

22nd February, 1926

THE

LEGISLATIVE ASSEMBLY DEBATES

(Official Report) .

Volume VII, Part II

(10th February to 1st March, 1926)

FOURTH SESSION

OF THE

SECOND LEGISLATIVE ASSEMBLY, 1926



DELHI
GOVERNMENT OF INDIA PRESS
1926

Legislative Assembly.

The President :

THE HONOURABLE MR. V. J. PATEL.

Deputy President :

DIWAN BAHADUR T. RANGACHARIAR, M.L.A.

Panel of Chairmen :

MR. K. C. NEOGY, M.L.A.

SIR DARCY LINDSAY, M.L.A.

LALA LAJPAT RAI, M.L.A., AND

MR. ABDUL HAYE, M.L.A.

Secretary :

MR. L. GRAHAM, C.I.E., M.L.A.

Assistants of the Secretary :

MR. W. T. M. WRIGHT, C.I.E., I.C.S.

MR. S. C. GUPTA, BAR.-AT-LAW.

MR. G. H. SPENCE, I.C.S.

Marshal :

CAPTAIN SURAJ SINGH, BAHADUR, I.O.M.

Committee on Public Petitions :

DIWAN BAHADUR T. RANGACHARIAR, M.L.A., *Chairman.*

DIWAN BAHADUR M. RAMACHANDRA RAO, M.L.A.

COLONEL J. D. CRAWFORD, M.L.A.

MR. JAMNADAS M. MEHTA, M.L.A.

MR. ABDUL HAYE, M.L.A.

CONTENTS.

VOLUME VII, PART II—10th February, 1926, to 1st March, 1926.

	PAGES.
Wednesday, 10th February, 1926—	
Questions and Answers	1011-20
Unstarred Questions and Answers	1020-22
The Hindu Religious and Charitable Trusts Bill—Presentation of the Report of the Select Committee	1022
Statement laid on the Table	1023
Elections of Panels for Standing Committees	1023-25
The Indian Naturalization Bill—Passed as amended	1026-40
The Insolvency (Amendment) Bill—Passed	1040-41
The Code of Criminal Procedure (Second Amendment) Bill— Motion to consider adopted... ..	1042-81
Friday, 12th February, 1926—	
Questions and Answers	1083-1101
Unstarred Question and Answer	1102
Statement of Business	1102-03
The Bengal State Prisoners Regulation (Repeal) Bill—Debate adjourned	1103-49
Monday, 15th February, 1926—	
Questions and Answers	1151-86
Unstarred Questions and Answers	1186-91
Messsages from H. E. the Governor-General	1191
Results of the Elections to the Panels for Standing Committees	1192
Death of Maulvi Muhammad Kazim Ali	1193-94
Comments in a Newspaper reflecting on the Impartiality of the Chair	1195
The Code of Criminal Procedure (Second Amendment) Bill— Passed	1196-1212
The Delhi Joint Water Board Bill—Introduced	1212
The Madras Civil Courts (Second Amendment) Bill—Intro- duced	1212
The Indian Tariff (Amendment) Bill—Referred to Select Com- mittee	1212-19
Demands for Excess Grants	1219-34
Demands for Supplementary Grants	1234-60
Tuesday, 16th February, 1926—	
Questions and Answers	1261-64
Unstarred Questions and Answers	1264-68
Resolution <i>re</i> the Burma Expulsion of Offenders Act— Adopted	1269-96
Resolution <i>re</i> Extension of Reforms to the North-West Frontier Province—Debate adjourned	1296-1344
Wednesday, 17th February, 1926—	
Member Sworn	1345
Questions and Answers	1345-54
Appointment of the Committee on Public Petitions	1355
Messsages from the Council of State	1355

CONTENTS—*contd.*

	PAGES.
Wednesday, 17th February, 1926—<i>contd.</i>	
Statement regarding Negotiations with the Union Government of South Africa	1355-57
The Steel Industry (Amendment) Bill—Passed	1358-79
Resolution <i>re</i> Supplementary Protection to the Tinplate Industry—Adopted	1379-1406
Resolution <i>re</i> Continuation of the Customs Duty on Lac exported from British India—Adopted	1407-09
The Indian Income-tax (Amendment) Bill—Referred to Select Committee	1409-28
Thursday, 18th February, 1926—	
Railway Budget for 1926-27—Presented	1429-40
The Code of Civil Procedure (Amendment) Bill—Passed	1441-55
The Legal Practitioners (Amendment) Bill—Passed	1456-68
The Promissory Notes (Stamp) Bill—Passed	1469
Resolution <i>re</i> Ratification of the Draft Convention regarding Workmen's Compensation for Occupational Diseases—Debate adjourned	1469-80
The Indian Income-tax (Amendment) Bill—Constitution of the Select Committee	1480
Friday, 19th February, 1926—	
Questions and Answers	1481-1503
Unstarred Question and Answer	1503
The Bengal State Prisoners Regulation (Repeal) Bill—Motion to consider negatived	1504-39
The Hindu Coparcener's Liability Bill—Presentation of the Report of the Select Committee	1539
The Indian Registration (Amendment) Bill— Passed	1540
The Hindu Religious and Charitable Trusts Bill—Motion to re-commit the Bill to a Select Committee negatived... ..	1541-60
Monday, 22nd February, 1926—	
Members Sworn	1561
Questions and Answers	1561-74
Unstarred Questions and Answers	1574-76
General Discussion of the Railway Budget	1577-1644
Tuesday, 23rd February, 1926—	
Questions and Answers	1645-49
Private Notice Questions and Answers	1649-52
Unstarred Questions and Answers	1652-54
The Indian Tariff (Amendment) Bill—Presentation of the Report of the Select Committee	1654
The Railway Budget—	
List of Demands—	
Demand No. 1—Railway Board (Motion for omission of the Demand adopted)	1655-97
Demand No. 2—Inspection	1697-1713
(i) Extravagance and Defective Inspection	1698-1701
(ii) The Puttukottai Train Disaster	1701-08
(iii) Investigation into Accidents	1708-12
(iv) Railway Disaster at Halsa	1712-13

CONTENTS—*contd.*

	PAGES.
Tuesday, 23rd February, 1926—<i>contd.</i>	
The Railway Budget— <i>contd.</i>	
List of Demands— <i>contd.</i>	
Demand No. 3—Audit	1713-22
(i) Effect of changes in the Audit System...	1713-17
(ii) Powers of the Public Accounts Committee ...	1717-22
Wednesday, 24th February, 1926—	
Members Sworn	1723
Questions and Answers	1723-26
Unstarred Questions and Answers	1726-27
Messages from the Council of State	1727
The Railway Budget— <i>contd.</i>	
List of Demands— <i>contd.</i>	
Demand No. 3—Audit— <i>contd.</i>	1728-32
The Cost Accounting System	1728-32
Demand No. 4—Working Expenses: Administration— ...	1732-98
(i) Grant of the Lee Commission Concessions to Rail- way officers	1747-60
(ii) The Eastern Bengal Railway Administration ...	1761-64
(iii) Divisional System of Administration on the N.-W. Railway	1764-65
(iv) Unnecessary expenditure on the Superintendent of the Railway Training School at Chandausi ...	1765-70
(v) Arrangements for Food and Refreshments for Third Class Passengers	1770-80
(vi) Other Grievances of Third Class Passengers ...	1780-89
(vii) Indianization of the Railway Services ...	1789-98
Thursday, 25th February, 1926—	
Motion for Adjournment—	
Hunger Strike by the Bengal State Prisoners in the Mandalay Jail—Leave granted	1799
Statement of Business	1800
Deaths of Mr. T. V. Seshagiri Ayyar and Sir Muhammadbhai Hajibhai	1801-05
Election of a Panel for the Central Advisory Council for Rail- ways	1805
Election of the Standing Finance Committee for Railways ...	1805-06
The Railway Budget— <i>contd.</i>	
The List of Demands— <i>contd.</i>	
Demand No. 4—Working Expenses: Administration— <i>contd.</i>	1806-51
(i) Indianization of the Railway Services— <i>contd.</i> ...	1806-26
(ii) Provision of Electric Lights in Carriages in the Moradabad-Gajrola-Chandpur Branch of the East Indian Railway	1827-28
(iii) Unpunctuality of trains on the Central Sections of the Eastern Bengal Railway, etc.	1828-30
(iv) Reduction of Third Class Fares on Railways ...	1830-51
Motion for Adjournment—	
Hunger Strike by the Bengal State Prisoners in the Mandalay Jail—Adopted	1851-72

CONTENTS—*contd.*

	PAGES.
Friday, 25th February, 1926—	
Questions and Answers	1873-90
Unstarred Questions and Answers	1891-93
Messages from the Council of State	1894
The Railway Budget— <i>contd.</i>	
List of Demands— <i>contd.</i>	
Demand No. 4—Working Expenses: Administration— <i>contd.</i>	1894-1955
(i) Failure to deal adequately with the <i>mela</i> traffic	1896-99
(ii) Non-stoppage of mail trains at several important railway stations	1899-1902
(iii) Loss of articles while in charge of the Railway Administration	1902-09
(iv) Inefficiency and negligence of the Railway Police... ..	1902-09
(v) Fees paid by Indian Food Stall Vendors	1909-15
(vi) Heavy Demurrage and Wharfage charges at Nasik, Poona and other Stations	1915-16
(vii) Grievances of the Public against the Railway Administration	1916-19
(viii) Stores Purchase Policy and Management of the Stores Department, East Indian Railway	1919-29
(ix) Failure to redress the grievances of Railway subordinate employees	1930-55
Demand No. 5—Working Expenses: Repairs and Maintenance and Operation	1956
Demand No. 6—Companies' and Indian States' share of Surplus Profits and Net Earnings	1956
Demand No. 9—Appropriation to the Depreciation Fund... ..	1956
Demand No. 10—Appropriation from the Depreciation Fund	1956
Demand No. 11—Miscellaneous	1956
Demand No. 12—Appropriation to the Reserve Fund	1956
Demand No. 14—Strategic Lines	1957
<i>Expenditure charged to Capital.</i>	
Demand No. 7—New Construction	1957
Demand No. 8—Open Line Works	1957
Demand No. 15—Strategic Lines	1957
Monday, 1st March, 1926—	
Members Sworn	1959
Questions and Answers	1959-75
Unstarred Questions and Answers	1976-78
The Budget for 1926-27	1979-2010
The Indian Finance Bill—Introduced	2011
Election of the Standing Finance Committee for Railways	2011
The Cotton Industry (Statistics) Bill—Introduced	2011
The Indian Divorce (Amendment) Bill—Introduced	2012-13
The Indian Tariff (Amendment) Bill—Considered	2013,
	2018-46
Hunger Strike of the Bengal State Prisoners in the Mandalay and Insein Jails	2014-17
The Indian Factories (Amendment) Bill—Addition of the name of Mr. A. G. Clow, to the list of Members of the Select Committee	2018

LEGISLATIVE ASSEMBLY.

