemned in 1875 and which we had to introduce in 1924 on account of the mistake which the Government of India made during the Great War because they did not provide reserve for the arrears of replacement and renewals. I think it is time that we should abolish this.

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

The Honourable Sir Edward Benthall: May I know from the Honourable Member how he would deal with this particular sum—94 crores. I am not quite clear what my Honourable friend thinks about that.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Ask him in the lobby!

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan: Rural): The House is certainly obliged to my Honourable friend, Mr. Stokes, for having initiated this discussion because some of the points that he has raised deserve very careful consideration at our hands, although passing references to them were made by certain speakers on Monday last.

Before I come to the merits of the present system of allocation, which has been characterized as 'unorthodox' by the Honourable Member in charge, I should like to refer for a moment to the point that was made by my Honourable friend, Sir Cowasjee Jehangir, as regards the impropriety of which the Railway Department is guilty for not having referred to the Convention Committee the proposed departure from past practice in regard to allocation of expenditure.

Mr. President (The Honourable Sir Abdur Rahim): It is now quarter past one. The Honourable Member can resume his speech after Lunch.

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

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

Mr. K. C. Neogy: I maintain that what is called the Convention Committee was in full seisin of the matter relating to allocation of railway expenditure and revenue and the Honourable Member in charge should not have ignored that Committee and obtained the blessings of the Standing Finance Committee for his new fangled theory.

Now, Sir, reference has already been made to the objects with which the Convention Committee was set up. I would particularly draw the attention of the House to pages 6 and 7 of the proceedings of that Committee where the terms of reference as settled by the Committee itself are set out. I have no desire, nor have I the time to read out the whole thing but the terms are sufficiently comprehensive to include the issue which is involved in the present method of allocation. I do not think there will be any disposition on the part of the Honourable Member in charge to challenge that proposition.

Now, Sir, the Committee felt that there should be a preliminary investigation into some essential details regarding the life of the assets and so on and as a result of their recommendation, in what is called the Interim Report, a special enquiry was ordered and it was carried out by a committee of experienced officers whose report however came to the members of this Committee about

[Mr. K. C. Neogy.]

the same time that the Budget proposals were laid before this House. Now, Sir, the substance of the report of that Committee is that they are not in a position to carry on the investigation with which they were charged unless certain essential particulars were furnished to them, and the Government on a perusal of the report have come to the conclusion that the enquiry should be suspended for the time being.

Now, incidentally, I should like to mention one particular point which this official committee brought out. It is to this effect. I am quoting from the *precis* of the report itself. "No statistics are available on the railways to watch and find out when an asset becomes uneconomic and requires replacement". It is a very damaging statement coming from a Committee which went into the matter after fully twenty years had passed during which we thought that the accounts of the railway system were being placed on a scientific basis. I wonder whether the Honourable Member in charge realises the seriousness of the position as revealed by the two brief points made in the report of the Sankara Iyer Committee in this connection.

Now I should like to come to the merits of the new system. We have been told that the practice which the Honourable Member has followed this year is in accordance with the normal commercial practice.

The Honourable Sir Edward Benthall: No, Sir.

Mr. K. C. Neogy: Isn't it in accordance with commercial practice? I understand that is the merit that is claimed for it. Anyway, I will leave the explanation to be given by the Honourable Member in charge.

What exactly is going to happen? For the last twenty years the accounts of the railways have been kept on a particular basis and efforts have been made from time to time by experienced officials and by experts from abroad to place the whole system of accounting and allocation on a scientific footing. I daresay much yet remains to be done, but taking advantage of the war, what has been accomplished in this direction, has been sought to be done away with in the name of war emergency. I should like to give just a few illustrations of the specific measures taken in this connection and I would refer to the explanatory memorandum on the railway Budget which is signed by the Financial Commissioner of Railways and the Chief Commissioner.

On page 3 of this booklet the House will see what expedients have been resorted to by the Department for the purpose of under-valuing the capital, rather giving greater relief to capital than would be required under the normal rules that have so far been in operation in this matter. It is not merely the present budget that will be affected by the new system. The Honourable the Financial Commissioner has had to recast the past accounts also on the basis of the new system in certain matters. For instance, he says that in the case of certain sidings which were charged to capital, they are now going to be written back to revenue as this would be more in consonance with the rules for temporary works. Either these are temporary works or they are not. What is the meaning of "more in consonance with the rules for temporary works"? I have in my hand the rules regarding the allocation of expenditure between capital, depreciation fund and revenue and there I read that work of a temporary or experimental nature is not charged to capital but to revenue, but when it ceases to be temporary or experimental and becomes permanent or is replaced by a permanent work, the cost is chargeable to capital. In this instance the charge was made to capital in the first instance and now the Honourable Member in charge of the finances of the railways says it would be more in consonance with the rules of temporary works to charge it back to revenue after having charged it in the past year to capital.

Sir Gomasjee Jehangir: It may have to be ripped up.

Mr. K. C. Neogy: Well, let him explain. There is another instance.

Mr. Zahid Husain. By way of information, these sidings and depots have been built to meet military requirements. It is possible that some of them may be required as a permanent measure after the war while quite a large number

of them may have to be dismantled. The cost is being allocated according to the existing rules between the War Department and the Railway Department. There have been rules which have been in practice for the last forty years and we have been following those rules.

Mr. Sri Prakasa: Has the war been going on for forty years? It is amazing

Mr. K. C. Neogy: The amount involved in this process in the case of sidings is three crores.

Coming to structural works, they are reconstructing the accounts with effect from 1943-44. Perhaps this epoch is likely to be called in future as the Benthall epoch of Railway Finance, otherwise I do not understand why it should be necessary to re-construct the accounts with effect from 1943-44. Now, on the structural works mentioned above we read in this booklet—'half is proposed to be written back to revenue, and for this purpose a provision of Rs. 1½ crores has been made in the current year.' Now that also needs, to my mind, some explanation from the Honourable Member. I now come to a more interesting thing. Towards the end of that paragraph it is said—'It has been decided as a war measure to do this.' Then come a very illuminating expression of policy: 'Further, if any large debit is involved to capital some suitable formula will be applied to write off the element of excess in war time costs by debit to working expenses'. First of all, decide upon the action, and then leave it to the Financial Commissioner to evolve a suitable formula which will fit in with the situation. This is not my conception of the duties of the Financial Commissioner for Railways. I definitely think that it is a most dangerous step that is being taken. You fudge your accounts in this manner, that is to say, do whatever you want to do in the first instance, and then try to invent a formula to justify your action.

Sir, my time is about to be over. I should now briefly refer to the question of overcapitalisation that has been raised. Wedgwood Committee report in para. 74 had a lot to say as to this particular point—how in the past "prestige has perhaps accounted for more than prudence", to quote their very words, in putting up capital expenditure of railways. They go into very interesting details which are worth perusal. This is the process by which capital has been increased in the past, and what is the suggestion that has been made by the Honourable friend to my right? If you are going to adopt commercial practice why not go the whole hog, why not revalue the capital assets? There is a precedent for it in America. The Inter-State Commission carries out such revaluation of capital, and there is nothing to prevent, and everything to commend to, the Railway Board the adoption of that precedent.

Sir, I would just like to say a word about reconstruction proposals. There is one particular point which does not seem to have been touched by previous speakers, and that is—financing of construction of new lines in undeveloped areas. Arising out of the Reconstruction Committee of Council's second report, I should like to know from the Honourable Member in charge of Railways as to what the method is going to be in deciding upon the reconstruction plan with regard to this particular matter. There are areas which require, very badly require, to be developed, and these lines which are required in the interests of the country as a whole, and for the development of India's natural resources, may not in the near future prove to be remunerative. What is the policy of Government going to be like in this matter, because normally they will not allow any line to be constructed unless there is an early prospect of its proving a financial success. Here is a point on which I should like my Honourable friend to give a definite assurance, because if you were to follow orthodox practice, it would not lead to the development of the country which is so badly needed. In this respect, I should like my Honourable friend to be a little unorthodox.

Mr. Jamnadas M. Mehta: Sir, I have only a few submissions to make. The War Transport Member at the conclusion of his speech suggested that if we accepted the policy which he had laid down we would get a railway system

[Mr. Jamnadas M. Mehta.]

fully equipped to deal with the task which we allot to it, and it will be in a fit state financially to give a fair chance to Governments of the future. My friend, Mr. Stokes, was not satisfied with that, and he said that the financial position of the railways was weak. The Financial Commissioner was good enough to explain the whole point of view of the Railway Board, and my friend Sir Cowasjee Jehangir was more loyal than the king himself in asking for more and more money from the taxpayer, and I do not know what he would stop at.

Sir Cowasjee Jehangir: In whose interests?

Mr. Jamnadas M. Mehta: I do not know in whose interests, but not in the interests of the traveller or the worker.

Sir Cowasjee Jehangir: Are you a representative of the worker now?

Mr. Jamnadas M. Mehta: I am still representing my electorate. There has been no change. Now I want to submit for the consideration of the War Transport Member and the two Members who supported him that some of the allocations of the surplus are *ultra vires*. According to the resolution of 1943, each year the amount which has to go to the general revenues has got to be determined by a resolution of this House, and it cannot be sanctioned by the Finance Committee. The resolution is there for the Honourable Member to see, and therefore his allocation of Rs. 32 crores to general revenues, whatever its other merits may be, is *ultra vires*.

