

Wednesday, 28th February, 1951



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# PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VI, 1951

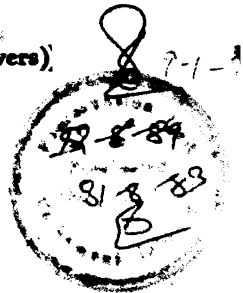
(5th February to 31st March, 1951)

Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951



## CONTENTS

*Volume VI—from 5th February, to 31st March, 1951*

	<i>Columns.</i>
<b>Monday, 5th February, 1951</b>	
Oral Answers to Questions . . . . .	1137—1170
Written Answers to Questions . . . . .	1170—1174
<b>Tuesday, 6th February, 1951—</b>	
Oral Answers to Questions . . . . .	1175—1203
Written Answers to Questions . . . . .	1203—1218
<b>Wednesday, 7th February, 1951—</b>	
Member Sworn . . . . .	1219
Oral Answers to Questions . . . . .	1219—1246
Written Answers to Questions . . . . .	1246—1258
<b>Thursday, 8th February, 1951—</b>	
Oral Answers to Questions . . . . .	1259—1285
Written Answers to Questions . . . . .	1285—1292
<b>Friday, 9th February, 1951—</b>	
Oral Answers to Questions . . . . .	1293—1319
Written Answers to Questions . . . . .	1319—1332
<b>Monday, 12th February, 1951—</b>	
Oral Answers to Questions . . . . .	1333—1364
Written Answers to Questions . . . . .	1364—1373
<b>Tuesday, 13th February, 1951—</b>	
Oral Answers to Questions . . . . .	1373—1399
Written Answers to Questions . . . . .	1399—1408
<b>Wednesday, 14th February, 1951—</b>	
Oral Answers to Questions . . . . .	1409—1438
Written Answers to Questions . . . . .	1438—1454
<b>Thursday, 15th February, 1951—</b>	
Oral Answers to Questions . . . . .	1455—1487
Written Answers to Questions . . . . .	1487—1490
<b>Friday, 16th February, 1951—</b>	
Oral Answers to Questions . . . . .	1491—1522
Written Answers to Questions . . . . .	1522—1526
<b>Monday, 19th February, 1951—</b>	
Written Answers to Questions . . . . .	1527—1556
<b>Tuesday, 20th February, 1951—</b>	
Oral Answers to Questions . . . . .	1557—1586
Written Answers to Questions . . . . .	1586—1596
<b>Wednesday, 21st February, 1951—</b>	
Oral Answers to Questions . . . . .	1597—1631
Written Answers to Questions . . . . .	1631—1638
234 P.S.D.	

	<i>Columns</i>
<b>Thursday, 22nd February, 1951—</b>	
Oral Answers to Questions . . . . .	1639—1667
Written Answers to Questions . . . . .	1667—1678
<b>Friday, 23rd February, 1951—</b>	
Member Sworn . . . . .	1679
Oral Answers to Questions . . . . .	1679—1704
Written Answers to Questions . . . . .	1705—1712
<b>Monday, 26th February, 1951—</b>	
Oral Answers to Questions . . . . .	1713—1739
Written Answers to Questions . . . . .	1739—1750
<b>Tuesday, 27th February, 1951—</b>	
Oral Answers to Questions . . . . .	1751—1783
Written Answers to Questions . . . . .	1783—1802
<b>Wednesday, 28th February, 1951—</b>	
Oral Answers to Questions . . . . .	1803—1830
Written Answers to Questions . . . . .	1830—1838
<b>Thursday, 1st March, 1951—</b>	
Oral Answers to Questions . . . . .	1839—1865
Written Answers to Questions . . . . .	1865—1874
<b>Friday, 2nd March, 1951—</b>	
Oral Answers to Questions . . . . .	1875—1901
Written Answers to Questions . . . . .	1902—1914
<b>Monday, 5th March, 1951—</b>	
Oral Answers to Questions . . . . .	1915—1949
Written Answers to Questions . . . . .	1949—1956
<b>Wednesday, 7th March, 1951—</b>	
Oral Answers to Questions . . . . .	1957—1987
Written Answers to Questions . . . . .	1987—1996
<b>Thursday, 8th March, 1951—</b>	
Oral Answers to Questions . . . . .	1997—2042
Written Answers to Questions . . . . .	2042—2058
<b>Friday, 9th March, 1951—</b>	
Oral Answers to Questions . . . . .	2059—2085
Written Answers to Questions . . . . .	2085—2096
<b>Saturday, 10th March, 1951—</b>	
Member Sworn . . . . .	2097
Oral Answers to Questions . . . . .	2097—2131
Written Answers to Questions . . . . .	2131—2314
<b>Monday, 12th March, 1951—</b>	
Oral Answers to Questions . . . . .	2135—2166
Written Answers to Questions . . . . .	2166—2186
<b>Tuesday, 13th March, 1951—</b>	
Oral Answers to Questions . . . . .	2187—2217
Written Answers to Questions . . . . .	2217—2224
<b>Wednesday, 14th March, 1951—</b>	
Oral Answers to Questions . . . . .	2225—2254
Written Answers to Questions . . . . .	2254—2222

	<i>Columns</i>
<b>Thursday, 15th March, 1951—</b>	
Oral Answers to Questions . . . . .	2263—2295
Written Answers to Questions . . . . .	2295—2308
<b>Friday, 16th March, 1951—</b>	
Oral Answers to Questions . . . . .	2309—2340
Written Answers to Questions . . . . .	2340—234
<b>Monday, 19th March, 1951—</b>	
Member Sworn . . . . .	2343
Oral Answers to Questions . . . . .	2343—2371
Written Answers to Questions . . . . .	2371—2386
<b>Tuesday, 20th March, 1951—</b>	
Oral Answers to Questions . . . . .	2387—2416
Written Answers to Questions . . . . .	2416—2444
<b>Wednesday, 21st March, 1951—</b>	
Oral Answers to Questions . . . . .	2445—2474
Written Answers to Questions . . . . .	2474—2484
<b>Saturday, 24th March, 1951—</b>	
Oral Answers to Questions . . . . .	2485—2518
Written Answers to Questions . . . . .	2518—2526
<b>Monday, 26th March, 1951—</b>	
Oral Answers to Questions . . . . .	2527—2461
Written Answers to Questions . . . . .	2561—2576
<b>Tuesday, 27th March, 1951—</b>	
Oral Answers to Questions . . . . .	2577—2606
Written Answers to Questions . . . . .	2606—2618
<b>Wednesday, 28th March, 1951—</b>	
Oral Answers to Questions . . . . .	2619—2651
Written Answers to Questions . . . . .	2651—2658
<b>Friday, 30th March, 1951—</b>	
Oral Answers to Questions . . . . .	2659—2688
Written Answers to Questions . . . . .	2688—2698
<b>Saturday, 31st March, 1951—</b>	
Oral Answers to Questions . . . . .	2699—2732
Written Answers to Questions . . . . .	2733—2750

**THE**  
**PARLIAMENTARY DEBATES**  
**(Part I—Questions and Answers)**  
**OFFICIAL REPORT**

1803

1804

**PARLIAMENT OF INDIA**

Wednesday, 28th February, 1951.

*The House met at a Quarter to Eleven  
of the Clock.*

[MR. SPEAKER in the Chair]

**ORAL ANSWERS TO QUESTIONS**

**CONGESTION IN DOCKS**

\*1792. **Shri A. C. Guha:** Will the Minister of Transport be pleased to state:

(a) if it is a fact that our export trade has been hampered by congestion in the docks of Indian ports;

(b) whether it is a fact that to relieve the congestion, freight charges in some ports have been increased by 25 per cent;

(c) how this congestion varies from port to port; and

(d) what steps Government have so far taken to remove this handicap to our export trade?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Excepting the Port of Bombay where there was congestion in varying degrees from August 1948 to September 1949, there has been no congestion at any of the major ports of India. During the period of congestion at Bombay export trade does not appear to have been affected.

(b) No. Perhaps the hon. Member is referring to the 25 per cent. surcharge which was levied by certain Shipping Lines on freights on cargo consigned to the Port of Bombay. This was done by the Shipping Lines in order to recoup the losses caused to them as a result of delay in the turn-round of shipping and was withdrawn in December 1949.

(c) and (d). Do not arise.

320 P. S. D.

**Shri A. C. Guha:** May I know if the position has been affected by the recent fire in the Calcutta Docks?

**Shri Santhanam:** I do not think it has been affected in any way.

**Shri T. N. Singh:** May I know if this congestion is due to lack of handling facilities at the Ports, lack of space or due to too much extra cargo coming in?

**Shri Santhanam:** As I said, there is no congestion whatsoever at present or for some time past. There was a congestion in 1947-48 and part of 1948-49, soon after the Partition because all the traffic that went to Karachi, came to Bombay and then in those days transport facilities were also rather difficult. There were many contributory causes, but that is a thing of the past. I do not think I need go into details.

**Shri Sidhva:** May I know if it is a fact that due to better arrangements now prevailing in the Bombay Port Trust, no steamer is allowed to remain in the stream and all the cargoes are discharged promptly?

**Shri Santhanam:** Yes, Sir.

**ELECTRIC LOCKING DEVICE**

\*1793. **Shri Sidhva:** (a) Will the Minister of Railways be pleased to state whether the electric locking device fitted with Banaras Express by Mr. Mukherjee has proved successful?

(b) What is the period during which this Express was run on that line?

(c) Was any ticketless travel detected on this Express?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) A factual report on the three months trial of the device has been received from the E.I. Railway. After a preliminary examination of this report it has been decided to consult an Expert Committee before a final decision is taken.

(b) The rake fitted with the device was put on trial on the Howrah-Banaras service between 15th September, 1950 and 22nd December, 1950.

(c) During the trial period 122 ticketless travellers were detected.

**Shri Sidhva:** The hon. Minister stated that the trial was for three months. During that period, was there any theft or any kind of murder on the Railway?

**Shri Santhanam:** I do not think there has been any murder in that train or any other train during these months.

**Shri Sidhva:** My question was: Were there any thefts?

**Shri Santhanam:** I have already said that there were 122 ticketless travellers. I have not with me information regarding thefts.

**Shri Sidhva:** What was the number of travellers that travelled during that period from which 122 ticketless travellers were detected?

**Shri Santhanam:** I have got some details regarding the experiment itself but no details regarding the passengers.

**Shri Sidhva:** May I know who are the Members constituting this Expert Committee?

**Shri Santhanam:** The East Indian Railway was asked to make the experiment for three months and send us a factual report. They have conducted the experiment and sent us a factual report. This report was examined by the Railway Board Office and we decided that it should be formally examined by a Committee consisting of the Director of Mechanical Engineering Railway Board, the Deputy Chief Controller Standardization, the Central Standards Office and an officer from the National Physical Laboratory, New Delhi.

**Shri S. C. Samanta:** May I know if Government contemplate to carry out test trials on Express trains to find out whether the device is useful?

**Shri Santhanam:** That is exactly under enquiry. The usefulness has to be decided by the Expert Committee.

**Mr. Speaker:** We will go to the next question.

#### TRAFFIC RULES

\*1794. **Shri Sidhva:** (a) Will the Minister of Transport be pleased to state if it is a fact that a number of countries follow the American traffic rule of keeping to the right on roads?

(b) Do the Government of India contemplate changing their traffic rule of keeping to the left of the roads?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Yes.

(b) No.

**Shri Sidhva:** May I know which is more progressive, left driving or right driving?

**Mr. Speaker:** Order, order. That is a matter of opinion.

**Shri Sidhva:** I want to know from the Government's point of view.

**Mr. Speaker:** The reply is 'No' and that is implied from the Government's point of view.

**Shri Sidhva:** May I know why we do not follow the world traffic rules but follow the rule of keeping to the left?

**Shri Santhanam:** I have got a list of 60 countries which are taking the left turn and another 60 countries which are taking the right turn.

**Shri Brajeshwar Prasad:** Is it a fact that some of the traffic Policemen on duty in Delhi are following the American Traffic Rules?

**Mr. Speaker:** Order, order.

**Shri Dwivedi:** May I know if accidents have increased because both left hand driving and right hand driving cars are allowed to ply on the roads in India?

**Shri Santhanam:** Generally our traffic rule is that they should keep to the left. That is part of the Schedule of the Motor Vehicles Act.

**Shri R. Velayudhan:** May I know whether there is any intention on the part of the Government to have uniform traffic rules throughout India?

**Shri Santhanam:** Yes, Sir. The traffic rules are uniform throughout India.

**Shri Sidhva:** May I know whether the list of these 60 countries will be made available to the Members?

**Shri Santhanam:** I will make it available to the hon. Member.

#### COASTAL TRADE

\*1795. **Dr. Ram Subhag Singh:** Will the Minister of Transport be pleased to state whether it is a fact that Government have decided to reserve coastal trade for Indian shipping?

**The Minister of State for Transport and Railways (Shri Santhanam):** Yes,

Sir. An announcement was made on the 15th August 1950, to the effect that steps would be taken with effect from that date to implement the policy of complete coastal reservation for Indian shipping, so as to secure, if possible, complete reservation within a period of one year.

**Dr. Ram Subhag Singh:** May I know the total annual tonnage of our coastal trade which is carried by Indian Shipping Companies?

**Shri Santhanam:** The annual tonnage in 1950 is 2,00,595 gross registered tons.

**Shri Sidhva:** May I know the total number of Indian ships running on the coast and also the foreign ships at present? I want to know when the agreement comes into operation whether the number of Indian ships will be increased or the same number will remain?

**Shri Santhanam:** At present 79 per cent. of the coastal trade is being carried on in Indian shipping. We expect that this may go up to very near 100 by next August.

**Shri Kesava Rao:** May I know if the three ships being built at Vizagapatam Ship-building Yard will be put to coastal shipping or for foreign shipping?

**Shri Santhanam:** Yes, Sir. The arrangements at present is that they will be used for coastal trade.

**Pandit Munishwar Datt Upadhyay:** May I know, in view of shipping difficulty in foreign trade, if it is considered by Government necessary, to divert this coastal shipping to...

**Mr. Speaker:** Order, order. It is a suggestion for action.

**Shri Hussain Imam:** The hon. Minister mentioned 'Indian shipping'. Does he mean 'Indian owned Shipping Companies' or 'those registered in India'?

**Shri Santhanam:** I mean ships registered under the Shipping Amendment Act of 1948. There, elaborate provisions are made for the licensing of ships especially for coastal trade.

**Dr. Ram Subhag Singh:** May I know whether it is a fact that Indian Shipping companies have submitted a three-year development plan to the Government and demanded an interest free loan of Rs. 15 crores?

**Shri Santhanam:** I think they have made some representations which are under consideration.

#### DISPLACED PERSONS FROM RAIDER HELD AREAS OF KASHMIR

\*1796. **Dr. Ram Subhag Singh:** Will the Minister of States be pleased to state:

(a) the number of displaced persons who have migrated to States other than Jammu and Kashmir from the raider-held areas of Jammu and Kashmir; and

(b) whether the children and wards of these displaced persons are given financial assistance for prosecution of their studies in the same manner and on the same terms as are given to displaced students from Pakistan?

**The Minister of States, Transport and Railways (Shri Gopaldaswami):**

(a) There are about 12,000 displaced persons from these areas in a camp at Yol (Kangra District, Punjab). It is difficult to estimate the number of those outside this camp as no census has been taken.

(b) Yes; in Yol Camp and in Delhi.

**Dr. Ram Subhag Singh:** May I know whether the aid given to the children of displaced persons from the raider-held areas of Kashmir is of the same amount which is being given to such children by the Government of Jammu and Kashmir?

**Shri Gopaldaswami:** Yes.

**Lala Achint Ram:** What has the Government decided about the rehabilitation of these children-refugees living in the Yol camp?

**Shri Gopaldaswami:** There is a camp now in Nagrota in Jammu. That is being evacuated by the people who are occupying it now. As soon as they have been rehabilitated, it is proposed to move the persons in the Yol camp into that camp.

گیانی جی۔ ایس۔ مسافر : کیا

رفیوجیز کے پریوینجز جو ہندوستان میں

ہیں۔ ایسے سب لوگوں کو دئے گئے ہیں

کہ نہیں۔

[Giani G. S. Musafir: Are the privileges given to the refugees in India same for every one?]

**Shri Gopaldaswami:** I said that they were getting privileges and assistance on the same terms as other refugees.

**Dr. Ram Subhag Singh:** May I know the number of displaced children from Jammu and Kashmir who are given rehabilitation benefits for study?

**Shri Gopaldaswami:** I cannot say; at one time a census was taken of the families that required assistance for educational and other purposes. About three hundred families were listed and assistance was given. I cannot say that, that exhausts the number who are receiving assistance.

**Sardar Hukam Singh:** The question was put as to what arrangements have been made for the rehabilitation of the inmates of the Yol Camp. The answer is that they would be moved to Nagrota as soon as it has been evacuated by persons who are already there. I want to enquire whether any rehabilitation arrangements for these inmates of Yol camp have been made, whether they will be rehabilitated in Jammu and Kashmir, or whether arrangements would be made for them in India.

**Shri Gopaldaswami:** The idea now is to make arrangements for rehabilitating these people in the Jammu and Kashmir State. Nagrota camp will be one of the camps to which they would be taken, and then measures will be devised for rehabilitating them in the State itself.

**Sardar Hukam Singh:** Have the Government formulated any plan? May I know whether they would be able to rehabilitate them in Jammu and Kashmir where other persons of those areas are being rehabilitated and whether there are lands enough which could be given to these refugees?

**Shri Gopaldaswami:** The Jammu and Kashmir Government are going into that. We are asking them to devise plans for that purpose.

**Shri Kamath:** What arrangements are going to be made for these displaced persons so as to enable them to take part in the ensuing elections to the Constituent Assembly of Jammu and Kashmir?

**Shri Gopaldaswami:** I am afraid I am not aware of the details of the arrangements which the Jammu and Kashmir Government have made in this respect.

**Shri Kamath:** Have they not consulted the Government of India in this matter?

**Mr. Speaker:** I am going to the next question.

#### RESEARCH IN WOOL

\*1797. **Pandit M. B. Bhargava:** Will the Minister of Food and Agriculture be pleased to state:

(a) what is the total amount spent on wool research in the years 1948-49,

1949-50 and 1950 (upto the end of December, 1950);

(b) whether there is any Research Institute in Rajasthan, and if not, why not; and

(c) what percentage the production of wool in Rajasthan forms of the total wool production of the Indian Union?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) The Indian Council of Agricultural Research sanctioned Rs. 87,500 in 1948-49, Rs. 94,000 in 1949-50 and about Rs. 1,00,000 in 1950 (upto end of December). An equal recurring amount as also some non-recurring amount has been sanctioned by the State Governments concerned.

(b) The Indian Council of Agricultural Research have not been able to open any sheep breeding research station in Rajasthan so far, mainly because this State did not form a constituent State of the Council till last year. However, a scheme for surveying the various breeds of sheep in Rajasthan was sanctioned by the Council in September, 1949 with Jaipur as headquarters. Under the regionalization scheme for sheep and wool development now under consideration, Rajasthan is expected to play an important part as it is proposed to establish a sheep breeding research station in that region.

(c) Rajasthan produces about 17 million pounds of wool every year, which represents 31 per cent. of the total production of wool in India.

**Pandit M. B. Bhargava:** May I know how far the researches carried on have resulted in improving the quality of wool produced?

**Shri Thirumala Rao:** I can't answer how far it has resulted in improvement. Various research schemes are being carried on and new varieties are being developed.

**Pandit M. B. Bhargava:** My question is whether there has been any improvement at all on account of the research?

**Shri Thirumala Rao:** Our information is that there is some improvement on account of research.

**Shri Jaani Ram:** May I know whether any research work is carried on in the eastern part of the country, in Bihar, etc.?

**Shri Thirumala Rao:** We have got a Wool Analysis and Sheep Breeding farm in Gaya.

**Mr. Speaker:** Next question.



### IMPORT OF ENGINES

\*1798. **Shri Barman:** Will the Minister of Railways be pleased to state:

(a) the number of Engines, broad gauge and meter gauge, which have been ordered from abroad, and from which countries;

(b) what are the scheduled dates of delivery; and

(c) how many engines will be assembled in Chittaranjan in the year 1951?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) and (b). A statement giving the information desired is placed on the Table of the House. [See Appendix XIII, annexure No. 21.]

(c) 33 locomotives are programmed to be assembled in Chittaranjan in the year 1951.

**Shri Barman:** Regarding metre gauge locomotives, the statement shows that the next delivery schedule is not expected before 1952. In view of the fact that the Assam Link stands in dire need of improved traffic, does the hon. Minister contemplate to put on that line a few of the metre gauge engines that have been received?

**Shri Santhanam:** The locomotives already received have been allotted to the various metre gauge railways according to their needs. Some of these locomotives must have been allocated to Assam also.

**Shri Sidhva:** May I know whether the broad gauge locomotives ordered are of the same specifications and design as the high power engines received last, or they are new models?

**Shri Santhanam:** They are of different types: WP Passenger Engines 300; WG Goods 100; Tank Engines 60. They are three different types.

**Shri Sidhva:** I want to know whether they are of the old design. Last year, we imported some high power engines. I want to know whether these also are of the same model or of a new model, whether they are from the same manufacturers or different manufacturers.

**Shri Santhanam:** All engines are made out of old models with new improvements, including the new WP locomotives.

**Seth Govind Das:** By what time does the hon. Minister think that there will not be any need for importing any locomotives and we shall be self sufficient in this respect?

**Shri Santhanam:** By about 1954.

**Shri Hussain Imam:** What is the difference between the number of Engines that were scheduled to come in this financial year and the number which are expected to come up to 31st of March?

**Shri Santhanam:** I have not got the figures up to 31st March. At present, to a large extent, deliveries are more or less up to date.

**Shri A. C. Guha:** Of the Engines to be assembled at Chittaranjan, are all the parts to be imported or are some parts to be manufactured in the factory?

**Shri Santhanam:** In the Engines assembled in 1950, all the parts were imported. For the Engines to be assembled in 1951, 30 per cent. of the parts will be manufactured at the Chittaranjan Works and 70 per cent. will be imported. In 1952, 70 per cent. will be manufactured and the rest imported. In 1953, 80 per cent. will be manufactured and in 1954, 100 per cent. will be manufactured.

### INDIA'S CONTRIBUTION TO F.A.O.

\*1799. **Prof. S. N. Mishra:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Committee appointed by the F.A.O. to consider the question of reducing India's contribution to that organization has submitted its report; and

(b) if so, what are its recommendations?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) The Committee appointed by the F.A.O. to consider the question of revision of the Scale of contributions by its Member countries has only submitted its interim report, recommending a scale for adoption in 1951.

(b) According to the interim report, India's contribution for 1951 would have been 4.54 per cent. of the total budget of the Organisation instead of 4.42 per cent. for 1950. India's contribution was however, finally fixed for 1951 at 4.16 per cent., due to the increase in the membership of the Organisation.

**Prof. S. N. Mishra:** Sir, may I know the basis on which these contributions are fixed for the member countries?

**Shri Thirumala Rao:** There is no particular basis for these contributions. It all depends on the total amount of the budget and if the total strength of the Organisation is less, the member countries' share is larger and if the strength of the Organisation is more, then the share of each is less.

**Prof. S. N. Mishra:** If it depends only on the expenditure to be incurred by the Organisation, then on what basis does each country agree to pay the contribution?

**Shri Thirumala Rao:** Originally when these contributions were arranged, consideration was given to the basic contributions they were originally making to the United Nations Organisation. From that some proportion was attempted to be fixed for this Organisation.

**Prof. S. N. Mishra:** Why was this Committee appointed? What was the purpose for appointing this Committee?

**Shri Thirumala Rao:** Among other countries, India was one which said that the incidence of contribution was heavy and that it must be reduced. Therefore the Committee was appointed to review the position.

**Shri Shiva Rao:** May I know the number of Indians employed in the Secretariat of the F.A.O.?

**Shri Thirumala Rao:** Sir, I am afraid I require notice.

**Prof. S. N. Mishra:** On what basis did India think that the contribution she was making was high?

**Shri Thirumala Rao:** When certain member countries opted out of membership, India was saddled with a higher amount; but now it is reduced.

**Shri Hanumanthalya:** Sir, have Government made any representation for the employment of Indians in the F.A.O.?

**Shri Thirumala Rao:** Yes; we have been always pressing that proper proportion of Indian should be employed.

**Shri Hanumanthalya:** Has the hon. Member succeeded?

**Shri Thirumala Rao:** We are in the process of pressing our claims.

**Dr. Deshmukh:** May I know, Sir, if the contributions of India and Pakistan have now been separated, so far as the percentage is concerned?

**Shri Thirumala Rao:** We pay about 4.15 per cent. and Pakistan '89 per cent.

**Prof. S. N. Mishra:** May I know the amount paid by Government so far by way of contributions?

**Shri Thirumala Rao:** I think it is annually about Rs. 7 lakhs.

**Dr. Deshmukh:** Sir, my question has not been properly answered.

**Mr. Speaker:** I am going to the next question.

#### TRAINING IN STAMP DESIGNING

\*1800. **Prof. S. N. Mishra:** Will the Minister of Communications be pleased to state whether it is a fact that Government are contemplating to send some artists abroad for training in stamp designing?

**The Minister of Communications (Shri Kidwai):** The Government have before them a proposal from Philatelic Advisory Committee to send artists abroad for training. But the Government is not contemplating sending any one in the near future.

**Prof. S. N. Mishra:** May I know the countries to which these artists are proposed to be sent?

**Shri Kidwai:** It will be decided after we have decided to send them.

**Prof. S. N. Mishra:** What will be the expenditure involved in this proposal?

**Mr. Speaker:** That will be problematic at this stage, I think.

#### POST AND TELEGRAPH WORKSHOPS

\*1801. **Prof. S. N. Mishra:** Will the Minister of Communications be pleased to state:

(a) whether the six-member workshop committee appointed by Government to enquire into the organization of Post and Telegraph Workshops has submitted any report so far; and

(b) if so, what are its recommendations about rationalizing production?

**The Minister of Communications (Shri Kidwai):** (a) Yes,

(b) A copy of the Report is placed on the Table of the House. [See Appendix XIII, annexure No. 22]

**Prof. S. N. Mishra:** Sir, may I know if any retrenchment was recommended by this Committee?

**Shri Kidwai:** The Committee was not appointed to recommend retrenchment.

**Dr. Deshmukh:** As a matter of fact, has the Committee recommended any retrenchment?

**Shri Kidwai:** The Committee was appointed to look into the working of the workshops and to decide how they should be worked in future, and they have made recommendations in that behalf. As far as retrenchment is concerned, from time to time, with the consent of the employees, we have been retrenching the employees in the last two or three years.

**Mr. Speaker:** Question No. 1802 has been withdrawn.

#### SALE OF DAMAGED WHEAT

\*1803. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Food and Agriculture be pleased to state the total loss incurred by the Punjab Government in selling the damaged wheat to a party which offered a lower price under instructions from the Government of India?

(b) What was the nature and extent of damage caused to the wheat stocks?

(c) Had any Medical Authority certified that the damaged wheat was unfit for human consumption?

(d) If so, what was that Medical Authority and what was its certificate?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) By selling the damaged wheat at Rs. 5 per maund, to a starch manufacturer, instead of at the offered price of Rs. 8 to a flour mill, the Punjab Government incurred a theoretical loss of Rs. 1,01,061.

(b) A total quantity of 1,367 tons wheat was totally damaged and unfit for human consumption or for cattle feed.

(c) No.

(d) Does not arise.

**Pandit Munishwar Datt Upadhyay:** Sir, at what price was the wheat actually sold?

**Shri Thirumala Rao:** At Rs. 5 per maund.

**Pandit Munishwar Datt Upadhyay:** Could they not get a higher price?

**Shri Thirumala Rao:** There was the definite instruction from the Central Government that it must be sold only to a starch factory and to none else.

**Mr. Speaker:** I think this question was once answered; about selling at Rs. 5 and all that.

**Some Hon. Members:** No, Sir.

**Mr. Speaker:** I go to the next question.

#### PROCUREMENT AND DISTRIBUTION OF FOOD GRAINS

\*1807. **Pandit M. B. Bhargava:** Will the Minister of Food and Agriculture be pleased to state the total expenditure incurred by Government due to procurement, distribution and other control operation of foodgrains during the years 1948, 1949 and 1950?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** 1948-49 Rs. 40,66,000 1949-50 Rs. 36,11,000 1950-51 Rs. 34,13,000.

**Shri T. N. Singh:** Sir, may I know whether the progressive reduction in the cost was due to lesser quantities handled or due to economies effected in the system of procurement?

**Shri Thirumala Rao:** Obviously it is due to the economies effected.

**Shri R. Velayudhan:** May I know whether the figures mentioned by the hon. Minister are for procurement, distribution and other control operations or are there separate figures for distribution alone?

**Shri Thirumala Rao:** I am not able to give off-hand the break-up of these figures.

**Pandit Munishwar Datt Upadhyay:** Sir, what is the amount spent on the staff employed and what is the amount spent on transport?

**Shri Thirumala Rao:** Sir, I want notice.

**Seth Govind Das:** Then, may I take it, Sir, that the procurement in spite of the lower cost, has been more or has remained the same, or has it gone down to some extent?

**Shri Thirumala Rao:** It all depends upon the conditions in the various Provinces and the operations in each Province. Moreover, this question probably does not arise.

**Shri Jaani Ram:** May I know if the figures include the cost of the grain lost in transit and in the stores?

**Shri Thirumala Rao:** No.

**Shri Kamath:** Sir, is the hon. Minister in a position to give the figures for the total quantities of grains procured in each of these three years?

**Shri Thirumala Rao:** We have been supplying figures to the House. The total procurement now is 45 lakh tons.

**Shri Kamath:** Is it increasing or decreasing?

**Dr. Ram Subhag Singh:** Apart from procurement quantity what amount has Government spent in procurement?

**Shri Thirumala Rao:** I have not got the figures.

**Shri Sidhva:** Is the amount debited to the State Government or the Government of India?

**Shri Thirumala Rao:** To the Government of India.

**Shri Hussain Imam:** May I know whether the cost of procurement and distribution given relates only to the Centrally Administered areas or is for entire India?

**Shri Thirumala Rao:** It is for entire India.

**Shri Karunakara Menon:** How much of the expenditure is borne by the Centre and how much by the State Governments?

**Shri Thirumala Rao:** The amounts I have given are spent by the Centre.

#### BRIDGES ON RIVER KEN IN VINDHYA PRADESH

\*1808. **Shri Dwivedi:** Will the Minister of Transport be pleased to state:

(a) the estimated cost of the construction of a bridge on River Ken which divides Vindhya Pradesh and closes down all traffic for at least four months in a year;

(b) whether the work of construction has been taken in hand; and

(c) if not, what is the cause of delay and by what time is the construction likely to be completed?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Roughly Rs. 15 lakhs.