Monday, 22nd February, 1926.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Sir Clement Daniel Maggs Hindley, Kt., M.L.A. (Chief Commissioner, Railways); and Mr. Albert Melville Hayman, O.B.E., M.L.A. (Railway Board: Nominated Official).

QUESTIONS AND ANSWERS.

REORGANIZATION OF RAILWAY EDUCATIONAL INSTITUTIONS.

928. ***Mr. Chaman Lall:** Is it a fact that the thousands of children of Indian railway employees on the various railways cannot get proper training on account of the poverty of their parents? Do Government propose to ask the Railway Board to draw the attention of the Railway Agents in this direction and to reorganize the railway educational institutions for Anglo-Indians and Indians alike?

The Honourable Sir Charles Innes: Government have no reason to believe that the facts are as stated.

In reply to the second part of the question attention of the Honourable Member is invited to the reply given in this House on 19th February 1926 to question No. 925. •

HARDSHIPS OF INDIANS IN THE UNITED STATES OF AMERICA.

929. ***Mr. B. Das:** (a) Are Government aware of the various hardships that Indians naturalized in the United States of America and who have lost their citizenship in the United States of America have had to go through in their travels and in obtaining passports?

(b) Are Government aware that some of these British Indians were refused passports by British Ambassadors in the United States of America, in France, Germany and other countries of Europe as they were of opinion at the time that these persons of Indian origin had lost their British Indian nationality?

(c) Are Government aware of cases where wives with American and European lineage of these denaturalized Indians living at Paris were not given passports to join their husbands in India or to proceed to the States?

(d) Do Government propose to inform the British Ambassadors in various courts of their decision on this matter and remove misconception in their minds of a British Indian ever losing his or her British Indian nationality?

Sir Denys Bray: A few specific cases of hardship came to the notice of Government in the days immediately following the ruling of the Supreme Court of the United States of America, but as far as Government are aware they were for the most part dealt with by the issue of emergency certificates. It is hoped that the matter will very shortly be put on a regular basis.

I would like, with your permission, Sir, to take this opportunity of correcting a slip on my part. I now find that the ruling of the Supreme Court was not on the interpretation of an article in the Constitution itself but of a section in the revised Statute re-enacting the naturalization test which was framed under the Constitution just three years after the Constitution.

Mr. Gaya Prasad Singh: May I ask the Honourable Member, Sir, what is the number of Indians who were naturalized in the United States of America and who have lost their franchise owing to this decision of the Supreme Court?

Sir Denys Bray: I am afraid I shall have to ask for notice of that question.

DIFFICULTIES IN THE WAY OF THE ENLISTMENT OF HINDU JATS IN THE INDIAN ARMY.

930. ***Pandit Krishna Kant Malaviya:** Is it a fact that in the Jullundur and Lahore Divisions of the Punjab, Hindu Jats can only get enlisted in the Indian Army with great difficulty?

Mr. E. Burdon: Hindu Jats from the Jullundur and Lahore Divisions are eligible for service in the Indian Army. It is, however, a fact that, apart from those who are Dogras, Hindu Jats are not taken into the Army in large numbers from these two civil divisions.

NUMBER OF HINDU, SIKH AND MUSLIM JATS RECRUITED FOR THE INDIAN ARMY FROM CERTAIN DISTRICTS IN THE PUNJAB.

931. ***Pandit Krishna Kant Malaviya:** Will the Government kindly state what is the number at present in the Indian Army of Hindu Jats, Sikh Jats and Muslim Jats recruited from the Ambala district, and from districts in the Jullundur and Lahore Divisions? Is this number of recruits in the Indian Army from the different sections of the Jat community in proportion to their respective populations?

Mr. E. Burdon: The information desired by the Honourable Member in the first part of this question is not available, as our statistics do not show the numbers recruited by districts or divisions but by provinces. With regard to the second part, the extent to which the different castes and classes are enlisted in the Indian Army depends more on their suitability for service as soldiers, than on their total numbers.

NUMBER OF SOLDIERS IN THE INDIAN ARMY RECRUITED FROM EACH OF THE HINDU CASTES AND TRIBES IN THE PUNJAB.

932. ***Pandit Krishna Kant Malaviya**: Will the Government kindly lay on the table a statement showing the number of soldiers in the Indian Army, recruited from each of the Hindu castes and tribes in each district of the Punjab?

Mr. E. Burdon: I regret that I am unable to furnish the Honourable Member with the information which he desires, since as I have just stated in reply to his previous question, our recruiting statistics are not compiled to show the classes and castes by districts but by provinces as a whole. I lay on the table, however, a statement which shows the total number of the various Hindu castes and tribes (other than Sikhs) serving in the Indian Army on the 1st January, 1925, from the whole of the Punjab Province and I trust that this information will suffice for the Honourable Member's purpose.

Statement showing the number of various Hindu castes and tribes (other than Sikhs) from the Punjab serving in the Indian Army on the 1st January, 1925.

Brahmans	.	.	.	.	.	691
Rajputs	.	.	.	.	.	8,191
Dogra Jats	.	.	.	.	.	739
Other castes of Dogras	.	.	.	.	.	793
				Total	.	10,414

Other Punjabi Hindus.

Brahmans	.	.	.	.	.	.	.	604
Rajputs	.	.	.	.	.	.	.	1,027
Jats (mainly from the Ambala Division)	.	.	.	.	.	.	.	4,941
Ahirs	.	.	.	.	.	.	.	1,795
Gujars	.	.	.	.	.	.	.	387
							Total	8,754
							GRAND TOTAL	19,168

RECRUITMENT FOR THE INDIAN ARMY FROM THE MUHYAL BRAHMANS IN THE RAWALPINDI DIVISION.

933. ***Pandit Krishna Kant Malaviya**: Is it a fact that in the Rawalpindi Division for some time past the Muhyal Brahmans have not been able to get enlisted in the Army? If so, will the Government kindly state why that is so?

Mr. E. Burdon: The answer to the first part of the question is in the negative. The second part does not arise.

RECRUITMENT FOR THE INDIAN ARMY OF "PUNJABI HINDU" REGIMENTS.

934. ***Pandit Krishna Kant Malaviya**: Is it a fact that in the Indian Army raised from the Punjab, there are regiments known under the name of "Punjabi Mussalmans" and "Sikhs"? Is it a fact that in the regiments known as the "Punjabi Mussalmans", there are usually recruits from several Muslim castes and tribes, and similarly in the "Sikh" regiments there are recruits from several Sikh castes and tribes? Is it also a

fact that there is in the Indian Army raised from the Punjab no regiment known under the name of "Punjabi Hindus", and that Hindu Jats in the Jullundur and Lahore Divisions, Muhyal Brahmans and Hindu Khatris in the Rawalpindi, Lahore and Jullundur Divisions, and Ahirs, Gujars and other Hindu fighting classes in different parts of the province cannot get enlistment in the Indian Army? Will the Government kindly state why no "Punjabi Hindu" regiments as such are raised in the Punjab?

Mr. E. Burdon: There is no regiment known under the name of "Punjabi Mussalmans". There is one regiment known as Sikhs, namely, the 11th Sikhs, but only three of the battalions are composed exclusively of Sikhs.

Government do not propose to raise a "Punjabi Hindu" regiment as such.

CONVERSION OF HINDU JATS AND OTHER HINDU MILITARY CASTES AND TRIBES, IN THE PUNJAB TO THE SIKH, MUHAMMADAN AND CHRISTIAN RELIGIONS.

935. ***Pandit Krishna Kant Malaviya:** Is it a fact that the reason why Hindu Jats in the Jullundur and Lahore Divisions, and several other Hindu military castes and tribes, in the different parts of the Punjab are becoming Sikhs, Mussalmans and Christians in large numbers is that they cannot get enlistment? Are Government aware that in the Punjab, the Hindu Jats have gone down in numbers, from 16 lakhs to 11 lakhs during the last 20 years? Are they aware that almost the whole of this decrease, in the Jullundur and Lahore Divisions is due to conversion?

Mr. E. Burdon: With regard to the first part of this question, I may state that Government are not aware that the position is as stated by the Honourable Member. His attention is invited to the reply which I have just given to a previous question, from which he will see that Hindu Jats from the Jullundur and Lahore Divisions are eligible for service in the Indian Army.

The answers to the remaining parts of the question are in the negative.

NUMBER OF MAZHBI SIKHS IN THE INDIAN ARMY.

936. ***Pandit Krishna Kant Malaviya:** Will the Government kindly state how many Mazhbi Sikhs there are in the Indian Army? Is it a fact that almost all these Mazhbi Sikhs come from among the caste of Chuhras? Do Government recruit from among the Hindu Chuhras, who belong to the same caste and tribe as the Mazhbi Sikhs? If not, why not?

Mr. E. Burdon: The answer to the first part of this question is that 1,584 Mazhbi Sikhs are serving in the Indian Army. With regard to the second part, these Sikhs originally came and a few still come from the Chuhra caste. But, on the other hand, the majority of this class now serving in the Army are the descendants of Mazhbi Sikhs who originally may have been Chuhras, but who had long since given up the duties of domestic sweepers.

The answer to the third part of the question is in the negative, the reason being that Hindu Chuhras do not provide as suitable recruits as Mazhbi Sikhs.

ALLEGED ANTI-HINDU POLICY OF THE GOVERNMENT IN THE MATTER OF RECRUITMENT FOR THE ARMY IN THE PUNJAB.