As for the rest of the financial policy, I must say it is far too cautious, it is arbitrary, it is chaotic, and it is anti-social. The caution which the Board has adopted is ridiculously excessive. The Railway Convention of 1924 which my friend the Financial Commissioner referred to has been blown to pieces. No part of it is now in operation, it is more honoured in its breach than in its observance. If the Railway Convention had operated I do not think that Rs. 32 crores would go to the general revenues, and Rs. 17 crores to the depreciation fund. They anticipate all sorts of dangers and all sorts of calamities that will descend on the Railways as soon as the war is over as if war was not itself a calamity.

As regards locomotives provision is made in advance against the fall in prices. In this year Rs. 24 crores has been provided for, in the next year Rs. 30 crores and in the year after the next Rs. 12 crores, all amounting to nearly Rs. 66 crores.

But this is not all. If you examine some of the comments which my friend Mr. Neogy made, you will find here and there and everywhere, in all guises and disguises, revenue has been milked in the supposed interests of sound finance. No doubt railways are in a sense in a very sound financial position. If I can give an example, my friend the Honourable Member for War Transport, if I may say so, is the embodiment of sound finance. He is tall, handsome and robust and I may compare railway finance with him. And if I should compare the railway customer or the railway worker whom shall I compare with—Maulvi Abdul Ghani or Mr. Azhar Ali? He is the Railway finance. This is the traveller. This is the worker. This is a picturesque but true description of the soundness of railway finance. And the more it is sound, the more Mr. Abdul Ghani will go down, if he is not wanted, and the more Mr. Azhar Ali will go down further. This is the soundness in the railway finance today. The customer is mulcted, the worker is starved and un nourished and all my friend Mr. Stokes and Sir Cowasjee Jehangir say that is sound finance. The economic philosophy of 1939 is dead at the beginning of the war. Mere statistical prosperity is not the test nowadays. The Government of India, are a party to the Philadelphia Conference resolution which states that the real object of financial and economic policy is a social objective; social objective as defined at page 6 of Report No. 1 of the International Labour Conference:

"All economic and financial policies must be judged in the light and accepted only in so far as they may be held to promote and not to hinder the achievement of the fundamental social objective."

I therefore say that these astronomical figures of travellers and income should not deceive us. The income of 220 crores is nearly three times the pre-war income. It was 84 crores in 1934 or so and it is 220 crores today and much is concealed. At the end of the year it will be probably somewhere near 240 crores.

One thing I wish to touch prominently is this: that the surplus today is 80 crores, 220 crores income and 140 expenditure and the surplus is 80 crores. And yet we are told that it is 36 crores. I would like to know why the surplus is depleted to the extent of 44 crores in the case of this Budget. Why should not these 80 crores be spent towards rehabilitating the Railway staff even during the war, and thus make our Railway a real transport service, beneficent to the traveller, beneficent to the trader and equitable to the worker. That is the only test of sound finance and not simply big figures. I ask what are you spending for human values? The real test of a sound financial policy, in my opinion, on the railways will be that human values are respected more than merely crores of income.

There is one last point which I would wish to make. Some people have said that 92 crores of Depreciation Fund is not enough, that 29 crores of Railway Reserve are not enough. What does it come to? It comes to over 120 crores and we have 800 crores of Railway Capital. If your reserves are as great as nearly 1/6 of your assets, how much more do you need and why? You have got at least 120 crores against bad times, if there are to be any. It is simply unlimited thirst for taking money from the revenues. Therefore this is not sound so far as human values are concerned. Government of India were a party at Philadelphia to that ideal. How with these commitments of theirs at Philadelphia these kinds of transfer from revenue to the extent of a crore, ten crores, 20 crores or 40 crores can be tolerated I do not understand. I want the Government of India to respect the resolution of the Philadelphia Conference for which they have voted. There they voted for a social objective. Why not here also?

Sir Cowasjee Jehangir: Who was their representative there?

Mr. Jamnadas M. Mehta: Sir Samuel Ranganadhan, the Honourable Mr. Prior and one Mr. Ahuja from Canada. I think I need not say anything more except to ask the Honourable the War Transport Member to explain how he justifies the present financial policy in the light of the commitments of the Government of India at Philadelphia.

The Honourable Sir Edward Benthall: The Honourable Mover in his opening sentence described the Railway finances as being in a thoroughly weak state in contradiction to what I understand my complimentary friend behind me considers to be the state of the Railway Member. The Mover emphasised caution in railway finances in spite of the large surplus and that, Sir, was the theme of the Honourable the leader of the Inquisition a day or two ago. Sir Cowasjee Jehangir also in his speech agreed that in spite of the figures which have been placed before the House, caution is still necessary. With those sentiments I very much agree. We have only got to think back even two years ago, the first occasion when I presented a Railway Budget to this House. I then described the Budget as the first Budget for many years which could be described as straight. That was only two years ago and so recently as 1939-40 we were in the position of having drawn 17 crores, 96 lakhs from Reserve, we were 35½ crores in arrears of contributions to General Revenues, when the contribution still existed and we had something like 30½ crores drawn on loan from the Depreciation Fund. That was only, Sir, five years ago. We are dealing today in very big figures but these big figures are easily reversible and I quite agree with all the speakers who have stressed the point that we should not be carried away by the boom conditions for railways which exist today.

The Honourable the Mover also indicated that in his opinion the revenue position of the railways was unsound. That may seem, at first sight, rather an unorthodox statement or rather an unusual statement, in view of our very large surpluses but it is in my opinion also correct. Our surpluses are due

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to very abnormal traffic arising out of the war, a traffic which must fall away. As the Financial Commissioner mentioned, this may not be immediately after the war but when the military traffic comes off, it will certainly take some time to replace it by the development of ordinary commercial traffic. Our expenses in the meantime have risen by leaps and bounds and it is much more difficult to get down expenses than it is for earnings to fall automatically. As I have mentioned in the Budget speech some 20 crores extra has been spent on dearness allowance and food shops and our coal bill has risen very heavily indeed. Now, when we get on to the period after the war, we shall have other charges arising out of the policies which we are considering today: for instance, there is the question of recurring expenses on third class amenities. You may put up buildings and build carriages for third class passengers; but they will require maintenance charges recurring each year, and it is quite possible that our recurring charges on that head will amount in course of time to 1½ or 2 crores a year. Similarly we have a programme of 48 crores of expenditure on staff amenities. That may run us into a running expenditure of 2½ crores—naturally all such figures are guess work—but it certainly runs into considerable expenditure judged by pre-war standards. Then there is the case raised by my friend Mr. Neogy of unremunerative lines. He asked what we are going to do to develop undeveloped areas. Naturally development of lines in such areas as Orissa and Assam is very much in our programme. We have consulted with the Provincial Governments (Interruption)—I just mentioned two Governments which have particularly pressed for railways to develop new areas. The lines may pay in the long run. I understand that it is the desire of the House that we should proceed with these lines which may not be remunerative in the earlier stages and there will be extra charges on that account. There will be losses which will have to be met out of the revenues of the railways. Then again, as we spend our depreciation and reserve funds we shall lose interest on those funds. So that, the development programme on which we are embarking will involve us one way and another in considerable expense or loss of income. To meet that we have either got to get more traffic to replace the army traffic which we are getting today, and the abnormal passenger traffic which we are getting today, partly due to war time prosperity and partly due to buses being off the road, or we have got to cut our costs. My Honourable friend Mr. Mehta and others will not like it if we have to indulge in a policy of reducing the emoluments of labour. Similarly sellers of coal will not be pleased if we have to reduce the price of coal on grounds of economy to anything like the figures which prevailed in the nineteen thirties, which, I quite agree, have not resulted in a healthy coal industry. Or there is the third alternative which will face the Governments of the future, and that is an increase in rates and fares. After the last war, the Acworth Committee considered the position which then existed—and a position which we are trying to avoid by our methods today—and pointed out:

"That in the Indian railways, rates have always been among the lowest in the world, and a general substantial increase is overdue."

I do not think I need stress this point. I mentioned it in my Budget speech, but I would add that the railways in America are also facing the same situation where railway rates and fares stand far below the general level of prices. Obviously you cannot continue that indefinitely, unless you can keep up the high volume and velocity of traffic that we have today. The Mover wants more and still more to be put to reserve but it may be necessary, in order to achieve that, for some Government in the future to put up the rates and fares.

My Honourable friend the Financial Commissioner dealt with a number of points raised in the Honourable Mover's speech. He dealt with them in what I thought was an extremely illuminating way, which is typical of the conspicuous wisdom and prudence of the advice which he has tendered to Government. I hope that in the main what he has said will satisfy the Mover.

Mr. Das complained about inaccuracy of budgeting. I cannot dwell on this too long. I did point out in my Budget speech that our receipts for the ensuing

year may be higher than we budgeted for, but so might our expenses. It is certain, I think, that our expenses will be higher, but we can only budget on decisions that have been made. If there is a further increase in staff emoluments we cannot budget for that until it has been made. But on the traffic side there are a number of considerations which may not immediately occur to any one who is looking at the figures. We hope for an increase of traffic owing to additional engines and wagons; but a large proportion of that traffic may be coal which will be at low freight rates: other portions of it will be military loads which are also charged at lower rates than civilian traffic. We hope to divert a certain amount of traffic from the railways to the sea, in the general interests of moving more goods round the country; and furthermore a certain amount of traffic may be re-diverted from parcels traffic at a higher rate back to goods traffic. Also we may have more lorries coming on the road which will again affect our receipts.