(b) and (c). I would refer the hon. Member to the reply given to his starred question No. 209 on the 21st November 1950.

**Shri Dwivedi:** The Government of India is doing some other big work in Vindhya Pradesh and is it for this reason that the scheme has been dropped?

**Shri Santhanam:** The scheme has not been dropped at all. We have conducted surveys. In reply to his previous question we have said that we are going to take up the construction in 1951-52.

#### PRICE OF IMPORTED WHEAT

\*1809. **Shri B. R. Bhagat:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the cost of the imported wheat has gone up;

(b) if so, to what extent;

(c) the reasons for this increase in cost; and

(d) to what extent this has led to the increase in the price of rationed wheat?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) Yes.

(b) About Rs. 1/6/- per maund.

(c) Largely on account of increased ocean freight rates.

(d) The increase in the landed cost of imported wheat has not generally been reflected in the retail issue price of rationed wheat in the selected industrial and urban areas where the grain is subsidised under the present scheme of subsidy except in the cities of Delhi, Ajmer and the 4 main cities of Bombay State where the previous prices were artificially low. In other rationed towns where the sale is not subsidised, the price is likely to have risen to the extent of the increase in cost.

**Shri B. R. Bhagat:** In view of the fact that the price of rationed wheat has gone up, will the Government reconsider the procurement price?

**Shri Thirumala Rao:** No, Sir.

**Shri R. Velayudhan:** May I know whether the price of wheat in the rationed areas of Travancore-Cochin Union has been raised by 25 per cent. more than the previous rate?

**Shri Thirumala Rao:** I am not aware of any such rise.

**Shri Hussain Imam:** What is the proportion which this Rs. 1/6/- increase in price bears to the price of rationed foodgrains?

**Shri Thirumala Rao:** In certain States it was Rs. 15/10/- and it has gone up to Rs. 16/6/-.

**Shri B. R. Bhagat:** What are the prices of rationed wheat? Do they bear any relation to the cost price?

**Shri Thirumala Rao:** Hypothetical questions are put so many times regarding the increase in price of rationed commodities.

**Shri B. R. Bhagat:** I wanted to know whether the price charged is on a no-profit and no-loss basis or on some hypothetical basis?

**Shri Thirumala Rao:** Where we are subsidising we are actually losing.

**Shri Hussain Imam:** The price of foodgrains has been increased by 25 per cent. He says that it has increased only from Rs. 15/10/- to 16/6/-. What is the position today—whether the price of rationed articles has been increased by 25 per cent. or by only Rs. 1/6/-?

**Shri Thirumala Rao:** I will have to examine the exact percentage.

**Shri B. R. Bhagat:** What has been the increase in shipping freight?

**Shri Thirumala Rao:** In certain cases it has gone up by 75 or 80 per cent. and sometimes even more.

#### PRODUCTION OF PEPPER

\*1810. **Shri Alexander:** Will the Minister of Food and Agriculture be pleased to state:

(a) the total production of pepper in India in each of the years 1949 and 1950 and also the total acreage under cultivation and the states in which they are cultivated;

(b) how the yield compares with that in Indonesia;

(c) the steps, if any, taken to increase the yield; and

(d) whether there is a scheme for establishing a Pepper Board?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) A statement giving the required information is placed on the Table of the House [See Appendix XIII, annexure No. 23].

(b) The average yield of pepper at present in India is about 357 lbs. per acre as compared with 390 lbs. per acre on European plantations in Indonesia in 1940. Later information in regard to Indonesia is not available.

(c) The Indian Council of Agricultural Research has sanctioned a six years' scheme beginning from the 1st April, 1949 for the establishment of a Pepper Research Station to undertake research on various aspects of pepper cultivation, e.g. evolution of higher yielding strains, control of pests and diseases, proper methods of cultivation and manuring etc. with a view to increase the yield. The scheme has started in Taliparamba where preliminary work has been done. The Research Station is proposed to be established at Mattanur where arrangements are being made to acquire land and to provide facilities for the purpose.

(d) No.

**Shri Alexander:** Which is the State which produces the highest quantity of pepper?

**Shri Thirumala Rao:** The State from which the hon. Member hails.

**Shri Alexander:** Why is it that the research station has not to be started there?

**Shri Thirumala Rao:** Our officers and experts have gone into the matter and fixed upon a place which is most suitable for this station.

**Shri R. Velayudhan:** Is the Minister aware that through the research station

the pepper-growing area has not got any benefit at all?

**Shri Thirumala Rao:** The research station is intended to benefit the pepper-growing areas.

**Shri M. V. Rama Rao:** What is the annual production of pepper in India?

**Shri Thirumala Rao:** In 1949-50 15,000 tons and the cost was Rs. 1,369 lakhs.

**Shri M. V. Rama Rao:** What are the present prices of pepper in India?

**Shri Thirumala Rao:** As I cannot be exact I am unable to give the figures now.

**Shri Alexander:** How much export duty was collected last year on pepper?

**Shri Thirumala Rao:** The gross amount in 1949-50 was 64 lakhs. In 1950-51 it was 214 lakhs.

**Shri Sidhva:** In view of the high prices prevailing in America may I know whether the Government intend to increase the export duty?

**Shri Thirumala Rao:** The question must be put to the Commerce Ministry.

**Shri M. V. Rama Rao:** What is the basis on which the export duty on pepper is levied at present?

**Shri Thirumala Rao:** I am told that it is on an *ad valorem* basis.

**Shri Alexander:** Is it the intention of the Government to have a Pepper Committee just like the Coconut or Arecanut Committee?

**Shri Thirumala Rao:** For the present there is no such intention.

#### WITHDRAWAL OF A CRIMINAL CASE BY GOVERNMENT

\*1811. **Shri Dwivedi:** (a) Will the Minister of States be pleased to state whether the legal opinion was taken before the withdrawal of a criminal case against the ex-Revenue Minister of Vindhya Pradesh in connection with the Gandhi Smarak Nidhi collections?

(b) If so, was it in favour of the withdrawal?

**The Minister of States, Transport and Railways (Shri Gopalaswami):** (a) Yes.

(b) Yes.

**Shri Dwivedi:** Why did not Government try to get such legal advice before the prosecution was taken up?

**Shri Gopalaswami:** There was some legal opinion taken before the prosecution was launched but after receiving a representation in the course of the

inquiry in court the matter was re-examined and legal opinion at a very high level was taken.

**Shri Sondhi:** When was the order issued?

**Mr. Speaker:** Order, order.

**Shri Dwivedi:** May I know if funds amounting to 60 per cent. of the Gandhi Memorial Fund have since been ordered to be deposited back by the ex-Minister concerned?

**Shri Gopaldaswami:** I have no information from official sources to that effect.

**Shri Dwivedi:** Who were the persons who gave the opinion in favour of withdrawal?

**Shri Gopaldaswami:** I said legal opinion at the highest level.

**Shri Dwivedi:** Were they some Government authorities or Government experts or some of them were from the public also?

**Mr. Speaker:** Order, order.

**Shri Sondhi:** Can I have the date of the order relating to the withdrawal of the case?

**Shri Gopaldaswami:** I have not got the exact date here. I believe it was sometime in December or January that instructions were issued for the withdrawal of the case.

**Shri Sondhi:** Was it after the 15th December?

**Shri Gopaldaswami:** Well, the formal order may have issued after that date.

**Shri Kala Venkatarao:** May I know whether a demand was sent by the States Ministry to the All-India Congress Committee to refund a portion of this Gandhi Smarak Nidhi collection which was given to the funds of the All-India Congress Committee?

**Shri Gopaldaswami:** I should like to have notice of that.

**Shri Dwivedi:** May I know if the authorities of the Gandhi National Memorial Fund both at the centre and in the States were asked to give proof of this embezzlement?

**Shri Gopaldaswami:** I do not know if any specific reference was made, but both the bodies referred to were quite aware of the fact.

**Shri Dwivedi:** What I wanted to know was when the case was withdrawn which was instituted at the instance of the Gandhi National Memorial Fund Committee, why that Committee was

not given sufficient proof in connection with the prosecution.

**Shri Gopaldaswami:** Well, all the evidence that could be had from that Committee and those connected with it was recorded by the investigating officers before the charge was launched.

**Prof. S. N. Mishra:** May I know whether the order of withdrawal was conditional or unconditional and what was the expense incurred in the prosecution?

**Shri Gopaldaswami:** There was no condition attached to it. The counsel appearing for the prosecution in the court put in an application under section 494 of the Criminal Procedure Code. The court consented to the withdrawal and therefore the case was withdrawn.

**Shri Kamath:** On what date was the charge-sheet against the ex-Minister put up in a court, and in that charge-sheet what was the amount alleged to have been embezzled?

**Shri Gopaldaswami:** I think there were three items put before the court totalling Rs. 1,500.

**Shri Dwivedi:** May I know whether the court in which the prosecution was going on was in favour of its withdrawal?

**Shri Gopaldaswami:** It consented to the withdrawal.

#### GRANTS TO VINDHYA PRADESH

\*1812. **Shri Dwivedi:** Will the Minister of States be pleased to state:

(a) the amount of annual subsidies, grants or other payments which are being made monthly or annually by the Vindhya Pradesh Government to (i) organisation at Kundeshwar in Tikamgarh; (ii) Shri Gandhi Bhawan, Chhatarpur and (iii) the Orphanage in Rewa;

(b) whether Government have any machinery to check whether the moneys so given are utilised for the purposes for which they are intended; and

(c) what kind of work is in progress in each place and what is the number of trainees at each centre?

**The Minister of States, Transport and Railways (Shri Gopaldaswami):** (a) to (c). The Gandhi Bhawan, a cultural and literary institution at Kundeshwar in Tikamgarh, was functioning under the guidance of Shri Banarsi Das Chaturvedi and was maintained by the Vindhya Pradesh Administration at an annual cost of Rs. 24,000 but with the

resignation of Shri Banarsi Das Chaturvedi the institution has closed down: a proposal for starting a basic training Centre is under consideration. The Gandhi Bhawan at Cuhatarpur is a purely private institution and no Government grant is being made to it. Training in spinning and the propagation of Mahatma Gandhi's ideals are its main objects. The Orphanage at Rewa conducts training in crafts such as carpentry, tailoring, weaving, and the like. A small agricultural farm and vegetable garden is also maintained by the inmates who number 45. A grant of Rs. 6,000 is being made by Government annually. The Orphanage is open to inspection by the Education Department.

**Shri Dwivedi:** May I know the amount of expenditure which has been incurred in connection with the institution at Tikamgarh at the instance of the Government?

**Shri Gopaldaswami:** I have no information.

**Shri Dwivedi:** May I know whether the working of the institution run at Government expense has been seen by Government officials and whether its works was proceeding satisfactorily?

**Shri Gopaldaswami:** I am sorry I have no reports on that.

**Shri Dwivedi:** When the question was put, I think I was entitled to this information?

**Mr. Speaker:** Order, order. He need not argue. He was allowed to ask—being entitled is something for the Chair to decide.

**Shri Dwivedi:** This is basic information which the hon. Minister must have furnished.

#### RAILWAY PASSES FOR M.P.S.

\*1813. **Shri Sivaprakasam:** Will the Minister of Railways be pleased to state whether Government are considering any proposal to issue First class Railway passes to all Members of Parliament valid all over India?

**The Minister of State for Transport and Railways (Shri Santhanam):** No.

**Shri Sivaprakasam:** May I know whether some Members of this House who are members of the Central Advisory Council for Railways are enjoying first class free railway passes at present?

**Shri Santhanam:** No, Sir. The fact is that some of the members of the Central Advisory Committee are also members of the local advisory committees in the various Railways. As

members of local advisory committees, they are given passes to go about in that particular Railway administration and inspect all kinds of railway establishments. They get passes within the Railway administration—they do not get a general pass for the whole country.

**Prof. S. N. Mishra:** May I know whether Government have considered the question of the amount to be saved by the grant of such passes?

**Shri Santhanam:** We have not considered the question at all.

**Shri R. Velayudhan:** Has a news item come to the notice of the hon. Minister that the Government is going to issue silver passes to Members of Parliament?

**Mr. Speaker:** Order, order. He has already replied to it.

**Shri R. Velayudhan:** But a news item has appeared?

**Mr. Speaker:** Newspapers may print anything.

**Shri Dwivedi:** What is the reason that a certain set of Members are being allowed this facility and others are rejected this facility?

**Mr. Speaker:** He has already replied to that.

**Shri Dwivedi:** He has stated that some Members are being given the facility.

**Mr. Speaker:** The hon. Member did not hear the reply properly.

**Shri Dwivedi:** I could not understand from the Minister as to why this facility has not been considered suitable in the case of other Members.

**Mr. Speaker:** Which other Members?

**Shri Dwivedi:** The rest of the Members of Parliament.

**Mr. Speaker:** The question was whether all members of the Central Advisory Council are being given free passes. To that the reply was that all members were not being given but only those who are members of local advisory committees were being given passes; and there too the passes are restricted only to the particular Railways to which they are attached as members of the advisory committees. Then what is the further question on that?

**Shri Kesava Rao:** May I know whether Government have any intention to consider this question?

**Mr. Speaker:** Order, order. Next question.

## LOCOMOTIVES

\*1814. **Dr. Deshmukh:** (a) Will the Minister of Railways be pleased to state the total number of locomotives in working order today?

●(b) What is the number required by India?

(c) How and from where they are proposed to be obtained and at what cost?

(d) Is it a fact that the Kunzru Committee had come to the unanimous conclusion that we had excess of 1500 locomotives in India at the end of 1948?

(e) Have any efforts been made to verify the above finding and if so, with what result?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) The average number of locomotives in working order on all gauges on Indian Railways at present is estimated at 6,845 but there are, in addition, about 1,490 locomotives on an average that are under or awaiting repairs.

(b) To move the present level of traffic, both passenger and goods, it is estimated that a daily average of about 7,000 locomotives in good working condition will be adequate. To this, however, must be added provision for engines undergoing repairs, which will depend upon their average age and condition.

(c) It will not be necessary to increase the total holding of locomotives to deal with the present level of traffic if the average age and condition is improved. Any appreciable increase in traffic will, however, necessitate additional locomotives to move it.

(d) No—the Kunzru Committee commented upon the utilisation of locomotives and did not express views on the total numbers required by Indian Railways.

(e) Does not arise.

**Dr. Deshmukh:** May I know what is the number of locomotives which the Railways are likely to require in the immediate future, especially during the course of the year, and what steps are being taken to obtain them?

**Shri Santhanam:** All that information is given in the papers distributed with the Budget.

**Shri Sidhva:** Out of the total number of locomotives in working order, how many are broad-gauge locomotives?

**Shri Santhanam:** Here again I have not got the detailed information. If the hon. Member so desires, I can give all the information during the Budget debate.

**Pandit Munishwar Datt Upadhyay:** May I know how many engines have gone out of use since 1948?

**Shri Santhanam:** Does the hon. Member want the number of engines which have gone out of use owing to over-age or other causes? In any case, I require notice.

**Pandit Munishwar Datt Upadhyay:** Engines which cannot be of any use, for any reason.

**Mr. Speaker:** Anyway, he has not got the figures.

**Dr. Deshmukh:** May I know if the recommendations and submissions made by the Kunzru Committee were examined by Government and if so what is the conclusion that Government have come to? I refer to the possibility of utilising the existing locomotives in preference to obtaining new ones from outside.

**Shri Santhanam:** Our present policy is that though we have put the average life of a locomotive at forty years we utilise every locomotive to its utmost capacity and to condemn it only on a 'condition' basis. Therefore, the policy that we are pursuing is wholly in accordance with the Kunzru Committee recommendations.

**Shri Massey:** Is there any special reason for this high percentage of engines under repair?

**Shri Santhanam:** Over-age is one of the reasons. There were other reasons like intensive use during war-time and difficulties of getting spare parts during war-time. We are making every endeavour to bring the percentage to the lowest possible minimum.

**Shri Massey:** Is it a fact that we have a larger number of locomotives replaced in the last five years as compared to the last twenty years?

**Shri Santhanam:** During the war, the locomotives were put to a far more intensive use than at any other time and the hon. Member knows that repairs are dependent on usage.

**Shri T. N. Singh:** How many of these locomotives are over thirty years of age?

**Shri Santhanam:** I would like to have notice.

**Pandit Munishwar Datt Upadhyay:** May I know how many engines have deteriorated on account of bad fuel?

**Mr. Speaker:** Can he give the figures separately?

**Shri Santhanam:** No, Sir.



**Pandit Kunzru:** Did the Indian Railway Inquiry Committee point out that the utilisation of locomotive power varied inversely with the number of locomotives in 1941-42 and in 1946-47?

**Suri Santhanam:** The hon. Member is fully aware of the recommendations of his Committee.

**Pandit Kunzru:** The point is this, Sir. The Committee said that the number of locomotives had increased on the broad gauge by 14.8 per cent. between 1941-42 and 1946-47 and that the number of engine miles had declined by about 13.8 per cent. in the same period.

**An Hon. Member:** But what is the question?

**Shri Santhanam:** All these figures are in the Report, Sir.

#### TRUNK TELEPHONE CALLS

\*1815. **Shri M. V. Rama Rao:** Will the Minister of Communications be pleased to state:

(a) whether it is a fact that fixed time trunk telephone calls on Calcutta can be booked from Madras but not from Bangalore; and

(b) whether it is not possible to arrange for the booking of fixed time trunk calls on Calcutta from Bangalore also?

**The Minister of Communications (Shri Kidwai):** (a) Yes.

(b) No. Fixed Time Calls are not practicable between places which are not connected direct with each other. Besides, the circuits between Madras and Calcutta are congested and additional fixed time calls cannot be given without detriment to other traffic.

**Shri M. V. Rama Rao:** May I know what is the present arrangement for trunk calls to Calcutta from Bangalore?

**Shri Kidwai:** They go via Madras.

**Shri M. V. Rama Rao:** Would it not be possible to add on the calls from Bangalore to the calls that are put from Madras during these fixed hours?

**Shri Kidwai:** No, it is not possible. As I have said, the circuits are already over-congested.

**Shri M. V. Rama Rao:** Will Government make any arrangement for reducing the congestion?

**Shri Kidwai:** It is being constantly done.

**Shri Sidhya:** May I know whether the 'immediate calls' that exist at present for short distance stations, say between Delhi and Agra, will be extended to long distance stations also?

**Shri Kidwai:** Yes, as soon as more circuits are available.

#### UNIVERSITY FOR P.E.P.S.U.

\*1816. **Sardar Sochet Singh:** (a) Will the Minister of States be pleased to state whether any proposal has been received from the Government of Patiala and East Punjab states Union for setting up a University in that State?

(b) If so, have the Government of India accorded their sanction to the above proposal?

(c) In case the reply to part (b) above be in the negative, what are the reasons for withholding the necessary sanction?

(d) Do Government propose to lay on the Table of the House all the correspondence on this subject that has so far passed between the Government of India and the P.E.P.S.U. Government?

**The Minister of States, Transport and Railways (Shri Gopaldaswami):**

(a) Yes.

(b) and (c). The matter is under examination.

(d) Not at present.

**Sardar Sochet Singh:** Is it a fact that both the Ministers of the Care-taker Governments of PEPSU have made divergent recommendations on this issue?

**Shri Gopaldaswami:** They have made a representation. They have reminded us about it. Recently a discussion was held in the States Ministry with the Chief Ministers of both PEPSU and East Punjab. They have been asked to explore the possibility of a common University for the two States. This exploration has not yet been completed. As soon as it is completed, we shall take the matter in hand.

**Sardar Sochet Singh:** How long will Government take to come to a decision in this matter?

**Shri Gopaldaswami:** It depends upon how long the two Chief Ministers take.

**Pandit Munishwar Datt Upadhyay:** What amount will this scheme cost the Government; will the cost be met

by the Central Government or by the State Government?

**Shri Gopalaswami:** It is yet too early to say anything about such matters.

**Dr. Deshmukh:** May I know what is the estimate?

**Mr. Speaker:** He has said that it is too early.

#### ELECTRIC TRAINS

\*1819. **Shri A. Joseph:** Will the Minister of Railways be pleased to state whether there is any proposal by the Government of India to run electric trains from the Vijayawada Railway Station to a distance of about forty miles in any or all directions?

**The Minister of State for Transport and Railways (Shri Santhanam):** The reply is in the negative.

#### COURT OF ENQUIRY *re* EXPLOSION OF S.S. Indian Enterprise

\*1820. **Shri Kamath:** Will the Minister of Transport be pleased to state:

(a) whether the Court of Enquiry appointed by the U.K. Government has concluded its investigation into the explosion of S.S. "Indian Enterprise" in the Red Sea last year;

(b) if so, what are its findings and conclusions;

(c) whether Government have received any petitions from widows, children, or other dependants of the victims of the explosion; and

(d) if so, what compensation has been awarded in each case?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Yes. The formal investigation into the casualty was held in London on the 8th, 9th, and 10th January 1951.

(b) Government have not yet received the full proceedings of the Court of Inquiry, which are under print, by the U. K. Ministry of Transport, and will not be available for some time. A Press Note was issued by the U. K. Ministry of Transport on 30th January 1951. An extract from the Press Note giving its findings and conclusions is placed on the Table of the House [See Appendix XIII, annexure No. 24.]

(c) Yes.

(d) 73 members of the crew including Officers and Cadets lost their lives in the explosion. Of these 16 cases are reported to be outside the scope of the Indian Workmen's Compensation Act, but the matter is under consideration. A number of officers were of

British domicile and it is reported that their dependants have submitted claims in the U. K. As regards the remaining 51 cases, a statement showing the amount of compensation awarded in each case is laid on the Table. [See Appendix XIII, annexure No. 25.]

**Shri Kamath:** Was, Sir, any officer associated with the U. K. Court of Inquiry on behalf of the India Government?

**Shri Santhanam:** Yes, Sir, Somebody from the High Commissioner's office was associated.

**Shri Kamath:** May I know how many applications or petitions have been submitted in all by the dependants of the victims of the explosion?

**Shri Santhanam:** I have already stated that in the case of 51 persons claims have been awarded and in the case of 16 persons the matter is still under consideration. Some people have applied direct to the U. K.

**Shri Kamath:** How is it that some applied here and some to the U. K.?

**Shri Santhanam:** The ship itself was registered in the U. K. and some officers were Britishers. Naturally, they would like to claim from their own Government, thinking that they might get better terms.

#### WRITTEN ANSWERS TO QUESTIONS LIGHT HOUSES

\*1804. **Dr. M. M. Das:** (a) Will the Minister of Transport be pleased to state whether it is a fact that a large number of light houses in this country require improvement and modernisation?

(b) What will be the total expenditure for the renovation of the light houses?

(c) When do Government propose to take up the work?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Yes.

(b) Expenditure on a comprehensive Scheme of improvement, modernization and necessary additions in lighthouses and other aids will be of the order of rupees one and a half crores.

(c) The work has already commenced.

#### SHIPPING CORPORATION

\*1805. **Dr. M. M. Das:** Will the Minister of Transport be pleased to state:

(a) the total number of ships possessed by the Government sponsored Shipping Corporation and their tonnage;

(b) Whether the appointment of Managing Agents for the Corporation has been finalised; and

(c) Whether the Corporation is a fully Government-owned concern or it is a private Government concern?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) The Government sponsored Shipping Corporation, known as the Eastern Shipping Corporation, Limited, possesses at present two owned cargo vessels, s.s. "West Bengal" and s.s. "Bombay" and one chartered cargo-cum-passenger vessel, s.s. "Jalagopal". The tonnage of these vessels is as follows:

(i) s.s. "West Bengal"—7,216 gross.

(ii) s.s. "Bombay"—7,217 gross.

(iii) s.s. "Jalagopal"—5,322 gross.

(b) Yes, Sir. The Scindia Steam Navigation Co. Ltd., Bombay, have been appointed as the Managing Agents of the Corporation.

(c) The Corporation is a partially owned Government concern in which the Government of India hold 74 per cent. of the capital and have majority control, and the balance, 26 per cent., is held by the Scindia Steam Navigation Company, Limited.

#### CONSTRUCTION OF A FACTORY AT ONDAL

\*1806. **Dr. M. M. Das:** Will the Minister of Railways be pleased to state:

(a) Whether it is a fact that the construction of a factory at Ondal in West Bengal for the manufacture of the under structures of wagons and coaches is under consideration of Government; and

(b) If so, the approximate time when decision will be taken about the matter?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) The conversion of the Repair Workshop at Ondal for the manufacture of bogey underframes was recently under consideration by Government.

(b) It has now been decided not to proceed with this project.

#### REGROUPING OF RAILWAYS

\*1817. **Shri J. N. Hasarika:** Will the Minister of Railways be pleased to state:

(a) the stage of progress of the proposal for re-grouping of Indian Railways;

(b) whether a representation from the Government of Assam has been received objecting against the re-grouping of Assam Railways with other Railways; and

(c) if so, what attitude have the Government of India taken towards the proposal *vis a vis* the opinion of the State Government of Assam?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) It has been planned to regroup the Indian Railways into six zones and it is proposed to place the details of each zone before the Central Advisory Council for Railways for consideration before implementation. The formation of the Southern Railway from 1st April 1951 has been unanimously approved by the C.A.C.

(b) Yes.

(c) Careful consideration has been given to the proposal of the Government of Assam, but in view of the natural flow of traffic, economic unity of the contiguous regions and efficiency of railway operation, the Government have found no reason to alter their plan. The matter will, however, be considered more fully when the detailed proposal for that zone is placed before the Central Advisory Council.

#### RAILWAY WORKSHOP AT BANGAIGAON (ASSAM)

\*1818. **Shri J. N. Hasarika:** Will the Minister of Railways be pleased to state:

(a) whether there was any proposal to establish a railway workshop at Bangaigaon (Assam); and

(b) if so, whether the project has been dropped and if not, when the work will be started?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Yes.

(b) The original project for a major repair workshop to deal with locomotives, carriages and wagons has been dropped for the present but work on a smaller repair and servicing depot for coaching stock only at Bangaigaon is in progress.

#### PRODUCTION OF JUTE

\*1821. **Shri Himatsingka:** Will the Minister of Food and Agriculture be pleased to state:

(a) the quantity of jute of different varieties produced in India during the season 1950-51;

(b) whether it is a fact that according to a recent estimate of Government, production would be over 40 lakh bales;

(c) whether Government are aware that actual production is below 30 lakh bales; and

(d) if the answer to part (c) above be in the affirmative, how it is that Government's estimates were exaggerated?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) 20.8 lakh bales of Capsularis variety and 11.5 lakh bales of Olotorius variety, making a total of 32.3 lakh bales.

(b) No.

(c) No.

(d) Does not arise.

#### RECLAMATION OF LAND IN THE PUNJAB

**\*1822. Prof. Yashwant Rai:** Will the Minister of Food and Agriculture be pleased to state:

(a) the number of acres of wasteland that has been brought under cultivation during the year 1950-51 in the State of Punjab under the scheme of 'Grow More Food' campaign; and

(b) the additional amount of food which this cultivation has brought to the State?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) The total culturable waste land brought under cultivation in Punjab (I) during 1950-51 (i.e. from 1st July 1950 to 31st January, 1951) with the help of tractors is 4,956 acres.

(b) 2,185 tons.

#### PRICE OF GUR

**\*1823. Shri Shiv Charan Lal:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government are aware that gur is being sold in different States at prices higher than those fixed by Government;

(b) whether Government contemplate to raise the price of gur; and

(c) if not, what other steps Government are going to take to check the rise in price?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) Yes.

(b) No.

(c) State Governments have been instructed to freeze stocks of gur at or below the ceilings and distribute these at controlled prices through Co-operative Societies or ration shops. Effective action has been taken by several State Governments in this respect.

#### AMALGAMATION OF FOOD AND AGRICULTURE MINISTRIES

**\*1824. Shri Jagannath Das:** Will the Minister of Food and Agriculture be pleased to state:

(a) what is the saving in expenditure as a result of amalgamation of Food and Agriculture Ministries into one Ministry;

(b) the number of officers, clerks and class IV servants retrenched due to amalgamation;

(c) what steps Government have taken to remove overlapping of certain activities and for coordinating work;

(d) what steps Government have taken for implementing reports of the Patel Committee;

(e) what was the number of advisers attached to both the ministries in 1949, 1950 and what is the present number; and

(f) what money these ministries spent on publicity in 1949 and 1950 and what is the present position regarding staff and expenses as regards publicity?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) Savings have been effected in the Ministry in consequence of the merger as well as of certain measures of re-organisation. Approximately 4½ lakh rupees will be saved.

(b) (i) Gazetted Officers.—12.

(ii) Non-gazetted staff.—101.

(iii) Class IV servants.—13.

(c) Common items of work in both the wings of the Ministry viz. co-ordination matters, Standing Advisory Committee, Standing Finance Committee, Public Accounts Committee, Receipt, Typing and Despatch, common services such as arrangements for accommodation (office and residential) furniture, telephones, staff cars etc. have already been unified. There will also be common arrangements for arranging movement of grain and other supplies.

(d) The recommendations of the Committee were implemented as far as possible. A statement showing the steps taken by the two Ministries is laid on the Table of the House. [See Appendix XIII, annexure No. 26.]

(e) 33 in 1949, 32 in 1950 and 20 at present.

(f) Rs. 16,847 in 1949-50 and Rs. 70,361 in 1950-51.

The staff employed on publicity work at present consists of 5 gazetted and 13 non-gazetted officers the annual cost of which is Rs. 20,000 (approximately).

## ASSAM RAIL LINK

\*1825. **Shri Chaliha:** Will the Minister of Railways be pleased to state the percentage of goods carried from the State of Assam by the Assam Rail Link as compared to goods carried by other forms of transport?

The Minister of State for Transport and Railways (Shri Santhanam): During the last quarter of 1950 the percentage of total goods traffic carried from Assam by the Assam Rail Link was approximately 55.

## RADIO LICENCES

114. **Shri A. C. Guha:** Will the Minister of Communications be pleased to state:

(a) the number of radio licences in each postal zone existing in 1950; and

(b) the number of such licences in each of the States?

The Minister of Communications (Shri Kidwai): (a) A statement showing the number of radio licences in each Post and Telegraph Circle existing on 31st December 1950 is placed on the Table of the House. [See Appendix XIII, annexure No. 27.]