937. ***Pandit Krishna Kant Malaviya:** Are Government aware that their present policy regarding recruitment for the Army in the Punjab has produced a wide-spread feeling among the Punjabi Hindus that the policy of Government is anti-Hindu? Will the Government kindly state what they propose to do in order to allay the misgivings of the Hindus of the Punjab in this matter?

Mr. E. Burdon: The answer to the first part of the question is in the negative. The second part does not arise.

THE DERA ISMAIL KHAN-TANK DECAUVILLE RAILWAY.

938. ***Pandit Krishna Kant Malaviya:** (a) Will the Government kindly state whether the narrow gauge light railway between Dera Ismail Khan and Tank is still under the control and management of the Military Department? If the management of the Railway has been transferred to the North Western Railway, will they kindly state since when this has been done, and on what conditions this transfer has been made?

(b) Will the Government kindly state what is the annual deficit, in running this narrow gauge light railway between Dera Ismail Khan and Tank? Will they also state which department is debited with this annual deficit, the Military Department or the Railway Department?

(c) Will the Government kindly state whether it is under contemplation to dismantle this light railway? If the answer be in the affirmative will they kindly state whether the civil population of Dera Ismail Khan District have objected to this Railway line being dismantled? Do the Government propose to consider the objections against dismantling this light railway?

Mr. G. G. Sim: (a) The management of the Dera Ismail Khan-Tank Decauville Railway has been transferred to the North Western Railway, with effect from the 1st April 1925. The terms of the transfer are that the Railway Department acquires the line at present value and works it as part of the strategic lines of the North Western Railway system.

(b) As entirely separate accounts of the working of the line were not maintained when it was under the administration of the Military Department, no accurate figure of the annual loss in working is available. But it is estimated that the present annual loss, including provision for interest on capital expenditure, will amount to approximately Rs. 1½ lakhs. The question of improving the financial position of the line will, however, receive attention. The loss in working the line will appear in the Railway accounts as part of the loss on working of strategic railways which, under the terms of the Convention for the separation of Railway from General Finance, is borne by General Revenues.

(c) There is no present intention of dismantling the line with the idea of abandoning it.

SURVEY OF RAILWAY LINES FROM HINDUBAGH TO FORT SANDEMAN AND FROM FORT SANDEMAN TO TANK.

939. ***Pandit Krishna Kant Malaviya:** Will the Government kindly state whether it is under contemplation to make a survey of a railway line from Hindubagh to Fort Sandeman in Baluchistan; and to make another

survey of a railway line from Fort Sandeman, across the Gomal River to Tank in the Dera Ismail Khan District? Has the sanction of the survey of these railway lines been received? If so, how far have the survey operations progressed? When can the commencement of the construction of these lines be expected?

Mr. G. G. Sim: The Honourable Member is referred to parts (b) and (c) of the reply given by me in this House on the 1st February 1926 to question No. 507 by Sir P. S. Sivaswami Aiyer.

CONSTRUCTION OF NEW RAILWAY LINES AND ROADS IN THE FRONTIER.

940. ***Pandit Krishna Kant Malaviya:** Will the Government kindly state what new railway lines and new metalled and unmetalled roads are projected in the Frontier? What is the total mileage to-day in the trans-border area of metalled and unmetalled roads?

Sir Denys Bray: Government regret that they are unable to make a statement regarding roads and railways projected in the Frontier as it would not be in the public interest to do so.

The approximate mileage of metalled roads in the trans-border area is 280, but no figures can be given as to the total length of unmetalled roads in view of the vagueness of the term, which would presumably include mountain tracks made by the tribesmen themselves.

LETTER IN THE *TARUN RAJASTHAN* OF THE 2ND AUGUST, 1925, REGARDING THE COURTS IN AJMER.

941. ***Pandit Krishna Kant Malaviya:** (a) Has the attention of the Government been drawn to the letter about the courts of Ajmer published in the *Tarun Rajasthan*, dated 2nd August, 1925?

(b) Is it a fact that the Commissioner never attends the court?

Sir Denys Bray: (a) I have now seen the article.

(b) No, Sir.

TOTAL OUTPUT OF THE GIRIDIH COALFIELD.

942. ***Mr. Ahmad Ali Khan:** (a) Is it a fact that the Giridih coalfield which is owned and worked by the East Indian Railway contains the best coking coals available in India?

(b) What was the total output of coal in the year 1924-25?

(c) How much of it was made into coke?

The Honourable Sir Charles Innes: The Giridih coalfield does contain good coking coal. The total output of coal in the year 1924-25 was 652,645 tons. It is not known how much of it was made into coke, but the coking plant is capable of producing some 75,000 tons of coke per annum.

UTILISATION OF COAL SUITABLE FOR MANUFACTURE OF STEEL FOR RAILWAY PURPOSES.

943. ***Mr. Ahmad Ali Khan:** Is it a fact that thousands of tons of coal which should be preserved or utilised in steel making is used for railway purposes for which coal from other fields could be got as cheaply and of as good quality?

The Honourable Sir Charles Innes: Government do not propose to express an opinion.

THE DAIRY FACTORY SCHOOL AT ANAND IN GUJERAT.

944. ***Mr. W. S. J. Willson:** Will the Government be pleased to state whether the activities of the Imperial Department of Agriculture in the conduct of the Dairy Factory School at Anand in Gujerat are to be confined to education in cattle breeding and dairying, or whether the school is to be conducted on commercial lines in competition with private enterprise?

Mr. J. W. Bhore: The activities of the Anand Creamery are confined to research and instruction in the manufacture of dairy products on a commercial scale. One of the objects of Government in establishing this creamery is to stimulate private enterprise in the dairy industry by affording facilities for training in the management of dairies and dairy farms on commercial lines. The creamery does not compete with private enterprise except so far as such competition is necessarily involved in carrying out the objects with which it has been established nor is instruction in cattle breeding given at Anand.

SALE IN CALCUTTA OF PRODUCTS OF THE GOVERNMENT DEPARTMENT OF AGRICULTURE.

945. ***Mr. W. S. J. Willson:** Are Government aware that in Calcutta, products emanating from the Government Department of Agriculture are being advertised and sold to the public through agents or dealers as the products of this Department?

Mr. J. W. Bhore: The answer is in the affirmative.

GRANT OF ANNUITIES OR OTHER MONETARY REWARDS TO RECIPIENTS OF THE KING'S POLICE MEDAL.

946. ***Baba Ujagar Singh Bedi:** (a) Is it a fact that a recipient of the first and second class Indian Orders of Merit and the Victoria Cross is granted some annuities or some other monetary rewards, monthly or annually? If so, will the Government be pleased to state the rewards for each such order?

(b) Is it a fact that a recipient of the King's Police Medal is not awarded any such pecuniary reward, annually or monthly? If so, why not?

(c) Do Government propose to include the King's Police Medal in the same category as the other orders referred to above and remove this existing disparity?

The Honourable Sir Alexander Muddiman: (a) Yes. The pensions and the allowances attached to the Indian Order of Merit and the Victoria Cross are as detailed in Pay and Allowances Regulations of the Army in India, Part II, paragraph 187, V and VI.

(b) Yes. I invite the Honourable Member's attention to the statute establishing the King's Police Medal a copy of which has been placed in the Library of the House.

(c) The Government of India have no such power. The Medal was instituted and created by Royal Warrant.

VISIT OF THE PRESIDENT AND CERTAIN MEMBERS OF THE CURRENCY
COMMISSION TO THE UNITED STATES OF AMERICA?

947. ***Mr. S. C. Ghose**: 1. Will the Government state if it is a fact that the President and certain members of the Currency Commission will soon proceed to the United States of America?

2. If the answer is in the affirmative, will the Government state the necessity for this visit and what would be the burden imposed on the Indian tax-payers by reason of this visit?

The Honourable Sir Basil Blckett: The Government have no information on the subject.

EXPENDITURE ON THE CONSTRUCTION AND FURNISHING OF TWO SALOONS
FOR HIS EXCELLENCY THE GOVERNOR OF BENGAL.

948. ***Mr. S. C. Ghose**: 1. Will the Government state under whose orders the two saloons recently built for the Governor of Bengal were constructed at the Kanchrapara workshop of the Eastern Bengal Railway?

2. What was the cost incurred in (a) building the saloons, and (b) furnishing them?

3. Will the cost of constructing and furnishing the two saloons be borne by the Government of India or by the Government of Bengal?

Mr. G. G. Sim: 1. The construction of the two saloons for His Excellency the Governor of Bengal was ordered by the Government of Bengal with the previous sanction of the Secretary of State in Council.

2. The saloons were built and furnished at a total cost of Rs. 1,20,000. Separate figures showing cost of building and furnishing are not yet available, but they are approximately:

	Rs.
(a)	1,14,369
(b)	5,724

3. The cost of constructing and furnishing the saloons will be borne by the Government of Bengal.

FARES ON THE EAST INDIAN RAILWAY.

949. ***Mr. S. C. Ghose**: 1. Has the attention of the Government been drawn to the letter written by Santosh Kumar Banerji in the *Amrita Basar Patrika* of the 12th January, 1926, in which it is alleged that the East Indian Railway administration has, instead of reducing the fares as publicly advertised, increased the fares?

2. If the allegations are true, will the Government state the reasons of such increase?

Mr. G. G. Sim: 1. The reply is in the affirmative.

2. It is not a question of increasing fares. When introducing the revised fares from 1st January 1926 the East Indian Railway in calculating the fares adopted the general principle of rounding off charges by reckoning fractions of 6 pies and over as one anna and dropping fractions

of less than 6 pies. In the case referred to in the letter the distance is 19 miles and the fare works out to Re. 0-5-6½ which is charged as six annas. Had the distance been, for example, 15 miles the fare charged would have been 4 annas instead of 0-4-4½ pies—the actual fare.

GRANT OF PRIVILEGES AND CONCESSIONS TO THE ANGLO-INDIAN
MEMBERS OF THE INDIAN MEDICAL DEPARTMENT.

950. ***Mr. S. C. Ghose:** 1. Will the Government state if any communication has been received from England as regards granting privileges and concessions to the Anglo-Indian members of the Indian Medical Department?