Sir Raza Ali mentioned the loss on strategic lines. I confirmed that according to the convention of September 1924 "the loss on the working of strategic lines shall be borne by general revenues" and that is what we are bound by.

Dr. Sir Zia Uddin Ahmad asked whether goods engines were suitable for passenger services. They are, because the engines have a higher tractive capacity than passenger engines and therefore they can pull passenger trains but they cannot go at such high speeds. . . .

Dr. Sir Zia Uddin Ahmad: Are they being used now?

Sir Cowasjee Jehangir: What is the life of these engines?

The Honourable Sir Edward Benthall: My time is limited: the life of the American engines and wagons as mentioned in my speech, is shorter than the life of those which we got in the past from Great Britain or those which we are getting from Canada—we are taking it at 20 years.

Sir Cowasjee Jehangir suggested that we should have an *ad hoc* discussion by the Convention Committee each year, and that we ought to have put these proposals before the Convention Committee. I understood him to say that he thought it was advisable but that he did not wish to insist on it being done. Later on in his speech he suggested further discussion of these points. I intended no discourtesy whatever in not thinking of placing this before the Convention Committee, who have done very valuable work and of whose help we are highly appreciative. But I would—as Mr. Neogy did—refer to the agenda or terms of reference of this committee which they settled themselves. I have read these through again and I cannot see that anything in the 7 points which they themselves settled for discussion laid the obligation on Government to place this particular matter before them. I have no time to read them out. Otherwise I could satisfy the House on that point. Also, the Committee did make a recommendation which the Financial Commissioner read out about the allocations between the general revenues and railway reserve. The difficulty is this. If we have to try and refer all these matters to more than one committee, we shall get into difficulties. We followed in this case the orthodox procedure which is laid down by the Convention of September 1924. We could not do otherwise without being brought up by the Standing Finance Committee and the House. The convention lays down that 'a Standing Finance Committee shall be constituted, and the Railway Department shall place the estimate of railway expenditure before the Standing Finance Committee on some day prior, etc. etc.' It has been the practice ever since those days to lay the budget figures before the Standing Finance Committee. I think therefore the Government are technically correct but the question does need examination and I will look into the position of the Convention Committee and see what work lies before them. As I said, the other day, it has not been wound up. There is the investigation into the lives of the assets which is to take place and I will see what is to be done for the future. I hope that statement will satisfy my Honourable friend that no discourtesy was meant, that our procedure was correct and that we will look

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into the functions of the committee in the future and communicate with the Members.

Before winding up I will make one further point in reply to Mr. Neogy who said that in his opinion there should be a re-valuation and a writing up of the railway assets. Again I would remind him that if you write up the assets you have got to increase your earnings to pay interest on those written-up assets and you will therefore have to write up or increase your rates and fares.

Sir, the Honourable Mover asked that we should create a special fund for amenities for third class passengers and staff. That suggestion is close to the recommendation of the Standing Finance Committee. I have never myself in my business training been very fond of special funds. I have always believed in putting funds into a general reserve which gives the management freedom of action. Now, Sir, we have down in our programme of post-war development 93 crores for third class passengers amenities and staff amenities. As it is not directly remunerative expenditure, we should try to finance it as much as possible out of reserves. There might also be other unforeseen reserves which may be necessary. We found some this year. I cannot foresee any more at present but they may be there and freedom of action should be kept. The Mover suggested that last year I agreed that the 10 crores which we proposed to raise from a special source should be allocated specially for amenities. I did say that. That was a special occasion; the money was to be raised from a special source. The Standing Finance Committee wants a special fund created and the additional surplus, if any, this year—anything above the budget figures—should be automatically credited to it. The Honourable Mover and the Standing Finance Committee seem to imagine that there must inevitably be an additional surplus but there may not be. Our estimates may easily be less for the reasons which I gave earlier in my speech and that is why when I reviewed the position in my Budget speech I said:

"The arrangement made with the general revenues whereby the contribution is stabilised at 32 crores for two years is subject to review if the actual position near year turns out substantially different from what we are able to forecast now."

The surplus may be substantially up or substantially down but my desire, which was also indicated in the Budget speech, is very much on the lines of the Standing Finance Committee. I have indicated our desire to build up the reserve for, among other things, third class passengers amenities. I will undertake that this question will be placed before the Standing Finance Committee for Railways and I have no reason to suppose that Government will not be able to accept their recommendation in the light of the position which may exist in a year's time. Sir, I oppose.

Mr. H. G. Stokes: In view of what the Honourable the War Transport Member has said, I ask for leave of the House to withdraw my cut motion.

Mr. Sri Prakasa: Is the motion withdrawn in view of what the War Transport Member has said or had they made up their minds beforehand?

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

Inadequacy of the Scale of Dearness Allowance to Railwaymen.

Mr. Jamnadas M. Mehta: Sir, I move:

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

Sir, I shall ask the House to turn to page 6 of the Explanatory Memorandum. There you find that the Railways made an income of 185 crores in 1943-44; they are expected to make an income of 182 crores in the current year and an income of nearly 220 crores in the budget year. Against that, the expenses in the year 1943-44 were 90 crores 10 lakhs, in 1944-45 128 crores and in the current year—I think the Budget year, they are expected to be 140 crores. Now, Sir, why is it that suddenly the expenditure has risen from 90 crores in 1943-44 to 128 crores in the current year and to 140 crores in the coming year? Without the authority of the House, for no real justification, 30 crores are quietly taken to working expenses. This is in addition to many crores secretly taken; if a Committee were appointed, it will be revealed that revenue is being transferred from the income of railways to other heads.

The Honourable Sir Edward Benthall: No, Sir.

Mr. Jamnadas M. Mehta: I have not the time to go into this question in detail. I have quoted figures in the past years. Every reason, sensible or insensible, wise or unwise, is found for transferring revenue to non-revenue channels. The only person who gets neglected in this scramble for crores is the poor railway man. Eight lakhs of railway men, with their families come to about 40 lakhs of population in this country. That is one man out of 40 is a railway man and amidst this economy of abundance which the railway is now enjoying, this one unfortunate individual is neglected. The position is that in place of 36 crores of surplus shown, it should have been 66 crores of surplus. If I am to take into account other charges on revenue which I claim are not justified, I am quite certain that it may reach even 80 crores or more. Out of this, all interests get something, Rs. 32 crores go to general revenue, Rs. 30 crores go to meet the supposed loss in the values of locomotives and wagons, some crores go in excess payment to depreciation, and in that way many crores are dissipated for which no justification is necessary. I maintain that financially all these huge diversions of revenue are not necessary. In future the railways are going to be bankrupt and there is no room to fear all kinds of disasters, to make out an excuse for diversions of revenue. Therefore, I ask the Honourable Member for War Transport to account for this 80 crores and give the railwaymen at least 25 per cent. of that amount. If you give 20 crores to the railwaymen to increase the dearness allowance which is very meagre, as I shall presently show, you will have done some justice to the men who have helped you during the war as few people have helped you. I find in the Budget speech of the Honourable Member for War Transport that compliments are paid, but no coins are given. Compliment there is in abundance, but when it comes to a question of cash there is a small trickle.

The Honourable Sir Edward Benthall: Twenty crores.

Mr. Jamnadas M. Mehta: I know. But what are you giving this year out of 80 crores to the railwayman? Nothing. For 5½ years, the railway man has carried war workers, soldiers. I want the transport of goods and services for the army. The railwayman has carried all these on his shoulders for 5½ years and yet the Railway Member has been refusing to give him even 25 per cent out of 80 crores. I would like the House to know what the railwayman has been receiving so far. What he has been receiving till now is so small that it does not enable him to make both ends meet. The maximum allowed to railwaymen in places which are supposed to be most expensive like Bombay and Calcutta is Rs. 18 a month and it is claimed that savings under grain shops come to about Rs. 11. This is the highest allowance. Now, Sir, let us see what the rise in the cost of living has been. The cost of living, according to official estimates, has gone up to 250 per cent. This is a moderate estimate, but the real cost is much higher, because official index is based upon imaginary availability of certain things. Cloth, for instance, is priced at a certain control rate, but you do not get it at that rate. Drugs, for instance, are priced at a certain control rate, but you do not get them at that rate. To the poor man the very elementary necessities of life are unavailable at the control rate. Milk, which Railwaymen's babies need, is not available as their wages and allowances are inadequate. The smallest man gets Rs. 22 as allowance and the highest man Rs. 29. Rs. 22 would completely compensate a man who was earning Rs. 14 perhaps and yet the Honourable Member for War Transport has tried to create the impression on the House that all the lowest paid employees are completely compensated. I say that that is not fair. I appeal to the Honourable Member that Government should not make statements which, if challenged, cannot stand the light of day. Is it claimed by the Railway Board that workers getting Rs. 16, 20, 25, 30, 40 are fully compensated? And yet they are among the lowest paid workers. Grain shops show list of 16 articles to be supplied, but I am not sure how many are actually supplied. At a certain stage, even half of them were not available, I am quite free to admit that the Railway Board when receiving us in deputation is most sympathetic. I have no complaint on that account. On the

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contrary, I am grateful for the consistently patient hearing which the Railway Board has given us whenever we have approached it. But the one thing which the Railway Board does not do is to accept our demands. I am now trying to induce Honourable Members of this House to see the railwayman's point of view. I am talking of no other affairs, except their bread and butter. One instance will do to show how the railway servants are suffering under great hardships in many directions. Take the Railway Clearing Accounts office which is situate in this very city of Delhi. For nearly six months, 200 poor clerks belonging to the Railway Clearing Accounts office were not provided with chairs to do their work and they had to work from six to eight hours a day standing. I am asking the Honourable Member for War Transport to deny this allegation. For six months, since June last or perhaps earlier, 200 clerks in the Railway Clearing Accounts office in this City were not even given chairs and they had to do their work standing for the best part of the day.