(b) Statistics are not maintained State-wise.

## RAILWAY STATIONS IN CALCUTTA AND BOMBAY

115. **Shri A. C. Guha:** Will the Minister of Railways be pleased to state:

(a) the number of railway stations in greater Calcutta (including Howrah and the suburban industrial areas within the administration of 24 parganas) and greater Bombay during the year 1949-50;

(b) the number of tickets sold and the total value realized from such sale in greater Calcutta and greater Bombay in the same year; and

(c) the volume of and freight charges realized from parcels and goods booked in those stations in the same year?

The Minister of State for Transport and Railways (Shri Santhanam): (a) 58 in Greater Calcutta and 57 in the greater Bombay as per list attached. [See Appendix XIII, annexure No. 28.]

329 P. S. D.

(b) No. of tickets sold. Value realised. Ra.

Greater Calcutta	2,62,99,139**	57,172,886
Greater Bombay.	27,38,01,746**	56,964,290

\*\*Includes sales of season tickets each monthly season ticket being computed as 50 single journey tickets, following normal statistical procedure. The sales of season tickets in Bombay are greatly in excess of the sales in Calcutta. The following are details for 1949-50.

	Bombay		
	1st class	2nd class	3rd class.
Total sales of season tickets.	2,30,131		29,83,660
Total.	32,13,791		

	Calcutta.		
	1st class	2nd class	3rd class
Total sales of season tickets.	3,812	351	2,15,886
Total.	2,20,049		

	(c) Weight booked.	Freight earnings.
	(Tons)	Rs.
Greater Calcutta	Parcel — 76,535	94,66,421
	Goods 26,68,430	9,47,68,098
Greater Bombay.	Parcel (figures not available)	90,38,861
	Goods 23,32,900	6,00,34,329

## FOREST RESEARCH INSTITUTE AT DEHRA DUN

116. **Dr. M. M. Das:** Will the Minister of Food and Agriculture be pleased to state:

(a) how far the re-organisation scheme of the paper and cellulose section of the Forest Research Institute at Dehra Dun has been implemented;

(b) the expenditure incurred up till now for the re-organisation; and

(c) whether the installation of the new pilot plant has been completed?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) At the instance of the Experts Committee appointed by the Government of India, the Standing Finance Committee approved (April 1948) of the scheme of the re-organisation of the paper Branch at Forest Research Institute involving an expenditure of:

- (i) Rs. 30 lakhs non-recurring.
- (ii) Rs. 3 lakhs recurring.

Plant to the extent of Rs. 13,18,630 has already been bought and received at the Institute. In the context of the extreme financial stringency the progress has been slowed down. Provision for buildings and the remaining machinery has been made for 1951-52 amounting to about Rs. 10 lakhs. It is hoped that the Pilot plant will be set up in the coming financial year, provided the remaining machinery is made available in time.

- (b) Rs. 13,18,630.
- (c) No.

**TELEPHONE FACTORY AT BANGALORE**

117. **Dr. M. M. Das:** (a) Will the Minister of Communications be pleased to state whether the construction of the Telephone Factory at Bangalore has been completed?

(b) What is the total number of telephones assembled in the factory up till now?

(c) How many parts, out of what total number of parts, are now manufactured in the factory?

(d) What is the total number of Europeans, employees of Messrs. Automatic Telephone and Electric Co. Ltd., are working at present in the factory?

**The Minister of Communications (Shri Kidwai):** (a) No, but it is expected to be completed by September 1951.

(b) 24,258.

(c) 355 out of 365 parts of which a telephone consists, are now being manufactured in the factory.

(d) Eight.

Wednesday, 28th February, 1951

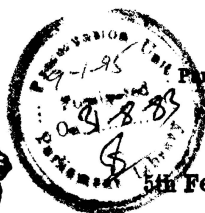
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Par. S.2. VIII. 1.51

838

Monday

5th February, 1951

to

2nd, March, 1951

# PARLIAMENTARY DEBATES

PARLIAMENT OF INDIA

OFFICIAL REPORT

Part II—Proceedings other than Questions and Answers

## CHAMBER PUBLISHED ORIGINALLY CONTENTS

Deaths of Shri A. V. Thakkar and Ch. Mukhtar Singh [Cols. 2344—2345]

Motions for Adjournments—

Preparation of Electoral Rolls in English [Cols. 2345—2347]

Demolition of houses built by refugees [Cols. 2348—2351]

Implementation of recommendations of Tariff Board re: Workers in Sugar Industry [Cols. 2351—2352]

Cut in Food Rations [Cols. 2352—2355]

President's Assent to Bills [Col. 2356]

Papers laid on the Table—

Amendment to Union Public Service Commission (Consultation) Regulations [Col. 2356]

Reserve Bank of India (Staff) Regulations, 1948 [Col. 2356]

Preventive Detention (Amendment) Bill—Introduced [Col. 2356]

Hindu Code—Consideration of Clauses—not concluded [Cols. 2356—2423]

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**THE**  
**PARLIAMENTARY DEBATES**  
**(Part II—Proceedings other than Questions and Answers.)**  
**OFFICIAL REPORT**

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3666

3667

**PARLIAMENT OF INDIA**

Wednesday, 28th February, 1951

*The House met at a Quarter to Eleven  
of the Clock.*

[MR. SPEAKER in the Chair]

**QUESTIONS AND ANSWERS**

(See Part I)

11-45 A.M.

**MOTIONS FOR ADJOURNMENT**

(i) IMPORT OF COTTON AND ART SILK YARN.

(ii) RELEASING COTTON YARN TO MADRAS STATE

(iii) HOARDING AND PROFITEERING OF ART SILK YARN.

**Mr. Speaker:** I have received notices of three Adjournment Motions from the hon. Member, Mr. Kamath. They practically relate to the same subject, though, of course, each one lays stress on different aspects. One is:

“Failure of Government to allow free import of cotton and art silk yarn, as announced by the Minister of Commerce and Industry during his recent visit to Madras, with a view to relieving the acute shortage of cotton and art silk yarn in the country.”

The other is:

“Failure of Government, despite assurances by the Minister of Commerce and Industry during his recent visit to Madras, to release adequate quantities of cotton yarn to Madras State, resulting in widespread unemployment, acute distress and deaths from starvation among handloom weavers in that State.”

The third is:

“Failure of Government to take adequate steps to prevent hoarding, cornering and profiteering of  
342 PSD.

imported art silk yarn by speculators in Bombay and Calcutta, resulting in its non-availability to consumers at fair prices.”

I do not think I need enter into arguments at all. Apart from the fact that all these questions can be raised during the Budget discussions on the Demands of the particular Ministry, it is very clear that the matter has no urgency in the sense in which urgency is understood, so far as adjournment motions are concerned. Since the hon. Minister visited Madras and gave assurances, a lot of time has elapsed. Therefore, I do not think I can consider these motions at all.

**Shri Kamath** (Madhya Pradesh): There have been extensive deaths in Madras State.

**The Minister of Commerce and Industry (Shri Mahtab):** For the information of the House, I may say that the hon. Member himself tabled a question on this subject and.....

**Mr. Speaker:** That is immaterial: I am concerned only with the admissibility of it and it is evident that the motion has lost any urgency. The hon. Member should have tabled the adjournment motion immediately after he was dissatisfied with the answer to his question.

**LEAVE OF ABSENCE FROM THE HOUSE**

**Mr. Speaker:** Before the House proceeds with any other business, I would like to inform hon. Members that Shri Jagannath Mishra has requested for leave of absence from all meetings during this session on account of illness.

Is it the pleasure of the House to grant him leave?

The leave was granted.



### INLAND STEAM-VESSELS (AMENDMENT) BILL

**The Minister of State for Transport and Railways, (Shri Santhanam):** I beg to move for leave to introduce a Bill further to amend the Inland Steam-vessels Act, 1917.

**Mr. Speaker:** The question is:

“That leave be granted to introduce a Bill further to amend the Inland Steam-vessels Act, 1917.”

The motion was adopted.

**Shri Santhanam:** Sir, I introduce the Bill.

### RAILWAY BUDGET—GENERAL DISCUSSION—contd.

#### FIRST STAGE

**Mr. Speaker:** We will now proceed with the General Discussion on the Railway Budget. I believe the House knows that the General Budget will be presented today at five P.M. Therefore the House will sit today up to 4 P.M. so that there will be recess for one hour before we take up the presentation of the General Budget.

**Dr. Deshmukh (Madhya Pradesh):** I think we may sit right up to five o'clock and then listen to the Finance Minister's Budget Speech. I do not think anyone of us wants a holiday or recess.

**The Minister of State for Parliamentary Affairs (Shri Satyanarayan Sinha):** That will be much better, Sir.

**Shri Syamnandan Sahaya (Bihar):** At any rate none of us will be able to go home and come back. It is better, therefore, if we sit up to five o'clock and then listen to the Budget speech.

**Some Hon. Members:** Till half-past-four.

**Mr. Speaker:** If there is difference of opinion among hon. Members, I am afraid I must stick to my original announcement.

Anyhow, let it be up to 4-30 P.M.

**Shri Sidhva (Madhya Pradesh):** May I submit one point for your consideration. Last year you stated that when the Budget Speech is made at five o'clock, Members will be supplied a copy of it. In fact the Press is given a copy of it at five

o'clock. Under this discriminatory procedure in the same House, the Press are placed in a position of advantage. I think this is a breach of privilege of the Members, that while one section of the Press gets a copy of the speech, when the hon. the Finance Minister delivers it, Members do not get it. Last year you observed that as Dr. Matthai had no written speech, you would consider distribution of copies of the Budget Speech to Members this year. For the purpose of following the speech and making notes, I think it is desirable that we must have a copy of the speech in our hands when the hon. Finance Minister delivers it.

**Shri Syamnandan Sahaya:** Actually it will save a lot of time for us because while the hon. Member makes the speech we can follow it. Otherwise, we have to read it over again.

**Mr. Speaker:** I think I shall have to consider this point. I may, perhaps, have to extend the time of distribution to the Press till after the speech is delivered. There is, of course, some force in the argument that if hon. Members had a copy with them they could follow the speech better. At the same time, I am afraid that, if they had the speeches in their hands, they will not be attentively listening to the Finance Minister's speech. Whatever that may be, we will consider the point.

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** I submit that this is an extraordinary suggestion that while the Budget Speech is being delivered Members will be trying to read it. They cannot do two things at a time unless they are specially gifted. In that case it will be much better if the Budget Speech is not delivered and is taken as read. You cannot have it both ways. It cannot possibly be circulated before it is over.

**Mr. Speaker:** That is exactly the point I am considering. My fears are that hon. Members will not be attentive if they had the speech in their hands.

Therefore, there is no question for me to decide now.

Let us proceed with the general discussion. Hon. Members will remember the time limit of fifteen minutes.

**Shri Frank Anthony (Madhya Pradesh):** Before I deal with two of the major aspects of the Railway Budget, I would like to pay a personal

tribute to the hon. Minister for Railways. Sir, the reference in his Budget speech to the fact that this will be his last Budget struck, for me at least, a certain note of sadness. I think the House is aware that very often, perhaps more often than not, I have not been able to see eye to eye with the hon. Minister. I have been not only critical, but strongly critical. But these differences of opinion and criticism have never blinded me to what I regard as his outstanding capacity as an administrator. And I think that the reflection in the Budget not only of the financial soundness of the railways, but also of their increased efficiency is due, to a not negligible extent, to his able and tactful direction.

Because of this, I would like to have seen the Budget and his speech which is the expression of that Budget, as near perfection as possible. I believe that the picture that the hon. Minister has drawn could have been almost perfect, but for two blemishes—in my opinion two avoidable blemishes. I think that the hon. Minister can almost anticipate what those blemishes, which I intend to indicate, are.

I have always felt very strongly that this decision to regroup the railways at this juncture of our affairs, is not only gratuitous, but ill-conceived. Sir, I have repeatedly registered my protest against regrouping the railways at this particular stage. The hon. Minister made a reference to the Central Advisory Council. He mentioned that in the first meeting the Members accepted the principle of regrouping and at the second meeting they unanimously accepted the implementing of this principle *vis a vis* the Southern Zone. I feel that this reference may create a wrong impression abroad that there was no difference of opinion in respect of regrouping. I am not being guilty of a breach of privilege: I only want to clarify the position when I inform the House that I was present at the first meeting and there was the very strongest objection by Members of the Central Advisory Council, not only to the fact of regrouping but to the principle of regrouping. If I remember aright, only six Members were in favour of the principle, five Members including myself were not prepared even to accept the principle of regrouping, and the rest of the Members remained neutral. What happened at the next meeting I do not know. But I do think it was rather unfortunate that I was not there—perhaps I might have been able to induce them to stay their hand and come to a different decision. I feel the gravest apprehension in this matter. I feel that the

implementation of regrouping at this stage is likely not only to lead to dislocation but perhaps to chaos. I may remind Members of this House that I was the only Member of the Central Advisory Council for Railways who opposed the ill-fated scheme of reclassification of travel. I pleaded with my colleagues, I pleaded with the Ministry, not to go ahead with that scheme. And my views were not only dismissed but they were sought to be ridiculed.

**Shri Sidhva:** There were other Members also.

**Shri Frank Anthony:** I was the only one who put it down in writing. Even when that scheme became more and more obviously a failure, even then the Government sought to justify it. Today the country and this House know to what extent that scheme was not only an ignominious but a costly failure. If I was inclined to be unctuous and self-righteous I would point out to the Ministry and the House and say, "I told you so." But I am not going to do so. Perhaps the hon. Minister will tell the House that regrouping is unavoidable, inescapable and that it is an urgent problem. He will perhaps pose the question "What are we going to do with the thirty and odd ex-native State Railways that we have acquired? Do you suggest that we are going to have thirty or thirty-five different systems operating independently?" I do not for one moment suggest that. Anyone with a modicum of common-sense must realize that some measure of integration is absolutely essential. My point is this that this integration is very essential so far as ex-native State Railways are concerned. But that integration can be secured with the minimum of dislocation to the Administration by absorbing these ex-native State Railways to the nearest major railway system. And I believe that has already been done. With regard to the Saurashtra Railway I think I am right in saying that it has been absorbed in the B. B. & C. I. railway system.

**The Minister of State for Transport and Railways (Shri Santhanam):** Sir, I do not think he is correct. It is still a separate Railway.

**Shri Frank Anthony:** In Rajasthan I know, because I have just taken up a case where the officials brought to my notice that it has been absorbed to the B. B. & C. I. Railway and that the terms and conditions of the staff have been related to those of the other Railway, namely the B. B. & C. I.

**Shri Santhanam:** Probably he is speaking of the Baroda Railway.

**Shri Frank Anthony:** That is what I am saying. If you have done it with regard to the Baroda Railway I do not see any difficulty as to why it cannot be done with regard to the other Railways.

Sir, unfortunately I am racing against time. Perhaps the Railway Minister will indicate, or at any rate in his speech has indicated, that before finalising this decision he secured the opinions of the State Governments, the Chambers of Commerce and the Railway Labour Federation. That reference seems to indicate that all these bodies, or at least most of them, entirely approved of the scheme. I have repeatedly seen it in the press that the organisation which purports to be the most representative of commerce and industry—I think it is the Federation of Indian Chambers of Commerce and Industry—has protested against the scheme in no uncertain terms. And my hon. colleagues have informed me that several State Governments have protested against the implementation of the scheme. I do not know which Labour Federation the Railway Minister has referred to. I happen to be the President of a railway organisation—which at least has this merit that it is not tied to the apronstrings of a political party and is not prepared to subordinate the interests of railwaymen to any political party or group—and it has in no uncertain terms protested against the implementation of this scheme at this particular stage.

12 Noon

**Shri B. Das (Orissa):** On grounds of economy?

**Shri Frank Anthony:** On grounds of the interests of the country, in the interests of the public, and in the interests last of railwaymen.

**Shri Sidhva:** Give us some details.

**Shri Frank Anthony:** I am going to give you details. The hon. Minister will perhaps seek also to justify the step by reference to expert committees. I am very unconvinced with regard to these 'experts'. Of late this word has been bandied about by Government—committees, consisting predominantly of laymen who have not the foggiest notion of the subjects they are investigating, are branded as 'experts' merely because Government appoints them. I may be told that the Inchcape Committee recommended this and some other Committee again beginning with the letter W.....

**Shri Santhanam:** The Kunzru Committee.

**Shri Frank Anthony:** No, no. I have forgotten it at the moment.

**An Hon. Member:** The Wedgewood Committee.

**Shri Frank Anthony:** Yes, that the Wedgewood Committee recommended that. But what has happened to our own expert committee? The Kunzru Committee—I have offended my hon. friend often enough and I do not want to offend him again; I know the recommendations of that Committee with regard to staff; what my opinions are the House already knows—but one of the very few acceptable recommendations of which the Kunzru Committee was guilty was this recommendation that at least for five years there should be no attempt at regrouping. What has happened? Government appoints an expert committee, but it ignores and treats with contempt the recommendations of that committee. I will say this to the hon. Minister, and say it categorically. I have taken the trouble to discuss this problem with General Managers. I have discussed it with an ex-Financial Commissioner for Railways. They have all told me without exception that in their view this scheme will lead not only to dislocation but to the paralysis of the Railways. I hope my friend Mr. Santhanam will not object, I am not divulging a secret. I pointed this out to Mr. Santhanam, "Here your senior officials, everyone has said that this scheme is going to be faced with insoluble difficulty".

**Shri Sidhva:** May I know if this is correct, Sir?

**Mr. Speaker:** He is making his statement.

**Shri Frank Anthony:** I will tell you what Mr. Santhanam said. I hope I am not disclosing any confidence. He said in regard to the senior officials "They are motivated by vested interests"—whether he was right or wrong.

**Shri Santhanam:** May I interrupt my hon. friend? When he discloses information he must disclose it fully. All that I stated was that on this particular issue they may not have quite an open mind, not that they have any vested interests in the matter.

**Shri Frank Anthony:** I will accept that correction. But how are we in this House to be guided? Who are the

best people qualified to give us adequate expert opinion except your officials? If you are going to brush aside their opinion on the allegation that they are interested or are motivated by vested interests how are we to be guided? Are we to be left at the mercy of lay, uninformed, inexpert opinion and be guided only by the opinion of an exalted Minister? Are we going to accept the scheme not because the officials approve of it but, in spite of the officials disapproving of it, because the Minister tells us we must accept it?

**The Minister of States, Transport and Railways (Shri Gopaldaswami):** Sir, I did not like to intervene at this stage, but I do not want my hon. friend to impose upon the House the impression that senior officials as a whole are opposed to this scheme. That would be a travesty of facts.

**Shri Frank Anthony:** My hon. friend has more access to officials than I have. I wonder if he could tell us categorically whether every General Manager has approved of it and categorically whether every Member of the Railway Board has approved of it. Is the Railway Minister in a position to say that? I do not think so. My greatest objection to the scheme is this, that it is a plunge in the dark. The hon. Minister cannot give this House any sort of picture of the financial effects of the operation of these zones. I go further and state categorically that he is not in a position to give us any kind of picture, financial or administrative of the details that are going to be involved, simply because the whole problem is too vast; it is too complex; it is too intractable for the Railway Minister or for his Ministry to give us any kind of a clear picture. This is my forecast that it is only when this scheme begins to be implemented, only then will unpredictable, vast insoluble problems arise at every step of the way.

I want to know all the details. I want the Minister to inform the House as to what details were available to the Members of the Central Advisory Council for Railways. What were the details? The scheme that was made available to me contained the barest details. I say no man, however much genius could assess the effects and consequences of the scheme with such details. They were only the barest and broadest details, such as the gauge of Railways, the route mileage, the number of locomotives, the number of passengers etc. Could any Member of this House assess either the financial or the administrative consequences

from these bare and broad details? What else was given—a blue print, a symmetrical paper pattern of six railway zones. Yes, that paper pattern may have satisfied a drawing master or people who are prepared to surrender their sense of realities to a preference for paper patterns. What is actually the position? The Railway Minister knows as well as I do—perhaps I know better than he does—that each major Railway system has grown up over a period of decades and generations in its own peculiar way, has taken on the character of a complicated and involved mosaic. Why is it that many recommendations of the Central Pay Commission with regard to uniformity were still-born? I was a Member of the Pay Commission who realized the bewildering complexity of scales and the differing conditions of service. I was one who was largely responsible for bringing in the recommendation that we must introduce some semblance of uniformity. It could not be done satisfactorily because on each Railway we have different conditions of service, different scales of pay. Even in spite of the recommendation of that Pay Commission with regard to uniformity of condition, it was not possible to introduce it, Sir.....

I have got two minutes more. May I in these two minutes—with your permission three minutes—give to the House some idea of the administrative problems that are going to arise. I have picked only a few of the myriads of problems that I feel certain will arise and I will ask the Minister whether he can give an answer to this House. How will these problems be solved? It is not good enough to say: These are mere administrative details; they will solve themselves in the course of time. I say that they cannot be solved today. For instance there is this major problem of accommodation, particularly acute in the South Indian Railways in spite of all the possible help and the goodwill on the part of the hon. Minister what is the position? On one Railway, on the M. & S. M. Railway, because there is no co-ordination between district and district, railwaymen have no quarters; the families have no quarters because there is no co-ordination between district and district. That is the present position and as a result of the regrouping of zones, the problem will be spread over a vaster area and it will be intensified tenfold.

There is the problem of seniority. Is the House aware of the utter confusion with regard to this question of seniority on the Railways? Today

[Shri Frank Anthony]

senior officers are standing on their heads in making frantic attempts to iron our seniority lists. Every month I am dealing with hundreds of railwaymen's cases. The General Managers tell me they cannot sort out their seniority lists. The position is already bad and it has become worse because of the optees from Pakistan. All over India these optees are being fitted in a haphazard, arbitrary and *ad hoc* manner with the result that the people already in service are being affected.

What about confirmation? It is one of the notorious scandals of the Railways. Railwaymen today all over the country are officiating, whose service ranges from two to 15 years. Has any Member ever heard of a civilized Administration keeping its employees officiating for periods from two to fifteen years? The General Managers say: What can we do? The rule has been operative and with the optees having come in we just cannot confirm. Already the position is bad and it is going to be ten times worse. We cannot avoid the position of the optees from Pakistan, but with regrouping this problem will only increase a hundredfold. This is a radical and revolutionary scheme.

**Shri Sidhva:** The optees' services will be considered from the time they have come.

**Shri Frank Anthony:** Certainly they are being considered but even a small number of optees have created an incurable headache for the administration. No one can solve it. Now when the three Railway systems begin to be regrouped, they will produce the effect of a scramble egg. The whole position will be reduced to utter inextricable chaos.

Then, Sir, what is going to happen to the scales of pay? I challenge the Minister to tell this House whether he can advise railwaymen as to what is the position with regard to opting for the C.P.C. scales. I have referred the matter to the Railway Board. They cannot tell me and yet a date line has been fixed for these unfortunate railwaymen saying: You must opt by a particular date. The railwaymen come to me. I say: I do not know. They go to the Minister and he says: I cannot tell you, and of course, the Railway Board does not know. No one knows the implications of opting for the C.P.C. scales. Should you ask the railwaymen to opt without even the officials knowing the position? I have written to the hon. Minister about the unfortunate case of

Younger. He was as ignorant as the Members of the Railway Board about the implications. He took the precaution of writing to his D.M.E. who said: If you as a pre-31 man opt for the C.P.C. scales you will get Rs. 140 or 160. Six months later, he said I am sorry, I was ignorant of the implication. You are now brought on to Rs. 120 and you will have your pay deducted to that extent.

Sir, then there is this last point. What is going to happen to conditions of pay and service? Can the Minister give us some idea of how he is going to tackle it? He cannot tackle it, because the whole problem bristles with insoluble complexities. On the M. & S. M. Railway an Assistant Signal Inspector.....

**Mr. Speaker:** Order, order. The hon. Member is exceeding his time-limit. He wanted one minute, then he said two minutes more and again two minutes more. He has taken 19 minutes already.

**Shri Frank Anthony:** I would like to say very much more. You have Assistant Signal Inspectors in the South Indian Railway. Their counterparts in M. & S. M. Railway are District Signal Inspectors on a higher scale of pay. What are you going to do with them? Are you going to designate the Assistant Signal Inspectors as District Signal Inspectors. And this applies almost everywhere? What is going to be the position?

Today each Railway has its own system of calculating mileage and overtime. In the East Indian Railway you have a system of mileage cum overtime; in the G.I.P. Railway you calculate overtime only on the mileage basis; in another Railway you calculate it only on the overtime basis. That is why the recommendations of the Central Pay Commission were so largely still-born and we could not introduce even a semblance of complete uniformity. When you seek to amalgamate three Railways with entirely different conditions of service and pay, how is the Minister going to introduce uniformity? Is he going to down-grade or up-grade them? I leave this question to him. If he does not up-grade, there will be a strike throughout the Railways. If he up-grades the administration will be more heavily involved because of additional expenditure which will probably run into crores of rupees.

**Shri B. Das:** I think I should join my hon. friends in congratulating the hon. Railway Minister. I am indebted to him for the tone of optimism that

he has introduced in his Budget speech. That tone of optimism has been echoed all over India, in the Stocks and Shares markets, in the capitalist and industrialist circles. That tone of optimism has been augmented by the hon. Finance Minister announcing the Indo-Pakistan Trade Agreement. Throughout the country, people expect better trading facilities. Of course, the Railways will have to handle more goods traffic if Pakistan sticks to the spirit of the Indo-Pakistan Trade Agreement. I do hope that the spirit of optimism will be revealed in the speech of the hon. Finance Minister this evening and that the country will not have to face hard times, but will continue to have an era of prosperity that my hon. friend has foreshadowed.

[MR. DEPUTY-SPEAKER in the Chair]

I have listened to the speech of my hon. friend Mr. Frank Anthony and the question arises in my mind; Is India a sovereign State? I am not one of those who want to be controlled by the socialists outside or the labour leaders on the floor of the House. Yesterday, when my hon. friend Mr. Harihar Nath Shastri spoke, he warned the poor Railway Minister that labour is being deprived of dearness allowance and other dues. Today, my hon. friend Mr. Frank Anthony threatens that there will be hell in the world if the railway employees are not satisfied. I ask, does not the Railway belong to me, to the sovereign State of India? If it does I say every one, throughout the country, must do his duty and not only talk of privileges of which we talked about in 1930 and earlier years.

My hon. friend Mr. Anthony is against re-grouping of Railways. I have been for re-grouping for the last so many years. I welcome the first experiment of that policy. If it is to be first in the Southern Zone, I do not mind. My turn will come next and the Eastern Zone should be re-grouped. I hope the name of Bengal and Nagpur in the B. N. Railway will vanish and Orissa will be introduced. I have been stating this for the last 20 years. Nagpur is the terminus and Bengal is now an attenuated State. Orissa must come in, in view of its great significance, in the economic sphere of sovereign India.

**Dr. Deshmukh:** We will have a special Orissa Railway.

**Shri B. Das:** All right; do not be jealous; you will have your plenty and I will have my plenty.

Sir, I was rather alarmed this morning when I read the statement of the hon. the Labour Minister, Mr. Jagjivan Ram, at Howrah maidan, repeating almost the same sentiments which my hon. friend Mr. Harihar Nath Shastri expressed on the floor of this House, and with which Mr. Jaya Prakash Narain threatened the Congress Government and the Congress party outside in a speech. My hon. friend Mr. Jagjivan Ram thinks that it is the capitalist or the employer section that is always at fault. To that extent, Government is an employer of a very high order that no industrialist in this country can equal. The Labour Minister wants that labour should share the profits and some of the gullible people outside and in this House also think that even the Railway employees should be shareholders in the Railways and Industries. If the hon. Minister of Labour, and labour leaders like Mr. Harihar Nath Shastri and Mr. Frank Anthony always want their pound of flesh without rendering their duty for which they are paid, the era of prosperity that we are talking of may vanish, because the workers have not yet produced. My hon. friend the Railway Minister has not breathed one word that production has gone up. It has not gone up. Railway labour is of the order of six or seven lakhs; it could have been reduced to a much smaller number. My hon. friends the labour leaders inside this House and outside do not permit the Government of India and the Railway Ministry to employ the economic number of workers that are necessary for the Railway. It is not a question of payment of more dearness allowance. I would hold my hon. friend the Labour Minister to the tune which he played at Geneva at the ILO in his presidential summing up that workers must produce. I want the labour leaders in this House to realise that the Railway workers have not produced.

Then, Sir, my hon. friend Mr. Anthony said that he does not like the enhancement of passenger fares.

**Shri Frank Anthony:** I am sorry. I did not say anything about it; I did not have the opportunity to say anything.

**Shri B. Das:** He hinted at it. My hon. friend Pandit Kunzru alluded to it. A wise business man must be cautious and wise. From that point of view, I welcome the enhancement of passenger fares. I hope that with the additional money that the Railway Minister would get, he will see that

[Shri B. Das]

return tickets at cheaper rates are made available to the people so that the masses may be able to go on pilgrimages and attend fairs and festivals.

If the income side is prosperous, I am not satisfied with the development side. People talk loosely in this House and outside that all the Railways should be electrified. The Railway Ministry have now got a Research Department and they are manufacturing locomotives. My hon. friend Mr. Santhanam said this morning that by 1955 or 1956 we will completely produce locomotives. But, what about the electric plants and appliances that are used in the electrification of Railways. No attempt has been made by the Railway Ministry to make an experiment in manufacturing high voltage plants. It is no use to hope that any industrialist will come forward with his research and will establish plants. Though I myself am found of electricity, being myself a professional Electrical Engineer, I will deprecate the idea of electrification of Indian Railways until the Railway Board's technical experts manufacture Railway plants and appliances. If they cannot themselves do it, let them give subsidies to those firms which are manufacturing even today railway appliances on a small scale.

I am not satisfied that the development programme of the Railway Ministry is in tune with the development programme of the other Ministries and the Planning Commission. Take for instance my own province, Orissa. I hope my hon. friend Dr. Deshmukh will not be alarmed. In the B. N. Railway, only a little Railway line in Orissa is being surveyed. If the Hirakud multipurpose project, to which my hon. friend the Railway Minister is a party in the Cabinet, will produce results in 1955, the Railways must be developed to tap the mineral resources of that area and to assist the other industries which we would be able to establish by 1954 or 1955. At Hirakud 350,000 kw. of power will be generated. How is it going to be utilised? We are going to have a steel factory, and an aluminium factory. We have to develop the mineral resources which are of very large magnitude. I think the Planning Commission or the planning side of the Cabinet did not advise the Railway Ministry properly. Orissa, as usual, stands neglected. Last year, in the B. N. Railway, five or six new lines were to be surveyed in Orissa.