2. If the answer is in the affirmative, will the Government state the nature of the communication and what steps the Government intend to take in the matter?

Mr. E. Burdon: (1) and (2). The Government of India have received a despatch dealing with certain subjects discussed by the Anglo-Indian deputation which waited on the Secretary of State in July, 1925. The Indian Medical Department was one of those subjects. The despatch is at present under the consideration of Government and I am unable to make any further statement on the subject at present.

EXPENDITURE ON THE PROSECUTION OF SOME OF THE DIRECTORS OF THE
ALLIANCE BANK OF SIMLA IN ENGLAND.

951. ***Mr. S. C. Ghose:** Will the Government state what expenditure was incurred by the Government of India for prosecuting some of the Directors of the Alliance Bank of Simla in England?

The Honourable Sir Basil Blackett: The information will be obtained from the India Office and supplied to the Honourable Member in due course.

Mr. Gaya Prasad Singh: Will the Honourable Member kindly let us know whether the information will be supplied to the Honourable Member only, or if a copy will be laid on the table for the information of the House as well?

The Honourable Sir Basil Blackett: I have no doubt that if other Honourable Members wish to see it, I shall be glad to show it to them.

LACK OF SHEDS AND WAITING ROOMS AT JIAGANJ STATION ON THE
EASTERN BENGAL RAILWAY.

952. ***Mr. S. C. Ghose:** 1. Will the Government state if it is a fact that there is no shed or waiting room for passengers in general and no waiting room for female passengers at the station of Jiaganj on the Eastern Bengal Railway?

2. If the answer is in the affirmative, will the Government bring the matter to the notice of the Railway administration concerned?

Mr. G. G. Sim: I propose to answer this and question No. 961 together.

As the Honourable Member is aware questions of this kind are always under the consideration of the Agent and suggestions for amenities and facilities for passengers are constantly brought to his notice by his Local Advisory Committee. Provision is made each year in the Budget for such facilities as seem most urgently required, and no doubt these suggestions will be considered in due course by the Agent.

FITTING OF SEARCH-LIGHTS TO ENGINES ON THE EASTERN BENGAL RAILWAY.

953. ***Mr. S. C. Ghose:** Will the Government state how many years more it will take for the administration of the Eastern Bengal Railway to fit search-lights to the engines of trains which carry Indian passengers and which travel at night?

Mr. G. G. Sim: The Eastern Bengal Railway have already fitted over 30 locomotives working mail and passenger trains with electric head-lights and are working to a definite annual programme. It is expected that all engines working the above services will be so fitted in about 18 months.

ISSUE OF INVITATIONS TO THE EDITORS OF IMPORTANT NEWSPAPERS TO ATTEND THE ARMY MANŒUVRES AT ATTOCK IN NOVEMBER LAST.

954. ***Mr. S. C. Ghose:** Will the Government state whether invitation letters were issued by the military authorities to the editors of the important Indian newspapers to attend the big army manœuvres held at Attock in November last year?

Mr. E. Burdon: No individual invitations were sent to the editors of any newspapers, but a press communiqué was issued on the 29th September, 1925, announcing the arrangements that had been made to accommodate press representatives who desired to attend the manœuvres, and stating that applications from newspapers who wished to send representatives should be addressed to the Adjutant General in India, Army Headquarters.

DELAY IN THE DELIVERY OF THE MAILS AT PABNA.

955. ***Mr. S. C. Ghose:** 1. Has the attention of the Government been drawn to the letter of a correspondent which appeared in the *Englishman* of the 18th January last, about the delay in the delivery of the mails at Pabna on account of the irregularities of the steamer service?

2. Do Government propose to take steps to remove the inconvenience complained of?

The Honourable Sir Bhupendra Nath Mitra: 1. Yes.

2. A proposal to have the mails conveyed by a motor service is under consideration.

COST OF THE CONSTRUCTION OF THE MIRJAWA DUZDOP RAILWAY IN PERSIAN BALUCHISTAN.

956. ***Mr. S. C. Ghose:** 1. Will the Government state what was the cost of constructing the Duzdop Railway in Persian Baluchistan?

2. Is that Railway maintained by the Government of India for the benefit of Persia?

Mr. G. G. Sim: 1. The cost of constructing the Mirjawa Duzdop section in Persia was Rs. 78.02 lakhs.

2. This Railway is not maintained at the cost of the Government of India though, as a matter of convenience, it is worked by the Agency of the North Western Railway.

DEPUTATION TO THE ANDAMANS.

957. ***Mr. S. C. Ghose:** 1. Will the Government state what was the necessity of sending a deputation of 4 Muhammadan gentlemen to the Andaman Islands in December last year?

2. Was the cost of the deputation paid for by the Government of India?

3. If the answer to the above question is in the affirmative, will the Government be pleased to state the expenditure incurred therefor?

4. Will the Government state why the question of sending this deputation to the Andamans was not deferred till the Honourable the Home Member himself visited the Andaman Islands a few weeks prior to the departure of the 4 Muhammadan gentlemen and had seen things with his own eyes?

Mr. H. Tonkinson: 1 and 4. The Honourable Member is referred to the statement which the Honourable the Home Member made on the 31st August, 1925, in answer to Mr. S. Sadiq Hasan's question No. 270. In accordance with the promise referred to at the end of that statement and after correspondence with the Government of Madras with reference to a Resolution on the subject moved in the Madras Legislative Council, Government agreed to grant facilities to four gentlemen, 3 Muhammadans and a Parsi Doctor from Malabar, to visit the Andaman Islands to see for themselves the conditions and circumstances of the Mappilla villages there. It is true that the Honourable the Home Member visited the Islands shortly before these gentlemen, but though he is flattered by it, he can hardly accept the suggestion that he always sees things in the same light as his non-official Indian friends.

2 and 3. Government agreed to pay the travelling and out-of-pocket expenses of the four gentlemen, estimated to amount to about Rs. 5,000.

EMIGRATION OF INDIAN LABOUR TO CEYLON.

958. ***Mr. S. C. Ghose:** 1. Will the Government lay on the table a copy of the report submitted by the Madras Government as the result of the interview in June, 1925, between the Honourable Mr. Mohamed Usman and the Members of the Ceylon Labour deputation regarding emigration of Indian labour to Ceylon?

2. Will the Government state what action has been taken by the Government of India on the report?

3. Have the Government of India satisfied themselves that Indian labourers in Ceylon are receiving a living and decent wage there?

Mr. J. W. Bhore: 1. No formal deputation from Ceylon waited on or interviewed the Honourable Mr. Mohamed Usman, Home Member, Madras, on the subject of emigration of Indian labour to Ceylon. Certain officials of the Ceylon Government however, who happened to be in Madras in June, 1925, met the Honourable the Home Member, Madras, and mentioned to him their points of view on one or two matters connected

with emigration to Ceylon; but as the meeting was purely informal, no report on it was submitted by the local Government to the Government of India.

2. Does not arise.

3. The question of fixing a standard wage subject to a minimum for payment to Indian estate labourers in Ceylon is under discussion with the Colonial Government.

Diwan Bahadur T. Rangachariar: May I remind the Honourable Member that this matter of fixing wages has been under consideration for over three years now.

Mr. J. W. Bhore: I am aware of that, Sir, but our proposals in this connection have gone to the Ceylon Government.

Diwan Bahadur T. Rangachariar: Do Government realise that unless pressure is brought to bear on the Ceylon Government, this question will never be settled?

Mr. J. W. Bhore: No, Sir, I do not agree with my Honourable friend.

RESTRICTION OF THE NUMBER OF INDIAN EMIGRANTS TO MALAYA.

959. ***Mr. S. C. Ghose:** 1. Will the Government state how many Indians left the Madras Presidency for Malaya for employment as labourers during the months of June, July, August and September, 1925?

2. Will the Government state if it is a fact that there was a heavy rush, during the above four months, of emigrants to Malaya?

3. Will the Government consider the desirability of restricting the number of emigrants to Malaya every year?

Mr. J. W. Bhore: 1. The following is the number of Indian labourers inclusive of minors who left the Madras Presidency for Malaya during the months June to September, 1925:

June, 1925	.	.	.	.	.	.	.	6,894
July, 1925	.	.	.	.	.	.	.	8,317
August, 1925	.	.	.	.	.	.	.	7,447
September, 1925	.	.	.	.	.	.	.	9,500
Total								32,188

2. Yes. As compared with the corresponding period of 1924.

3. The Government of India understand that recruitment is being made to meet a greatly increased demand for labour on account of the increased activity of the rubber industry in Malaya. They are satisfied that there is no fear of the increased recruitment leading to a glut in the labour market so as prejudicially to affect the interests of labourers and do not therefore propose to take the action suggested. The Government of India are, however, watching the situation and, if at any time circumstances arise calling for any special measures, they will take such action as may be required.

ELIGIBILITY OF COLONIALS FOR COMMISSIONS IN THE ARMY IN INDIA RESERVE OF OFFICERS.

960. ***Mr. S. C. Ghose:** 1. Will the Government state if it is a fact that a notification was issued by the Army Department in June or July 1925 inviting gentlemen domiciled in the Crown Colonies to apply for commis-

sions in the Army in India (Reserve of Officers) and stating that applications should be submitted to the Secretary, Military Department, India Office, London?

2. If the answer is in the affirmative, will the Government state the nature of the notification and also state why Colonials should be given commissions?

Mr. E. Burdon: (1) and (2). A press communiqué was issued on the 1st July, 1925, notifying for general information that gentlemen domiciled in the Crown Colonies, as distinct from the Dominions, were eligible for commissions in the Army in India Reserve of Officers and that applications should be submitted to the Secretary, Military Department, India Office.

The reason is that such persons are eligible being British subjects and we require on mobilisation as many officers as we can hope to get.

Pandit Shamlal Nehru: Are gentlemen in South Africa also granted commissions?

Mr. E. Burdon: South Africa is not, I understand, a Crown Colony.

Pandit Shamlal Nehru: Will the Government reconsider the case of South Africa?

Mr. E. Burdon: No, we cannot reconsider the case of South Africans. We cannot possibly take them because we cannot have first claim on their services if war breaks out.