Sir Cowasjee Jehangir: Where did the chairs go?

The Honourable Sir Edward Benthall: It is a very curious thing that there were no complaints.

Mr. Jamnadas M. Mehta: Complaints were sent. That means that these complaints were not brought to your notice. I will give the Honourable Member a statement, at the end of the discussion, which he may examine. I am giving this information from a man who approached me saying that 200 clerks had to do their work standing.

Mr. Sri Prakasa: Were high tables or low tables provided for the clerks?

Mr. Jamnadas M. Mehta: No information is given. Perhaps they wrote on their laps.

Sir Cowasjee Jehangir: Perhaps they were supplied benches.

Mr. Jamnadas M. Mehta: It is a tragic matter to the railwaymen; but it is a joke to you, because you have cushioned sofas. To me it is a tragedy.

Sir Cowasjee Jehangir: It is considered a joke because it is unbelievable.

Mr. Jamnadas M. Mehta: I have always considered my Honourable friend Sir Cowasjee Jehangir as the unofficial Under Secretary of State for India. He will stand up for any official atrocity, and he tells me that he does not believe what he does not know. I say this from first hand information. If he considers this a joke, let him try the experiment of standing for six hours even for one day and then he will understand the disabilities which the poor are suffering from.

The Honourable Sir Edward Benthall: Why did not the Honourable Member draw attention to it at the time so that the poor clerks would not have to stand for such a long time?

Mr. Jamnadas M. Mehta: To my great misfortune I learnt about it only six days ago; it is only when I came here for the Session that this was brought to my notice. If it is false, you can mention it tomorrow.

The Honourable Sir Jeremy Raisman: A long-standing grievance!

Mr. Jamnadas M. Mehta: I have no time to comment on you when you join with Sir Cowasjee Jehangir, except to beg for a little mercy for the poor. I am in a very conciliatory mood this afternoon. I wish to say that the Railway Board have done us full justice in hearing our submissions, whether it is Sir Arthur Griffin, or my Honourable friend Col. Wagstaff or my esteemed friend the Financial Commissioner. All that I want today is that they should implement their good attitude towards us by paying something nearer to the cost of living to men who have served them most loyally and diligently during the strenuous period of the last 5½ years.

Sir, I have nothing to add; I hope that the War Transport Member will give me a satisfactory statement as to what he is going to do. He has refused conciliation; he has refused to grant our demand; we are absolutely remedyless and we have no one to listen to us. The Labour Department refuses to listen to us. We have only the public of India to appeal to and they can

put pressure on my most esteemed friend and see that he shares the Railway prosperity with the poor and the needy among the Railwaymen.

Sir, I move:

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

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

Shrimati K. Radha Bai Subbarayan (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Mr. Deputy President, Sir, I participate in this discussion because I wish to remind this House that the question of wages and dearness allowance does not concern the workers alone but also their families. Therefore it affects not merely the eight or nine lakhs of lower-paid employees on the railways but also several times that large number. The demand for increased dearness allowance cannot be roughly brushed aside, as Government would surely like us to do, describing it as mere agitation on the part of the workers to secure higher wages on the plea of war conditions. Nor can we be satisfied with a vague promise from Government that they will give their very sympathetic consideration to this matter at some future date. We have lost all confidence in promises of that kind from this Government. I feel it is absolutely necessary that this question of dearness allowance to the lower paid railway employees should be carefully examined, to find out whether it is based on a genuine and urgent need to meet the high cost of living that is now prevailing in our country, and also to come to a decision as to what relief should be given to them.

Sir, as far as I can understand, this controversy has arisen because Government have refused to adhere to the recommendations of the Court of Enquiry which they had appointed in 1940 to examine this question, while the workers quite rightly attach great importance to those recommendations. The employees also protest against the discrimination made by Government in granting dearness and other allowances to their employees in the lowest class. I must confess I do not understand why this discrimination is made; why should there be a zonal difference? After all the cost of living has increased in all parts of the country more or less to the same extent. Housing is difficult everywhere, rents have gone up in spite of Rent Control Acts, and Government give only to some employees free quarters or rent allowances. With regard to conveyance allowance also there is some discrimination. The Court of Enquiry which is popularly known as the Rau Committee recommended the supply of free milk to the children of these employees, but I understand—I am open to correction by my Honourable friend Mr. Joshi—that at very few places it is supplied free to children; at some places there are depots where milk is sold but this arrangement does not help employees when they have not got sufficient means to buy the milk with. I would remind the House that this Court of Enquiry while recommending the supply of free milk to children, quoted from the report of the Nutrition Committee of the League of Nations that, "no other single food is known that can be used as a substitute" and that the value of milk is "unique and we cannot do without it".

There is also difference in giving subsidies or providing free schools for the education of children,—a matter in which I am specially interested. Above all, Sir, I fail to understand why Government, when they last revised the dearness allowances, refused to give any increase to all employees who earn less than Rs. 40 per month. What is the reason for all this discrimination? Is it to break the unity and solidarity among the railwaymen? Is it another instance of divide and rule? The Government policy in granting and refusing dearness allowances is not based on any definite principles or on the recommendations of the Rau Committee. The Budget speech of my Honourable friend the War Transport Member does not give any explanation for dealing with this question in this manner. The general belief in this country is that when Government appoint a Court of Enquiry to examine a certain problem and report on it, the decisions of that Court receive due attention from Government, and if Government find it impossible to accept them they must give convincing arguments for their refusal. If Government fail to do this, the confidence of the people in this reasonable method of referring to a special authority, a matter on which there is difference of opinion between employers and their employees, will be shaken.

[Shrimati K. Radha Bai Subbarayan.]

The Honourable Mover has pointed out that is a fact that the cost of living has gone up very high, and I am aware from personal knowledge that life has become more difficult, particularly to those who live on what is known as the border-line of poverty and find it very hard indeed to make the proverbial two ends meet. The wives of lower-paid railway employees during their meetings and their personal talks with me have explained to me their cares and anxieties in meeting their domestic expenses because of the inadequacy of the earnings of their husbands. In connection with my work for the advancement of women I have had repeated opportunities of visiting the homes of these people and discussing with them their difficulties, and I have personal knowledge that it is really very hard indeed for the wives of these employees to balance their budgets. Government should realise that it is not Government alone which has to balance budgets; the wives of householders also have to balance their budgets, and that has to be done on limited incomes. The grain shops do provide some relief, but I must add that there have been complaints—very serious complaints—that some of these grain shops instead of being a help to the railway employees cause much hardship. I have myself seen the very poor quality of some of the provisions that are supplied at these grain shops where the railway employees are obliged to make their purchases.

In addition to all the daily items of expenditure, there is sudden and unavoidable expense when there are illnesses, births, marriages, or deaths in the family. If I remember right, the Rau Committee referred to the indebtedness of railway employees in their Report. I fear that in these difficult times their indebtedness is increasing. I would point out to the House that the Rau Committee stated that:

“No wage can be properly called adequate unless it is sufficient to maintain the employees in a proper state of health and efficiency.”

That committee also referred to the subject of balanced diet. The question today is whether the health of the railway employees and their families, particularly of their children, who are our future man-power, is seriously affected because of their inability to secure a diet, however simple it may be, which will include some of the vitamins that are indispensable to the human body. The poor employees assert that with the high cost of living they need increased dearness allowance to make their wage adequate according to the definition of the Court of Enquiry. This grievance has become more acute because the Government put up a stiff fight in defence of their arbitrary proposal to give generous war allowances to their proteges, the superior services, while refusing to pay the humble and inferior services the allowances that have been recommended by a Court of Enquiry which the Government themselves appointed. The railwaymen feel, and quite rightly too, that the Government, being alien and completely isolated from the great mass of the people of the country, do not understand, nor care to understand, the habits and life of the people, and therefore refuse to supply the minimum needs of the people, while they wax eloquent in support of generous allowances to their own class who want them for the purpose of continued enjoyment of luxuries and gaieties. I am afraid that my Honourable friend, the War Transport Member, in his Budget speech not only fails to remove this impression but also confirms it. The attitude of the Government during the adjournment motion on Monday and during the debate on third class passengers yesterday shows that the Government lack human sympathy and a sense of justice and fairness in dealing with questions concerning workers and poor people and entertain only callous contempt for them. How can such a Government be expected to treat the poor railwaymen with consideration and justice?