They are found in pages 7 and 8 of the Demands. I do not know what has happened to them; I do not know whether the good intentions of the hon. Minister for Railways have vanished in this matter.

Regarding the proposal to re-group the railways, I am for it and if any insuperable problems crop up, we have to solve them. We have solved the problem of our sovereignty and we must solve other problems also. There is nothing in the Constitution to say that the same number of persons must be employed now as in the years 1945 and 1946, and labour leaders would do well to bear that in mind.

When the Supplementary Demands were discussed here, I am sorry I was not present. At that time, the railway collieries were discussed. That subject was managed by the Industry and Supply Ministry and it is now to be taken over and managed by the Ministry of Works, Power and Supply. In the meanwhile the Government of India have decided upon state corporations to run the state trading concerns. My own view is that the Railways and the W. P. S. Ministry would do well to convert the railway collieries into one State trading concern, not necessarily under the National Coal Board which is under active consideration to be established. There is a paragraph somewhere regarding the use of low grade of fuel by the Railways, and often loose observations are made that the Railways are using more fuel and more coal than they should. Perhaps part of the coal is used by the station staff and part pilfered by the railway staff. I do hope that hon. friends like Shri Anthony and Shri Shastri would advise them not to pilfer the coal and sell it out! All the same, I do feel that the Railways must use low grade fuel by altering the locomotives suitably for which certain researches are being made, I understand. That will satisfy the industries and will also further the objectives of the Planning Commission and the Government of India with reference to conservation of coal.

There is one thing more to which I would like to refer. I do not know whether my hon. friend anticipated the Indo-Pakistan Trade Agreement. That agreement will now put a strain on our wagons. More wagons will now have to go to Pakistan and the hon. Minister knows it that a certain number of wagons are very often withheld in Pakistan. Our past

experience in this respect has been very bad. Wagons have been withheld and it was only with great difficulty that they could be had back here. I hope the Agreement may not break over this question of wagons confiscation as happened unfortunately the year before last. I think that point should be examined carefully and if new coaches and new open wagons have to be manufactured, that must be done at once. That justifies the raising of the passenger fares because there are emergency expenditures for the prosperity of India and that must have to be borne by the Railways.

My hon. friend Pandit Kunzru paid encomiums to the retiring Chief Commissioner of Railways. I am one of those who started as far back as 1925 since the Lee Commission Report was discussed in the previous Assembly, to say that all services must be Indianised. Therefore, to me it was a matter of great joy when Mr. Bakhle became the first Indian Chief Commissioner. I had known Chief Commissioners and also the fear-complex that the former British Government in India had for them. Therefore it gave me great joy to see an Indian become the Chief Commissioner. I also know that to-day brains are rare especially technical brains and so I hope and believe he is going to be absorbed by the industry outside, on double or treble the salary that perhaps the Railways were paying him. However, I do not feel that the suggestions made by the hon. Minister in the matter of managing the Railway Board would do. I feel that for some time we must have the present set up. It is only about three years since we came out of the woods. We are prosperous and we grow from year to year. I should think that there has been heavy under-budgetting in the matter of the revenue income side for the last three years, and my reaction is that for 1951-52, the income side has been underestimated. That we will discuss here and elsewhere, but what I want the hon. Railway Minister to do is not to be so cautious in under-budgetting the income-side. Therefore, I feel strongly that there should be for some few years to come the Chief Commissioner for our Railways and he must be an engineer. If we do not do that, there will be back-sliding. We may not know what is happening and we will not be able to develop as we want to. We may not be able to progress as well as we desire in the making of locomotives and the manufacturing of wagons and things of that sort, or the electrical plants which I was suggesting a few

minutes back. These things may not be fulfilled. And we must not underestimate the usefulness of engineers, and the great service that they render. And myself being an engineer I join Pandit Kunzru in his reactions on that particular part of the budget speech.

I must say, Sir, that I am not satisfied with the position of the quick turnaround of our wagons, since 1945. Sir Edward Benthall the Railway Member used to be very insistent on this matter and used to have specific checks. To-day it is not so. I am a member of a committee which is enquiring into the wagons supply *vis-a-vis* the coal industry and I know there is complaint in this matter all over. We want more wagons, especially in view of the trade that will be now coming from and going to Pakistan. Therefore our Railway experts should see that no wagons remain idle even for one day at one place and that proper penalties are imposed on the railway officials for any lapse and also on the industries.

**Shri Deogirikar (Bombay):** I welcome the Railway Budget and congratulate the Railway Minister for it. But I must say that I was rather disappointed when he came to that portion of his budget speech wherein he says: "The plan for establishing a coach building unit in the country has been somewhat retarded in implementation." In the last year's Budget also he said, "The availability of coaching stock has, however, been far from satisfactory and has to be increased." It would have been better if he had stated in his statement what the actual position is so far as the coaches are concerned. This year he has said, that about '715 coaches were commissioned during the last year' and that 'some meter gauge coaches are awaited this year'. Insufficiency of coaches is the root cause of congestion in traffic and I do not think the Railway administration has paid the attention that this subject deserves. They are thinking in terms of hundreds whereas I think they ought to think in terms of thousands. I do not know whether I am to call this Progress, slow progress or no progress. I am prepared to support the proposal for increase in the rates for passengers, if the extra money accruing from it substantially or wholly utilised for the purpose of removing congestion from third class and inter-class coaches. Let Government come forward with that promise and I feel that much of the



[Shri Deogirikar]

opposition to this increase in fares will disappear. We do not want vague promises, for we know that vague promises are simply pious desires. You have laid down the plans in various spheres.

We are going to make this country self-sufficient in 1952 so far as food production is concerned. You have converted food-growing lands into cotton and jute growing lands. You have planned for industrial development. You have planned for river valley schemes. You have erected a factory at Chittaranjan for manufacturing locomotives. But I am sorry to say that there is no scheme for the manufacture of coaches in this country. The Hindustan Aircraft Ltd. is showing very little progress and I am doubtful whether we will succeed in that. If we are not able to get all the coaches we need in this country more attempts should be made to secure them from foreign countries, hard or soft. If we do not succeed either at home or abroad, is it justifiable to increase the railway fares instead of reducing them? I know that this is a chronic disease. The British Government could not cure it. Now our own sovereign independent government has come into existence and we are not yet able to solve the problem. Gandhiji himself experienced all the tortures of third class travel. It was in 1915 or there about that he had to pay eight annas to a coolie for being thrust through a third class compartment. A year or two before his death while travelling in third class he saw people hanging on the footboards. He told his secretary that it was unbecoming of the Father of the Nation to have the pleasure of two compartments when his sons were standing on footboards. He called the station master at the next halt, vacated one compartment and asked the station master to attach one bogie. We cannot forget the love and sympathy that Gandhiji had for these people. I would request the Government in all humility to look either out of pity or duty to the interests of these poor passengers. The scenes that we witness on the railways when a train comes are unbearable.

The Railway Minister has said that the rates in India are very low. It is bound to be so. The per capita income in India is responsible for it. May I ask him whether he will be able to see the same scenes which we witness on Indian railways in other countries also? I think such comparisons should not be made.

I want to place before the House some figures which I have collected from the report supplied to us and I want to impress upon the House what the present travelling conditions are. I am subject to correction. The compilations may not be right but all the same I want to read out the figures for the information of the House.

Class	No. of seats	No. of passengers	No. of passengers per day
First	30,000	42,200	115
Second	44,509	167,49,600	45,889
Inter	58,474	234,43,900	64,000
Third	855,115	121,43,03,400	33,2 6,000

Class	Total earnings	Annual earnings per seat	Earnings per seat per day	Average accommodation available to passengers
First	13,12,000	45	2 as	245
Second	485,03,000	1089	Rs. 3	1
Inter	880,56,000	1506	Rs. 4	.8
Third	81,44,12,000	955	Rs. 2-10	.25

**Dr. Deshmukh:** May I know from what the hon. Member was reading?

**Shri Deogirikar:** From the annual report supplied by the Railway Administration for 1949-50.

When the experiment of abolishing four classes was made I said that the first class compartments were running empty. Only 115 passengers were travelling per day in all railways, whereas the accommodation at the disposal of passengers was 245 seats and the average income per passenger was only two annas per day. If all the seats in the first class had been occupied the total number of passengers during the year would

have come to 1,09,50,000 and the earnings would have been 33 crores. We have lost that much income.

As regards second class I have nothing to complain. That is the class which the Railway Administration should keep before them as the ideal.

The Inter class is the worst sufferer. The average income from that class of passengers is Rs. 4. It is more by one rupee than what they get from the second class passengers. Yet the number of seats available for the Inter class passenger is only 8, whereas for the second class it is one.

Coming to third class the average accommodation available is 25. That means one seat is used four times in a day. The third class passenger pays Rs. 2/10, which is six annas less than what the second class passenger pays. Whereas the former gets 25 of a seat the latter gets one full seat. 33 lakhs of passengers suffer every day from this unjust distribution of seats. Can it not be seriously looked into? I am glad Government is conscious of it but that is not enough. I am suggesting some measures to remove these difficulties but they are a drop in the ocean.

The first suggestion is that the first class should be abolished. Let not empty carriages run. Air travel is increasing. The second suggestion is that ticketless travel should be ruthlessly suppressed. The third suggestion is that guides and conductors including women conductors should accompany every train exclusively to help third class passengers in securing seats. The fourth suggestion is that about 125 saloon cars for Ministers, Maharajas and Government officials are lying idle in the yard. They should be converted into lower class compartments or be reduced to the minimum in number.

This is only insignificant. The real solution is not to make the trains run more often, because we are already short of them or to penalise the foot-board travellers who hazard their lives out of compulsion. The real remedy is to increase the number of trains and coaches. You may save the money spent in giving amenities to the passengers. Reconstructing platforms, electrifying stations, etc. can wait. The proper thing to do is to increase the number of coaches and lo-

comotives. The amenities are not going to heal the wound—that much I want to tell you. The money to be spent on more amenities should be diverted to building coaches for which top priority should be given.

**Dr. Deshmukh:** They are wasting a lot of money on platforms and stations.

**Shri Deogirikar:** Sir, under the new democratic set-up we have assured a vote to every adult. I pray to the Railway Administration, "Give one seat to every traveller." Even if you are prepared to give half a seat and treat every adult as a child below 12 years, I am satisfied with it for the next three or four years, but it is no use taking full money from the man and giving him a quarter of a seat or making him stand. That is not just.

**Shri Sidhva:** You do not want platforms?

**Shri Deogirikar:** I do not say that, but reconstructing or reforming the platforms can wait.

In the end I want to make one suggestion. Government should have a separate Railway Act both for workers and for passengers as is done in foreign countries. The old rules and regulations require drastic changes. A new Act will regularise the entire system.

I have put my views before you with the hope that they will be considered for what value or weight they possess.

**Shri Syamnandan Sahaya:** Speaking on the Railway Budget last year, I felt I should congratulate the Railway Minister on the substantial achievement in his department. I must say I do not feel the same way speaking on the Railway Budget this year. The hon. Railway Minister is a man of vast and varied experience, both official and non-official, and when he was showering encomiums on the Members of this House I apprehended there must be a cabbage in the bouquet which he was presenting to us. And a cabbage did come out when he said that his intention was to ask the House to accept the increased railway fares. When I heard him speak of the Railways having done well and of his promise that they would do better, when I read in one of the booklets that the gross earnings of all railways during the year touched the highest level so far attained and that several other

[Shri Syamnandan Sahaya]

new records have been established under many items viz. passenger and goods traffic receipts, goods earnings, number of passengers, passenger miles, originated tonnage, ton miles and train miles—when I heard him also announce the proposal for an increased fare, he must believe me, Sir, when I say I prayed for more prudence. And instantly came before my mind a Sanskrit sloka from Balmiki Ramayana. I know the hon. Minister will appreciate it and you, Sir, also will appreciate it. It is—

असम्भवं हेम मृगतस्य जन्म  
तथापि रामो लुलुभे मृगाय  
प्रायः समापन्न विपत्ति काले  
धियोपि पुंसां मलिनी भवन्ति

It is impossible to get a golden deer, but even so the great Rama felt he must get it—perhaps in days of impending adversity even the best of men lose their intellectual power and intelligent grasp of things. Let me assure the hon. Minister and the House, Sir, that I am speaking this in no light vein. I know perhaps the hon. Railway Minister also may, like the hon. Law Minister the other day, retort saying that he knows the public mind very much better. I will submit to that statement if he does make it, but let me assure him that we also are in constant touch with conditions in this country and with public opinion, and let me assure him that this suggestion for an increased fare, following upon high prices of food and high prices of cloth and of almost every requirement of daily need for the poor man, will, in my opinion, be a very undesirable thing to put it very mildly and moderately, and will never be acceptable to the general population.

Going through the Railway Budget one finds it can be summed up into four recommendations: allocation of the surplus, increase in fares and its effect on railway finances, abolition of the post of the Chief Commissioner, and the re-grouping of railways. With regard to the financial position, I shall do no more than refer the hon. Railway Minister and the House to the figures quoted in one of those booklets circulated to us which shows that while in 1947-48 the net earnings were to the tune of 19.75 crores, it went up to Rs. 50.06 crores in 1948-49 and to Rs. 51.23 crores in 1949-50. I submit, Sir, there would hardly be any other industry which would yield better results. Now, having achieved the

results, the question arises as to what is to be done with the finances available and whether we need any more finances, and also whether the country is in a position to pay any additional money by way of raising the cost of the service provided. A friend who just preceded me asked what we really pay to the third-class passenger by way of compensation and accounts for whom we are increasing the fare by 20 per cent. on ordinary trains and 25 per cent. on mail trains. I would ask the House and the hon. Minister to consider whether even if an increase was perhaps considered necessary, it should have been really necessary to raise the fares by as much as 25 per cent. I have no doubt in my mind that if the hon. Railway Minister would examine this matter again and reconsider it he should come to the conclusion that this question needs more sympathetic and more careful consideration.

I find that one of the reasons for the increase is—I do not know or I may not be correctly appreciating the situation—that the contribution to the Depreciation Fund has been raised from Rs. 15 crores to Rs. 30 crores and odd. Speaking on the Railway Budget last year I had myself the feeling that perhaps it will be wiser to have a larger Depreciation Fund. And we do actually find that the figure available in the Depreciation Fund is a pretty good figure of over Rs. 100 crores. Now, there are other Funds like the Betterment and Reserve Funds and merely with a view to increase the allotment under the Depreciation Fund it will be generally agreed that it would not be politic to increase the railway fares. The matter struck me from another angle also. This is an industry completely controlled by Government. It is a wholly nationalised concern. Even with a net earning of Rs. 51 crores out of the total receipts of Rs. 200 and odd crores, if Government think that the fares should be raised, are they really setting a good example to other industrialists? After all, whether we like it or not, for a long time to come in this country the lead will always come from the Government. We have been accustomed to be led by Governments, though not ours, during the last hundreds and hundreds of years, and it will take some time before the country itself gives the lead. Now, Sir, I ask whether the hon. Minister and the Government and the Cabinet have considered what will be the psychological effect of this increased fare in the face of a surplus Railway Budget on other people whom we are asking to produce cheaper and sell cheaper. Of course, the argument that has been thrown at our face is that

this is a 'national' institution, but I should think that a national institution must be able to bring down the cost of the service. This criterion however is not satisfied in regard to the Railways only. Look at your postage stamps. Look at your telegraph and telephone service. Wherever the Government is managing a thing, the cost of the service is going up. If this is what Governments are doing, I am afraid they have not been able to set a good example. I was really shocked to see in some of the pamphlets circulated, the statement that the third-class fares in India are the cheapest as compared to Britain and U.S.A. Personally, I think that good paper and ink have been wasted in writing these things. The Third Class in England is better than the First Class here. What is the good of comparing the two? What is the good of your saying that when the *per capita* income in U.K. is 778 ours is only 51? I do not think the House is so gullible as to accept such arguments and I would advise the Railway Department not to indulge in them again. They do not seem to give sufficient credit to the intelligence and intellect of the Members of this House.

**Shri Santhanam:** The hon. Member was referring to some papers. We have not circulated any papers. Perhaps, he refers to papers distributed by the Party Office.

**Shri Syamnandan Sahaya:** Well, the hon. Minister makes that distinction. There are people who do not make that distinction. I shall sideline the portions and send them to him under a cover.

**An Hon. Member:** Was it from the Party or from the Railway Department?

**Shri Syamnandan Sahaya:** How can I know? All papers have come together.

**Pandit Thakur Das Bhargava (Punjab):** The Party did not issue any pamphlet at all. They do not do any propaganda and only supply relevant information to members of the party.

**Shri Syamnandan Sahaya:** Well, Sir, to proceed with my argument.....

**Mr. Deputy-Speaker:** The hon. Member has already taken fourteen minutes.

**Shri Syamnandan Sahaya:** I shall not take more than five minutes, Sir. The other thing to which I would like to draw the attention of the House is the abolition of the post of Chief Commissioner. Here again, what has bewildered me is not the decision but

that it is a decision made by the hon. Mr. Ayyangar. I would have understood it if there had been in his place some other person, not with the same experience of official work, not being a person who once belonged to the Services and not knowing what the Head of a Department has to do. But coming as it did from Mr. Ayyangar, I must honestly confess that I was bewildered. Have we not known that even where there are Secretaries to Governments there are Heads of Departments? Who knows this better than Mr. Ayyangar? Does he not know that when there are two sets of opinions available—when the Head of the Department gives one advice and the Secretary to Government gives another advice—when such is the position, the Minister has to come to a decision otherwise it becomes a one way traffic. I mean no reflection, but does he seriously believe, knowing as he does all about official work, that it would be possible for a Minister to run the show on the executive side as a Chief Commissioner can, as a man drawn from the Service, a man who has occupied all the important positions in the Railway, a man who knows the ins and outs of the Railway Administration, can? I am casting no aspersions on the Ministers. They are men of pride to us. But we all know that Ministers come and go. They come today and go away tomorrow. Would you like the knowledge of working Railway Administration to be run with a continuity of policy on the administrative side by these 'migratory birds of passage', if I may use that term?

**Shri Gopaldaswami:** May I interrupt for only one second? The assumption that the Ministers are to take the place of the Chief Commissioner has come out of the imagination of some hon. Members of this House. That is not the case so far as I am concerned and so far as the proposals contained in my Budget speech are concerned.

**Shri Syamnandan Sahaya:** If that is so, then I would ask Mr. Ayyangar to exercise his experience and see my point of view. I submit that it is essential to have a Chief Commissioner. Call him "Chief Commissioner" or call him by any other name you like. You must have a man who has had experience of the Railway Department in its different Branches—a man who knows the ins and outs of the Department. Let him give his opinion as frankly as Mr. Bakhle to whom you paid eloquent tribute the other day has done, and then it is for you to decide. Government is in your hands and you have every right to decide.

[Shri Syamnandan Sahaya]

Now, Sir, I turn to the re-grouping of the Railways. This scheme compares with only one other scheme in history and that is the scheme of Muhamad-bin-Tuglak who transferred the capital from Delhi to a place called Daulatabad. Perhaps, we shall surpass that scheme and also the other scheme introduced in the recent past for changing the Inter-Class into Second Class Ordinary, Second Class Sleeping and Second Class Special and then switching back to Inter-Class. That is all that I can think of about this re-grouping scheme. I have tried to interest myself in it from the time it was put up and when the Chief Commissioner Mr. Bakhle was on tour in Bihar I had a discussion with him in the Chamber of Commerce. It has been suggested in one of the pamphlets that this scheme has received "wide" support. I do not know whose support it has received. The Government of Bihar has not accepted it. The Government of Assam has not accepted it, as was evident from a question this morning. The Indian Federation of Chambers of Commerce has entered a very strong protest against it. So I do not know who has accepted it. But, Sir, the worst feature of this regrouping is that the financial implications have not been placed either before the Central Advisory Council or the Standing Finance Committee for Railways. The scheme has been put forward without the financial implications. One of the regions extends from Pathankot in Kashmir to Chapra on the north of the Ganges near Sonapur in Bihar. I do not know how you will be able to run such a system and what good it is likely to bring to anybody. As I said, the financial implications of this have not been placed before us. The best thing for the Railway Board to do would be to put up this matter in greater detail, particularly with regard to finance, before this House. The combination of the S. I. Railways will only bring about a difference as between Tweedle-Dee and Tweedle-Dome. For the three districts are still maintained as separate units.

Before I sit down, I would only mention one other point—namely the really difficult conditions of the O.T. Railway and the ferry on the Ganges. Each year there is some trouble or the other. The ferry between Palezha and Digha gets stranded in the middle of the stream or at one end of it and there is serious dislocation. The other thing is the restoration of some of the lines in Bihar which had to be closed during the war. I would like to draw the attention of the hon. the Railway Minister to these two matters in the

hope that he will be able to redress our grievances.

**Mr. Deputy-Speaker:** The House now stands adjourned till 2-35 P.M.

*The House then adjourned for Lunch till Thirty-Five Minutes Past Two of the Clock.*

*The House reassembled after Lunch at Thirty-five Minutes Past Two of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair].

**श्रीमती दीक्षित :** उपाध्यक्ष महोदय, अभी तक जो कुछ इस संसद् में वाद विवाद हुआ है उस के सुनने से मुझे यह मालूम होता है कि हमारी संसद् के सब सदस्यों ने माननीय मंत्री जी की तारीफ की है मैं तो यह सोचती हूँ कि संसद् के सदस्य तारीफ करें या न करें, उस का कोई महत्व नहीं है। जनता यदि माननीय मंत्री जी की तारीफ करे तो वही सच्ची तारीफ होगी, क्योंकि प्राचीन काल में भी ऐसी रीति चली आई है कि राजाओं के समासद हमेशा राजाओं की तारीफ किया करते थे। लेकिन जो सच्चा शासक होता था, जो अपनी जनता की भलाई चाहने वाला होता था वह उन समासदों की ओर कोई ध्यान नहीं देता था और हमेशा लुक छिप कर जनता को क्या तकलीफ है, उन की क्या ज़रूरतें हैं, वह मालूम किया करता था। मैं अपने माननीय मंत्री से यह चाहूंगी कि कमी कमी वह भी लुक छिप कर अपनी जनता की तकलीफों को जान लिया करें कि उन के शासन चलाने में कौन सी कठिनाइयाँ हैं और किस तरह जनता को तकलीफें हुआ करती हैं।

जहाँ तक जनता का सवाल है, मैं यह समझती हूँ कि रेलवे की जो कार्यवाही हो रही है उस से जनता प्रसन्न तो नहीं है पर कुछ सन्तुष्ट ज़रूर दिखाई देती है। यह रेलवे में जो अब पंक्चुएलिटी (Punctuality) की गयी है, गाड़ियों के आने में जो थोड़ा बहुत इम्पूवमेंट

(improvement) हुआ है, उस से जनता कुछ सन्तुष्ट मालूम पड़ती है। कामगारों के सम्बन्ध में, कर्मचारियों के सम्बन्ध में जो रेलवे की ओर से ध्यान दिया जा रहा है उस से उन के दिल में भी कुछ आशा का संचार होता है। वह सोचते हैं कि अभी नहीं सही पर भविष्य में हमारा जीवन उज्ज्वल होगा और हमारे नैतिक जीवन को ऊंचा उठाने के लिए ध्यान दिया जायेगा। हमारे माननीय मंत्री ने वर्कशापों (Workshops) की ओर भी ध्यान दिया है, यह तमिल्ली की बात है। और इन सब बातों को देखते हुए मैं यह भी जानती हूँ और सब को मालूम है कि अन्तर्राष्ट्रीय जगत में जो हलचल हो रही है उस को देखते हुए यह लाजमी है कि हम अपनी रेलवे को अधिक संगठित बना सकें और अधिक संगठित कर लें। क्योंकि हमें बहुत से कल पुरजों के लिए, बहुत से सामान के लिए, दूसरों का मोहताज बनना पड़ता है, हमें विदेशों का मोहताज बनना पड़ता है, और अगर कहीं कोई कठिनाई आ गयी तो हमें यह सामान मिलने में बड़ी दिक्कत हो जायेगी और सम्भावना है कि वह सामान न मिल सके।

परन्तु मुझे खेद के साथ कहना पड़ता है कि माननीय मंत्री जी ने अपने इस भाषण में रेलों की उन्नति के सम्बन्ध में कोई संकेत नहीं दिया है। इन सब बातों को देखते हुए मैं यह और कहना चाहूँगी कि माननीय मंत्री जी को इस ओर भी ध्यान देना चाहिये था।

जहां तक किराया बढ़ाने का सवाल है यह आज दो दिन से हमारी संसद के सामने पेश है और इस के ऊपर बहस हो रही है। राष्ट्र को संगठित रूप

से एक सूत्र में बांधने के लिए रेलवे ही एक ऐसा जरिया है जिस के द्वारा हम पूर्व से पश्चिम और उत्तर से दक्षिण जा सकते हैं। इतने बड़े विशाल देश को बहुत नज़दीक लाने के लिए यही एक ऐसा साधन है जिस के द्वारा हम ज्यादा से ज्यादा निकट सम्पर्क में आ सकते हैं। शान वृद्धि की दृष्टि से भी यह निहायत जरूरी है कि हर व्यक्ति अपने भारत के कोने कोने में कौन कौन सी चीजें यहां हैं, किन बातों को हमें मालूम करना है, उस सब की जानकारी हासिल करे। और यह तभी हो सकता है जब कि यातायात के साधन सुलभ हों और इस में सुविधाएं प्राप्त हों। सरकार द्वारा इस किराये के बढ़ाये जाने के माने यह होंगे कि जनता कम सफ़र करे। यह तो ठीक नहीं कि भारतीय जनता अपने भारतवर्ष की इन अतोखी चीजों को देखने से वंचित रहे और अपने भारत को भी नज़दीक से न देख सके। इन सब बातों को देखते हुए मुझे तो यह मालूम होता है कि यह किराया बढ़ाना ठीक नहीं है। मैं अपने माननीय मंत्री जी से निहायत अदब के साथ अर्ज करना चाहती हूँ कि आप ने जो अपनी इनकम (income) का जरिया बताया वह तीसरे दरजे के मुसाफ़रों से सम्बन्धित है। उस का बहुत बड़ा हिस्सा तीसरे दरजे के मुसाफ़रों से आप को मिलता है। तो फिर मैं अपने माननीय मंत्री जी से यह पूछना चाहूँगी कि आप ने तीसरे दरजे के लिए कौन से उन्नति के उपाय किये हैं। आप ने क्या उपाय किये हैं जिन के लिए कहा जा सके कि जनता को सुविधायें पहुंची हैं। यह कहा जा सकता है कि हम ने पंखे लगवा दिये हैं, कुछ थोड़ी सी सीटों का भी अच्छा प्रबन्ध

[श्रीमती दीक्षित]

कर दिया गया है परन्तु जैसा हमारे भट्टजी ने कहा था कि ओवरक्राउडिंग (overcrowding) को देखते हुए यह बिल्कुल थोड़ा है और कुछ नहीं कहा जा सकता। जिस जनता से आप पैसे वसूल करते हैं उस की सुविधा का भी आपको ह्याल रखना होगा, और उस सुविधा के ह्याल से ही जब आप उन को सुविधायें पहुंचा सकेंगे तभी हम उन का किराया बढ़ाने के सम्बन्ध में कोई प्रस्ताव रख सकेंगे।

तीसरे दरजे के मुसाफ़िरो के सम्बन्ध में हमारे भाई मुसाफ़िर जी ने कल कहा था कि बहुत से स्टेशन (Stations) ऐसे पड़ते हैं कि जहाँ पानी का भी इन्तजाम नहीं है और यह गरमी का मौसम आ रहा है। इन दिनों पानी का मिलना तो निहायत जरूरी है क्योंकि छोटे छोटे बच्चे भी हुआ करते हैं, मुसाफ़िर हुआ करते हैं। यदि उन्हें पानी का इन्तजाम भी न मिले तो उन का चलना, उन का रहना कैसे हो सकता है। तीसरे दरजे के डब्बों में यह भी देखा जाता है कि जो रेलवे के कर्मचारी होते हैं और जो बड़े बड़े जिम्मेदार व्यक्ति होते हैं वह कुछ ऐसे प्रलोभन में फंस जाते हैं कि मुसाफ़िरो के साथ साथ सामान भी उन डब्बों में लादना शुरू कर देते हैं। मुझे याद है मैं पिछले वर्ष दमोह से सागर आ रही थी। दमोह स्टेशन पर उस डब्बे में इतना सामान भर दिया कि आदमियों को पेशाब करने जाने के लिये रास्ता बन्द हो गया, दरवाजे से उतरना भी बन्द हो गया। जब स्टेशन मास्टर साहब से इस की शिकायत की गयी तो उन्होंने कहा कोई बात नहीं है, दो स्टेशन बाद सामान उतर जायेगा। लेकिन आखिर दो स्टेशन तक आदमी क्या करेगा, यह भी तो ध्यान उन को रखना चाहिये।

इस तरह की बहुत सी बातें हैं जो आप से कहना चाहती हूँ। आप के कर्मचारियों का तीसरे दरजे के मुसाफ़िरो के साथ व्यवहार भी कोई अच्छा नहीं होता।

श्री हरिहर नाथ शास्त्री : अब अच्छा होता है।

श्रीमती दीक्षित : वह सिकंड क्लास (Second class) और फ़र्स्ट क्लास (First class) के मुसाफ़िरो से अच्छा होता हो, क्योंकि उन्हें डर है कि उन डब्बों में हमारे संसद् के सदस्य होंगे, या रेलवे के कोई बड़े अफ़सर होंगे। इसलिये वह वहां जाते हैं। लेकिन तीसरे दरजे में नहीं जाते और वह इस की जरूरत भी महसूस नहीं करते कि हम वहां तीसरे दरजे में जाकर उन की तकलीफ़ों को देखें।

अब मैं माननीय मंत्री महोदय का ध्यान स्त्री कम्पार्टमेंट की ओर दिलाती हूँ। जहां तक स्त्री कम्पार्टमेंट का सवाल है मैं माननीय मंत्री जी को अदब से कहूंगी कि जो रेलवे में थर्ड क्लास का किराया मिलता है उस का बहुत बड़ा हिस्सा स्त्रियों का है। स्त्रियों से भी आप को उतना ही किराया मिलता है फिर क्या वजह है कि स्त्रियों के लिए सिर्फ़ दो कम्पार्टमेंट (Compartment) ही थर्ड क्लास के लगाये जायें जिस के कारण उन्हें बहुत कठिनाइयाँ उठानी पड़े। जहां आप का लिखा हुआ है कि १३ आदमियों के लिए सीटें हैं वहां पचास पचास औरतें बैठती हैं।