LACK OF RAISED PLATFORMS AND WAITING ROOMS AT SERAJGANJ BAZAR STATION ON THE EASTERN BENGAL RAILWAY.

†961. ***Mr. S. O. Ghose:** 1. Has the attention of the Government been drawn to the letter written by Babu Ananta Bandhu Sen, Zemindar, which appeared in the *Servant* of the 17th December, 1925, about the inconveniences suffered by passengers on account of there being no raised platform, no waiting room for females, etc., etc., at Serajganj Bazar station?

2. Do Government propose to bring the matter to the notice of the Agent of the Eastern Bengal Railway?

EMPLOYMENT OF ANGLO-INDIAN WOMEN IN THE QUEEN ALEXANDRA'S MILITARY NURSING SERVICE.

962. ***Mr. S. O. Ghose:** 1. Will the Government state if proposals have been received from the India Office for giving special nursing appointments in this country to members of the European domiciled community?

2. Will the Government state if it is the intention of the Government to give appointments in this country to Anglo-Indians in the Indian Medical service on the special terms recently held out when thirteen new British recruits to the Indian Medical service were called for?

Mr. E. Burdon: (1) and (2). A despatch has recently been received from the Secretary of State dealing with certain subjects discussed by the Anglo-Indian deputation which waited on him in 1925. The question of the employment of Anglo-Indian women in the Queen Alexandra's Military Nursing Service for India is one of them. I am not in a position to give any further information at the moment.

†For answer to this question, see answer to question No. 952.

PUNISHMENT OF SORTERS OF THE ROYAL MAIL SERVICE UNDER RULE
758 OF THE POST OFFICE MANUAL.

963. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state whether, when the actual culprit is found out and punished, the official or officials, i.e., the sorters of the Royal Mail Service connected with the case are punishable under rule 758 of the Post Office Manual?

(b) In how many such cases during the last three years, where perpetrators of theft or abstraction in the Royal Mail Service were found out and punished, were the sorters who had nothing to do with the actual crime punished?

(c) Will the Government be pleased to say whether any appeal from the sorters of the Royal Mail Service, E. Circle in the C. Division addressed to the Secretary of State, praying for a remedy against the unjust operation of rule 758 of the Post Office Manual, Volume IV, was withheld by them under rule XI (8) during last year?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) Seven.

(c) Yes. One such appeal was withheld.

UNSTARRED QUESTIONS AND ANSWERS.

MUSLIM REPRESENTATION IN THE SUBORDINATE ACCOUNTS SERVICE OF
THE POST AND TELEGRAPH ACCOUNTS DEPARTMENT.

167. **Maj Wajhuddin:** With reference to the statement laid on the table by the Honourable the Finance Member on the 25th January, 1922, in reply to my interpellation, will the Government be pleased to state what steps have since been taken to give the Muslims their due representation in the Subordinate Accounts Service of the Post and Telegraph Accounts Department?

The Honourable Sir Basil Blackett: I would refer the Honourable Member to the reply given to his question No. 102 on the 4th February, 1924, the complete reply sent to him in May, 1924, to his question No. 881 asked by him on the 14th March, 1924, and the reply (which will be found in the Library) to question No. 1263 asked by Mr. Mahmood Schamnad Sahib Bahadur on the 23rd March, 1925.

CONGESTION AT THE CALCUTTA ESPLANADE BOOKING OFFICE OF THE
EASTERN BENGAL RAILWAY.

168. **Mr. S. C. Ghose:** 1. Has the attention of the Government been drawn to the News published in the *Statesman* of the 19th December last, about the congestion prevailing at the Calcutta Esplanade booking office of the Eastern Bengal Railway?

2. Do Government propose to take steps to remedy the existing state of affairs?

3. Do Government propose to direct the authorities of the Eastern Bengal Railway to open booking offices at Bhowanipore and Kalighat (Calcutta) for relieving the congestion?

Mr. G. G. Sim: I propose to answer this and questions Nos. 170 and 173 together.

As the Honourable Member is aware questions of this kind are always under the consideration of the Agent and suggestions for amenities and facilities for passengers are constantly brought to his notice by his Local Advisory Committee. Provision is made each year in the Budget for such facilities as seem most urgently required, and no doubt these suggestions will be considered in due course by the Agent.

LETTER IN THE *AMRITA BAZAR PATRIKA* OF THE 20TH DECEMBER, 1925, ABOUT THE STATE OF AFFAIRS IN THE CALCUTTA GENERAL POST OFFICE.

169. **Mr. S. C. Ghose:** 1. Has the attention of the Government been drawn to the letter signed "Ignoranuks" which appeared in the *Amrita Bazar Patrika* of the 20th December, 1925, about the state of affairs in the General Post Office at Calcutta?

2. If the answer is in the affirmative, do Government propose to remedy the grievances?

The Honourable Sir Bhupendra Nath Mitra: (1) Yes.

(2) The correspondent of the *Amrita Bazar Patrika* has misrepresented facts. The staff deputed to help the Foreign Parcel Department are not required to work till midnight, nor is it a fact that they are not provided with sitting accommodation. The work is done by such auxiliary staff during their ordinary working hours. They are drawn from different departments of the Calcutta General Post Office, and, as each of them is required to work in the Foreign Parcel Department for only one day in a month, the work of the departments concerned does not suffer. When the bulk of the parcel mails received is too heavy to be disposed of by the ordinary staff of auxiliaries, extra staff is employed on overtime. During the winter seasons of 1924 and 1925, sums of Rs. 731-8-0 and Rs. 596-12-0, respectively, were paid as overtime allowance for the disposal of foreign parcel mail articles in the Calcutta General Post Office.

†170. **Mr. S. C. Ghose:** 1. Has the attention of the Government been drawn to the letter written by Mr. M. N. Ghose in the *Amrita Bazar Patrika* of the 25th November, 1925, about the state of affairs prevailing at Raniganj station on the East Indian Railway?

2. If the answer is in the affirmative, do Government propose to ask the agent to remedy the grievances?

MAP SALE AGENTS OF THE SURVEY OF INDIA.

171. **Mr. S. C. Ghose:** Will the Government state how many Europeans, Anglo-Indians and Indians are employed as map sale agents of the Map Record and Issue Office, Survey of India, and the salaries drawn by them?

Mr. J. W. Bhore: With one exception all map sale agents of the Survey of India are old established firms and not individuals. In addition to these agents the Government of India have recently agreed as an experimental measure for one year to the upper subordinates and the lower subordinates of the Department being allowed to act as map sale agents while on leave in places where no Survey office exists.

The agents do not get any salaries as such but are allowed a commission on the value of maps sold by them.

†For answer to this question, see answer to question No. 168.

CONSTRUCTION OF A STATION BUILDING AND PLATFORM AT KASTHA
JUNCTION STATION ON THE EAST INDIAN RAILWAY.

172. **Mr. S. C. Ghose:** 1. Will the Government state if a station building and a platform have been constructed at Kastha Junction station on the East Indian Railway?

2. If the answer is in the negative, do Government propose to ask the railway administration concerned to put in hand as soon as possible the construction of a station building and a platform and thus save passengers trouble and inconvenience?

Mr. G. G. Sim: (1) and (2). Government have no information on this question which is one which might suitably be referred to the Agent through his Local Advisory Committee.

LACK OF A PLATFORM AND WAITING ROOMS AT JHINKARGACHA.
STATION.

*173. **Mr. S. C. Ghose:** 1. Has the attention of the Government been drawn to the news appearing in the *Amrita Bazar Patrika* of the 16th December, 1925, about the condition of Jhinkargacha station, having no platform, no waiting room, etc., etc.?

2. If the answer is in the affirmative do Government propose to direct the Agent to look into the matter?

ASSISTANT SECRETARY OF THE TAXATION INQUIRY COMMITTEE.

174. **Mr. S. C. Ghose:** 1. Will the Government state what was the necessity of having an Assistant Secretary attached to the Taxation Inquiry Committee?

2. Will the Government state which persons acted as Assistant Secretary and the salaries they drew while acting as such?

The Honourable Sir Basil Blackett: Mr. J. V. Joshi, Assistant Secretary to the Bombay Government, was appointed as Assistant Secretary to the Committee at the outset on a pay of Rs. 800 per mensem to supervise statistical work. At the end of September, 1925, however, he was relieved at the request of the Bombay Government and Mr. Bret, the Secretary, also proceeded on leave owing to ill-health. In their places, two Assistant Secretaries were appointed, namely, Rao Bahadur Sundaracharlu, a Deputy Collector under the Madras Government, on a pay of Rs. 660 per mensem and Mr. A. R. Rebello of the Indian Audit and Accounts Service on a pay of Rs. 1,000 per mensem.

PROVISION OF AMBULANCE CARRIAGES ON THE INDIAN RAILWAYS.

175. **Mr. S. C. Ghose:** 1. Are the Government aware that ambulance carriages have been constructed by the English Railways for the carriage and comfort of invalids?

2. Do Government propose to consider the advisability of providing ambulance carriages in India for all classes of passengers on payment of a supplementary fare?

The Honourable Sir Charles Innes: Government do not know what the practice on English Railways is. As far as they are aware, there is no strong demand on the part of the travelling public for special ambulance carriages, especially as invalid passengers who can afford to pay for them can always obtain tourist cars.

*For answer to this question, see answer to question No. 168.

GENERAL DISCUSSION OF THE RAILWAY BUDGET.

Mr. President: The House will now proceed with the discussion of the Railway Budget. Members will bear in mind that a large number of amendments will be coming up in the next four days, and if discussion is to be kept under control and repetition is to be avoided, it is necessary that those who desire to speak to-day will not enter into the details of the questions to be raised by the amendments.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, in making a few remarks on the Railway Budget, let me share the sense of gratification or satisfaction which my Honourable friend the Railway Member has felt in presenting this Budget. Sir, he has given himself credit and the Railway Board and the staff working under the Railway Board and also the Railway Finance Committee credit for the satisfactory results which we are face to face with to-day. At the same time there are a few points which require our earnest consideration before we share in any entire satisfaction. The Honourable Member for Commerce has really forgotten his indebtedness to the first Assembly in the matter of putting the Railways on a sound footing. As is usual with human beings, he is also aware only of the presence of the immediate master and has forgotten the existence of the first Assembly. I find in another place my Honourable friend Sir Clement Hindley has been good enough to refer to the good work done by the Acworth Committee in the first instance and the Retrenchment Committee in the second place, but the foundations were laid by the first Assembly. My Honourable friend Sir Charles Innes will remember that we met in Calcutta in 1921, and the anxious deliberations we had there and the liberal grants we made for programme revenue when we were in very straitened circumstances, and when we wisely allocated fixed finance for the purpose of improving the Railways. But for that I do not think the Honourable Member would be in this satisfactory position in which he finds himself to-day.