These poor men have another cause for distress. They believe that they fail in securing adequate attention to their representation because the last two successive Presidents of their Federation have been tempted by the Government to leave them amidst their difficulties and accept comfortable seats for themselves in the luxurious parlour of the Government.

My Honourable friend, the War Transport Member, states that the Government fully appreciate the difficult conditions under which the men are performing their more than normally arduous duties, but I would also point out that if his hopes about transport in the future are to be realized he must follow up this compliment by taking pains to understand the grievances of the great mass of low-paid railwaymen and to remove all causes of discontent among them. The tremendous additional effort which the Honourable Member states, is necessary to tide the country over the next twelve months, cannot be made, by showering generous war and family allowances on the superior and rich employees and denying minimum help to the very poor employees. The Court of Enquiry stated that they made their recommendations as modest as possible so as to minimize the effect on general revenues and to avoid the risk of a continuous rise of prices and wages. They also said that "the amount of dearness allowance we propose to recommend is comparatively small and even if we err in drawing the line whether on one side or the other, the error is not likely to cause great inconvenience." If in spite of these statements the Government feel that their recommendations cannot be accepted, I would urge that the Government appoint a new court or arbitrator to examine the question and make specific recommendations taking into consideration all that has happened during the last four years.

Mr. N. M. Joshi (Nominated Non-Official): In supporting this motion for adequate dearness allowance to the railway workers, I need not make a long speech. In my speech during the general discussion, I had pointed out that during the war times the responsibility and the strain on the railwaymen has greatly increased. I think the Government of India themselves will agree with that proposition. I therefore feel that the Government of India as good employers are bound to pay their employees what is their due. I thought, Sir, that during these times when the railwaymen are bearing a greater responsibility and greater strain the Government of India would revise their scales of pay and give them better salaries and improve their economic position. Unfortunately, the Government of India does not do that. Not only that, but the Government of India is not prepared even to meet the increased cost of living; leave aside improving their economic condition which the Government of India is not doing, they are not prepared even to maintain the economic *status quo* of the railway employee. I feel there cannot be any justification for this conduct of the Government of India. They cannot put forward the excuse of want of money; they do not know what to do with the money which they have got and therefore want of money cannot be an excuse in these days. The Government of India will have to produce some other excuse for imposing starvation on their employees. The railway employees are demanding a very moderate increase; their demands in my judgment are very modest.

The Rau Committee recommended that they should get an increase of Rs. 1-8-0 for every increase of five points in the dearness allowance. That recommendation itself was very inadequate in my judgment because if it compensated for the increased cost of living it did so only in the case of those people who are getting very low wages today. The cost of living index may be between 240 and 250. Now if you take the railwaymen's demand, they are claiming, on the basis of the Rau Report Rs. 45 dearness allowance and even if that is granted, it is not going to meet the increased cost of living except with respect to those who are getting Rs. 30 p. m. and those who are getting more than Rs. 30 will have to make some sacrifice as regards meeting the compensation of the high cost of living. I think, Sir, the Honourable the War Transport Member when he stated that the Government of India is giving compensation for the whole of the increased cost of living of the lowest class of people, he should have stated whom he considers to be the lowest paid railway employee. As my Honourable friend Mr. Jamnadas pointed out, he may mean those people who are paid Rs. 10. Should anybody be paid Rs. 10 salary in India? It may be that those who get Rs. 15 may have full compensation paid for the increased cost of living but beyond Rs. 15 at the present rate of compensation nobody is getting full compensation for the increased

[Mr. N. M. Joshi.]

cost of living. I feel that it is the duty of the Government of India to give adequate dearness allowance to at least those people who are not getting sufficient for their maintenance. What the Government of India is paying today is extremely inadequate. If you take the lowest payment of allowance in cash made by them, it is Rs. 8 or Rs. 9 in cash and as the Honourable the War Transport Member says Rs. 11 in kind: in all Rs. 19 dearness allowance is the lowest rate and that is paid to the people who are living in what I may call rural areas. If the Honourable Member feels that in rural areas the cost of living is smaller than in urban areas, he is mistaken. The cost of living in rural areas today is much larger than in cities. In Bombay you can get your food cheaper than in rural areas. Therefore, there is absolutely no reason why the Government should make any distinction between people who live in rural areas and people who live in smaller towns and people who belong to the larger cities like Bombay. Therefore the Indian railwaymen demand that there should be no discrimination made in the rate of dearness allowance paid to railway employees on the ground that some stay in cities, some in towns and some in rural areas. They want to abolish this zonal system. The Government of India is not only making this discrimination but they have started another discrimination—of giving more compensation to those people who are getting more. That is generally the policy of the Government of India. They try to keep contented those people who get larger salaries and those who get the lowest they generally are neglected.

I would like, Sir, the Government of India to give up this policy. In any case, the railwaymen do not want this policy of paying people who are getting higher pay more than those people who are getting less pay. I am not talking of proportion but they want dearness allowance on a flat rate. I would like the Government of India now to revise their policy. The demands of the railwaymen are very moderate. Fortunately, or unfortunately, the railwaymen are led by people who are moderate and who do not like strong agitation during this war period. Government must thank them otherwise their demands could be much higher and it would be wrong for the Government of India to take advantage of the fact that the leaders of the railwaymen are men who are moderate, who do not like unnecessary agitation. I therefore hope that the Government will meet with the demands and give them the compensation for the increased cost of living. If the Government of India do not wish to do that, let them place that matter before an arbitrator or an adjudicator. Is it right for any employer during the war time to say that 'I shall pay you what I like'? Is it right for you to say that? If you are an employer it is your duty to say: 'Appoint an impartial tribunal and I shall give you what that impartial tribunal asks me to do'. Let the Government of India accept that. Is it an unreasonable demand? But the Government of India refuses that demand and I want to know on what ground it does so. On account of war conditions, the Government of India practically deprived the railwaymen of their right to go on strike. What is more, the Government of India have placed under military discipline certain of the employees of the railway. Some of them may have voluntarily gone and accepted that service. Are you going to take advantage of that fact? It would be wrong for the Government of India to refuse adjudication to their employees and compel them to resort to things which none of us would like them to do. The railwaymen do not want to go on strike. The only remedy they want is adjudication, or give them what they are demanding. Their demand is moderate.

I hope the House will accept this motion.

Mrs. Renuka Ray (Nominated Non-Official): The case for an adequate dearness allowance for the lowly paid railway employees is one which affects the health and the happiness and welfare of a very large section of men, women and children dependent upon them. As my honourable friend Mrs. Subbarayan has already pointed out, as it vitally affects the welfare of women and children

who are dependents on them and as such it is up to us to see that their case does not go unheard.

In this country, even in normal times, people who belong to the working classes or to the middle classes and who live on meagre and fixed incomes, are never in a very happy condition, but today when there is so much inflation and when the prices of essential commodities cannot be controlled effectively, it is impossible to expect these sections of the people to continue if something is not done and done on an adequate scale. The lack of nutritious diet and lack of educational or health facilities, even for the middle class poor in normal times is bad enough in India. Today how is it possible for them to clothe or to feed their children and to educate them if they do not even get an adequate pay. Sir, when even the people with fixed incomes amongst the upper middle classes are feeling the pinch, it is quite easy to imagine what the plight of the poor is.

The demand of the Railwaymen's Federation, to my mind, seems to be a very just and a very reasonable one. They have merely asked, as Mr. Joshi pointed out that the recommendations of a court of enquiry that was appointed by this Government itself should be carried out. As my Honourable friend Mr. Joshi said this court of enquiry, over which Sir B. N. Rau presided, suggested that for every five points rise in the cost of living index the employee should be paid Rs. 1-8-0. The cost of living index today is somewhere between 200 and 240 which means that they should be paid Rs. 45. This is a flat rate that is suggested for all incomes below a certain level. What the railway man is now getting with his dearness allowance of Rs. 22 does not give the rate that has been recommended by this Committee which has been appointed by Government itself.

Then, there is the question of zonal differences. In normal times the need for zonal differences existed. In Zone A in cities, higher dearness allowance is paid than in zones B and C because these are in district, towns and rural areas. This differentiation would be perfectly all right in normal times, but today as in cities there is better rationing, and better control of prices, the divergence in cost of living is eliminated. For instance, if you take the area where Assam Bengal Railway functions, or in operational areas where prices are often higher than in cities, this sort of discrimination makes it hard for those in zone C. Mr. Frank Anthony in his speech on the general discussion revealed in no uncertain terms the strain to which these railway employees are being put during times of emergency. Is it too much, I should like to ask, to expect that Government should show some greater consideration for their own employees who have stood them in such good stead?