श्री त्यागी : लेकिन औरतें तो मरदों के डब्बों में भी बैठ जाती हैं।

श्रीमती दीक्षित : उपाध्यक्ष महोदय, यह ठीक है जैसा हमारे भाई त्यागी जी ने कहा, कि स्त्रियाँ पुरुषों के डब्बों में बैठ जाती हैं। लेकिन जिस दिन आप स्त्रियों का

डब्बा किस्सुल हटा देंगे उस समय मुझे स्त्रियों के सम्बन्ध में कुछ कहने की आवश्यकता नहीं रहेगी। जब तक आप इस डब्बे को कायम किये हुए हैं तब तक मुझे स्त्रियों की तकलीफों के लिए स्त्री होने के कारण कहना ही पड़ेगा। आप स्त्रियों के डब्बे में नहीं जाते और न आप को उन की कठिनाइयाँ ही मालूम हैं। इसलिये मेरा धर्म हो जाता है कि मैं आप के सामने उन सब तकलीफों को रखूँ।

दूसरी बात यह है कि उन स्त्रियों के साथ छोटे छोटे बच्चे भी हुआ करते हैं। जब जंक्शनों पर गाड़ी खड़ी होती है तो उन का नजारा देखने के लायक होता है। कुली और आदमी घुस कर थर्ड क्लास कम्पार्टमेंट में इस तरह सामान भरते हैं कि बच्चों को चोटें आ जाती हैं, स्त्रियाँ चिल्लाती हैं, पर उस की कोई परवाह नहीं की जाती। इन पर सामान भरा जाता है, आदमी अन्दर घुसते हैं और सामान के लिए धकापेल मचती है। क्या माननीय मंत्रीजी इस ओर ध्यान देंगे। मैं ने सुना है कि लेडी इन्स्पेक्टरस (Lady Inspectors) रखी गयी है कि वह जंक्शनों पर जा कर इस बात की तरफ देखें कि स्त्रियों को क्या तकलीफें हैं। पर मैं ने तो आज तक किसी इन्स्पेक्टर को किसी जंक्शन पर नहीं देखा। संसद् के अधिकांश सदस्य शायद फर्स्ट और सैकेंड क्लास में जाते हैं। इसलिये वह नहीं जानते, लेकिन मैं आज उन के सामने अर्ज करना चाहती हूँ कि मैं ज्यादातर थर्ड क्लास में ट्रैवेल (travel) करती हूँ क्योंकि जब मैं थर्ड क्लास में सफर न करूंगी तो मैं कैसे उन की कठिनाइयों को समझूंगी। मैं समझती हूँ कि हमारे बहुत से संसद् के सदस्य फर्स्ट और सैकेंड क्लास में सफर करते हैं वह थर्ड क्लास की कठिनाइयों को नहीं समझ सकते, उन को वह

अनुभव नहीं कर सकते। इस के अलावा मुझे यह भी कहना है कि आज स्त्रियों के डब्बे में पुरुष भी बैठ जाते हैं और चलती गाड़ी में चढ़ जाते हैं, अगर उन को रोका जाये, उन से कहा जाये कि भाई साहब, आप के लिये यह जगह नहीं है तो वह परवाह नहीं करते। जनाने डब्बों में जंजरें जरूर लगी रहती हैं जिस से स्त्रियाँ खतरे के वक्त उन को खींच सकें, लेकिन वह इतनी कड़ी है कि औरतों के खांचे नहीं खिंचता। मेरा तो उन से यह कहना है कि आप इन सब सुझावों पर ध्यान दें। अगर आप इन कठिनाइयों को दूर कर सकते हैं तो मैं कहूँगी शायद कि जो आप थोड़ा बहुत किराया बढ़ा रहे हैं उस के लिए हम लोगों के सामने जा कर यह प्रस्ताव रख सकेंगे आप लोगों को यह सुविधा दी जा रही है अगर थोड़ा बहुत किराया बढ़ाया जा रहा है तो कोई बहुत कठिन बात नहीं है, लेकिन फिर भी थर्ड क्लास का इतना किराया बढ़ाया जाना भी बहुत ज्यादा है। यदि वह सैकेंड क्लास और फर्स्ट क्लास में ही बढ़ाया जाता तो अधिक अच्छा होता क्योंकि थर्ड क्लास के बात्री अधिकतर मध्यम वर्ग के और बरीब लोग होते हैं। आज महंगाई के कारण उन को अपना जीवन बिताना दूभर हो गया है और उस के ऊपर यह और बोझ लादना मैं ठीक नहीं समझती।

मैं यह भी अर्ज करना चाहती हूँ कि थर्ड क्लास के मुसाफ़रों के लिये कोई वॉइंग रूम (waiting room) बंगरह भी नहीं है खास तौर से औरतों के लिए। जब सब को यहां से वहां आने जाने की सुविधायें हैं, और दूसरी तरह की सहूलियतें दी जा सकती हैं तो फिर स्त्रियों के लिए यह सहूलियतें क्यों न दी जायें। इस के लिए मैं माननीय मंत्री जी का ध्यान आर्कषित



## [ श्रीमती दीक्षित ]

करना चाहती हूँ और अन्य माननीय सदस्यों का भी ध्यान आकर्षित करना चाहती हूँ आप स्त्री और पुरुषों के भेद में न पड़ें, आप मानवता को लें। जिस प्रकार से एक मनुष्य को तकलीफ़ हो जाती है उसी प्रकार से दूसरे को भी हो सकती है। यदि आप इस ध्यान से देखें तो स्त्री पुरुष का भेद भाव मिट जायेगा। मुझ को इतना ही कहना है।

(English translation of the above speech)

**Shrimati Dixit (Madhya Pradesh):** Sir, listening to the debate that has taken place so far in the House, I find that almost all the hon. Members of the Parliament have praised the hon. Minister. But I feel that we should not attach much importance to the praise or otherwise of the members of the Parliament. The true glory would be when the public praise the Minister. Even in the old days it was a practice that the courtiers of the Kings always used to praise their master. But the sincere rulers who took interest in the well-being of their subjects, never heeded these courtiers and used to move about *incognito* in order to find out the difficulties and troubles of the people. I would like that sometimes our Minister, too, should go about *incognito* to have an idea of peoples' hardships and difficulties and to know how they are suffering in their administration.

So far as people are concerned, I think that they are not very happy over the activities of the Railways although they do seem to be somewhat satisfied. They feel this satisfaction on account of the punctuality that is now being observed by the Railways and on account of some other improvements as well. The workers and staff are also somewhat hopeful that the Railways are paying attention to their conditions. They feel that if not immediately but in the near future they would be better off and more attention would be paid to raise their moral standards. I am pleased to find that the hon. Minister has also given his attention to the workshops. With all that, I also know and everybody knows that in view of the alarming confusion in the international world, it is necessary that we should organise and manage our railways in a more efficient and better manner; because we have to depend on other countries for many machines, machine-parts and other things and if

there is any trouble, we may not be able to get these things easily or may not get them at all. But I am sorry to say that the hon. Minister has not referred to the improvement of Railways in his speech. In view of these things, I would like to say that the hon. Minister should also have paid due attention to that.

So far as increase in fares is concerned, the question is before the House for the last two days. The Railway is the only means by which people can be bound together in a compact manner and by which people can know more about their country by travelling from place to place. It is through Railways that we can come more in contact with our people and our land. From the point of view of increasing one's knowledge, it is also necessary that one should visit various places and see the many beautiful and wonderful things all over India. It can be possible only when means of transport are easily available and when adequate facilities are provided. The increase in railway fares by the Government means that people would travel less. I do not think it is proper that the people of India should be deprived of seeing the wonderful things of their own country and coming in closer contact with their motherland. Keeping all things in view I feel that this increase in fares is not fair. I would respectfully submit that the source of income described by the hon. Minister concerns the third class passengers. A large portion of that income is obtained from third class passengers. Therefore I ask as to what steps have been taken to improve conditions in third class compartments and what steps have been taken to provide more amenities to the public. It may be said that fans have been installed and a few better seats have also been provided. But I can only say, as my hon. friend, Shri Bhatt has said, that this is most inadequate in view of the overcrowding in compartments. The Government will have to pay more consideration towards providing facilities for those from whom so much fares are charged, and we should make a proposal for increasing fares only when adequate amenities are provided to the public.

My friend, Shri Musafir while talking about third class passengers, yesterday told us that there are stations where even water is not available. Summer season is approaching and therefore the need for water is all the more great because children also travel by trains and, of course, other passengers also require water. People

have to face many difficulties when they have no arrangement for water. It is generally seen that in third class compartments the railway staff and other responsible persons load their huge luggage along with the passengers just to save a small amount of money. I remember when I was coming from Damoh to Saugor last year, at Damoh station, so much luggage was loaded in the compartment that the way to lavatory was blocked and people could not even get down from the compartment. When a complaint was made to the Station Master, he also took no notice and said the luggage would be unloaded after two stations. He should have cared to realise as to what the people would do till that time.

So, there are many other things which I would like to tell you. The treatment of the railway staff with the third class passengers is none too good.

**Shri Harihar Nath Shastri** (Uttar Pradesh): It is better now.

**Shrimati Dixit**: It may be good with second class and first class passengers, because they fear that there may be Members of Parliament or some high railway officers in these compartments. But they do not go to third class compartments and never bother about the difficulties and hardships of passengers travelling in third class.

I will now draw the hon. Minister's attention to ladies compartments. I would submit to the hon. Minister that women's share in the fares paid to the Railway by third class passengers is also quite substantial. The Government charge the same fare from the women also. I do not find any reason why only two third class compartments for ladies should be attached resulting in greater hardships to them. Wherever it is written "To seat 13 persons", as many as fifty women sit there.

**The Minister of State for Finance** (Shri Tyagi): But women also sit in men's compartments.

**Shrimati Dixit**: Sir, this is right as Shri Tyagi said, that women also sit in men's compartments but the day the Government abolishes ladies compartments, there will not be any necessity of saying anything about women in particular on this subject. Sir, being a woman, I will have to give vent to their grievances so long as these separate compartments for ladies continue. The hon. Minister does not travel in ladies compartment and so he is not aware of their hardships. Therefore it becomes my duty to put their difficulties before the House.

Another point is that there are small children with these women. It is a sight worth seeing when a train stops at a particular station. Porters and passengers rush into these compartments and push their luggage inside in such a way that children get hurt and women begin to cry. But none cares for that. The luggage is thrown on their heads, passengers some how make their way in and a regular scuffle goes on to get the luggage inside the compartments. May I request the hon. Minister to take notice of this sad state of affairs.

I have heard that lady inspectors have been appointed to look into the difficulties of women passengers. But I have never seen any such inspector on any railway station. Most of the Members of Parliament travel in first and second class and therefore do not know what difficulties women have to undergo. But I would like to let the hon. Members know that I travel mostly in third class because unless I do that, I cannot understand their hardships. Most of the hon. Members cannot appreciate their difficulties. In addition to that, I have also to submit that men also get in ladies compartments these days and they board the train when it is in motion and if one stops them from doing so, they never care. Of course, there are alarm chains in ladies compartments, but they are so tight that women cannot pull them. I have only to say that the Government must pay attention to all this. If these difficulties are removed we can at least say to the people that they are being provided with more amenities and therefore they should not mind paying a little more. But even then, this increase in third class fares is too much. It would have been better to increase second and first class fares because passengers in third class belong mostly to middle class and poor class of people. Already they are finding it difficult to make their both ends meet due to extreme dearthness and I do not think it proper to put this extra burden on them.

I also wish to say that there are no waiting rooms for third class passengers, especially for women. When facilities can be provided for others, why should women alone be deprived of them. Therefore, I wish to draw the attention of the hon. Minister and other hon. Members to these facts. There should be made no distinction between man and woman. They should both be taken as human beings. Their sufferings and difficulties are alike. If one looks at it more closely, this distinction between man and woman will disappear.

**Shri Jainarain Vyas (Rajasthan):** I take a hint from my sister and I do not want to burden the old shoulders of the hon. Minister for Railways or comparatively younger shoulders of my friend, Mr. Santhanam, who looks very exhausted after he has joined the Treasury Benches by putting more praises and compliments on them. I would also not go into details because I propose to leave it to other gentlemen. I will restrict myself to a small sphere, the State of Rajasthan from which I come, so that I may utilize my time easily for a particular cause. That does not mean that I am a provincial man or I believe in Provincialism. I have very little time and I cannot go beyond that sphere.

I must say one word and that is that **Shri Gopalaswami** is very fortunate. When we took over in August 1947 and prepared our first budget up to March 1948, we had no surplus. Perhaps we had more than Rs. 2 crores minus surplus at that time. All the budgets that **Shri Gopalaswami** presented are surplus budgets. He anticipated Rs. 9 crores in 1949-50 but he got more than Rs. 14 crores. He anticipated over Rs. 14 crores in 1950-51 and I hope when the actuals are calculated, he may get something more. This year he has jumped to 21 crores 85 lakhs. It is a big surplus and I would not be wrong if I expect that this surplus would be utilized in the interests of the States, in the interests of the labour, in the interests of passengers and in the interests of all concerned.

**An Hon. Member:** That is what is being done.

**Shri Jainarain Vyas:** I will now just say a word; I would be ungrateful if I do not say that things have improved, generally in the matter of coaching, in the matter of supply of wagons, in the matter of checking of ticketless passengers etc. One thing I would say about wagons. The Railway Enquiry Committee which gave its report in 1947 gave a hint that corruption was there in the matter of supply of wagons. I may just hint to the hon. Minister, Sir, that corruption still exists as it exists in so many branches of public administration. I would request the hon. Minister to see that this corruption dwindles down, if not reduced to zero.

Now, I come to Rajasthan. I am thankful to the hon. Minister for a couple of things which he has done for us. He has provided for Rs. 20 lakhs for a Railway extension from Sanganeer to Deoli. He has provided for 20 more carriages, seven third-class, four composites, 9 others and two goods wagons.

These things and some petty amenities granted to the public are not sufficient. One reason for this inadequacy is that the Railway Department has not begun to think fully in the light of All India when they consider the question of States which have been integrated with the All India Railway System during the last two years. As a matter of fact, some of the staff have not got the local knowledge of men and matters there and they cannot understand the needs and demands of the people of different States. As such it is just possible that they cannot go into the details of what we require. I would therefore make a few suggestions. I hope that our hon. Minister who has already hinted that he is going to retire after presenting the third and last budget will take these suggestions into consideration before he retires and hands over his portfolio to some younger man or may be some older man as the House may choose at that time. I would just tell my hon. friend that this integration affair is not a new one. This was being talked of in the old old days. In the Round Table Conference as our representative **Sir Ganga Singh Maharaja of Bikaner** went to England and discussed the integration of Railways there. At that time he was of the opinion that the main lines should go to the Centre but inter and intra States communications should be left to the States, so that the States may develop those communications in the interest of the economic development of the States concerned. Now, Sir, much water has flown in the Ganga after that and we have integrated fully. I can tell you what **Sir Ganga Singh** said cannot be questioned. He had some suspicion lurking in his head and that suspicion was that after the Railways are handed over to the Centre, the States may suffer. As a matter of fact we have already given as far as Rajputana is concerned, something more than Rs. 25 crores in the form of assets. Now we have a right to expect from the hon. Minister and the Government of India that we should not be ignored and our economic development should not be ignored, as it has been done. I am afraid in the present Budget. Then, Sir, I come to the new lines. Some of these lines have been surveyed; some of these lines were shown as under construction; some of these lines were provided for. I will now tell and let my hon. friend **Mr. Sidhva** know what we want.

Before I go to these new lines, I shall give one example of how indifferently the people of the States are being treated. I will take up the country very near Sindh to which **Mr. Sidhva** belongs. After the integration, we find

that the water supply, which the Jodhpur Railway used to make to the desert areas, has been stopped. When we asked about it, we were told that since the Central Government has taken over the Railway, the water which the Jodhpur Railway used to supply cannot be supplied now. This is wrong. When you took over the Railway, it was your duty to see that the water supply which the Jodhpur Railway was making is continued. Due provision should be made for the amenities which those Railways used to give in the old days.

Coming to the new lines, I may tell you, Sir, that there can be a small line of 15 miles from Badi Sadri to Neemuch. Sanction for this was refused because it would adversely affect the economy of the B.B. & C.I. Railway. I say a distance of 15 miles is nothing. If this line is laid, Udaipur could be connected with the main line running from Rutlam to Ajmer. The second line that I would like to bring to your notice is the Chittor-Kotah line. That was under correspondence between the old Rajasthan Government and the Government of India. Some money was spent on survey of the line also. I do not want to say anything here about the causes due to which this line was not constructed. I would only just submit that this line should be constructed in order to facilitate traffic as well as to give economic relief to the people of those areas.

Then, Sir, I take up the Kandla-Deesa line. This line was surveyed some time ago by the Government of Jodhpur and a lot of money was also spent over that. After a few years, the Government of India said that they would survey this line and they took all the maps and charts which the Jodhpur Government had prepared. They surveyed the line up to Deesa and I hope this line is under construction or would be put under construction. But, they have left out one thing: a small distance of forty miles between Deesa and Raniwara. If Raniwara on the Jodhpur Railway is connected, Rajasthan will be connected by sea through Kandla. I do not know why this small portion has been left out. I hope this sort of partiality will not be observed against the States and in favour of the Central Government. There is no difference now between the States and the Centre. I think this has been left out because it is a B Class State.

Then, Sir, near about the Jaisalmer, there are two lines: Pokaran-Jaisalmer, and Phalodhi-Kolayat. These lines were under survey, as I could read from the pamphlet supplied by the Railway

Ministry along with the Budget. It is "Railways in 1949-50." I do not know why they have not made provision this year for them. These are very important lines. Jaisalmer is on the Pakistan border. If you connect Pokaran and Jaisalmer, and Phalodhi and Kolayat, it will provide communication in the heart of the western part of Rajputana, which will facilitate your military movements at least, if not operations. If you are interested in the development of mines, I can assure you that you can find in this area Bentonite, Fullers earth, and fire clay deposits with a depth of 200 feet near about Jaisalmer. I would even go a step further and say, if you are inclined to accept my suggestion, that you should join Barmer and Jaisalmer via Gunga where you will find lignite deposits. If you make more efforts, you may also find petrol there. I cannot make any promise in regard to petrol at the present moment. If you could only construct these lines, as it was in contemplation in those older days, I think you will do a lot of good to India and to that State in particular.

3 P.M.

I shall now come to the agitation in which the railway staff is indulging. I may say that I have just received a hand-bill, saying that a public meeting is going to be held in Bikaner about dearness allowance. What my hon. friends said about dearness allowance in the other Railways, I wish to repeat about these Railways in Rajputana which have not yet been given dearness allowance.

Sir, I must also bring to your notice a couple of things. I shall finish in two minutes. Rajasthan has been ignored in the matter of amenities to Railway staff, like reading rooms, sports grounds, etc. For example, Bikaner gets Rs. 63,000, Dholpur gets Rs. 50,000; but old Rajasthan, Jaipur and Jodhpur get nothing. There is no provision for reading rooms and sports grounds. In the same way, for the improvement of health and children's welfare, etc., Bikaner gets Rs. 40,000, and Dholpur gets Rs. 1,000, Jaipur gets Rs. 11,000 and Jodhpur Rs. 30,000. Nothing has been provided for old Rajasthan. In the same way, Old Rajasthan has been ignored in the matter of sanitation also. I would request the hon. Minister to take the plight of Old Rajasthan into consideration and provide sufficient amenities which they deserve.

I do not want to go further into the details, although I wanted to say more. Just as I said at the beginning, I would restrict myself to these points and I would repeat my request to the hon.

[Shri Jahnarain Vyas]

Mr. Gopalaswami and Mr. Santhanam to go into these suggestions and accept them before the hon. Mr. Gopalaswami retires.

**Shri C. Subramaniam (Madras):** There has been a good deal of criticism both inside and outside the House regarding this Budget. In my view, much of this criticism is quite off the mark. In considering a Budget, we should not consider it in the same way as we look at the balance sheet of a company. The Budget whether it is the Railway Budget or the General Budget is something more than a balance sheet. It has got an objective behind it and also it lays down a programme and a policy for the purpose of reaching that objective. Further it goes, and provides the ways and means for the purpose of working out that programme. If we view this Budget in all these aspects, I am sure, not only in this House, but outside also, the critics would agree that there could be no better Budget and that the proposals made herein are quite fair and quite equitable too, to all sections of the country.

The objective which the hon. Minister has placed before us, as you all know, is the rehabilitation of Railways and their expansion to a certain extent. First, we have got to see whether we agree with this objective. As far as rehabilitation is concerned, the hon. Minister has given us a vivid picture of how during the pre-war days, when the depression set in, the Railways suffered and how the strain, through which the country passed, during war time, put the Railways completely out of gear. When we were about to execute our post-war plans, the Partition came and further upset the things. Therefore the deterioration was almost complete in our railway system and it was such a system that we took over. Therefore it was essential that rehabilitation should be done to such an extent that all the complaints which we have been hearing in this House and outside are no longer made, that there is no room for any such complaints. But when considering this question of rehabilitation, we have to take one important factor into account and this has been stressed by the hon. Minister also here and elsewhere. The railways are a running concern and in the very process of running deterioration sets in every day. Therefore you have to reach a certain standard or pace of rehabilitation which will enable you to not only catch up with this current deterioration but actually overtake it. Otherwise you will never reach the target or level of rehabilitation we aim at. So with that object in view the hon. Minister has placed

before the House a programme of work to be put through within a certain period. He has said that by the year 1955, the entire rehabilitation should be over. With this programme there has been no criticism either in this House or outside, either about the target aimed at or the plan of work suggested. That being so we have to look at this policy and programme which the hon. Minister has laid before us. It is a programme of a very large magnitude. It is said that we should be able to acquire 1,260 locomotives by 1950-1955 and then as far as wagons are concerned, the acquisition should be of the order of 12,000 to 13,000 a year in the next five years. And of coaches—four-wheelers—we should have 1,500 per annum. Do we agree or not with these targets and this programme? Well, there has been no criticism about these, absolutely none. Therefore, so far as this is concerned the House and the people outside agree to this programme. That being so, if we agree with this, then we should see how to provide the necessary funds for this purpose. That is the next thing we have to consider.

Of course there is this other aspect of the question also, namely, are we satisfied with the existing railway lines? Are they sufficient, or should there be at least some expansion? The hon. Member who spoke just before me mentioned about Rajasthan. Well, Rajasthan is not the only place where there is lack of railway lines. The country is so vast that even if we double or even treble our mileage of railway, it will not be quite sufficient. Therefore, it is agreed that there should be a programme for expansion also. We have to provide for that also. And in the current year, what has been provided in this direction? It is a meagre sum of Rs. 2½ crores for new lines. Therefore, if we agree with these objectives in the matter of rehabilitation and, in the matter of expansion the hon. Railway Minister should be provided with the funds necessary for the purpose so that he may be able to carry out this plan and programme. It has been said that this programme will entail a capital expenditure of about Rs. 66 crores this year. About this there has been no criticism.

**Dr. Deshmukh:** The amount should be raised by loans.

**Shri C. Subramaniam:** I am just coming to that aspect of the question. Well, as far as the capital programme for Rs. 66 crores is concerned, there has been no difference of opinion expressed or no dispute. Then the question to be considered is, how to raise this

sum. If there is to be no increase in the fares and if we estimate on the existing levels of fares, the hon. Minister has said that we would have to draw from the general finances about Rs. 20 crores more. It may be railway money or anybody else's money. But the money has to come from there. Otherwise, as I have said, the pace of rehabilitation will have to be reduced. There will be further deterioration and as was said just now, we will only be putting the reverse gear and going back. So we have to find this sum of Rs. 20 crores and how to find it is the question. My hon. friend Dr. Deshmukh just now suggested, "Why not find it elsewhere?" We can. As a matter of fact, we have got our depreciation reserve fund. We have also the development fund and other funds. But when considering this question, we have to consider the general economic position of the country. It is only as a matter of convenience that we have separated budgets, one for the Railways and the other for general finance. After all, if you look at the Constitution, there is no provision there for such separate budgets. There is no such thing as Railway Finance and General Finance. It is only one Consolidated Fund of India. It is only for the sake of convenience that we have separated the two and we are also presenting the Budget in two parts, if I may say so, one for the Railways and the other for general finances. So we cannot simply say, that so much is available in the railway funds and therefore, let us utilise it. We have to take into consideration the general economic position in the country. When we do that, we find that it is impossible to draw any money from the general finances. That is not possible, in the present financial position of the country, under the conditions prevailing at present. And are we to blame the Railway Minister for that? Or for the matter of that, are we to blame the hon. Finance Minister or anybody else? The economic condition in the country is such that we cannot draw any money from general finances. Then how is this sum of Rs. 20 crores to be found? The only way open to us is to get the money by raising the fares on our railways. Otherwise we have to say, "let there be no rehabilitation. Let there be no expansion." Unless we are prepared to say that, you have got to find this sum of Rs. 20 crores in the way that has been suggested. There is no other way. In making this increase in the fares, we have to see if we are placing too great a burden on the ordinary people, the travelling public. Sir, my own view is that the travelling public is not in such a hopeless position that they will not be able to bear this additional fare. After all, as we all know,

the entire population of the country is not travelling. It is only a portion of the population, belonging to certain sections of it, that travel in trains. And these are much better off than the ordinary people who have not even seen a railway train. Such being the case, my view is that this additional burden is not such as these people cannot bear. Therefore the proposal has been made that the fares should be increased.

Then comes the question, why not raise the fares of the upper classes to a greater extent. Unfortunately in the upper classes, the law of diminishing returns operates at once. As a matter of fact, if you further increase the upper class fares, there will be a decrease in the receipts. The revenue derived from them will go down. And so inevitably you have to increase the fares of the third and inter-classes, that being the only way open. If we do not object to the objective, if we do not object to the rehabilitation, if we do not object to the programme and policy laid down by the Railway Minister, then I am really unable to understand the criticism made against this portion of the Budget speech—the ways and means position, where he wants to raise the fares. That cannot be. There is no other alternative for raising this amount. I therefore trust that this House and the country will agree to bear this burden willingly so that our Railways may be put on a sound position. Whatever may be the immediate reaction. Of course nobody likes or is happy when asked to pay a little more for services he has been receiving, but, I have no doubt, posterity will bless the Railway Minister, for his farsighted statesmanship and administrative ability in putting our Railways on a strong foundation and secure footing.

**Shri Heda (Hyderabad):** At the outset I join hands with those hon. Members who have paid compliments to the Railway Ministry for the improvement and efficiency in the Railway administration. Sir, I happen to belong to a Part B State and there is a particular point in my giving this compliment to the hon. Minister, because the Railway Minister happens to hold the portfolio relating to the States and I hope and trust that in the same way, as he has improved the conditions and efficiency of the Railways he would also improve the conditions that obtain in Part B and Part C. States.

Now coming to the Railway Budget I might say that I have read it and all the volume of papers supplied to us as a layman. My impression is that of a man of a commonsense and I feel that the mode of presenting the budget is not without defects. There are certain

[Shri Heda]

defects and I think I may offer certain comments and suggestions and I hope the Railway Ministers who are concerned with them will take note of them and look at them from the commonsense point of view and not through the eyes of expert opinion and knowledge or experienced officers and their recommendations.

The railways are a national utility service and as such the service is bound to pass through three stages. In the first or initial stage I envisage that the railways may run in a loss and yet they are necessary for the all-round economic progress of the country. I think so far as the railways are concerned, which have to be run as a national utility service in spite of losses, the stage has come when at least they can be run on a commercial basis. When I say this I may add that there are two points which have to be borne in mind. One thing is already there, and that is the 4 per cent. dividend. Whatever amount is as a capital at charge it should pay some dividend in the shape of interest of loan otherwise dividend. Also a concern which runs on a commercial basis has to pay at least 2 per cent. of its capital every year towards the capital so that in the long range of 50 years the whole of the capital could be made up. The third stage begins when the commercial concern begins to earn well. At that stage the Government will have a good return and Government can lay its hands on its earnings.

If in the light of these suggestions I look at the hon. Minister's speech I feel that he is not certain whether the conditions of the railways is such that they can be taken to have passed from the first to the second stage. On page 11 of his speech he says:

"I have throughout, however, held the view that the separation of Railway from General finance should not extend to the point of demanding that Railways should bank on their own outside the Government."

From this it is clear that he does not think that the time has come when the railways can stand on their own legs and that they can be run on a commercial basis without losses or aid from Government's general finances. I do not want to quote him from here and there but if you look at the whole speech you will feel, that he had been painting a rosy picture when he said that this year at last we have earned very well and that we are in surplus. At one stage he says that we are earning well and at another he says

that we are not able to stand on our own legs. These two statements go against each other.

**Shri Gopalswami:** May I point out to the hon. Member that I was referring to banking outside Government. I do not think the inference is justified that we are not standing on our own legs. That was not my statement.

**Shri Heda:** By "standing on our own legs" I mean all expenses that are necessary and which he envisages in this budget. That sentence clearly shows that for the efficient running of the railways and for the plans he has got, the Ministry feels that their resources are not sufficient.

On page 19 the hon. Minister has said:

"The ways and means position of the Government is, however, so inadequate that both the withdrawals and the advance will have to be financed almost entirely out of the contributions we shall be making in the budget year to all our three earmarked Funds. But for our being in a position to do so, we would have drastically to curtail our programme of expenditure of a capital nature by something over 20 crores."

He means to say that even the Government is not in a position to pay the railways in an adequate measure. At one stage he says that the railways are running well and earning well and that they can stand on their own legs. At another stage he says that the general finance is not in a position to help the railways adequately. I think it is time that we enter into the second stage to which I have already referred. We should envisage a stage when the railways would be separated from general finance and the Railway Budget would be entirely independent of the general Budget. Today we are neither Independent nor fully dependent: we are passing through a transitory period.

I went very carefully through the Resolution on the Convention. The position there is also not quite clear. I would request the Railway Ministers to think on this problem. As the government are envisaging a State Finance Corporation, let us have a Finance Corporation for Railways independently. It will of course be responsible to this House as well as to the other House when it comes into being after the elections. If we take into account what has not been taken into account, namely the return of the capital, and if we finance our own

programme, the whole picture of the Budget would have been different. The picture would have been one of deficit and not of surplus. I still think that we are running the railways with no profits we are running them at a loss, however meagre it may be.....