Sir, studying the figures carefully, I am rather led to think that we should not rest entirely satisfied with the figures which have been presented to us. The tale brought out by the figures is rather too prosperous a one. There has been a steady increase in the figures of net gains. While in 1921-22, we worked at a loss of 9½ crores, in 1922-23 we made a net gain of 1.22 crores, in 1923-24, 6.43 crores, in 1924-25, 13.16 crores, in 1925-26 8.77 crores, and we are budgeting for a net gain of 8.70 crores for the next year. This is rather a miracle as it were, first a deficit of 9½ crores and then a steady increase in the net gains. Can it be that it is due to plentiful crops all these years? Can it be due to rapid development of railways? Can it be due to abnormal economies effected by the railway management? Or is it all these causes put together which account for these results? It is not possible for us or for the Railway Member, or the Railway Board to control the gross receipts: they depend upon the monsoons and upon the fluctuations of trade. But as regards working expenses, it is possible for us to have effective control over that. The gross earnings show only an increase of 10 crores from 1922-23 to 1926-27. They stood at 93.48 in 1922-23 and for 1926-27 we are budgeting for gross earnings of 103.43. So there is an addition of 10 crores. But let us examine the working expenses during the period. In 1922-23 working expenses amounted to 65.96 crores.

In 1923-24	...	...	...	61.06
„ 1924-25	...	...	...	62.90
„ 1925-26	...	...	...	65.92
„ 1926-27	...	...	...	67.30

[Diwan Bahadur T. Rangachariar.]

These working expenses, as we are aware, are composed of administration charges, repairs and maintenance and operative expenses. As regards administration charges and programme revenue that is a matter which we ought to take into account. I am sorry to note that, while it stood at 7.97 crores in 1922-23, it has now mounted up to 13.10 crores. That is an increase of over 5 crores, while our gross revenues have increased only by 10 crores. Under the head of administration alone there is an increase between 1922-23 and 1926-27 of over 5 crores. That is a matter which requires serious and earnest attention on the part of the Railway Board and of the Railway Department. We are aware, Sir, that in 1919-20 there was a generous revision of pay and allowances and therefore all expenses which were due to that revision had come into existence before 1922-23. Between 1922-23 and 1926-27 why there has been this great increase of over 5 crores in administration charges is a matter on which I hope there will be some explanation forthcoming. Sir, coming to operative expenses, there is a satisfactory decline. It stood at 35.97 in 1922-23. To-day we are budgetting for 27.72 crores for the year 1926-27. That shows there is a decline which we may have to examine. And as regards repairs and maintenance, while the figure stood at 25.74, it now stands at 29.50. I am not satisfied with the increase shown under the head maintenance. I will come back to that; but so far as these operative expenses are concerned the decline shown in the figures is a satisfactory feature in this Budget, whereas I am not at all satisfied with the growth of expenditure under the head of administration. But even under the head of operative expenses there are various matters which we have to remember in connection with the fall of expenditure. Prices of articles have fallen very much since 1923, and that probably accounts for the great fall in the operative expenses. As regards repairs and maintenance, the progress kept up by the Railways is not at all satisfactory. That is a matter on which too much attention cannot be bestowed by us or the Railway Board. After all it is valuable property in our hands. We have to keep it in a satisfactory and efficient condition, and it is necessary to overtake the repairs which were long overdue in 1921-22. In fact we allotted 18½ crores for overtaking repairs alone in addition to the annual grants which we made. It is an unsatisfactory feature notwithstanding all the excuses made by the various railway companies and by the Railway Board, that they are unable to carry out the programme. In fact the figures tell a very sad tale when we really examine them. There is a lapse of 17.84 crores in the Budget of 1923-24 and also in 1924-25 there was a lapse. In 1924-25 there was a lapse of 16.50 crores and in 1925-26 there is a lapse of nearly 10 crores in the amounts granted to the Railways for repairs, betterments and improvements. But they complain they are not able to carry out the full programme. The extravagant allotments we are making lead perhaps to extravagance, or rather carelessness in the preparation of the estimates which they make for carrying out these improvements. That is also apparent from the fact that more than once the Railway Board have had to return these estimates and revise the estimates in order to cut down the estimates which had been made for carrying out these repairs and betterments. This shows to my mind more work is essential. If we want to keep our property in an efficient condition we must carry out this work for betterments, improvements and repairs and money spent on that purpose will be well spent: although we may be spending too much to-day the property will be kept in a sound and efficient condition. Therefore economies effected in that line will not be good economy, it will be false

economy and we shall repent it later on when our property is not in a satisfactory condition. We should not look to the return made to us to-day in the shape of over 8 per cent. or 9 per cent. I find the Railway Finance Committee have fallen into the mistake of supposing now that the railways are earning 8½ crores or 9 crores, why should we so carefully examine or scrutinize the way in which the working expenses are managed. I see they have also fallen into that error. My Honourable friend Mr. Sim is too powerful a man to deal with. He carries the Finance Committee with him at every point. I find there is no single proposal of his which has been turned down. I find going through the Finance Committee's proceedings almost every proposal is accepted. That shows no doubt the master mind of my Honourable friend Mr. Sim. At the same time I would ask them to bear in mind, not to rest content with the returns which we are getting; for the returns of to-day may turn out to be the loss of some years hence. Therefore, unless we keep our property in an efficient condition by spending more than we do, we shall be repenting later on as we had to do some years ago.

Sir, that is one of the points. There has been a most important departure during the year under review, that is in the matter of starting a Depreciation Fund and Reserve Fund, and also as regards rules regarding the allocation between capital and revenue. This is dealt with at length in the recent Report of the Railway Board for Railways in 1924-25. I find the matter discussed elaborately in the opening paragraphs of that Report. That is a matter on which careful consideration is needed. I find this matter, these rules as regards allocation were placed before the Railway Finance Committee so early as the 6th February last year; but Sir, I am rather apprehensive as to the results of the application of those rules. I am anxiously awaiting the promised report of the Accountant General for Railways on the effect of those rules which he refers to, I think in his Appropriation Report. In his Audit Report for 1924-25 he promises us an account of what the effect of these rules in relation to railway accounts will be, and he proposes to discuss them more fully in his Appropriation Report. I have not been able to get a copy of the Appropriation Report for 1924-25. I am looking forward with some anticipation to that Report. I hope he will be able to bring out the results of the changes which have been effected. The net result of the changes as I see it and as it is pithily put by him in his Appropriation Report for 1923-24 is this. Paragraph 10 of that Report says:

"The present policy which was based on fundamental rules laid down by the Secretary of State in the early stages of Railway development and has been in force for many years, rested on the principle that Revenue should bear all the expenses of renewing or replacing property up to its existing standard of efficiency regardless of current costs of such replacements, etc., and that the Capital should bear only the cost of any increase in the standard of effectiveness of the property. The revised principle which it is proposed to adopt is based on the comparative cost of the existing and of the replacing item of property. In effect this would result in Revenue being charged with the past cost of the worn out property while capital would bear the actual cost of the property which is purchased or constructed in replacement."

So this is a fundamental change of a practice which has existed for over 60 years in the management of the Indian Railways. Under what authority this change was made or who suggested this change before this change was effected by the Railway Board I am unable to trace. I have looked at the Acworth Committee's Report. I have looked at the Retrenchment Committee's Report. It is true they make comments here and there as to

[Diwan Bahadur T. Rangachariar.]

unduly benefiting capital at the expense of revenue, but the instances they give are quite different from this fundamental change. This fundamental change which has been applied, Sir, I am afraid may lead to unduly benefiting the revenues at the expense of capital. That is a matter which will have to be carefully remembered. Well, we should not unduly benefit either side, that is capital or revenue. This will have the effect of unduly benefiting revenue. I know, Sir, that in regard to railway companies under the existing contracts, this rule cannot be worked. They cannot take advantage of it. But may I ask why the railway companies can not take advantage of it, whether they will not claim to have the same principle applied to them, whether if we adopt it for our accounting system they will not claim justly that they should also be allowed to do that. Anyway it will lead to practical difficulties. For instance we cannot compare the working expenses of the Company Railways with the working expenses of our own Railways. We cannot compare and contrast our own working expenses of previous years with the working expenses of the present day, if this fundamental change is made in a practice which has been followed for so long a time. Sir, I am not an accountant, but I look at it from the common sense point of view. Strictly commercial principles may be applied no doubt for persons who are really engaged in commercial transactions; but we are the owners of property. Am I as the owner of a property to adopt strictly commercial principles in keeping the accounts relating to my property? That is the question which I have to ask myself. Sir, I should like to be enlightened on this point. For instance if a mile of railway cost Rs. 50,000 in the making and if you are to replace it by spending 1 lakh of rupees to-day, the standard is the same—you have not improved the standard, but you want to allocate to capital the present day cost of renewing it. Sir, that has not been the practice hitherto. And I see capital at charge stood at 600 crores whereas now we have nearly 700 crores in capital. It stood at 543.88 crores in 1913-14. In 1921-22, capital stood at 606 crores; and to-day, Sir, it stands at nearly 700 crores. Not that between 1921-22 we have added new mileage aggregating to that amount; but on the other hand this shows that there will be a mounting up of capital if we go on adding the present day cost of the renewals to capital charge. I am sure that in a few years our capital amount will stand at a very high figure; and I do not know what the effect of that will be on the accounts. I notice that a firm of expert accountants are coming out and I am sure their advice will be taken in examining this question. Not that I want to disturb these things, but I do want to draw the attention of the Department to this radical change which I am afraid has been adopted. This Assembly has not been given an opportunity of considering this question. That is my complaint—that this fundamental change was effected without consulting the Assembly. They tell us that they consulted the Standing Finance Committee. But is that enough? On such a fundamental proposition, could not the view of this Assembly have been taken beforehand? There may be others—I am not competent to deal with it—but there may be others in the Assembly who may be able to bring their mind to bear upon this change which has been effected without our knowledge, an important change which may have far-reaching effects in later years.