The reason why I have risen to support this motion is because I feel, and feel very strongly, that as a representative of those women who are trying hard to alleviate the position of their less vocal sisters, this is a cause which I cannot afford to ignore under any circumstances, for it so vitally affects their health and the welfare and those of their children. It is not only the cause of low paid railway employees, however large and efficient a group of workers they may be, it is the cause of all such employees whether they are employed by Government or by private bodies. It is a cause which we must take up because if we fail to do so the deterioration that is taking place in the health of the country will go beyond control. Those who have done rehabilitation work and have experience of conditions in Bengal would be able to tell you how difficult is the position today, how unequal is the struggle which the poor and the middle class poor are trying to put up. It is no use our launching forth on schemes of rehabilitation if we cannot in some concrete way increase the incomes of those like school teachers, clerks and other low paid employees who are being hard hit. Something has to be done for them if we are really to restore normal conditions in the country. This is not only the case in areas where distress is very great like Bengal, but throughout the country today. It is the duty of the State to give protection particularly to those of its citizens who are unable to protect themselves. In fact so far as the State is able to do so will the measure of its

[Mrs. Renuka Ray.]

ability be judged. Still more incumbent is that duty when a Government has not been able to check inflation to any appreciable degree and bring in effective price control on its own admission. The conditions as they are will only force people into temptation. I do not for one moment support any excuse for bribery, but I do say that it is necessary for Government to understand the position of their lowly paid employees and to make it possible for them to be incorruptible servants of the public. No doubt, Sir, in this war-torn world difficulties are found in all countries in the provision of essential commodities for the common man, but what is an essentiality in this country is quite different to what is an essentiality in any other country. I believe what would be an essentiality in England would be in India something beyond the wildest expectations of those who belong, not only to the poorer classes but also to the middle class poor. There is no margin in this country for lowering standards. If we do not take this into account things will go far beyond control and it will affect even the healths of unborn generations. Before I conclude, Sir, I would like to plead with the Honourable the War Transport Member to take all this into account and to induce his Government and the Railway authorities to give a lead by paying adequate dearness allowances to the railway employees so that people placed in a similar position to these employees may also have in the near future allowances and an income which will be adequate for them to keep up at least a minimum standard without which the deterioration of the health of the race will make the country's progress impossible.

Maulvi Syed Murtuza Sahib Bahadur (South Madras: Muhammadan): Sir, before proceeding with the speech I have to inform the House that I come from Trichinopoly which happens to be the headquarters of the South Indian Railway, and the city of Madras also which is in my constituency happens to be the headquarters of the M. & S. M. Railway. Fortunately for us these two railways have come under the management of the State—they came under the management of the State last year. So, Sir, I am very much concerned in this question.

There is a general opinion among some of the Members that because Muslims have a separate constituency they do not have a general feeling for labourers or low paid servants. Though we have come from a separate constituency, we do regard ourselves as representatives of all the communities in India. Labourers also come under that category, and therefore we feel it our bounden duty to safeguard their interests. So far as previous speakers are concerned two gentlemen and two ladies have spoken on this and I happen to be the fifth speaker. As far as our Party is concerned we have got every sympathy with not only the employees of the Railway Department but also the employees of all other Departments who are ill-paid and who are not given proper dearness allowance, so that they may be above want in these hard days, when even middle class people are being hit hard.

In this connection I am sorry I have to make an observation which I hope would not be deemed as irrelevant. My Honourable friend Mr. Jamnadas Mehta happens to be my old friend, because both of us were in the Swaraj Party under the leadership of the late lamented Pandit Motilal Nehru and as such we have been good friends and consequently I can give him a brotherly advice. He should give up the idea of attacking his colleagues personally. He made a remark against Maulvi Abdul Ghani, one of the members of our Party that he was making jugglery with figures. This is of course a bad remark which a Parliamentarian of Mr. Mehta's standing ought not to have made. Sir, a Persian poet and sage has said "Though drinking is the mother of all vices, if you want you had better drink. Though the Quoran happens to be the sacred book of the Muslims, if you want to burn it, do it. If you want to set Mecca to flames, you had better do so. If you want to take your residence in Mecca, the place where the Quoran originated (*it really means if you want to become a resident of a temple*) you are welcome. But don't wound the feelings of any body." This is a very bad sin which should not be tolerated. So I will

give this brotherly advice to my Honourable friend Mr. Mehta not to wound anybody's feelings.

Mr. Jamnadas M. Mehta: I will take it.

Maulvi Syed Murtuza Sahib Bahadur: Now, so far as the question of dearness allowance is concerned, so much has been said about the Rau Committee. It was rightly said that the recommendations made by the Rau Committee are mild ones, but even those mild recommendations are not being acted up to by the Railway Administration. In this connection, I may inform the House through you, Sir, that fortunately for the railway men they have got a good supporter in the person of the Railway Member, who has appreciated their work in his Budget speech. So I may assure them that they will get their dues. In other words if the railway authorities are not going to act up to the recommendations made by the Rau Committee, they may set up, as has been suggested by some of the previous speakers, a fresh committee, so that they may go deep into the question in all its details and come to a decision. When their work has been appreciated by the Member in charge, if he does not do this, I will refer to another Persian saying which means: "You are only showing lip sympathy. Halwa does not come out of the jaw."

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

I am not in favour of only the Railway employees. I am as much in favour of the other employees under the Government of India and also under the Provincial Governments. Otherwise, what is the use of our calling ourselves human beings, if we do not have sympathy with these ill-paid servants of the Government. It is no use having an Assembly and being Members thereof. All these count for nothing. So I will request the Railway Administration either to act up to the recommendations of the Rau Committee, or if you are not satisfied with it or even if you are satisfied with it but are not in a position to give effect to those recommendations, you had better appoint some other committee, so that they may go deep into the matter and arrive at decisions.

Col. H. W. Wagstaff: (Government of India: Nominated Official): Sir, my Honourable friend Mr. Jamnadas Mehta speaking as a railway-man complained that large sums of money had been allocated for other purposes but that he had nothing. Now, Sir, I think that is not the case. He has got 20 crores and although he may feel and the Federation of Railwaymen may feel that that is not enough, I think it, is really a very large sum and I will describe the way in which this large annual expenditure has gradually been reached during the course of the war. And in so doing I shall deal with a number of other points raised by my Honourable friends, Mrs. Subbarayan and Mr. Joshi in regard to the zonal structure of cash relief and also the allegation that different classes of railway employees have been considered and treated in different ways. Other Members also have accused the Railway Board of lack of sympathy. Now this question of relief, both in cash and kind, has been under constant review as I will show in the very numerous revisions which there have been from time to time to meet changing conditions. I would also like to reciprocate the sentiments expressed by Mr. Jamnadas Mehta in regard to the contact between the Railway Board and organised labour in the shape of the All-India Railwaymen's Federation. Although it is quite natural perhaps that Government have not been able to meet the full claims of the Federation, yet the constant contact and consultation with the Federation is, we believe, has been in the best interests of the staff, and it should not be said that this close contact with organised labour is only because the Federation produce moderate propositions. Some may not think that their claims are moderate; but at any rate this constant consultation throughout the war with the Federation has, the Railway Board is sure, been fruitful of beneficial results.

As far back as 1940, when the first dearness allowance was given, the zonal structure was introduced—with three zones. I gather that some Members maintain that it is more expensive in the country than in the town. Well, if that is so, that in itself leads to a zonal structure: whether this is so is a matter

[Col. H. W. Wagstaff.]

in which undoubtedly there are differences of opinion; but Government believe that on the whole there has been a greater increase in the cost of living in the towns—it was always higher than in the country—a greater increase in the cost of living in large towns than in smaller towns and than in rural areas. But be that as it may, the demand in all probability of those who wish the zones to be abolished is not to telescope the cash relief which is given in all the zones, but to increase the cash relief to that which is given in the higher zones. In 1940 the first dearness allowance was given, and it was given to the low paid man. It was given to the low paid man and not to the high paid man, not even to the non-gazetted men in the middle reaches. Everything went to the low paid man. From that date relief in cash has been revised five times. Five times this question has been considered and relief in cash has been revised. Generally it was an addition in the rate and an extension to those who were getting larger and larger salaries; but still there were still many subordinates in the upper ranges who had had then no cash relief at all, although gradually they were able to benefit from the developing relief in kind which I will describe in a moment. It was only in the last revision which had effect from July last year that a percentage increase of pay was given to all subordinates right up to those on the highest pay, and at that time the man on Rs. 40 and below did not get any addition. Now, every time that one has to consider a revision of relief in cash you have to consider who really wants it at that time. Up to last year the low paid man had got something more every time and the man at the top had got nothing. In July of last year, the subordinate in the higher grades was given his first relief in cash. The man above 40 was given some additional relief but the man below 40 rupees remained where he had been at the fourth revision. So much for relief in cash.

During this time, for the last two years the Railway Department and railway administrations have built up what is a very very large organisation of grain shops, selling the necessaries of life at concessional rates. There are at the moment over 700 of these shops, and they sell to something like 860,000 ration card holders: they sell the necessaries of life for those men and their families, which may mean that on the whole something between 3½ and 4 million persons are being enabled to get the necessaries of life at concessional rates—something in the nature of the prices ruling in the spring of 1942. The maundage sold per month is over a million and a third: one and one-third million maunds are sold to these 860,000 workers from these 700 shops, and the aggregate relief in the last month for which I have records is just on a crore of rupees. The aggregate relief per card holder amounts to something like Rs. 11-8-0. Now, the grain shops have been condemned and one Honourable Member did mention the indifferent grain that was sold at some of these shops. Naturally, in a large organisation like this, which has been built up in the space of two years, under present conditions and difficulties of procurement, it is only natural that there have been difficulties both in maintaining supplies and with regard to quality. But the quality of supplies which have been available in the ordinary bazar in the last two years has often been open to question, and in any case for the last six months a drive has been made to improve the quality of the commodities sold. The advantage of relief in kind is that the commodities are sold at fixed rates; whatever the price is at which we have to buy these necessaries they are sold at fixed rates and the railway servant is free from anxiety as to rising prices. If he sees the prices rising in the bazar, he knows that he will get these commodities from the railway grain shop at a fixed price.