**Shri Santhanam:** Does the hon. Member mean that we should debit all capital expenditure to revenue expenditure?

**Shri Heda:** I have already said that it should be 2 per cent. of the capital spent. When I say that the railways should be run on a commercial basis I mean that some portion of the capital must be returned every year.

**Mr. Deputy-Speaker:** There is the depreciation fund provided for.

**Shri Heda:** Depreciation is for wear and tear and not for making up the capital or replacing the capital.

So if that had been done this Budget would not have appeared a surplus Budget but a deficit Budget. If the Railway Minister had come with that deficit picture he would have been justified in the increase of fares. I feel that the increase in fares is justified because after scrutiny of the budget I find that we are not having a surplus but rather a deficit budget.

Yesterday an hon. friend made a fiery speech in Hindi and I am quite certain that his party members would make similar speeches in thousands of places all over India to audiences comprising of thousands of people. These speeches will certainly go home because whatever be the facts they are presented in such a way that they do go home. You say you are having a surplus but at the same time you want more finances. These two things do not go together and I think it is psychologically not a commendable way to present a surplus budget and ask for more finance.

Therefore, Government should consider making the Railway Budget quite independent. Certainly if difficult times come you can lay your hands on all the resources available and can ask for help from Railway finances when there is no other alternative.

Then, I quite agree with the increase in third-class fares. But what about the first class? The increase there is not equitable. At one time we were paying 32 pies per mile for the first class, then it was brought down to 24 pies and now you are taking it up to 27 pies. If you take the rate which

prevailed some years ago, in fact you will find that in the case of the first-class we have decreased and not increased the rates. But when we come to the third-class fares we find you have increased the fare from four pies to six pies. Of course, the hon. Minister will say that in the case of first-class there is a competition from the air services and so the fares cannot be too high. But the complaint from the air companies is that our first-class fares are so low that they have to keep lower air fares for themselves. Sir, if the Ministry takes courage in both hands and increases the first-class fare from 27 to 32 pies and ask the different airways to increase their fares if necessary—though I do not think it will be necessary because even with an increase to 32 pies the airways will not be able to compete—then Government's action will be justified and the common man will feel that Government wanted more finances and had, therefore, to increase the fares all over. I know that by increasing the fare in the higher classes you do not get much, that you get much only in an increase in the third-class fares, but even then an increase in the first-class fare would mean a few additional lakhs over and above the Rs. 19 crores. Whatever that sum may be you must try to get it. Therefore, on principle I think the present increase of 3 pies in the first-class fare is not an increase but a decrease which is not justifiable.

**Dr. Ram Subhag Singh (Bihar):** I listened to the speech of hon. Shri Gopalswami Ayyangar very carefully and I do admit that under his cautious and careful guidance our Railways have made some definite improvements. The Railway Administration has improved, the gross earnings have increased, passengers are getting a few guides, trains are arriving in time, and the railway employees too are comparatively satisfied. These are very proud achievements under the present circumstances and for these the hon. Shri Gopalswami Ayyangar and his able lieutenant, the hon. Shri Santhanam, deserve due thanks.

The Budget under discussion is going to contribute about Rs. 33 crores to the general revenues. It will also meet the miscellaneous expenditure of Rs. 7 crores and odd. Besides these, it will leave a very handsome surplus of Rs. 21.85 crores for the Development Fund and the Revenue Reserve Fund. If we look through the Budget in this light we will find that what the hon. Minister said about the working of the Railways that our Railways have done definitely better and will do better and better in future, seems quite justified.



[Dr. Ram Subhag Singh]

But let us see whether his analysis is correct or not.

We can analyse the working of the Railways on two grounds: on the basis of passenger's satisfaction, and on the basis of railway employees' satisfaction. When we analyse it from the first standpoint we will have to keep in view the question whether the services rendered to passengers are adequate or not. These services will include proper and adequate accommodation and more amenities, for example, better lavatories, better drinking water facilities, cheap food etc. In regard to the second ground of analysis, we should see whether the services rendered by the railway employees are properly paid.

Coming to the first point, I would say that the third-class passengers are denied even their due share of seating accommodation. In all cases you can find that too many passengers sit on one bench and many have to keep standing. In spite of that all of them are charged full fare. And according to the present proposals every one of these passengers will be charged one pie more per mile. Actually it will come to charging four tickets for one third-class seat. This I believe is a great injustice to the third-class passenger.

Looking at the Budget from the amenities point of view, I would say that the lavatories in the third and even in inter-class compartments are dirty and nauseating. As regards drinking water, I should say that when the passengers have no accommodation to sit and have to stand in a corner in a crowd, how can they go out for getting drinking water which, it is said in the Budget, the Railways are providing? Besides I do not see any provision for cheap food for these third-class passengers. Considering the question from all these viewpoints, I should say that the passengers are not satisfied.

Then I come to my second ground of analysis, that is whether the railway employees are satisfied. I do not wish to enter into any discussion just now regarding increase in salaries of railway employees, but I do urge emphatically that the dearness allowance of railway employees should be increased in proportion to the rise in prices. Besides, the salaries of railway employees should be paid in time. I have come across several cases in Danapur Division of E. I. Railway where several employees had not received their salaries for about six months or so. In that connection I

would read out a few lines from a letter which I received recently:—

इसमें लिखा है .

खेद है कि आज दानापुर डिवीजन के उच्च रेलवे अधिकारी कम वेतन पाने वाले रेलवे कर्मचारियों पर मनमानी अत्याचार कर रहे हैं। आज दानापुर बाक्स में भ्रष्टाचार का बोलबाला है। कर्मचारी जो मृष्टाचार के विरुद्ध हैं उन्हें अनेकों प्रकार से सताया जा रहा है। यहां तक कि आठ और नव माह पहले का वेतन भी उन्हें नहीं मिला है।

[Therein it is mentioned:

It is regretted to note that the Superior Railway officers of the Danapur Division are creating a hell for the low paid junior staff of the railway. Today corruption is rampant in the entire Danapur office. The officers who oppose this corruption are harassed in one way or the other, so much so that they have not been paid salaries for the last eight or nine months.]

In this way serious complaints exist against the Railways. They have represented these difficulties to their superior authorities and I am sure even the hon. Railway Minister might have received their representations. Apart from that various kinds of malpractices are indulged in that Division. If that is the case in one Railway it is possible at that that state of affairs might exist all over the Railways. I have a long list of such malpractices but I would read out only a few lines from this list. I had received it from the E. I. Railwaymen's Congress.

"Besides the individual cases of malpractices cited above, a few cases of a general nature are noted below. Cases of malpractices in respect of transfer of Asst. Stationmasters are rampant and complaints are pouring in from a large number of Asstt. Stationmasters. Junior Asst. Stationmasters are posted at paying stations for considerations unknown whereas senior Asstt. Stationmasters are forced to rot on the roadside stations. Such occurrences have occurred with guards and other railway employees too."

I think, Sir, such malpractices should be immediately rooted out and whoever is found responsible for them should be sternly dealt with.

Turning to the running of more trains, I am afraid the Railway Ministry has not kept its promise. I know at least one case for definite and that is about the extension of the Patna-Arrah shuttle to Buxar. It was a year ago that the Railway Ministry said that it was going to extend that shuttle to Buxar. This has not yet materialised. Unless these things are expedited, it would be a sad commentary on our Railway Administration.

Government should not forget that they are in the position of monopolists as far as Railways are concerned. If any public utility concern run privately deny proper facilities, Government might intervene, but here since the Government are themselves the sole monarch the situation is not altered.

Now, a word about railway finance. When I analyse the financial aspect of our Railways, I find that railway fares have been treated as a "tax" on the people rather than as a "price" for the service rendered by a public utility concern. I think it is very absurd to treat the railway fare as a "tax" on the people. It is more so when that "tax" is regressive in this age of progressivism. If the Government wanted to treat railway fares as a method of taxing the people, they should have prepared the country for it and declared this policy openly. But they did not do it. Even in enhancing the fares, the Railway Ministry should follow well recognised canons of public finance, i.e. equity in taxation. They should observe the principle of equity in taxation. But they did not do this either. The increase has been justified, in the words of the Railway Minister, because they wanted to help Government in the present economic situation. But even this expectation will not be served wholly. The argument that the amount will be returned when the ways and means position of Government improves is very unsound in principle, because it lays the foundation of a very retrograde policy. Such a policy is very dangerous for any country and more so for ours. We devalued our currency and while we are suffering other people whom we thought would be economically worse off are now on a better economic footing than ourselves. It is difficult to forecast in what manner and by what time the ways and means position of Government would improve and this money will come back to the Railways. Secondly, this generation of railway passengers is required to pay for future

railway development. Although they get inferior quality of railway service, they are asked to sacrifice in the form of higher fares. These are things which require careful consideration. I fervently hope that the Railway Minister will heed the points I have urged and do the needful.

**Shri Jagannath Das (Orissa):** It is rather boring to congratulate the hon. the Railway Minister after hearing so many congratulations from Members of this House. Yet, I would congratulate our two Railway Ministers on the bold way in which they have correctly stated the economic position of the railway finance and still have come forward with a proposal to increase the railway fares, which will bring in a large amount of revenue to the Railways which may in turn help the Railway Minister to rehabilitate and re-organise the Railways. In all commercial concerns there is a boom period and if the Railway Minister does not take advantage of this boom, he will have reason to repent later. The Railways may now give this amount which they get from railway revenues to general revenues, but I have no doubt that they will get it back when they require it in future. I am sure that if they do not require it this year they will surely require it next year. This has been proved by my hon. friend Mr. Subramaniam here in this House some time ago. The economic position of the country and of the travelling public is not so low as to elicit so much care from so many Members of this House. Some Members said that this is a parting kick of the Railway Minister. I say that this is not a parting kick but it is a definite blessing for posterity. People have got so much money in their hands now that they fritter it away in buying trifling things like cheap toilets and cosmetics. If the Railway Minister for a utility concern tries to draw something out of this great flow which is going to foreign countries every year, is he not to be congratulated?

**Some Hon. Members: No.**

**Shri Jagannath Das:** Now, Sir, I come to the expansion of Railways. Speaking for my province, I should ask the Minister to reconsider the position. My province is very underdeveloped and recently so many States have been integrated into it that it increases the responsibility of developing it fourfold. I know that the Railway Minister who is the States Minister also realises his responsibilities and he is aware that for

[Shri Jagannath Das]

economic improvement and increased output of agricultural produce, require that railway lines should be extended to the interior. If you look at the railway map of Orissa, you will see that the railways only touch the borders with some juttings in and around Sambalpur and Parlakimedi. A few months ago, in reply to a question, Mr. Santhanam stated that as the iron works project of Bonai State has been postponed, the extension will not be carried out. Sir, that is not the question. The question is that we should see what is the condition of the people and the resources which are situated in those trackless areas. They badly need extension of railways. This should be taken into consideration by the Railway Minister.

As regards the scheme of regrouping, I am sorry some hon. Members of this House have expressed themselves against it. In my opinion that is the most correct and logical scheme from the point of view of administrative efficiency. I am very glad that the hon. Minister has started the scheme with the regrouping of the Southern Zone, by the experience of which we will be benefitted in regard to the regrouping of other zones. The criticism of vested interests should not deter us from proceeding with this scheme. I earnestly hope that the present Railway Minister will lay the foundation stone of the system of regrouping, without breaking the homogeneity of the country, which may result not only in economy but also in efficiency. I would be failing in my duty if I did not express our gratitude for which Mr. Santhanam who has done so much for the improvement in the administration of the railways. I would however ask him to bear more in mind the amenities of third and inter class passengers which he proposes to look to in near future. When this is done all the criticism now they receive will turn into praise.

In regard to the proposal relating to the abolition of the post of Chief Commissioner I entirely agree with my hon. friend Pandit Kunzru. Though it will not bring in such economy, but it will surely take away an officer who is the co-ordinating head of the whole system, both on the administrative as well as on the operational side. Before I sit down I join in the encomium paid to Mr. Bakhle, the Chief Commissioner of Railways, who is shortly leaving the post. I would request the railway

administration to take advantage of his experience and guidance in future, wherever he may be.

**Shri Ramaswamy Naidu (Madras):**  
It would be presumptuous on my part to try to congratulate the hon. Minister for Railways for what has been achieved by the Railway administration. His own description of the nature of achievement was that the Railways, as promised, have done better. I have no doubt the House will agree with me that it is a modest way of describing the overall achievement, but no doubt you will all admit that modesty is the most essential and vital virtue of any machine with a carrying capacity.

The Railways have done better, Sir, not only in the yield of a substantial dividend, but in the matter of frequent and punctual running of trains, in internal administration, and in the bearing of railway officials towards the public.

The Railways this year have earned a magnanimous dividend. This has really to be appreciated in a poor country like ours. The number of trains both Through and Suburban, as well as trains connecting intermediate stations have been increased. Trains run almost to time which has to be appreciated in a country where punctuality is not the common sin of a gentleman. I am glad to say, Sir, that many malpractices common in the railway officials have almost disappeared. We need not pay any extra for purchasing our tickets. We cannot travel without a ticket with the connivance of the Travelling Ticket Examiner. Of course, we are enjoying the small benefit of being on the platform without purchasing a ticket; and on occasions, Sir, when our Ministers come by trains quite a lot of us are there. But I am sure my hon. colleagues would like it be prevented. These, perhaps, Sir, are small amenities appurtenant to our position and to our men being in the Ministry.

We see politeness and consideration on the part of the Railway officials everywhere. Were we to ask any railway official in the good old days about the arrival time of a train he would simply ask us to refer to the time table or wait for the issue of tickets. If any person complained that he is suffering from some inconvenience in the compartment, the guard or for the matter of that any official would promptly reply that he

has not bought the whole train by purchasing a single ticket. Now-a-days you are told that such and such a train arrives at such time in such platforms, that the inconvenience is due to such and such a cause and will try to remove it at the next station. Such politeness and considerate behaviour on the part of the railway officials make one feel that he is being treated as a human being and the railway servant is one of your brethren and the railway is a concern of yours. The feeling that the railway officials are there to help us travel more comfortably creates an idea in you that the Railway administration is not a mere commercial concern.

But much has still to be done. The measure of amenities to be provided should not be determined by the standard of the poor man sitting in the dust. It should not be argued that the provision of a neat flooring in a platform is a better sitting place than the dusty roads; the provision of a hard wooden bench in the compartment is better than the mat on which he is used to sit. It may be argued that a third class passenger who is a ryot or worker can afford to stand a few minutes in the hot sun for a train. I submit that this argument is wrong. The standard of amenities that we should provide must be the standard with which we should provide him to compare favourably with the ordinary man of a foreign country. We should aim at an abstract standard and accustom our common man to it. There should be no lowering or a comparison with lower standards.

Improvements in the following directions should be attempted. All the big railway stations should have covered platforms. Wherever water is available all the lavatories should be of the flush out type. Bath rooms—not open taps—should be provided for third class passengers. Round about the waiting halls and throughout the length of the platforms benches should be provided.

In the compartments there should be more knee space. In the 3rd Class and in some trains in the Inter Class Compartments, there is no knee space in between the seats. Legs of persons sitting in opposite seats have to be interlocked or dovetailed. Would the hon. Ministers like their families in such compartments? The fact that the Railway Minister and authorities have no occasion or necessity to travel in such compartments is perhaps the reason for the continuance of this nuisance. One finds it

very difficult to restrain an angry word, if not a nasty one at the Railway administration especially when his ladies are travelling in the compartment. This, Sir, should be rectified.

There is overcrowding in the trains, especially in the suburban trains. It passes one's comprehension that there should be overcrowding even at the starting point of a train. Could not the administration prevent it. Why should tickets be issued indiscriminately?

But, Sir, the hon. Minister for Railways—as the fabled hero—has set his hands to the cleansing of the Aegean Stables. It is an uphill task. Most of the rubbish has been removed and given time, I am sure, the stable will be cleaned completely. We ardently hope, Sir, that the thunderbolt which he has held out to us—of getting out—will not be really hurled till he has put the whole house in order.

The hon. Minister of State for Railways has been abused rightly or wrongly for curtailing certain amenities of his fellow passengers, not in the first class or saloons in which he travels—but in the second and Inter classes. The Second Class seats were sawed and cut and a few inches of wood and berth were saved. The steps to get up have been removed in some and last of all the railings in the upper berth in most of the second class compartments have been removed. The upper berths in Inter were deprived of the cushions. To what use have these few inches of sawed wood and cut berths and the railings been put or could be put, it passes one's comprehension. One really is tempted to ask what would be the savings for the Railways by simply spending some money in reducing the size, safety, appearance and comfort of the seats. Really the work has earned the originator its reward—they have come to be called "Santhanam's seats". Perhaps the workmen exceeded the instructions. Perhaps the officers misunderstood the instructions and the hon. Minister had no time or information to stop the vandalism in time.

**Mr. Deputy-Speaker:** Is it not all ancient history now?

**Shri Ramaswamy Naidu:** Anyhow the mischief has been done. The labour in India has acquitted itself very creditably. There have been no strikes. They have been apparently satisfied with their conditions. They are conscious of the national nature of the undertaking. One should hope that the demand for wages would be

[Shri Ramaswamy Naidu]

equated to the nature of services rendered and a decent standard of living and not to the volume of dividends earned. I will be failing in my duty if I do not complement the staff, workers and their leaders.

We are glad to learn, Sir, that we will be having our own locomotive to haul our trains. The Chittaranjan Locomotive Factory which began life on 26th January, 1950, has delivered the first locomotive which steamed out on 1st November, 1950, christened by our President. It is good and pleasing to remember that the first delivery is precisely to human schedule and that shows the vigour and drive in the apparently old man at the helm of affairs.

A word about regrouping. Regrouping is a pattern approved by all the Railways in the world. We hope our hon. Minister will see to it that the results achieved should be, in the words of the Wedgewood Committee "large reductions in working expenses made and passed on to Railway users in decreased rates and charges".

I come to the pressing question of the day, Sir, the increase in the rates. The politician in me urges that I should oppose it. How can I go to the voters when the rise in the fares is still green in their minds? Had this been done last year people would have forgotten it. How are we to justify the increase?

4 P.M.

The hon. Ministry has tried to explain the necessity for the increase and the justification for the same. He has said that the increase in the fares would yield Rs. 20 crores and will go a great way to help the ways and means of the Government while retaining its own identity. He has justified the increase by telling us that when everything has gone up, the railway fares alone have remained static. One is not inclined to quarrel with the need and justice of the increase of the fares. The logic is correct. We should admire the hon. Minister for the courage with which he has proposed this increase. He could have allowed the Finance Minister to tax and he could have spared himself all the criticism. But the interest of the Railways is so dear to his heart and the extension of Railways and the provision of amenities to the passengers so sweet to him that he has shouldered this obnoxious burden. Let us imbibe his courage and explain to our people its implications and we shall request the hon.

Minister to help us in the interval by providing more amenities by constructing new lines, and by making the travel in the train more comfortable and wholesome.

**Shri Haque (West Bengal):** When I read the report of the Railway Board a few days ago my heart leapt with joy to find that our railways are doing exceedingly well. We are very happy to find that the railways earned about Rs. 19 crores profit in one year and I was in a mood to congratulate Government for this brilliant achievement. But today that mood of mine has been damped by this little shock—this 'mild shock' as described by the Railway Minister. Well, Sir, whether the shock is mild or severe it is for time to judge. But we require some shock-absorber to absorb this shock, and what kind of shock-absorber are the Government going to give to us Members of this House? We have to face the country with this shock and we shall not be able to face them squarely unless we have a redeeming picture to give to them in lieu of this shock. I was suggesting that if you have to increase the fares, well, do it, but at the same time why can the Government not give some more facilities to the travelling public to absorb this shock. For example there is one point to which I will refer. The House knows very well that before the war there were a lot of facilities for the travelling public. There was the return-ticket system. There was the week-end ticket system, the ordinary return-ticket system. Then there was the Durga Puja concession ticket system.

**Shri Sidhva:** There was 'Go as you like' system.

**Shri Haque:** As my hon. friend Mr. Sidhva has pointed out there was the 'Go as you like' system. There were the Eastor holidays system, the Christmas vacation system and so many other systems. At that I had the good luck to travel from Delhi to Calcutta by inter-class, and at that time the fare was Rs. 20 or thereabout for the intermediate class. And we could travel from Calcutta to Delhi and back for Rs. 26-3-3 or such near amount. Today the inter-class fare is, I am told, Rs. 44 or near about that by the mail train and if you go and come back you will have to pay Rs. 88 and this 'mild shock' will take it right up to Rs. 100. I was suggesting to the hon. Minister as to why he does not advise his Department at least to introduce the old system of return-tickets and some other amenities which we had before. I read in newspaper reports

that the English railways have last year decided to introduce that system. Why should we lag behind? We are comparing the railway fare in India with the railway fare in Britain. But why do you not compare the facilities that they are giving to their railway passengers with our facilities here? What is the bar to restoring those old facilities? I would, Sir, with all humility but with all confidence request the Railway Minister kindly to consider whether he can advise his Department to restore this concession system.

I would also ask him to give some better facilities regarding food in the trains. The other day I travelled by a mail train from Calcutta to Delhi and I ordered for a first-class Indian lunch—it is called non-vegetarian lunch—and what did I get? A few chapatties which break your jaw when you bite and chew them and a few pieces of meat were all that I got. Then there was a bit of dahi or something like that which created indigestion. For this lunch I had to pay Rs. 1-12-0 along with a proportionate *bakshesh*—otherwise you will be called rude. For nearly Rs. 2 I had a meal which kept me hungry the whole night.

**Shri Santhanam:** At which station did he get his lunch?

**Shri Haque:** I think it was Allahabad. I travel very frequently. I am a very bad traveller and I do not remember the names. I had to eat it. Then I tried the ordinary hawkers who sell *puries* and *kachories*. I believe if the hon. Minister tastes them, he will not be on his seat very long; he will have to seek the help of a doctor. I would ask the Hon. Minister to give the public better and cheaper food. We cannot starve while travelling and we cannot observe Ramzan while on the railways.

Then there is another point. I find it difficult to understand. This is a hot country. It is the fault of God to make this a hot country. You would require good water to drink in the whole country. But I find that while travelling passengers shout *pani, pani* and I find that everything is there except cold water. You can have soda—lemonade, *garam Cha, nan, beedi* but cold water is such a precious thing that it cannot be obtained in trains. (*Interruption*) My hon. friend of course wants hot water but we have to go home to make an arrangement for hot water. My hon. friend, Dr. R. S. Singh has spoken about the plight of third-class passengers but I think that he had probably under-estimated their plight. Sir, if a third-class passenger

goes out for a little bit of cold water drink, I am sure he is bound to miss the train. He will not be allowed to get in any more by the crowd. For these people to go to a tap to get cold water means breaking his journey, which he is not allowed to do now-a-days. I would beg of the hon. Minister to consider whether there should not be better arrangements for a little bit of cold water and a little bit of better and cheaper refreshments. I would also ask them to consider the question of the condition of the carriages. Of course, the mail trains, express trains and other trains have improved a lot. I must congratulate the Railway authorities including the hon. Minister for improving the Delhi Mail and other mail trains very nicely, but, Sir, what about the local trains? I myself am a very habitual traveller by local trains and there are local trains between Burdwan and Howrah. The guard of a train whistled, showed his green flag, but the train refused to move. We were told that the engine was off. It was my own experience and that time we had to wait for 1½ hours to cover a journey of one hour. When I reached home, I was asked: Did you come by the 3rd or the 4th train? I said: No, it is the first train coming 4 hours late. Then I come to the condition of carriages. In the carriages of local trains generally there is no light; we have got to go in darkness and there are no switches, of course. We cannot expect it. When I was coming from Calcutta to Delhi this time I found in the bathroom there was no switch; there was no glass. There was a notice saying that they were all removed for repairs. When they will come back, nobody knows. When I tried to sleep on the berth, I found that I was tossing as in a sea and I almost tied myself to the bench so that I may not fall down. The springs are so nice in some of the carriages and it was an upper class compartment! If that is the condition of upper class compartments, we can well imagine what the condition of lower class compartments would be. My humble suggestion to the hon. Minister is this. Give us this shock, mild or rude, whatever it may be, but let us have some facilities, some materials to give back to our constituencies. Let the public have something in return, so that we can tell them we have done this and we have given you something better.

With these words, I must congratulate again the hon. Minister and I should like him to consider and remove these grievances, so that we can save our back when we go back to our constituency.

**Shri S. V. Naik (Hyderabad):** When I read the whole speech of the hon. Minister for Railways, I found that the speech was made for some other purpose than for what it is being used for. The speech really speaking was never meant for the increase of the fare. It was meant to give the whole picture like that of last year, that everything was all right, and no fare could be increased, but perhaps circumstances forced him to take a different course, and that was why some of the paragraphs are added in there. The hon. Minister gives three reasons for the increase in fares. The first is the rehabilitation programme. Then blocking of the accounts, and lastly the ways and means deterioration position. If we look at the whole budget, it is inconceivable to find the necessity for the increase in the fares except when we look at it from the taxes point of view. Anybody would wonder why the fares were increased when there is a profit of about Rs. 55 crores after meeting the 4 per cent. dividend amount and there is a reserve fund of about 160 crores. We could easily lay hands, if we needed the money for the rehabilitation programme, on that account. But that was not to be. As the hon. Minister has pointed out rightly the accounts are blocked, the ways and means position of the Government of India is deteriorating and therefore, he could not help it but increase the fares. As put by one of the previous speakers, it is really speaking a means of direct taxation and from that point of view, of course, we have to accept the increase in fares. From the commercial point of view, we see that there is no justification at all.

Secondly, I would like to know from the hon. Minister how he has arrived at the depreciation. I am not clear about the method of accounting. The Railway Convention Committee had fixed the amount at Rs. 15 crores per year. Whether it was fixed at a minimum or maximum, it was a certain percentage on the capital at charge. Taking the whole capital at charge to be about Rs. 800 crores it was fixed round about the figure of 2 per cent. on the same.

That is why 15 crores were fixed to be set apart for the Depreciation Fund. Taking the figures of the hon. Minister as to the rehabilitation programme for the next five years, two years ago, he had spent about 41 crores, this year, although the actuals are not yet available, the revised estimate shows 61 crores, and for 1951-52, he would be spending 66.5 crores.

Taking the average to be 60 crores, depreciation at 2 per cent. would be about half a crore or a little more than that. From that point of view also, his putting aside 15 crores more this year in the Depreciation Fund is not justifiable.

Then, Sir, increase in fares means in a way that you are taxing the passengers and thereby increasing your earning to meet your capital at charge expenses. I do not know how far this will be justifiable. To adopt this policy will be all right when the years are favourable to you. About a year or two may be favourable. But, I do not know whether you can go on with this policy because, as it always happens, the Reserve Funds at your disposal will always be blocked by the Government of India, and the position is not likely to improve for a few more years to come. Looking at from that point of view also, you will always be forced to increase the fares for your programmes. After all, this is a utility concern, at the same time, a monopolistic one. Even if you increase them a little more, there is no other go for the passengers, but to take advantage of this service. Looking at it, therefore, from any point of view, the increase is not justifiable. This could be only justified, as I said, from the point of view of deterioration of the general ways and means position of the country.

Then, Sir, I would like to refer to the question of fuel. I find here that the expenses are increasing. From 20 crores, they have gone to 30 crores or more. If you look at the figures, in 1938-39, the poundage of coal per thousand gross ton miles was 180.2. For the year 1949-50, the figure is 200.9. No doubt, in comparison with the figures for 1948-49, the figures for 1949-50 are a little less. In 1948-49 the figure was 211.6 and in 1949-50 the figure was 200.9. All the same, when compared to 1938-39, the figure is greater. No doubt, it may be argued that the load may be greater. If you refer to the Load Table, you will find that the load is just the same. During the last year and this year, it is about 18. You may say that passengers have increased. But, the density of traffic has not much increased as will be seen from the Tables. In comparison to the increase in density, the increase in the consumption of coal is too much. If you compare these figures with the figures of the Nizam State Railway, you will find a great difference. In 1938-39, when the consumption of coal throughout India on the Indian Government Railways

including the Nizam's Railway was 180.2, on the N. S. Railway, it was 182. But, when you come to 1948-49, you will find the figure is 168.6 as compared to 211.6 on the Indian Railways. For the year 1949-50 you will find the figure for the N. S. Railway is 153.9 as compared to 200.9 on the Indian Railways.

**Dr. Deshmukh:** Indian Railways are bigger than the Nizam State Railway.

**Shri S. V. Naik:** I know; but I am speaking of consumption in poundage. The area may be more; it can be broken up in regions and the same procedure followed. This shows that there is something wrong somewhere. During the last year, the hon. Minister, at the time of the Budget discussions, had informed the House that a Fuel Committee has been appointed in October 1948 and that that Committee is going into the matter. We do not know what the report of that Committee is. I would like the hon. Minister to refer to this matter when he replies to the debate.

The next point that I would like to refer is the education of the children of the Railway employees. I feel it is the duty of the Railways to give facilities to educate the children of the Railway employees. The Nizam State Railways, having this in view, has a Middle School in Lalguda, (that is Secunderabad), because there is a large workshop there, and Primary Schools in six places in the State. A very serious situation has arisen there now. There are about 1200 students in the Lalguda Middle School. The students have finished their Middle School education and they have to go to the High School. They are unable to find any space or accommodation in any Government or private schools. Many representations were made to the Railway authorities; the Railway authorities say that it is not their concern and that it is the business of the Government of Hyderabad to look to this, and that if they want, they are willing to hand over not only this Middle School, but also all the Primary Schools to the Education Department of Hyderabad. When the matter was referred to the Education Department, they say that they have no funds at their disposal and that they are unable to take over these schools. So, the children of the Railway employees are handicapped. I would like the hon. Minister to deal with this matter at the Ministerial level and see that something comes out to help them.

342 PSD.

Then, Sir, I would like to refer to the abolition of the post of the Chief Commissioner of Railways. In this connection, I would say that it is better that the hon. Minister reviews the whole position once again. I feel that by the abolition of this post, he would be losing the technical advice that he would be getting from a technical adviser like the Chief Commissioner. Secondly, Sir, it is very doubtful whether the hon. Minister in his capacity as Minister will be able to co-ordinate all the three functional heads. Thirdly, one of the functional heads acting as the Chairman of the Board and also as Secretary to hon. the Minister, I do not know whether he would be able to carry out his duty justly and fairly. The Secretary of the Ministry of Transport being an additional Member of the Board, may also create confusion. I think it is better that the hon. Minister reviews the whole position once over again.