Sir, then again I notice—perhaps this is a matter of detail—when I looked at the schedule for the Depreciation Fund charges, I was struck

with the way in which life had been given to various articles and things. For instance I was struck with the statement that you can give a masonry building two hundred years' life. I own masonry buildings myself, and if all my property could have two hundred years' life I would be a great man indeed. (*Kumar Ganganand Sinha*: "You are.") But it is rather a surprising proposition to a commonsense man like me: I notice that a girder bridge is given sixty years' life and a masonry bridge 125 years. As a common man it struck me that there was something wrong in the system. This policy is likely to benefit revenue; this method of allotting amounts to the Depreciation Fund, by giving long lives to these things, seems to me to help revenue at the expense of capital. I do not know that that is a wise policy at all. To-day you may be able to declare dividends of 8 per cent. and 9 per cent., but, Sir, in later years you will rue the day when we were so liberal; there is no use showing high percentages of returns, when your property is going to rack and ruin without your paying attention to it at the same time.

Sir, I have only one or two more points which I will now take up. I find that there is an omission, an important omission in the memoranda supplied to us. Last year and the year before that, we were supplied with a memorandum containing a list of employees, giving the various communities and the classes employed. I find that omitted in the present statement. I do not know why. In fact there is no reference to the question of Indianisation either in the speech of the Honourable the Commerce Member or in the speech delivered in the other House. There is no account given of the progress in dealing with the question of Indianisation, I mean the matter concerning both the Indianisation of the services and the facilities for their training in workshops and other places. That is a matter which should not be lost sight of. That is a matter on which the Assembly will not go to sleep and will not allow the Railway Board to go to sleep. Unless the Railway Board keeps a special watch over that item, the Assembly will not rest content. The omission of these schedules, Sir, is a significant omission, and the omission of any reference to this question in the speeches in either place is again a matter which calls for serious notice.

Sir, there is one other matter which I wish to mention—a matter of great importance. The Acworth Committee pointedly drew attention to the necessity for the creation of an office in the Government of India, namely, a Member for Transport. Transport does not consist merely in maintaining Railways. The time has come when we should look round and see whether our waterways should not be taken in hand at once. Now that we have taken sufficient steps to safeguard our Railways, we should take up our waterways hand in hand with the Railways. They have been neglected in the past; and the time has come when we should take up this question of waterways, and I hope that the Honourable Member for Commerce, before he lays down charge of his office, will add to the items to his credit this item of waterways and see that it is started in his department, in order to take charge of the coastal traffic and to see that ports give all facilities for developing coastal traffic in this country and also inland water traffic. We cannot depend upon Railways entirely for traffic. It is too costly for the people; it is not suited to the poor people of this country. Waterways are best suited to them and we have got ample natural facilities in that direction. We have got an abundant coastal line and we have got abundant rivers which judiciously manipulated will yield

[Diwan Bahadur T. Rangachariar.]

good results. Sir, once again I congratulate the Honourable the Commerce Member on presenting a satisfactory Budget; but I must close with this warning: the satisfaction should not be complete. We must keep a close and watchful eye on the growth of expenditure in various directions. I would rather be content with less returns to the general revenue, but we want the property kept in a safe and efficient condition.

Mr. President: At this early stage of the discussion I think it is necessary to fix a time limit to enable a large number of Members to take part in the discussion. I fix fifteen minutes as the time limit for each speech and I warn Honourable Members that I will enforce that time limit very strictly.

Lieutenant-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, I wish in the first place to congratulate the Honourable Member in charge of this Department as also the Railway Board on the very able way in which they have presented this Budget, and the sound financial position in which we find the Railways to-day. It is very pleasing to see that it is only three years ago since the railway finances were separated from the general finances, and within this short period the Railways have built up a reserve amounting to Rs. 21½ crores, especially when one realises that this has been effected with a reduction in the fares and rates. But, Sir, satisfactory as this part of the Budget is, there are certain other points which call for serious consideration, points which appear not to have been dealt with by the Railway Board and at times against the direct wishes of this House and public opinion. If one were to look at page 39 of the proceedings of the Standing Finance Committee, for January 18th to 20th, it will be observed that the reduction in passenger rates amounts to 111 lakhs. If Honourable Members will further analyse these figures, they will find that out of this total only 24 lakhs are obtained from Company-managed Railways, leaving the balance of 87 lakhs which is obtained from State-managed Railways. Now, Sir, what does this imply? It implies that Company-managed railways are only mindful of the dividends they pay to their shareholders and that the interests of the lower class passengers who travel on their Railways do not concern them much. But, Sir, I do not complain against nor do I blame the Board of Directors of the Company-managed Railways. The fault lies primarily with the Railway Board. It was obviously its duty to insist on these Company-managed Railways to reduce their rates in conformity with the reduction on State-managed Railways. I submit, Sir, that the Railway Board has failed to exercise the power that it possesses in this matter. These Companies with the exception of the Assam Bengal Railway, I believe, pay substantial dividends to their shareholders, and it is a matter of regret . . . (Mr. K. Ahmed: "They make a regrettable loss.") Will the Honourable Member not interrupt me please?

It is a matter of regret, Sir, that this position should have developed and be allowed to continue. I hope, Sir, when the time comes for the voting of grants that this House will express its views on this point in no uncertain voice. I appeal to the Railway Board to take a courageous line on this subject and to insist forthwith on all Company worked lines making reductions in the fares corresponding to those introduced on the State-lines.

The next point, Sir, that I wish to touch upon is the Railway revenue expenditure of the Budget. I find nothing in the papers to show that the Railway Board has any schemes in view or under consideration for the reduction of operation costs. Last year, Sir, the Board referred to a scheme for introducing automatic couplers. It was claimed that the scheme would secure economies and would minimise the danger to the lives of the station staff which the present system entailed. I believe a large sum of money, about 70 lakhs, was included in the current year's Budget and the scheme was said to be an urgent one. But what is the position to-day? Nothing apparently has been done, and there is no provision for this work in next year's Budget. Sir Clement Hindley, I think, might have given an explanation for the delay in introducing this scheme in his speech in the Council of State the other day. I feel, Sir, that I must characterise the action of the Railway Board in this matter as halting and dilatory. What I want in this connection is that the Honourable Member in charge of this Department should either now or when the Demands for Grants are being considered give us full details of what schemes the Railway Board has in view for the coming year for the reduction of revenue expenditure,—not retrenchments but economies. We do not want general observations, but concrete instances. In the absence of these I feel inclined to describe this part of the Budget as uninformative, dull and very disappointing.

As regards capital expenditure, while I congratulate the Railway Board very much on the advance which it is making in the electrification of the Great Indian Peninsula and the Bombay, Baroda and Central India Railways, I am disappointed at the halting policy that is shown in extending this hydro-electric method of traction to other parts of the country. Calcutta, Sir, I submit, has an equal claim to, if not greater claim than, Bombay to the institution of the most up to date methods of Railway transport. Its suburban traffic has hitherto baffled the Railway administrations in that city and I fear that, unless the Railway Board bestirs itself, the electrification of even the terminal portions of the three important Railways entering Calcutta will be shelved for many years to come. I do not want to confine my remarks to Calcutta only. Attention should also be given to Madras, a Presidency richly endowed with enormous sources of hydro-electric power. I submit, Sir, the Railway Board and the various railway administrations should look further ahead and not spend so much money on new constructions, as in the contemplated expenditure of 1½ crores of rupees on the new workshop at Jhansi, which is quite likely to be scrapped in another 15 or 20 years or sooner, because when the Great Indian Peninsula Railway extends its electrification scheme, it will not end at Igatpuri; it will go further and further till it reaches Jhansi, when these new workshops will be next to useless. I submit, Sir, that the time has come when the Railway Board should take a bold step in the matter—one that will turn the brighter prospects as portrayed in this year's Budget into assured reality. Committees should be formed on every Railway to investigate the possibilities of introducing hydro-electric power in place of steam power whose days are getting numbered. It was only a month ago, Sir, that the King's representative opened the Makwar Dam in Egypt—a mighty work dwarfing all the monuments of the Pharaohs, and what I would suggest is to apply the spirit that made the Makwar Dam to India and her Railways. I ask, why has the whole British nation, irrespective of parties, responded to the Prime Minister's recent speech on Electrical Development? Because this meant effective reconstruction at

[Lieut.-Colonel H. A. J. Gidney.]

last after 7 years of neglect and delay. A similar response is needed in India and her Railways and I feel sure the Railway Board will give this matter its serious attention.

I turn now to the consideration of a few general questions. My Honourable friend Diwan Bahadur Rangachariar has referred to the absence in this year's Budget of information regarding the classification of employees in the various Railways. I had noted this myself. I believe Indianisation was made a part of the convention of the separation of the Railway from the General Budget. It is therefore a budget matter. I do not wish to anticipate the explanation of the Honourable Sir Charles Innes for this omission, but I think some such information should have been given in the books as was done last year. The subject of Indianization leads me to ask Government if they will disclose the figures of the number of Anglo-Indians on the Great Indian Peninsula Railway. (*An Honourable Member*: "They are increasing.") Will you kindly stop interrupting—who were brought under retrenchment in 1923-24, and the number of posts which were vacated by these Anglo-Indians which were subsequently filled by Indians, within a very short time. Sir, I have no desire to raise any controversial question touching on the relative claims of Anglo-Indians and Indians to employment on Railways. The point I wish to make is this. It is as unfair to discharge Indians and fill their appointments by Anglo-Indians as it is to do the opposite, which I have every ground for believing was done a few years back and is even being done to-day on the Great Indian Peninsula Railway. Sir, the Great Indian Peninsula Railway has been held up as a wonderful example for the large economies in the cost of staff that have been introduced during the past few years. But I do not think it would please this House to know at what price these ruthless economies were effected. Suffice it to say at the loss of many appointments and the wrecking of many homes—economies that are being maintained to-day at the price of the ruined health of an understaffed and overworked body of employees. The guards and drivers are, I believe, to-day called upon to perform superhuman efforts. These retrenchments, I understand, have placed a severe physical strain on the subordinate staff, and I think it is high time that the Agent and his chief of staff were made to cry a halt, for there is a limit to human endurance even though the employees prefer to remain silent rather than face the ghastly spectre of unemployment. Sir, what is the true position to-day in the Great Indian Peninsula Railway? Thousands of appointments of subordinates have been brought under reduction, while the number and salaries of superior appointments have considerably increased, and a far larger proportion of Anglo-Indians have been brought under reduction. In a few words, Sir, the Anglo-Indian subordinate has been offered as the officials' sacrifice on the altar of economy and retrenchment. It is said that the staff is happy and contented. I know the very opposite exists. They do not complain of their pay. But what they do complain of is the feeling of insecurity and instability regarding their jobs, not knowing when from overwork they might be given their discharge with a month's notice—that bond of Railway subordinate slavery.