Secondly, the man with a large family gets more than the man with a small family. He is allowed to procure commodities in accordance with the size of his family including dependents. Another advantage is that very often from these grain shops commodities are sold which are not available in the bazar at any price. In one particular month, I remember as much as 50 thousand maunds came under that category. The amount of relief of course is also automatically adjusted to the need. If the price in the bazar goes up, the man

can go to the grain shop and he gets his needs at a fixed rate and his relief *vis-a-vis* the cost of living increases. If the bazar rate goes down, and if it ever goes down to the rate in the grain shop, then both the need for relief and the relief will automatically decrease and eventually disappear. Not only this. There is something to be said for any system which inculcates a cash habit among Railway workers; anything which can help the worker to acquire the cash habit and get out of the hands of money lenders has very much to commend itself. Those are the two ways in which Government is trying to meet and is meeting the rise in the cost of living. My Honourable friend Mr. Joshi wishes the whole scales of pay to be revised. This, Sir, is not the time to revise scales of pay. Under the present unstable economic conditions, all that can be done is to provide relief in cash or in kind as an addition to the pre-war wages to meet this temporary and fluctuating difficulty.

Mr. Jamnadas M. Mehta: It is not adequate.

Col. H. W. Wagstaff: The time will come, when as the Honourable Member said last year in his Budget speech, Government servants must have their scales of pay reviewed but at the present moment the necessary relief must be in cash and in kind. My Honourable friend the Mover has just now said that it is insufficient and other Honourable Members have made mention of the question of total compensation for the rise in the cost of living. Of course even if you give very little relief in cash there must be some man on a very low rate of pay who will be compensated to the extent of 100 per cent. but I think mention was made both today and the day before yesterday of a ten-rupee limit, the man on Rs. 10 being wholly compensated. The truth is that, in one particular month for which the figures were got out the man in zones X, A, B, and C, on Rs. 22, 20, 21 and 25 respectively was fully compensated—the man on lower rates of pay was more than fully compensated. I agree with my friend Mr. Joshi that we should not visualize men on Rs. 10 but the men below the figures that I have quoted were more than compensated fully for the rise in the cost of living. The others, of course, on higher rates of pay were not compensated fully, but that is what the actual position was in a particular month when the figures were taken out. The figures of relief in kind naturally vary month by month because bazar prices vary month by month.

Mr. Jamnadas M. Mehta: Did you say that you compensated the man on Rs 22?

Col. H. W. Wagstaff: Yes, in zone X. Rs. 20 in zone A and so on. I will show the calculations to my Honourable friend afterwards if he wants to know the position exactly but for the moment these were the figures which were arrived at.

Now, Sir, I said that this question is constantly under review and constantly being discussed with the All-India Railwaymen's Federation. The Railway Board are in fact discussing this matter in two or three days' time. Apart from this, the Honourable Member in his speech intimated that the question was also under the consideration of Government and that the railway servant would not be forgotten. In these circumstances, it is reasonable, I think, to ask my Honourable friend, Mr. Jamnadas Mehta, the Mover of this motion, to withdraw it.

Mr. Jamnadas M. Mehta: There is nothing in the statement of the Honourable Member which can make me withdraw it.

Mr. Frank R. Anthony (Nominated Non-Official): Sir, I want to disabuse Col. Wagstaff of any idea that he may have that we are actuated by ill-will or want to adopt an acrimonious attitude towards the railway administration. I do not for one moment say that the Railway Administration is deliberately or even unwittingly unsympathetic. All that we do attempt to do is to place the real facts and the very real need of the railway worker, particularly those in the lower cadres, before the Railway Administration, in the hope that they will afford to these workers the maximum possible relief. Please do not approach this request of ours in the belief that the appetite of the railwaymen will grow with feeding—that the more you give us the more we will ask for. It is not a question of that at all. What my friends Mr. Jamnadas Mehta and

[Mr. Frank R. Anthony.]

Mr. Joshi have drawn attention to is that the men in the lower wage scale, drawing up to Rs. 125 and even those who are drawing a more are in very real need. I am not unmindful of the action taken by the Railway Administration. I have already expressed my gratitude to the Honourable the War Transport Member for having moved, as I feel he did move, initially, to get a grant of 10 per cent. of dearness allowance to the railwaymen, but in spite of this there is still very real and very urgent need among railwaymen throughout the country. Mr. Joshi has drawn attention to the fact that there are qualifications and differential conditions imposed on the grant of this dearness allowance. I endorse his view that these qualifications and zonal differences are unjustified. May I tell the House from personal experience that so far as zonal differentiations are concerned, they are no longer justified? Only the other day, I was at Igatpuri and Kalyan, and railwaymen told me that not only for the purchase of clothes and hardware, but for the purchase of food also they were going to Bombay to buy their requirements because all these articles were cheaper at Bombay than at Igatpuri or Kalyan.

Sir Cowasjee Jehangir: What about ration cards?

Mr. Frank R. Anthony: I do not know how they manage to get them.

Then, I also wish to draw the attention of the Honourable Member for War Transport to my speech on the Railway Budget where I drew his attention to the fact that while dearness allowance has been sanctioned, an unnecessary restriction has been imposed so far as overtime earnings are concerned. And I am glad to say that he very kindly gave me the assurance that he would look into this matter. I pointed out then that while for the purpose of income-tax and house rent, deductions are made on overtime, as if it was basic emolument, yet only 6½ per cent., by way of dearness allowance, is given on overtime and not 10 per cent. Then, again, Sir, an Honourable Member from the other side drew attention to the conditions with regard to the administration of grain shops. I realise the need for trying to give relief in kind to railwaymen, but allow me to assure the Honourable Member for War Transport that there are very wide complaints against maladministration with regard to grain shops. I concede the point made by my Honourable friend Col. Wagstaff, that, when you have a huge concern of this nature, maladministration and even corruption are to some extent unavoidable, but when maladministration and corruption are practised, I would ask him to exercise the closest scrutiny in regarding to running of these grain shops. Complaints are consistently made, they are very widely made and they are very real.

Then again, Sir, I do not think any of my Honourable friends have referred to it,—conditions on some of the railways for some peculiar reasons are much worse than on others. Not very long ago I was in South India. I know that conditions both on the S.I.R. and Oudh and Tirhut Railway are indescribable. The conditions there among the railway employees approximate to the worst form of sweated labour. I would ask the Honourable Member for War Transport to do his utmost to bring some kind of relief by granting the maximum dearness allowance that you find possible, particularly to the employees of these two railways. Do something to introduce uniform conditions of pay and emoluments throughout the country on all the railways.

There is just one more important point. I do not know to what extent, as my Honourable friend said, this need for granting relief is continually under review. I do not know whether the Government are considering the question of extending the range and amount of dearness allowance. If they are, then I would ask them to extend it beyond the limit of Rs. 125. I would also ask the Government to divert the grant of dearness allowance to these lower paid employees, as much as they can. It would appear the Government of India are contemplating the grant of dearness allowance or some kind of war allowance to employees drawing between Rs. 1,000 and Rs. 2,000. I am not going to comment on this proposed action. I do not know whether it will

materialise. But I would ask, the Honourable Member for War Transport to throw his weight, which is not inconsiderable, against the materialisation of such a project. I, for one, feel that no case, no acceptable case, acceptable to any reasonable person can be made for the grant of any allowance, war allowance or dearness allowance, to the employees getting from Rs. 1,000 to Rs. 2,000. They may have to go to some extent, without whisky, to some extent without cocktail parties—I am not discriminating between European and Indian, it applies to both—their wives may have to be a little less lavish in their expenditure, they may have to do without some luxuries, but the man who is drawing Rs. 100 or Rs. 125 or Rs. 200 or even Rs. 250 a month, he cannot meet the barest necessities of life today. Take the case of the average employee getting Rs. 250 a month. He has no adequate local educational facilities. If he has three children, instead of paying Rs. 40 to a boarding school establishment, he has got to pay Rs. 120 per child. How is he to educate three of his children at Rs. 120 per child when he is getting only Rs. 250 a month? He cannot meet the barest necessities of life. That is why I say every available amount of money you can find, do not assign to people who are getting between Rs. 1,000 and Rs. 2,000 a month, but divert it to people who are low wage earners who cannot really meet the barest necessities of life. I am prepared to admit that the Honourable Member is probably trying to do his best for his employees because they have earned it, but he should continue to do his best and to work for them. Many of the other departments which are not in the nature of business departments, which are not earning huge profits like the railways are treating their employees much more generously than the Railways. I am open to correction, but I believe that the British military personnel are now having the education of their children completely defrayed by the State. It is my information, that a British officer, if he sends his child to a school, has his expenses completely defrayed, not merely a percentage of it, but the whole of his educational expenses are defrayed by the army. I am speaking subject to correction. But I know this to be a fact: you have ordnance factories. I pointed out once before that in the Ordnance factories, the employees get 35 per cent. of their former basic emoluments by way of fixed over-time. They get what is euphemistically called a furniture allowance Rs. 50 per month. I do not deny them this. But a man who has probably been in service for over twenty years, and has probably got his house stacked right up to the ceiling with furniture and is getting Rs. 50 for furniture, he gets another Rs. 50 as educational subsidy for his children. This applies equally to Europeans and Indians. In the Ordnance and Gun Carriage factories the employees get these allowances. I do not deny them this, I do not grudge to them these allowances in view of the tremendous increase in the cost of living. But I give it as a precedent to the Honourable Member for War Transport so that he can base his case for increased dearness allowance to railway men. The railway employees have at least a greater claim to his consideration because they are earning for him huge profits which the employees of other departments are not earning for their departments.