Lastly, there is one aspect of the question to which I would like to draw his attention: that is with regard to the position of oil tank wagons. Hyderabad is a country which produces large quantities of castor and groundnut seeds; much of the castor and groundnut seeds is milled into oil and that oil is being exported throughout the length and breadth of the country; but there is no transport for the same. You will be surprised to know that hardly four oil tank wagons are owned by the Hyderabad State Railway. It is very difficult to cope with the Transport with that small number of wagons. Sometimes, what the Nizam State Railway authorities do is to take a loan from the Government of India Railway Board. This year, they have loaned about 10 wagons. Really speaking, the normal requirements of the N. S. Railway will come to 70 wagons for Broad gauge and 12 for the Metre gauge. So we want about 82 wagons out of which we have only 4 at present. Therefore, when you place your orders, Sir, for wagons, this point also may be considered and this requirement may also be included in your order. That will satisfy our present requirements.

Sir, I will finish in two minutes.

**Mr. Deputy-Speaker:** The hon. Member can take five minutes more.

**Shri S. V. Naik:** Sir, the number of coaches on N. S. Railways is less than what is required and hence the over-crowding. The occupation ratio of over-crowding on the N. S. Railways has been given as 86.3 and 77.09



[Shri S. V. Naik]

in 3rd class in respect of broad gauge and metre gauge respectively. These are the figures for August, 1950, and hence the latest available. So I suggest that before you include our requirements also in this respect, for the time being, you may requisition the coaches and the saloons of the Nizam as they are now lying idle. If that is done, that will help to revive the position to a certain extent.

**Shri Sidhva:** How many are they?

**Shri S. V. Naik:** Well, I cannot give the figure off-hand, but they will go towards relieving the present position to a certain extent.

Sir, the next point I want to touch upon is the matter of claims. In Demand No. 8 when the Revised Budget for 1949 was presented, the hon. Minister said that he was demanding Rs. 180 lakhs excess for settlement of the claims. It was said that this amount would satisfy the needs for settlement of the claims and that there would be no further Demands and that next year the figure would be less. In view of that, when the estimates for 1950-51 were made a sum of Rs. 48 lakhs less was demanded. That was less than the previous figure. But when the revised Budget estimates were presented, there was a Supplementary grant for about Rs. 272 lakhs. This year, no doubt, the amount is less i.e., by Rs. 87 lakhs. But I am not sure of the position. The question of claims is getting very serious. Every claim is getting very serious. Every claim is being taken to the courts and they get decrees and you have to pay the money. Therefore, I feel that it is better that the hon. Minister reviews the position in this regard a little more carefully, because I feel we are paying more money than is necessary. We should review the position with a view to lessen this burden a little.

Sir, I have just a few more words to say and that is about the Adjudicator's Award and the implementation of the Central Pay Commission's Report. That is being partially implemented, but it is not being implemented with regard to the leave rules and the holiday concessions yet. With regard to the implementation of the Central Pay Commission's recommendations, the same formula should be applied to our N. S. Railways as is applied to the former Indian Government railways. But the equation has not yet been decided. When I put a question with regard to this matter on 21st December last, the hon. Minister was pleased to state that the matter

was under examination. This year, he has provided a large amount of money and I feel that it is better that these recommendations are implemented and the Nizam's Railway brought in line with the other railways in this respect.

**Shri S. V. Naik:** Sir, I have only one or two small points more.

**Mr. Deputy-Speaker:** I do not know if the House would like to sit beyond 4-30.

The House now stands adjourned to 5 p.m. to-day.

*The House then adjourned till Five of the Clock.*

*The House reassembled at Five of the Clock in the Afternoon.*

[MR. SPEAKER in the Chair]

PRESENTATION OF THE GENERAL  
BUDGET FOR 1951-52

**The Minister of Finance (Shri C. D. Deshmukh):** I rise to present a statement of estimated receipts and expenditure of the Government of India for the year 1951-52.

It is customary, while presenting the annual budget, to give a review of the economic developments in the country in the year that has just ended and following this practice I propose to take the House back briefly over the main changes in the last twelve months.

This period has been one of considerable anxiety. The strain on the country's economy reflected in the rising level of prices and the threat of inflation has been aggravated during the year by severe natural calamities like the earthquake in Assam, the floods in certain parts of Bihar and Uttar Pradesh, the failure, for the fifth year in succession, of the north-east monsoon over a large area of Madras and serious droughts in Bihar and certain other parts of the country. Meanwhile, the slow return to normal conditions in the post-war years all over the world has been violently upset by the outbreak of hostilities in Korea and the threat thus holds of spreading into a wider conflict.

The problem of holding the prices in check has been one of the major preoccupations of Government in the years following the end of the war. It is unnecessary to dilate on the steps taken to this end in the earlier years and it will be enough, for my present

purpose, to mention the steps taken in recent months, particularly after the devaluation of the rupee in September 1949. The House will recall that soon after this event price cuts in certain essential commodities were made in an effort to counter the possible effects of devaluation, and this assisted in holding the price level for some time. In fact, the general price index fell by 12 points from 393.3 at the end of October 1949 to 381.3 at the end of December 1949. It did not, however, prove possible to check for long the upward pressure on prices generated by devaluation, and by June 1950 the gain secured during the closing months of the previous year had been lost, the index number standing at 395.6. The outbreak of the Korean war gave a further impetus to the rise in prices and by September the index number had risen to 412.5. Since then it has been more or less steady, although January has registered a further slight increase of nearly 2 points. This increase in prices is, however, not peculiar to India and to a very great extent it reflects the upward movement in prices in other countries which supply important categories of our imports.

Hon. Members are aware of the steps taken by Government to meet the situation created by the upward trend in prices. With the approval of Parliament powers were taken by the Centre to make laws for a period of one year from the 15th August 1950 in respect of two subjects falling in the State list namely, trade and commerce and production, supply and distribution of goods. The main object was to evolve a uniform policy for the whole country in regard to production and distribution and the regulation of prices. The Essential Supplies (Temporary Powers) Act was also amended to prescribe drastic penalties for the hoarding of food grains. An ordinance was promulgated in September to regulate the supply and prices of a number of essential consumer goods which were likely to disappear into hoards and to be blackmarketed. Government also set up a Prices Advisory Board, consisting of representatives of trade and industry, to advise them on the fixation of prices and other matters connected with the administration of the ordinance.

One result of the developments in the international situation, following the outbreak of the Korean war, was to intensify the demand for some of the principal exports from this country like jute goods, raw cotton, cotton waste and raw wool. The external prices of these commodities rose very steeply and in view of both the interests of the exchequer and the necessity for

countering inflation it was decided that this difference should be intercepted by Government through the enhancement or levy of export duties. Export duties on jute goods and raw cotton were accordingly enhanced while new duties were imposed on exports of cotton waste and wool. In the rapidly changing conditions which now obtain, Government also considered it necessary to obtain from Parliament temporary power to enhance, if necessary, existing export duties and to levy new duties. All these measures have had a steadying effect on prices in recent months although, as I said earlier, it has not been possible wholly to arrest an upward trend.

The level of industrial production in 1950 in a number of industries has been encouraging though the jute, cotton textile and sugar industries have been affected by difficulties in regard to supplies of raw material. The production of cement, steel and coal has been well above the previous year's figures while there has been a substantial drop in the production of jute goods, cotton textiles and sugar. Owing to the virtual cessation of imports of raw cotton from Pakistan after the devaluation of the rupee and a somewhat sub-normal crop in the country the supply of cotton to the Indian mills has not been adequate in spite of increased imports from other countries. The limited supplies of raw jute received from Pakistan under the trade agreement of last April have also not been sufficient to meet the demands of the jute mills. Sugar production has suffered from the diversion of cane to the manufacture of gur and Khandsari sugar, which, not being subject to price control, offered more attractive profits. The strike of mill workers in Bombay also affected the production in the textile industry.

The problem of securing an adequate supply of raw materials for the two major industries in the country, namely, cotton and jute has, as the House is aware, been receiving constant attention and efforts are being made by the State Governments and the Centre to increase the production of jute and cotton without affecting the production of food. Provided the season is normal, by March 1952, we shall have made significant strides in the direction of practical self-sufficiency in cotton and jute. Meanwhile, in order to secure an equitable distribution of the still insufficient available supplies of raw jute a Central Jute Board has been set up and all purchases of raw jute by the mills are compulsorily canalised through it. Cotton mills have been prohibited from

[Shri C. D. Deshmukh]

covering their requirements in the form of kapas and a Cotton Advisory Board, consisting of representatives of the mill owners and the trade, has been set up to maintain liaison between Government and the industry. In the case of sugar, maximum prices have been fixed for gur and khandsari so as to restrict the diversion of cane to their manufacture and sugar mills have been encouraged to expand production by being allowed to dispose of in the free market their surplus production over a ceiling. Government have also appointed a high-powered Development Committee on Industries to assist in devising ways and means for stepping up industrial production to the maximum of the installed capacity and to plan the future development of industries.

The House is well aware of the serious deterioration in the food situation caused by the widespread natural calamities that overtook the country last year. Their effect has been to increase the overall food deficit, with the result that imports have had to be increased from the 1.5 million tons estimated in the budget to a little over 2 million tons. It has also not been possible to build up the small reserve of 200,000 tons contemplated in the budget. For the coming year it is proposed to import 4 million tons of food grains and efforts are also being made to obtain an additional 2 million tons of wheat from the United States of America. Recently, the Grow More Food plan has also been reoriented so as to concentrate efforts in selected areas with an assured water supply. Additional production will also be linked with procurement and greater emphasis laid on schemes of a permanent character like tube-wells and land reclamation. Although Government are doing everything possible to increase internal production and obtain the maximum quantity of food-grains from abroad in the coming year the food position in the country is not likely to be easy.

For the first time since the recession in 1946 the capital market showed some signs of revival although the developments in the international situation during the later part of the year arrested this improvement. During the earlier months of the year the gilt-edged market remained fairly steady and Government took the opportunity of floating a cash-cum-conversion loan for Rs. 30 crores. The Governments of Bombay, Madras and Madhya Pradesh also took advantage of the improved position for floating small loans of their own. Since the

middle of the year, however, prices in the securities market have receded and the market has remained stagnant. By contrast, the equities market during the larger part of the year under review has been steadier. In spite of the adverse effects of the shortage of raw materials like jute and cotton and the rise in the price of industrial raw materials after the outbreak of the Korean war, the expansion of exports and the increasing demand for our primary products resulting from the rearmament and stock piling programme of Western countries have, on the whole, had a steadying and encouraging effect on the market. But the fact remains that the flow of available capital in the market is still woefully short of the requirements of Government for implementing their large development programmes and for meeting the reasonable requirements of industry for expansion.

While the internal economic conditions have been a matter of continuous concern for Government, the position in regard to the balance of payments during the year under review has been more heartening. An improvement in the balance of payments began with the devaluation of the rupee in September 1949 and this improvement has been maintained, the process being assisted during recent months by the changes in the international situation following the outbreak of hostilities in Korea. Except for a short period during the second quarter of 1950, when a slight seasonal fall in exports and heavy payments for imports of raw cotton resulted in a small deficit, the overall position has been favourable since the last quarter of 1949.

It will be interesting to compare the balance of payments position during the twelve months following devaluation with the position in the corresponding period preceding it. Our exchange receipts during the year ending September 1950 amounted to Rs. 638 crores and our payments to Rs. 572 crores, showing a net surplus of Rs. 66 crores. For the year ending September 1949 our receipts were Rs. 517 crores and payments Rs. 766 crores resulting in a deficit of Rs. 249 crores. In the 12 months following devaluation our exchange earnings have increased by 24 per cent. while our payments have dropped by 25 per cent. The precise figures for the period after September 1950 are not yet available; but it is clear from the rise in our sterling balances, which at the end of January stood at Rs. 843 crores against Rs. 807 crores at the end of September,

that the balance is still moving in our favour.

This change in our balance of payments has been caused by several factors. Firstly, as the House will recall, even before devaluation Government had started taking special steps for stimulating exports, on the suggestion of the Export Promotion Committee. Secondly, the devaluation of the rupee in September 1949 raised the competitive capacity of our exports in terms of foreign currencies and the surplus balance of payment during the succeeding six months reflects this advantage. A further factor which has assisted in the expansion of our export trade in recent months is the improved prospect of international demand for commodities. Following the hostilities in Korea and the danger of their spreading into a world war, the United States of America, Canada and the countries of Western Europe are re-arming on a considerable scale and have begun the stock piling of essential raw materials. These have raised the demand for exports of our raw materials. Our export trade has also been assisted indirectly by these developments. The large purchases of primary commodities by the Western countries from the countries of the Middle East and South and South East Asia have created in these regions a larger demand for consumer and manufactured goods, like cotton textiles, exported from this country. The effect of all these developments is reflected in the larger volume of our exports as well as the increased prices paid for them.

In view of the improvement in our export position, the restrictions on imports, which had been tightened in the middle of 1949, have been gradually relaxed to allow of larger imports of essential commodities into the country. The monetary ceilings for the licensing of imports of raw materials as well as essential consumer goods like drugs and medicines were progressively increased during 1950 and a fresh Open General Licence was issued last August to widen the scope of imports. Changes have also been made in the licensing procedure to minimise delays in the issue of licences and to enable importers to make forward contracts under a system of advance licences. The improved foreign exchange position has also enabled us to make larger allocations for the purchase of food grains during the current half year.

While the position so far has been satisfactory I must sound a note of warning in regard to certain trends which might make it difficult for us

to maintain this favourable balance in payments over a long period. Firstly, even if the somewhat artificial demand for our primary products created by the fear of a possible war is maintained, as it may well be for some time, we may have difficulties in maintaining our present level of exports. Two of the major commodities exported from this country are jute goods and cotton textiles. Unless adequate supplies of raw jute are available to the jute mills the present level of exports may be difficult to maintain. In the case of cotton textiles, the large increase in exports has already begun to affect supplies available for internal consumption. It has been found necessary to restrict the export of coarse and medium cloth; and even in respect of fine and super-fine cloth, the necessity for maintaining adequate supplies for internal consumption may in the future necessitate quantitative restrictions on exports. Secondly, there is bound to be a substantial increase in the volume and value of our imports due to the purchase of a larger quantity of food grains in the difficult food situation expected to persist during the next year and the rising prices abroad of industrial raw materials and manufactured goods. In the present rapidly changing world conditions it is difficult to make any reliable forecast but in taking a view of the future position these factors have to be borne in mind.

There is also one other fact to be remembered in this context. A continued favourable balance of payments brought about by a sudden and large demand for exports is not itself an un-mixed blessing. The impact of the higher prices offered for the export commodities directly affects the internal prices both of these commodities as well as of others. From the point of view of avoiding inflation it is necessary to intercept the large difference between the external and internal prices for the benefit of the exchequer. As the House is aware, increased export duties have been levied on raw cotton and jute and new duties imposed on cotton waste and wool in the course of the year to secure this end. The power to impose and raise export duties recently given by Parliament together with the power to restrict imports will be used by Government to minimise the impact of high external prices on the internal economy of the country.

While I am on the subject of the country's foreign trade I should like to draw attention to the effect on the supply position of many imported raw materials and manufactured goods, of the recent developments in

[Shri C. D. Deshmukh]

the international situation. Many supplying countries have imposed restrictions on the export of these materials and the tight shipping position is also likely to aggravate the difficulties in getting supplies. It will be necessary to take steps to secure the maximum possible allocation of these materials and to ensure their economical and efficient use in this country. This, and the search for local substitutes to augment the smaller supplies that may be coming forward, are engaging the constant attention of Government.

One facet of our foreign exchange to which in recent years a considerable amount of attention has been paid is the dollar position. India, being a member of the sterling area, conforms to the general policy in respect of dollar imports and exports agreed upon for the sterling area as a whole. At the Commonwealth Finance Ministers' Conference held in July 1949, it was decided, on the then position of the Central reserves, that members of the sterling area should take measures to reduce their dollar purchases to 75 per cent. of their imports in 1948. These measures, as well as the devaluation of the sterling area currencies and the larger dollar area demand for sterling area products, reversed the earlier trends and led to a marked increase in the gold and dollar reserves, which were nearly doubled in 1950. India, with a dollar surplus of \$79 million against a deficit of \$69 million during 1949 made a substantial contribution to this increase. The position was reviewed at the meeting of the Commonwealth Finance Ministers last September. It was agreed that taking changes in the price levels into account the Central reserves were still very short of their pre-war level and that, in the rapidly changing pattern of trading conditions it was still necessary to economise in the spending of dollars. It was, however, decided that there should be no quantitative limitations on dollar purchases but that each member country should endeavour to secure the maximum economy possible.

In our own case economy in dollar expenditure has largely been made possible by the availability of goods outside the dollar area at competitive prices. This advantage seems to be gradually disappearing both for raw materials and for certain important manufactured goods. Moreover, our food requirements are now so large that a substantial portion has inevitably to be obtained from dollar countries. For these reasons, it is probable that

our dollar position in 1951 will be less favourable than in the previous year.

Before I leave this subject of balance of payments I would like to refer briefly to our sterling balances. Hon. Members will recall the statement I made in this House during the last session on this subject. A new agreement regarding future releases from the accumulated balances will be entered into with the United Kingdom Government, when the existing agreement terminates in June 1951. The broad outlines of this agreement have been agreed upon between the Governments of the two countries. The new agreement will provide for an annual release of £35 million during the six years 1951 to 1957, any additional releases which are likely to be emergent, being a subject for special consultation with the United Kingdom Government. At the end of this period our sterling balances are likely to reach a figure which we may wish to maintain as a normal foreign exchange and currency reserve. The conclusion of these arrangements may well be regarded as a mutually satisfactory solution of a problem on which so many controversies have raged in the past.

Hon. Members will recall the loans which the Government of India have been negotiating with the International Bank for Reconstruction and Development for some of our development schemes. Since the presentation of the last budget we have concluded another agreement for a loan of \$18.5 million for the purchase of plant and machinery and the installation of a Thermal plant at Bokaro as part of the Damodar Valley scheme. This loan will carry interest at 4 per cent., inclusive of the Bank's commission, and will be repayable over a period of 20 years. So far we have obtained loans amounting to \$62.5 million from the International Bank. Of these loans India has already drawn \$34.8 million and the repayment in respect of the Railway loan has already commenced.

The picture of our external trade can hardly be complete without an account of our trade relations with Pakistan. The House is aware of the circumstances in which, following the non-devaluation of the Pakistan rupee when other members of the sterling area devalued their currencies in September 1949, trade between the two countries had come to a virtual standstill, and it is unnecessary for me to dilate on them. The effect of the non-devaluation of the Pakistan rupee was

to cause an immediate increase in the price which importers in this country had to pay for Pakistan goods, of which the most important single item is raw jute. A rise in the price of raw jute, at a time when the jute mills were faced with difficulties in maintaining their markets against the competition of substitutes, was a matter of great concern to this country. If the prices in Pakistan had been allowed to fall to the appropriate levels under the normal action of the forces of supply and demand, it might have been possible for India to buy her raw jute and continuity of purchase by India need not have been broken.

India's willingness to buy Pakistani goods, if they were available at reasonable prices, was amply demonstrated by the Trade Agreement which was signed in April 1950. Under it Indian jute mills were to be supplied raw jute by Pakistan, to be paid for in Indian rupees at prices comparable to the prices of Indian raw jute. These rupees were available to Pakistan for the purchase in India of certain specified commodities like jute manufactures, cotton textiles, cement, timber, etc. According to the latest information available to us Pakistan supplied to India under this agreement raw jute worth Rs. 14.46 crores and has utilised the bulk of the sale proceeds in the purchase of jute and cotton manufactures and various other goods.

Besides the goods which were the subject of the self-balancing arrangement, there were certain other commodities mentioned in the agreement, like cotton seeds, raw hides and skins, gram, betel-nuts, biris, fresh vegetables and fruits, etc. which could move freely between the two countries without any trade or exchange restrictions on either side. The total trade between April 1950 and September 1950, in this free sector amounted to Rs. 16.8 crores, imports being Rs. 10.7 crores and exports Rs. 6.1 crores.

The Trade Agreement negotiated last April expired in September and as, at that time, the fixation of the exchange rate of the Pakistan rupee was before the International Monetary Fund the question of entering into a fresh agreement was held over. Unfortunately, the International Monetary Fund postponed a decision on this issue with the result that trade between the two countries again came to a standstill, except for trade confined to a few perishable and essential commodities exported and imported freely by the two countries, finance for which

is found in the free exchange market. As the question of the par value of the Pakistan rupee is still before the International Monetary Fund I do not wish to say anything at this stage on this subject. But I am sure it will be agreed in both countries that the prevailing international situation re-emphasises the inter-dependent nature of the economies of the two countries and that it is equally in the interest of both that the existing stalemate in trade is ended. As the Prime Minister mentioned in the House a few days ago we took the initiative in arranging for the resumption of trade talks between the two countries. These talks have resulted in a satisfactory agreement the terms of which I announced in the House last Monday.

I shall now pass on to a brief review of the revenue and expenditure in the current year and the estimated revenue and expenditure in the coming year.

The current year's budget provided for a revenue of Rs. 338.59 crores and an expenditure of Rs. 337.88 crores leaving a surplus of Rs. 71 lakhs. The revenue is now estimated at Rs. 387.21 crores and the expenditure at Rs. 379.28 crores, leaving a surplus of Rs. 7.93 crores. Allowing for the transactions of Vindhya Pradesh, amounting to Rs. 2½ crores on each side, estimates of which, the House will remember, could not be included in the original budget but were presented subsequently last April, the revised estimates show an increase of Rs. 48.62 crores in revenue and an increase of 41.4 crores in expenditure.

The increase in revenue is largely accounted for by the improvement in the receipts from Customs, which are now estimated at Rs. 145.31 crores against the budget estimate of Rs. 106.54 crores. This is partly due to an all-round increase in imports following the liberalisation of import allocations in respect of certain articles and partly to the high yield from export duties consequent on the enhancement of the duty on jute manufactures and raw cotton and the levy of new duties on cotton waste and wool during the year. Income-tax receipts, at Rs. 166½ crores, are at about the same level as in the original budget, the States' share also remaining unchanged at Rs. 47½ crores. The contribution from Railways this year will be Rs. 39 lakhs more than the budget figure of Rs. 6.37 crores. There is, however, a drop of Rs. 2 crores in the receipts from Union Excises, mainly in the excise duty on cotton cloth due to a fall in production caused by the prolonged

[Shri C. D. Deshmukh]

strike of textile workers in Bombay. Although the gross revenue from the Posts and Telegraphs Department is likely to show an improvement of Rs. 29 lakhs over the budget this will be more than offset by increases in expenditure so that there will be a short fall of Rs. 97 lakhs in the contribution from the Posts and Telegraphs Department. Under other heads an increase of Rs. 12 crores is now expected, spread over a number of heads like currency, civil administration and opium, the bulk of which is of a non-recurring nature.

The reasons for the increases in expenditure have been explained in connection with the Supplementary Demands placed before the House earlier in the Session and it is necessary for me to draw attention only to the more important variations. Of the total increase of Rs. 41.4 crores Defence Services account for Rs. 11.45 crores and Civil estimates for Rs. 29.95 crores. The bulk of the increase in Civil expenditure is due to additional requirements for the relief of displaced persons from East Pakistan and increased expenditure on food subsidies. The relief of displaced persons accounts for an increase of Rs. 7.67 crores, while subsidies on imported food grains, which were in much larger quantities than was estimated at the time the budget was framed, account for a further Rs. 7.93 crores. The expenditure on the payment of bonus for procurement of food grains is also expected to show an increase of Rs. 3.84 crores, while the supply of food grains in Delhi State is estimated to result in a loss of Rs. 2.3 crores. The rest of the increase of Rs. 8 crores is distributed over a number of items, among which I would mention Rs. 2.64 crores on pre-partition payments, which turned out to be higher than estimated mainly due to a larger carry over, Rs. 31 lakhs on the preliminary expenses connected with the forthcoming elections, Rs. 50 lakhs on repairs to national highways damaged by floods and Rs. 60 lakhs for grants to certain Part B States consequent on the finalisation of their revenue-gap grants.

For the coming year, at the existing level of taxation, I estimate the total revenue at Rs. 369.89 crores and the total expenditure at Rs. 375.43 crores leaving a deficit of Rs. 5.54 crores.

On the revenue side, the receipts from Customs are placed at Rs. 141.29 crores, about Rs. 4 crores less than the revised estimate for the current year. The revenue under this head depends

so much on the availability of foreign exchange and the developments in the international situation, which affect both supplies and shipping, that it is difficult, particularly in the present unsettled conditions, to make a precise estimate of the revenue in the coming year. The estimate is based on the assumption that there will be no serious shortage either in the availability of the goods which we import or in shipping and that, on the export side, we shall be able to maintain the present level of exports and the present level of our export duties. Union Excises are estimated at Rs. 71.63 crores and receipts of Income-tax have been placed at Rs. 157.05 crores against the current year's revised estimate of Rs. 166.8 crores. The fall in revenue under this head is largely due to the gradual disappearance of collections from the excess profits tax, business profits tax and the Central surcharge, which are no longer in force, and also to a reduction in profits due to the strike in the textile industry this year. The divisible pool of income tax will amount to Rs. 88.96 crores of which the States' share will be Rs. 44.48 crores. In addition, a sum of Rs. 55 lakhs is expected to be paid as their share of income tax to such of the Part B States as do not receive a grant-in-aid to cover the revenue-gap caused by federal financial integration. It is also proposed to add a sum of Rs. 2½ crores to the share of the Part A States for any possible arrears that may be due to them in respect of previous years, the accounts of which remain to be finally closed. The contribution from Railways, as the House is already aware, will be Rs. 7.26 crores. The contribution from the Posts and Telegraphs Department is estimated at Rs. 2 crores. The revenue under other heads is estimated at Rs. 38.19 crores, the drop of Rs. 5 crores compared with the current year's revised estimates being largely due to the elimination of certain special non-recurring items included in the current year.

The total expenditure for next year is estimated at Rs. 375.43 crores of which Defence Services will account for Rs. 180.02 crores and civil expenditure for Rs. 195.41 crores.

Before I deal with the expenditure estimates I shall digress to explain briefly certain changes which are being made in the presentation of the demands to this House. In the first place, to enable hon. Members to have more time for the consideration of the budget, it has been decided to introduce the procedure for a vote on account so that it is not necessary to

complete the voting of the Demands and the passing of the budget by the end of the financial year. The House will be asked to vote a month's supply pending the detailed consideration of the Demands for grants and the Finance Bill for both of which more time will be made available than in the past. Secondly, in accordance with certain suggestions made by the Estimates Committee, the grants have been arranged by Ministries, the details of the Demands have been added to each Demand instead of being relegated to a separate supplement and the descriptive material in the explanatory memorandum has been further amplified so as to make it more informative. Thirdly, grants to States for financing their development and grow more food schemes which are now charged to capital have been transferred to revenue. Similarly, certain items of Defence expenditure which are now debited to capital have also been transferred to revenue. I shall explain the reasons for these changes when dealing with the estimates concerned.

The expenditure on Defence Services next year is estimated at Rs. 180.02 crores against the revised estimate of Rs. 179.47 crores. In comparing the estimate for next year with the revised estimate for the current year the change in classification already mentioned must be taken into account. The House will remember that a capital head outside the revenue account was opened during the last war to accommodate certain transactions, although in the special circumstances governing Defence expenditure, particularly in war time, no effort was made to allocate precisely the items which should be charged to capital as distinct from revenue. The House will appreciate that the rules of allocation, such as those based on productivity, which may regulate the matter on the civil side cannot apply to Defence and that the question of what should be treated as capital expenditure and what should be met out of revenue must be a matter kept open for review from time to time. In the budget for 1948-49 it was decided that expenditure on the acquisition of land, the provision of accommodation and the acquisition of naval vessels and aircraft should be charged to capital. I have carefully reviewed the position and I feel that in present conditions it will be more appropriate to meet the expenditure on the acquisition of aircraft from revenue. Aircraft, with the relatively small working life they have, cannot possibly be put in the same category as lands, buildings or

plant and machinery and I have decided that the cost of all aircraft purchased for Defence services should be debited to revenue instead of to capital.

Of the total expenditure of Rs. 180.02 crores next year, Rs. 130.69 crores will be spent on the Army, Rs. 9.31 crores on the Navy, Rs. 24.49 crores on the Air Force and Rs. 15.53 crores on non-effective services. Compared with the revised estimates for the current year it will be seen that the expenditure on the Army shows a decrease of Rs. 12.88 crores which has been counterbalanced by increased expenditure on the Navy and the Air Force. The decrease in the Army expenditure is mainly due to the fact that the full effects of the reduction in the strength of the Army carried out this year will be reflected in the estimates for next year. It is also hoped to effect certain further reductions during that year. As regards the Navy and the Air Force, it must be remembered that these two services are in the process of being built up, and, as has already been made clear in this House, the reduction in the Armed forces relates solely to the Army and the expansion and development of the two other nascent services have to go forward. The increase in the estimates for the Air Force is also partly due to the change in classification mentioned earlier.

Before I pass on to deal with the civil estimates I should like to refer to the reorganisation of the former Indian States' forces and the problem of economy in Defence expenditure. Good progress has been made in the reorganisation of the States' forces and simultaneously with the reorganisation the strength of these forces has been reduced to fit in with the defence requirements of the country as a whole. It has also been decided that the terms and condition of service of the personnel of these forces should be the same as in the rest of the Indian Army with effect from the 1st April 1951.

The problem of securing economies in Defence expenditure has to be considered in the context of the requirements for the security of the country and the maintenance of the efficiency of the services. While these considerations should be given due weight I am sure the House will agree that considering the size of defence expenditure, which accounts for about half the revenues of the Central Government, it is of the utmost importance that all avenues for effective economy should be explored without affecting the efficiency of the services. This



[Shri C. D. Deshmukh]

problem has been kept under constant review and with the co-operation of my colleague the Minister for Defence, various economy measures, such as the reduction in the scales of issue, better conservation of stores and equipment have already been or are being given effect to.

In addition to the provision of Rs. 180.02 crores in the revenue budget a provision of Rs. 14.97 crores has been included for Defence in the capital budget. This expenditure will be mostly incurred on works projects for the three services and for the purchase of plant and machinery for the manufacturing establishments.

Civil expenditure next year is estimated at Rs. 195.41 crores compared with the current year's revised estimate of Rs. 199.81 crores. The actual reduction is somewhat larger as expenditure on the payment of grants to States for the Grow More Food and development schemes which used to be charged to capital has been provided in the revenue budget next year. The decision to charge the grants for development to capital was taken in the immediate post-war period largely as a matter of budgetary convenience in the context of the heavy deficits on revenue account in the post-war years. Grants for Grow More Food are for short-term schemes which do not result in the creation of any permanent assets while grants for other schemes of development do not create for the Centre any durable assets. There is, therefore, very little justification for charging any portion of these grants to capital and on a careful review of the whole position I have decided that they should more appropriately be met from revenue. Excluding the amount of Rs. 8.31 crores thus transferred to the revenue budget, the reduction in the expenditure next year as compared with the current year amounts to Rs. 12.71 crores. This decrease is almost wholly accounted for by a reduction in the expenditure on food subsidies and bonus on procurement. The expenditure on these next year, in accordance with the food and procurement policy recently announced, is estimated at Rs. 25.32 crores against Rs. 35.07 crores this year, which includes Rs. 2.3 crores on account of the supply of food grains at concessional rates in the Delhi State. The variations under other heads, which are explained in detail in the Explanatory Memorandum more or less cancel out and I do not propose to weary the House by repeating them here. Expenditure on the relief of displaced

persons next year is expected to be Rs. 3.81 crores less than this year while there will be a drop of Rs. 1.89 crores in the provision for repatriation payments. These savings will however be more than counterbalanced by normal increases under other heads. The budget also includes a provision of Rs. one crore for additional grants to States for the welfare of the scheduled tribes and the development of scheduled areas and Rs. one crore for possible grants to such of them as have suffered from natural calamities like floods and earthquake this year.

The civil expenditure, which I have just mentioned, takes credit for economies amounting to Rs. 5.53 crores. It has not been possible to take the entire amount of this reduction under the respective heads as final decisions in respect of many of the proposed economy measures had not been arrived at when the budget was being prepared. For purposes of completing the estimates, therefore, I have taken a lump reduction of Rs. 5 crores under miscellaneous expenditure. It is my intention, before the demands for grants are finally presented to the House in April, to distribute this provision over the respective heads.

In this connection, the House will be interested to know that the total reduction which could have been possible if the recommendations of the Economy Committee had been implemented *in toto* is of the order of Rs. 4½ crores. The reduction of even Rs. 5½ crores in civil expenditure envisaged in the budget may not at first sight appear substantial, but I must remind the House of the somewhat limited scope available for the contraction of expenditure. Of the gross expenditure of Rs. 200.41 crores provided in the budget, nearly a third, or Rs. 63 crores, is in respect of obligatory expenditure like interest and debt redemption, pensions, fixed grants to States and pre-partition payments. Expenditure on Grow More Food, food subsidies and bonus and relief of displaced persons account for another Rs. 40 crores, which is not capable of further reductions. There are certain self-balancing items such as payments of certain cesses to specific funds and transfers to the road fund which account for another Rs. 5 crores. This leaves about Rs. 92 crores to which the axe could be applied. Even here, there is a substantial amount of expenditure on nation building activities, tax collection and so on which cannot be materially reduced without affecting the revenue or the development of the country. In taking a view of possible

economies the House must also remember that as a result of the integration of the former Princely States considerable, but more or less backward, areas have been brought under direct Central administration and the provision in the budget for these areas, where so much still remains to be done for raising the standards of administration, cannot be reduced. In judging the results of the campaign for economy I am sure the House will bear these facts in mind. But I can give the assurance that the quest for economy will be continued throughout the year.

I should like at this stage to digress and give an account of the work of the Income-tax Investigation Commission. As hon. Members are aware, the report of the Commission on the adequacy of the existing income-tax law to prevent tax evasion and the steps necessary to remove existing defects has been under consideration for some time. A bill embodying the accepted recommendations was to have been submitted to Parliament in the last budget session but such a comprehensive measure required some time to prepare and could be introduced only in the current session.

During the year under review the Commission have made further progress in the investigation of individual cases referred to them. Out of a total number of 1390 cases referred to them they have disposed of 337 cases, including those settled by agreement. On the cases so far disposed by them a sum of nearly Rs. 6½ crores is likely to be recoverable while the actual recoveries amount to Rs. 90 lakhs. Recoveries have lagged behind assessment because in many cases extensions of time have had to be given by the Commission, taking into account the assessor's present capacity to pay what in effect is the tax demand of several years. The cases still pending with the Commission are at various stages of investigation. It is therefore impossible to give an idea of the time it would take for the completion of the work. The term of office of the Commission is due to expire at the end of March 1951 but in view of the large volume of work still remaining to be done steps are being taken to get their term extended.

The current year's budget provided for a capital expenditure of Rs. 62 crores and Rs. 34.8 crores for loans to the State Governments to meet their capital requirements and for rehabilitation of displaced persons. Capital expenditure this year is now estimated at Rs. 83 crores while loans to State

Governments will amount to Rs. 67 crores. Details of the capital expenditure are given in the Explanatory Memorandum and I shall content myself with mentioning only the more important reasons for the increase. As part of the policy of curtailing expenditure to the maximum extent possible the provision in the current year's budget was severely pruned and the actual requirements for Railways and irrigation schemes proved heavier. An unforeseen payment of Rs. 2.62 crores had also to be made to Pakistan, in accordance with the partition arrangements, in connection with the payment for her subscriptions to the International Monetary Fund and world Bank, as India retained the entire subscription paid by undivided India before the partition. Defence capital outlay is also expected to cost about Rs. 3½ crores more than was originally estimated. The large increase in advances to State Governments is mainly due to an increase in the loans for the rehabilitation of displaced persons which are now estimated at Rs. 15.85 crores against the original estimate of Rs. 8.35 crores and loans for Grow More Food schemes which, at Rs. 12.86 crores, involve an excess of over Rs. 10½ crores over the original budget. Additional loans had also to be given to the States for the river valley projects and for certain important irrigation and hydro-electric schemes in some of the Part B States.

For next year, a total provision of Rs. 77 crores has been made for capital outlay and Rs. 62.62 crores for loans to States. Among the important items included in the former I would mention Rs. 19.62 crores for Railways, Rs. 5.45 crores for Posts and Telegraphs, Rs. 10.56 crores for industrial development on such items as the Fertiliser Factory at Sindri, the Machine Tool Factory at Bangalore and investment in ship building and the manufacture of dry core cables. Defence capital outlay, as mentioned elsewhere, is estimated to cost Rs. 14.97 crores, while schemes of State trading will involve a net outlay of Rs. 13.68 crores, which will be recovered in subsequent years. The provision in the loans budget includes Rs. 27 crores for loans to States for the river valley schemes, Rs. 7½ crores for loans for other productive purposes, Rs. 1.68 crores for industrial housing, Rs. 16 crores for rehabilitation and Rs. 8 crores for Grow More Food schemes. A lump sum provision of Rs. 1½ crores has also been included for possible loans to those States which have recently suffered from natural calamities like floods and earthquakes.

Before I go on to consider the ways and means position I should like to

[Shri C. D. Deshmukh]

mention briefly the work of the Planning Commission. The Commission have been engaged for some time in a close study of the problems of planning and development in the country and their report is likely to be received by Government by about the end of May 1951, after they have completed their consultations with the States Governments and others. An underdeveloped economy like ours is inevitably one with a low volume of savings which can be devoted to productive investment. Even this small margin has been affected as a result of the strains and stresses of the war and post-war years and the shifts in the distribution of income within the community. The resulting dearth of resources calls for a degree of national effort which makes planning and the fixation of priorities a vital necessity if even the meagre resources available are not to be frittered away. In recent years there has perhaps been a tendency to identify planning with large scale expenditure out of past savings. But the real problem is to increase the current flow of saving through a concerted effort by the present generation so as to make available, without a violent disturbance of the country's economy which the unregulated release of accumulated savings will involve, resources for productive investment and for financing social services. Without in any way anticipating the findings of the Commission it may be hoped that as a result of their examination of the problem they would advise Government of the lines on which national effort should be mobilised, the levels to which the Centre and the States should endeavour during the next few years to raise their financial resources and the targets which the country should try to achieve through intensive development.

This leads me to a mention of the discussions which Government have been having with the United States Government for participation in President Truman's Point Four Programme and with Commonwealth countries in connection with what is generally known as the Colombo Plan. Hon. Members are aware of the agreement which has been signed between this country and the United States under President Truman's Point Four Programme, the significance of which to the technological progress of the country is likely to be far greater than what its monetary dimensions indicate. In connection with the Colombo Plan, we have drawn up a statement of our essential requirements in the next six years involving a total outlay of

Rs. 1,800 crores. The problem of raising the living standards of the vast underdeveloped and, till recently, exploited regions of South East Asia is one which is unlikely to be solved by the resources available to the countries of that area. Finance from abroad, and that on a substantial scale, has to be forthcoming if this problem is to be tackled adequately. There is an increasing recognition by the more fortunately placed countries of the West and the Western hemisphere that their help in this urgent task is necessary and that the raising of the living standards of these backward areas is vital for the peace and stability of the world. While it is obviously in our own interest to help ourselves to the maximum extent possible by mobilising our own resources I trust that outside assistance on terms acceptable to us will be available in the near future in undertaking this great task.

I shall now turn to a consideration of the ways and means position. The current year's budget included Rs. 75 crores from market borrowings and Rs. 28 crores from small savings. In addition, credit was also taken for a possible sale of Rs. 10 crores from securities held in the cash balance investment account. In June 1950 a cash-cum-conversion loan was floated, cash subscriptions to which amounted to Rs. 7½ crores and conversions to Rs. 22½ crores. In addition to the public loan, sales of securities from the cash balance investment account have amounted to Rs. 23 crores while the net receipts from small savings are now placed at Rs. 31 crores showing an improvement of Rs. 3 crores over the budget. The total borrowings have, however, still fallen below the estimate by Rs. 29 crores. This has been mainly due to the fact that the recovery in the capital market has not been as good as was once expected and that the promise of increased demand for investment of the earlier period has not been maintained. For next year, I have taken credit for Rs. 100 crores for new loans and a net credit of Rs. 43 crores from small savings. Government have the option of repaying the 3 per cent. loan 1951-54 with an outstanding balance of Rs. 87 crores next year and provision has been made for this repayment.

There has been a welcome, though slight, improvement in the position regarding small savings this year. With the shift in the distribution of the national income in recent years that most competent observers have noticed, the mobilisation of small savings,

particularly in the rural areas, has assumed special importance and has been engaging the constant attention of Government. Among measures taken for stimulating additional savings may be mentioned the revival of the system of authorised agents in three States as an experimental measure. In rural areas it is also proposed to avail of the assistance of Branch Sub-Postmasters in this task. Recently, a Treasury Savings Deposits Scheme, which combines the attractive yield on National Savings Certificates with the advantage of an annual income, has been introduced and the results, in the short time it has been in operation, are encouraging. The question of widening the pattern of investment for the small saver is constantly under examination. Social and political changes have occurred in the country which involve more restricted opportunities for certain classes who in the past have been large supporters of the investment market. Their contribution has to be replaced from the savings of those who benefit from these changes. The importance of mobilising the small savings cannot therefore be over emphasised. This is a task which requires the co-operation of all sections of the community both rural and urban, agricultural and industrial. We cannot depend purely on casual sales of savings or deposit certificates. We must develop a wide net work of savings groups in the towns and in the countryside for a continuous mobilisation of small amounts. In this connection, may I mention that the successful working of savings groups in industrial undertakings should not be regarded as a relevant consideration in dealing with disputes regarding the level of wages?

Before I pass on to the budget proposals I may summarise the position. The revised estimates for the current year show a surplus of Rs. 7.93 crores while the deficit on capital account will amount to Rs. 67 crores. For next year, on the existing basis of taxation, the revenue account is expected to show a deficit of Rs. 5.54 crores while the deficit on capital account will amount to Rs. 78 crores. The total deficit in the current year will be met from the opening balance of Rs. 149 crores which will be reduced to Rs. 95 crores at the end of the year. On the estimates that I have explained so far, I am left with the problem of not merely covering the estimated revenue deficit of Rs. 5.54 crores but also of covering, as far as possible, the more substantial deficit on capital account, while closing the budget year with an adequate closing balance.

It may assist the House if I explain briefly the various considerations which I have taken into account in formulating the proposals which I shall place before it. In dealing with the substantial deficit on both capital and revenue account in the coming year I have had to keep in mind two requirements. Firstly, additional resources have to be raised for leaving Government with a sufficient closing balance at the end of the Budget year. Secondly, the deficit has to be covered to the largest possible extent so as to avoid the generation of further inflation.

At a time when inflationary conditions exist it must be the aim of Government to adjust the money supply to the available supply of goods and services by drawing off as much as possible of the purchasing power in the hands of the community, either by taxation or by borrowing, the exact proportion between the two being determined with reference to the prevailing circumstances. In other words, Government ought to aim at a surplus budget, taking the revenue and capital budget together. Conversely, at a time of deflation the effect on the community of the fall in the purchasing power should be mitigated by Government increasing the money supply by increasing public expenditure. The effect of a budgetary deficit on the economic life of the country is precisely the same whether it is a deficit on revenue account or a deficit on capital account. Such a deficit, other things remaining equal, increases the available money supply in the hands of the community and at a time of inflation adds to the inflationary spiral. The effect is in no way altered even if the deficit in a particular year is met from the accumulated balances of the past.

In the light of what I have said just now, I am sure the House will agree with me that the substantial deficit of Rs. 83 crores in the budget next year cannot be left wholly uncovered. This will reduce the cash balance of Government at the end of the budget year to Rs. 12 crores which will be wholly inadequate, considering the present magnitude of Government transactions. A safe closing balance for Government should, in my view, be something of the order of Rs. 50 crores. This, in a sense, sets the minimum limit to the amount of fresh resources that will have to be raised next year to achieve a satisfactory cash position. Any further addition to our resources will be welcome, if it could be obtained.

After a careful consideration of the problem in all its aspects I have come to the conclusion that something like

[Shri C. D. Deshmukh]

half this deficit should be met by raising additional resources and the balance met from the accumulated cash balances of Government.

The House may well ask if this deficit could not have been avoided either by economies or by the postponement of capital expenditure. I have explained at some length, while dealing with the expenditure estimates, the steps taken to secure economies in public expenditure. While this quest for economy will be rigorously pursued, it will be unrealistic to expect that this will release any appreciable amount for financing the capital budget. The capital budget itself has been so carefully pruned that it now provides only for essential schemes of capital outlay and development, which cannot be further curtailed without affecting the country's development, and for the requirements connected with the rehabilitation of displaced persons. Even within the accepted provision for capital expenditure, which in the case of most spending Ministries and State Governments represents a very substantial reduction on their demands, it is my intention to suggest the enforcement of economies in spending by the adoption of austerity standards in regard to construction, scale of accommodation and so on. While all these efforts may yield some results, it is unlikely that they will bridge to a substantial extent the deficit on capital account next year.

This brings me to the important problem of distributing the additional burden in the coming year between taxation and borrowing. So far as borrowing is concerned, the House is well aware of the difficult conditions prevailing in the capital market. In my estimates for the coming year I have taken credit for a total borrowing of a little over Rs. 140 crores, taking small savings and market borrowings together. While I am satisfied that this is not in any way over-optimistic there is little scope, unless there is a very marked improvement in the position, for bettering on these estimates. I am, therefore, left with no alternative but to turn to the taxpayer for helping me out. In doing so I am not unaware of the present level of the tax burden but in an emergency like this I am sure that some additional burden will be borne cheerfully in the wider interest of the country. In laying the tax-payer under further contribution, the House may rest assure that I have made every effort to see that the additional burdens are spread as widely and as equitably as possible.

In the field of direct taxation, my first proposal is to raise the rate of Corporation tax by a quarter of an anna, from two and a half annas to two and three-quarter annas. Since 1922 it has always been the practice to fix the rate of Company super-tax at the lowest rate of super-tax applicable to an individual. This was departed from twice in recent years, once in the Finance Act of 1946 and again in the Finance Act of last year. I consider that it is not inappropriate at the present juncture to do something towards re-establishing the conventional parity between the two rates. This proposal is estimated to yield an additional revenue of Rs. 2.25 crores.

My second proposal is to levy, exclusively for the purposes of the Centre, a small surcharge of 5 per cent. on all income-tax and super-tax rates, excluding Corporation tax with which I have already dealt. The present situation calls for a measure of sacrifice from every one according to his means and this surcharge will not be an onerous burden on anyone. On a person with an income of Rs. 5,000 a year, this will mean no more than 8 annas a month. It will amount to Rs. 3 a month on a person with an income of Rs. 12,000 a year and Rs. 12 a month on a person with an income of Rs. 24,000. I am sure the House will agree that this burden cannot be considered excessive. The additional revenue from this surcharge which, as I mentioned, will accrue in its entirety to the Centre, is estimated at Rs. 6 crores.

Before I leave the subject of income-tax I should like to mention a minor adjustment that is being made in respect of the rebate of super-tax given to Life Insurance Companies. The Income-tax Investigation Commission have suggested that the rebate of super-tax hitherto given to Life Insurance Companies was not justified in respect of that portion of the profits of the business which went into the pockets of the shareholders and did not accrue to the benefit of the policyholders. Government have accepted the Commission's recommendation and the rebate is proposed to be reduced from 2 annas to 1½ annas. The effect of this on the revenue will be negligible and I have taken no credit in the budget for this.

Turning to indirect taxes I shall first deal with changes in the Customs duties. My first proposal is to levy an enhanced surcharge of 5 per cent. on all items in the import schedule except such of them as are governed

by specific agreements under the General Agreement Relating to Trade and Tariffs. In other words, the proposal is that for any item for which the existing surcharge is, say, twenty per cent. the new rate should be 25 per cent. Articles at present exempt from surcharge will pay a surcharge of 5 per cent. The yield from this is estimated to be Rs. 2 crores.

My next proposal is to increase the present surcharge of 100 per cent. on ale, beer, spirits, and other fermented liquor by 50 per cent. The yield from this is estimated at Rs. 40 lakhs.

My third proposal is to rationalise the incidence of import duties on mineral oils other than motor spirit and kerosene. The existing duties on these oils will be raised alternatively to a maximum of 20 per cent. of their value, wherever it is higher. The additional yield from this is estimated at Rs. 60 lakhs.

In the field of export duties I propose to make two changes. I propose to levy a duty of Rs. 80 per ton on groundnut kernel. The price of ground nut kernel has gone up considerably in recent months on account of the increase in demand and this duty will be in consonance with the policy of appropriating to the exchequer the large difference between the external and internal prices. I also propose to revive the export duty on cotton cloth, which was withdrawn in 1949, but confine it to coarse and medium cloth only, excluding furnishing fabrics and manufactures like hosiery, apparel, towels, etc. The cloth covered by this duty is made mostly from Indian cotton and enjoys a price advantage which would justify the imposition of a moderate export duty, which I suggest should be 10 per cent. *ad valorem*. The yield from export duty on ground nut is estimated at Rs. 1½ crores and that from the export duty on cotton cloth at Rs. 2½ crores. Certain readjustments in the application of concessional assessments to existing export duties on cotton waste and black pepper will also be made by executive orders, yielding Rs. 1 crore and Rs. 75 lakhs respectively.

I now turn to Union Excises. Here my first proposal is to increase the present excise duties on motor spirit and kerosene by 5 per cent. so as to equalise the duties of Customs and Excise. This change is consequential to the general surcharge of 5 per cent. on import duties which I have mentioned earlier. The additional revenue from this is estimated at Rs. 15 lakhs.

My next proposal is to make certain changes in the excise duties on tobacco. The rationalisation of tobacco excises has, as the House is aware, been under the consideration of Government for some time. The existing system of taxing tobacco on the basis of its intended use has not only been criticised as being contrary to the normal principle that an article should be taxed according to its specific character but has also proved cumbersome and difficult, both to the administration and to the trade. A widespread scheme of departmental restrictions designed to guard against the evasion of taxation by the diversion, after clearance, of tobacco, capable of multi-purpose use, from a low-rated use to a high-rated use has had to be imposed. These have been difficult to administer and have also created some amount of justifiable discontent in the trade.

The scheme of rationalisation now proposed has two main features. It makes the minimum changes necessary in the taxation of tobacco which goes into the manufacture of cigarettes. In respect of other categories of tobacco, the present basis of taxation with reference to intended use will be abandoned and the duty will be levied as a leaf duty at flat rates, separately for flue-cured and for other tobacco. The rationalisation also provides for the levy of a further duty on certain tobacco manufactures like biris and snuff. The leaf duty on flue-cured tobacco, except tobacco used in the manufacture of cigarettes, will in future be Re. 1 per lb. while other tobacco will pay a duty at 8 annas per lb. Flue-cured tobacco used in the manufacture of cigarettes will continue to pay duty at the existing rates while other tobacco used for the manufacture of cigarettes will pay the flat rate of leaf duty of 8 annas. The existing concessions for stalk and tobacco used for agricultural purposes will continue. The manufacture duty on cigarettes, whether made out of flue-cured tobacco or other tobacco, will, subject to certain minor tariff alterations due to the imposition of the flat rate of leaf duty, continue as at present. Pipe-tobacco will pay a rate of Rs. 6-8-0 per lb. Biris and snuff will pay in addition to the leaf duty of 8 annas, as against 12 annas at present, an additional manufacture duty averaging 8 annas per lb. on their tobacco content.

I have carefully considered the effect of the proposed changes on the consuming public. Flue-cured tobacco is not generally used for chewing or hooka purposes and over most of this

[Shri C. D. Deshmukh]

field the additional burden would amount to only 4 annas a pound over the present rate of 4 annas a lb. This duty has, no doubt, been doubled but considering the low per capita consumption of tobacco in this form, the additional burden is likely to be insignificant. In the case of snuff and biris also, flue-cured tobacco is hardly ever used and the consumer will get the benefit of a reduction of 4 annas per lb. in the present tax of 12 annas a lb. which he is now paying. This loss of revenue has to be made up and it is in the context of the need for additional revenue and the desirability of making every section of consumers contribute their share of additional revenue, that the small manufacture duty on snuff and biris is justified. The manufacture duty on snuff will be at 8 annas per lb. For biris a graded manufacture duty will be levied at 9 annas a thousand for biris containing more than three quarters of a lb. of tobacco per 1,000 and 6 annas a 1,000 for biris containing three quarter of a lb. of tobacco or less. At the existing rate of taxation an average biri smoker is probably paying a duty of Rs. 6 a year. Under the new proposals he would pay about Rs. 8 a year. Compared to what the smoker of even the cheapest variety of cigarettes has to pay, I do not think that this places an undue burden on him.

I mentioned earlier that the rates of duty on tobacco used for cigarettes will mostly remain unchanged. But, while we are raising the rates of tax-paid by the other sections of tobacco consumers, it is hardly fair to leave the cigarette consumer untouched. I therefore propose to levy a small surcharge of a quarter of an anna per 10 cigarettes the retail price of which is more than 2 annas per ten and half an anna per 10 cigarettes the retail price of which is more than 5½ annas per ten.

The total additional revenue from the changes in the tobacco tariff which I have just mentioned is estimated at Rs. 13 crores.

Before I conclude the taxation proposals I may mention a proposal which has only a limited interest, as it affects only the Delhi State. Hon. Members are aware that the question of levying a sales tax in Delhi has been under consideration for some time. The neighbouring States of Punjab and Uttar Pradesh have sales taxes and there have been complaints that the existence of a tax-free zone

in Delhi results in a diversion of trade from these States to Delhi to the detriment of their revenues, without any corresponding benefit to the Centre. The Centre has been advising the various State Governments to exploit sales taxes for augmenting their resources and there is no reason why the Centre should not introduce it in Delhi in the present financial stringency which has underlined the need for exploring all available means of raising additional money. Government have accordingly decided to introduce a sales tax in Delhi. This will be done by applying with suitable modifications, the law of one of the Part A States. The tax will be a moderate single point tax. The details are being worked out but in the meanwhile I have taken a credit of Rs. 1 crore on this account for the coming year.

I may now summarise the net effect of the proposals which have been placed before the House. The additional revenue from the changes in Income-tax is estimated at Rs. 8.25 crores and that from changes in Customs and Central Excise duties to Rs. 8.75 crores and Rs. 13.15 crores respectively. The sales tax in Delhi is estimated to yield Rs. 1 crore. The total additional revenue is thus estimated at Rs. 31.15 crores. This will convert the revenue deficit of Rs. 5.54 crores into a surplus of Rs. 25.61 crores and reduce the overall budget deficit to Rs. 52.37 crores. This remaining deficit will be met from the opening balance of Rs. 95.42 crores, leaving a closing balance of Rs. 43.05 crores at the end of the year.

I have now come to the end of my story. I wish it had been possible for me to present a budget without imposing the additional burdens I have been compelled to suggest. But the financial difficulties through which the country is passing make it imperative that sacrifices should be made to enable Government to meet the heavy demands on them without impairing the economic health of the country. I know that there will be some criticism that the entire burden next year has been thrown on the tax-payer and that in distributing this burden the direct tax-payer has been let off more lightly than the indirect tax-payer. So far as laying the entire burden on the tax-payer is concerned, I have already explained how it is not possible to raise additional money by borrowing over of the amount for which I have taken credit in the budget. Apart from the effects of recent political and economic changes on the capital

market, we still seem to be in a state of transition so far as the effect of the shifts in income, to which I have already referred, on the capital market is concerned. As regards the second criticism I would point out that, in a relatively poor country like ours, the scope for raising money by direct taxation is somewhat limited and a fair amount of the tax burden has necessarily to be laid on the community by means of indirect taxes. For a population of over 35 crores the number of people who pay income-tax in this country is probably something like 6 to 7 lakhs. It will not, therefore, be correct to say that the raising of additional taxation by the enhancement of indirect taxes is inequitable. But in suggesting increases in indirect taxation I have confined them as far as possible to either luxury or near luxury items. It is, nevertheless, true that the net of taxation has been cast fairly wide but I am sure the House will agree with me that in the burden of building up the new India every section of the community should take its legitimate share.

Before I conclude, I should like to say a few words about a charge that has frequently been made that by drawing upon the accumulated balances in recent years Government have added to the inflationary pressure. If it is suggested that Government have been drawing on these balances and putting the money in circulation inside the country I think this is wholly wrong. We started with an opening balance of about Rs. 270 crores after the partition and at the end of the current year the balance would have dropped to Rs. 95 crores. Thus, in a period of three and a half years, our balances would have been materially assisted if Government during this period Government's net overseas expenditure, mainly on the purchase of foodgrains, stores, equipment, etc., will amount to a little over Rs. 400 crores. Thus, taking Government expenditure by itself, this running down of the balances cannot be said to have generated fresh inflation. But if the suggestion is that the disinflationary trends would have been run down by Rs. 175 crores, ment had raised all the finance they required currently, without drawing on their balances, my answer to it is

342 PSD.

that it ignores the realities of the situation. While a Government is, in a sense, the creator of economic conditions by its policies, it is, very often, also the creature of circumstances beyond its control. No government, much less a popular government, faced with the multitudinous problems with which this Government has been faced by the partition of the country and its aftermath, could have sat back and refused to incur expenditure necessary for the security of the country, the relief of displaced persons, the grant of food subsidies to keep prices from rising or the progress of essential schemes vital to the country's welfare and development. While there may be legitimate criticism of some item of expenditure or the other I think it will, on the whole, be correct to say that the bulk of this money has been spent on useful or unavoidable items.

Sir, it is, I believe, the usual custom to end the budget speech with a review of the general financial position of the country but I do not propose to do so. In the rapidly changing conditions all over the world he will indeed be a rash man who can hazard a guess as to the future. But I have little doubt myself about the inherent strength of our financial position and I have every confidence in the ability of our people to sustain and support the Government in whatever measures may be necessary to maintain the finances of the country in a sound position. It is in this hope and in this faith that I have made the substantial demands which this budget makes on the tax-payer. I have been greatly heartened in this task by a recent communication which I have received from an ordinary villager, who is neither in business nor in service, which I would venture to mention to the House. It is from one who at present pays no tax to any authority, Central, State or local. He says that he has a burning desire to help the Government of India in some way or the other. He has remitted a sum of five rupees to me and has promised to remit a similar sum every year. It is not the small amount that he has offered but the spirit behind the offer that matters and, so long as the common run of our people can produce men and women with this spirit, this country can face the future, however difficult it may be, with confidence.



[Shri C. D. Deshmukh]

SUMMARY OF FINAL ESTIMATES

<i>Revenue</i>		
	(In lakhs of Rs.)	
	Revised Budget 1950-51	1951-52
Customs	145.31	141.29 } + 8.75*
Union Excise Duties	69.68	71.63 } + 13.15*
Corporation Tax	38.92	30.48 } + 2.25*
Taxes on Income other than Corpora- tion Tax	127.88	126.57 } + 6.00*
Opium	3.00	2.35
Interest	1.79	1.67
Civil Administration	10.46	8.42
Currency and Mint	12.87	12.32
Civil Works	1.46	1.52
Other Sources of Revenue	13.69	11.91 } + 1.00*
Posts & Telegraphs :— Net contribution to general revenues ..	3.07	2.00
Railways :— Net contribution to general revenues ..	6.76	7.26
Deduct—Share of Income-tax revenue payable to States ..	— 47.68	— 47.53
Total Revenue	367.21	369.89 } + 31.15*
<i>Expenditure</i>		
Direct demands on revenue ..	13.34	14.58
Irrigation ..	22	27
Debt Services ..	36.46	37.32
Civil Administration ..	52.75	56.02
Currency and Mint ..	2.65	2.66
Civil Works ..	10.88	13.38
Pensions ..	7.18	7.35

Miscellaneous—

Expenditure on refugees	13.67	9.86
Subsidy on Food- grains ..	35.07	25.32
Other Expenditure ..	5.66	—50
Grants to States, etc. ..	15.72	15.43
Extraordinary items ..	1.57	10.97
Defence Services (net) ..	179.47	180.02
Prepartition payments ..	4.64	2.75
Total Expenditure ..	379.28	375.43
Surplus ..	+ 7.93	+ 25.61

\* Budget proposals.

**Mr. Speaker:** Sets of Budget papers will now be distributed and thereafter the hon. the Finance Minister will lay on the Table a statement of the estimated receipts and expenditure of the Central Government for 1951-52.

**Shri C. D. Deshmukh:** I beg to lay on the Table a statement of the estimated receipts and expenditure of the Central Government for 1951-52.

**Mr. Speaker:** The Finance Minister will now introduce the Bill.

FINANCE BILL

**Minister of Finance (Shri C. D. Deshmukh):** I beg to move for leave to introduce a Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April 1951.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April 1951."

The motion was adopted.

**Shri C. D. Deshmukh:** Sir, I introduce the Bill.

**Mr. Speaker:** The House will now adjourn till quarter to eleven of the clock tomorrow.

*The House then adjourned till a Quarter to Eleven of the Clock on Thursday, the 1st March 1951.*