Some Honourable Members: The question be now put.

The Honourable Sir Edward Benthall: Sir, I have only two or three points to make. I listened very carefully to all the speeches that have been made and on the whole, I think they were very moderate. I think that that in fact shows to a realisation that the Government are doing their best in the matter.

Mr. N. M. Joshi: Do not take advantage of our moderation.

Sir Cowasjee Jehangir: What do you want them to do? Abuse you?

The Honourable Sir Edward Benthall: Well, Sir, my Honourable friend opposite Shrimati Subbarayan made out a case for families and pointed out the difficulties of balancing household budgets, with all of which I largely agree. There is only one point to which I take some exception and that is the suggestion that Government are making luxurious allowances to the higher classes of Government servants. That is not the case and I do know that in all classes of Government servants, there are varying degrees of hardship and I do not think that the higher classes should be grudged what they get. I myself

[Sir Edward Benthall.]

in the railways do honestly believe that we are compensating the lowest paid men to the full and that would particularly be the case, if and when there is yet another revision. I believe myself that the greatest hardship today occurs in the lower middle classes, and I believe Honourable Members of this House would agree that that is the case. There is very great deal of hardship among subordinates and people of that class.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): What about the lowest paid?

The Honourable Sir Edward Benthall: In the case of railway employees, the lowest paid classes are fully compensated. I just want to speak on one point made by Mr. Joshi. He said, "Why don't you appoint a tribunal and accept their decision?" The answer is clear. You may appoint a tribunal in the matter of railway servants. The tribunal gives an award for, may be, a considerable increase. Now you have got to give that increase or something akin to it to every other type of Government servant, because they are all servants of Government and all their claims must be considered in relation to each other. And you have got to give it not only to the Central Government servants but also to the Provincial Government servants because they are working alongside the Central Government servants. So what you are asking Government to do is to appoint a tribunal to settle the whole range of the pay of Government servants. If you do that you have obviously got to be logical and ask that same tribunal to say where the money has to come from and recommend what taxes are to be put on, what your income-tax should be and what your railway rates and fares are to be. So you see that such a tribunal must in fact usurp the functions of Government. On this question of Government servants' pay Government must be the final arbiter.

Now, Sir, as I mentioned in my Budget speech, Government have this whole question of dearness allowance under consideration at the present moment. They are not only considering the dearness allowance of their own servants but, as the Honourable the Finance Member pointed out, they have to get in touch also with the Provinces, and the whole question has to be coordinated. In the case of the railway servant we have, as Col. Wagstaff has pointed out, always paid particular attention to the principle of negotiation. We have not always been able to agree but we have paid particular attention to that principle and we still do, in spite of the fact that the Honourable Mover is no longer on the other side of the table. The negotiations are to take place on Saturday next, and I think I am justified in asking the Honourable Mover, particularly in view of his past record in these negotiations, to hold his hand in this matter until negotiation has had a chance. I have said that railwaymen will be included in any further concession to Government's civil employees and we want to find out what is the basis of their demand from the railwaymen's representatives. I think it is only fair that negotiation should be given a fair chance next Saturday.

I must admit that in the settlement of dearness allowance and food shop concessions we do find ourselves in some difficulty owing to the success that Mr. Jamnadas Mehta has met with in the past in his negotiations with Government. It is perhaps a good thing that he is gone! Mrs. Renuka Ray said that the railways should show the way in paying dearness allowance and compensation to their servants. That is one of the difficulties. We are showing the way, and very substantially. The railwaymen are, it must be confessed, doing better than most other Government servants because of this enormous grain shop organisation which we have built up and which with all its faults is a very great boon, particularly for the man with a large family. And it is embarrassing, in negotiations with Government servants, that the railwaymen should be doing so well. If considerable advances are given it is going to be difficult to guarantee that the margin which they are getting at present will be always maintained. That does not mean, of course, that they will not be included in any benefits which Government may be able to give to their servants.

I do not wish to detain the House any longer but I would appeal to the Honourable the Mover to remember his past and give negotiation a chance.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That the demand under the head 'Railway Board' be reduced by Rs. 100."

The Assembly divided:

AYES—51

Abdul Basith Choudhury, Dewan.
Abdul Qaiyum, Mr.
Abdullah, Mr. H. M.
Anthony, Mr. Frank R.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Choudhury, Mr. Muhammad Hussain.
Daga, Seth Sheodas.
Dam, Mr. Ananga Mohan.
Das, Pandit Nilakantha.
Desai, Mr. Bhulabhai J.
Essak Sait, Mr. H. A. Sathar H.
Gauri Shankar Singh, Mr.
Gupta, Mr. K. S.
Habibar Rahman, Dr.
Hans Raj, Raizada.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Ismail Khan, Hajee Chowdhury Muhammad.
Joshi, Mr. N. M.
Kailash Bihari Lall, Mr.
Krishnamachari, Mr. T. T.
Lahiri Chaudhury, Mr. D. K.

Lakhichand, Mr. Rajmal.
Lalljee, Mr. Hooseinbhoy A.
Liaquat Ali Khan, Nawabzada Muhammad.
Maitra, Pandit Lakshmi Kanta.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhudayal.
Murtuza Sahib Bahadur, Maulvi Syed.
Nauman, Mr. Muhammad.
Neogy, Mr. K. C.
Pande, Mr. Badri Dutt.
Raghubir Narain Singh, Choudhri.
Ram Narayan Singh, Mr.
Ranga, Prof. N. G.
Ray, Mrs. Renuka.
Raza Ali, Sir Syed.
Reddiar, Mr. K. Sitarama.
Satyanarayana Moorty, Mr. A.
Sham Lal, Lala.
Siddiquee, Shaikh Rafiuddin Ahmad.
Sinha, Mr. Satya Narayan.
Sri Prakasa, Mr.
Srivastava, Mr. Hari Sharan Prasad.
Subbarayan, Shrimati K. Radha Bai.
Zafar Ali Khan, Maulana.

NOES—42

Ahmad Nawaz Khan, Major Nawab Sir.
Ambedkar, The Honourable Dr. B. R.
Azizul Huque, The Honourable Sir M.
Benthall, The Honourable Sir Edward.
Bewoor, Sir Gurunath.
Bhagchand Soni, Rai Bahadur Sir Seth.
Caroe, Sir Olaf.
Chapman-Mortimer, Mr. T.
Chatterjee, Lt.-Col. Dr. J. C.
Daga, Seth Sunder Lall.
Dalal, Dr. Sir Ratanji Dinshaw.
Dalal, The Honourable Sir Ardeshir.
Dalpat Singh, Sardar Bahadur Captain.
Habibur Rahman, Khan Bahadur Sheikh.
Haidar, Khan Bahadur Shamsuddin.
Imam, Mr. Saiyid Haidar.
Inskip, Mr. A. C.
Ismail Alikhan, Kunwer Hajee.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Kamaluddin Ahmad, Shamsul-Ulema.
Khare, The Honourable Dr. N. B.
Krishnamoorthy, Mr. E. S. A.

Kushal Pal Singh, Raja Bahadur.
Lawson, Mr. C. P.
Muazzam Sahib Bahadur, Mr. Muhammad.
Mudaliar, The Honourable Dewan Bahadur Sir A. Ramaswami.
Mudie, The Honourable Sir Francis.
Piare Lall Kureel, Mr.
Raisman, The Honourable Sir Jeremy.
Richardson, Sir Henry.
Roy, The Honourable Sir Asoka.
Shahban, Khan Bahadur Mian Ghulam Kadir Muhammad.
Spence, Sir George.
Srivastava, The Honourable Sir Jwala Prasad.
Stokes, Mr. H. G.
Sukthankar, Mr. Y. N.
Sultan Ahmed, The Honourable Sir.
Thakur Singh, Capt.
Tyson, Mr. G. W.
Tyson, Mr. J. D.
Wagstaff, Col. H. W.
Zahid Husain, Mr.

The motion was adopted.

THE INDIAN MERCHANDISE MARKS (AMENDMENT) SUPPLEMENTARY BILL

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE

The Honourable Sir M. Azizul Huque (Member for Commerce and Industries and Civil Supplies): Sir, I present the Report of the Select Committee on the Bill to amend the Indian Merchandise Marks (Amendment) Act, 1941.

The Assembly then adjourned till Eleven of the Clock on Friday, the 23rd February, 1945.