One more point, Sir, and I have finished. I urge that the subordinate employees in Railways want a fuller measure of protection from their employers than they have at present. I want this protection to be given to them and I ask for that protection not only for the community which I

have the honour to represent and which forms the backbone of all Railways in India, but also for thousands of my Indian brothers who serve under similar conditions. Sir, what I ask for is that on each Railway

12 Noon. there be appointed a committee on which the employees must be represented, to decide questions which relate to breach of discipline, questions which relate to dismissals and forfeiture of bonuses, gratuities and provident funds, because I submit that it is not right for the Agent or his officials to be the accuser and judge in such matters. Government refused to accept the Resolution which this House passed last year asking for a Committee of Inquiry into the grievances of railway employees, but let me warn the Government to-day that, until they establish such a Committee or until they give full representation to the interests of the employees, the legitimate claims of the subordinate establishments of the Railways will never be satisfied and Government will never obtain all that it is possible to obtain from their employees by not having a contented and loyal staff and a staff which will work under conditions which give them a reasonable amount of security of office. Sir, I am no advocate of strikes. Neither am I an advocate of creating discontent. But I am certainly an advocate of justice being shown to the subordinate railway employee and of his being given the same justice and channels of redress as are given to every menial in the Government of India and other Government offices.

Mr. Kasturbhai Lalbhai (Ahmedabad Millowners' Association: Indian Commerce): Sir, I welcome the budget statement of the Member in charge for Railways, particularly so as it shows progress in so many different directions. The Honourable Member through modesty has not claimed any share of the credit which should rightly go to him and which we, on this side of the House, are quite prepared to admit, and we congratulate him on the able manner in which the Railway Administration has been conducted for the last few years. ("Hear, hear," and *cries of "Coal"*.) It is a healthy sign of the times that the reductions both in fares and freights have been announced to the varying degrees of satisfaction to various sections of the public. Sir, it appears to me that the Railways under the management of the State are following a very conservative policy, unwarranted by the circumstances. (*Mr. N. M. Joshi*: "Even in reducing third class fares.") Quite right. Last year I was obliged to bring in a motion demanding a substantial reduction in the freight on coal, and was told that if the Government were to accept it, it would take away a large slice from the Government revenues, in just the same manner as the Honourable the Finance Member gave this House to understand that the finances of the country would be in a perilous condition if the cotton excise duty were to be abolished. Sir, I have been in this House for two years and a half and have failed to understand how the Honourable Members on the Treasury Benches have made possible what they decried as impossible only a few months back.

The coal trade, as the Honourable Member is aware, has been passing through a crisis for the last two years and over, and the one great need to revive it has been a reduction in freights. By no means do I desire to belittle the announcement that has been made by the Honourable Member of a 10 per cent. reduction all round. I appreciate it, but what I say is that it will hardly give that impetus to the trade which it so sorely needs; and I therefore hope that a further reduction will be made possible

[Mr. Kasturbhai Lalbhai.]

in the near future due to the continued prosperity of the Railways. (Mr. B. Das: "How much do you think would be justified?") 25 per cent. The importations of fuel oil have steadily risen from 34 million gallons in 1919-20 to 80.5 million gallons in 1924-25. This increase is an index to the coal being replaced by the foreign imports of fuel oil, and the railway policy is more or less responsible for this.

In the matter of fares also, I feel that the reductions are too small to attract traffic; and if it be the aim of the Railway Administration to stimulate traffic, it appears to me that further reductions will have to be made.

Sir, I do not see any point in the Honourable Member making the announcement of the reduction of freight at the time of presenting the Railway Budget. Commercial and industrial opinion was greatly agitated over this question and it is difficult to see what would have gone wrong had the Honourable Member announced the decision when it was arrived at instead of waiting till the budget time. Sir, this Budget is very different in its effects from the General Budget, and I hope announcements of this nature will hereafter be made when the decision is taken.

Sir, we have been told that the long distance coal freights will be reduced from the 1st of April by 10 per cent. Working this out for Ahmedabad, I find that the reduction comes to 8 per cent. only. Last year it was asserted by the Honourable Member that an all-round increase in freight on coal was 30 per cent. while as pointed out by me, it was 33 per cent. in the case of Ahmedabad. I should very much like to know why Ahmedabad is being singled out every time and allowed a disproportionate benefit. Will the Honourable Member enlighten me whether the reduction in freight on coal from the Central Provinces collieries over 400 miles distance will also be 10 per cent?

I shall be glad to learn what policy the Railway Board proposes to follow in the matter of fares and freights on different Railways, for when one line announces a reduction and another keeps silent thinking over it, it creates dissatisfaction in the minds of the public. I would therefore suggest that the announcement of reduction—no matter how much it is—should be made simultaneously by all the lines concerned.

I may be allowed to make some mention with regard to the great disparity in freight rates. The Honourable Member in charge of Railways has expressed the opinion that these are more illusory than real. Sir, that is not so. If the commercial interest in the country has cried out for the appointment of a statutory Rates Tribunal, it is because such disparities as I shall presently mention have gone on for years without any redress. For instance, Sholapur is 1,323 miles distant from Calcutta, and the rate is Rs. 4-7-2 per maund, which is fully three times the rate from Calcutta to Bombay both *via* Jubbulpore and Nagpur, the distances being 1,333 and 1,223 miles, respectively. From this, it will be apparent to the Honourable Member that a great injustice has been perpetrated on the commerce and trade of Sholapur. I need hardly say that it is not only Sholapur, which has to suffer in this respect, but there may be other centres similarly placed.

Sir, I am one of those who do not believe in half measures, and the announcement regarding the Rates Tribunal being merely an advisory body has no charm for me. Not only has the Ahmedabad Millowners' Associa-

tion, which I have the honour to represent in this House, disapproved of the formation of this kind of body, but even the Indian Chamber of Commerce, Calcutta, and the Industrial and Commercial Congress which recently met at Delhi have demanded a statutory body. This shows that the proposed advisory body does not meet the requirements of the Indian commercial public. That being so, I beg to submit that it will be a waste of money to proceed with this body which does not enjoy the confidence of those that will have to deal with it. I hope it is not too late even now for Government to mend matters in this connection. Sir, I trust you will not rule me out of order if I were to make mention about the personnel of this advisory body. It will be admitted by the Honourable the Commerce Member that the subjects which will come up for discussion before this body will be of a very technical and complicated nature. The Acworth Committee which recommended this measure stated in very clear terms that you require the very best men with previous experience if possible to sit on this Board. Sir, I would be the last person to cast any reflection on the gentleman appointed as the President of the Board. But, Sir, what I feel most is that this was a post which could well have gone to a shrewd business man. (Laughter.) Bombay has always received step-motherly treatment in the matter of appointments and grievances. I know that it will not be asking too much of the Honourable Member if I say that a Bombay business man should be appointed on the Board. (An Honourable Member: "Why?") Because Bombay has always been neglected by the Government of India whether it be in the matter of Executive Councillorships or the Rates Tribunal or anything else.

One more point with regard to the terminal charges and I have done. If I am not much mistaken, these charges have been recently introduced. There has been no definite basis for the imposition of these charges. I have been given to understand that this question is under the examination of the Railway Board. May I hope that an equitable basis will be worked out to the satisfaction of the commercial public at an early date and also that the items comprising these terminal charges will be clearly defined.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadan): Whilst thanking you for giving me this opportunity of participating in to-day's debate I begin by congratulating, or rather joining with those who have congratulated the Honourable the Railway Member. I congratulate him and will also criticise him. I congratulate him on the simplicity of expression and the lucidity of exposition which have always been the characteristics of his speeches. I also congratulate him upon certain improvements that we find effected in this year's Budget. First of all, we find that wisdom is justified of her children when the Legislative Assembly agreed to the proposal of the Honourable the Railway Member to separate the Railway finance from the General finance. Some of the satisfactory features that we find in the present Budget are the following: There has been an improvement as compared to the position in 1921-22 to such an extent that instead of the deficits that used to be the common feature in those days, we have come to a position when we make contributions to the general revenues, and contributions to the Reserve Fund which would come to Rs. 9.83 crores and also have a Depreciation Fund with a balance of Rs. 6.71 crores. Another thing is that whatever criticisms may have been levelled by other Members who have preceded me, I rather think that it is also a satisfactory feature that a Rates Tribunal in some form has been appointed, on the principle that half a loaf is better than no bread.

[Mr. Harchandrai Vishindas.]

I am also glad of the announcement that the accounts are to be overhauled by a firm of commercial accountants of world-wide repute. Perhaps if I remember rightly, I am at divergence from the Honourable the Deputy President. With due deference to him I think the reason that has been assigned for this is perfectly sound, namely, that there will be an independent body of investigation and the Railway Board ought to be congratulated upon imposing a kind of control over themselves so that they may be stimulated to more efficiency and greater economy of working. (*Diwan Bahadur T. Rangachariar*: "I did not quarrel with the appointment of expert accountants.") Then I congratulate you too (Laughter.)

Then, one point is that we see indications of returning sanity with regard to fares and freights. About this I will say something later. Further we have increased powers of sanction that have been delegated by the Secretary of State to the railway authorities. Next the reduction of stores balances is expected to amount to Rs. 4.75 crores. Another thing is that there will be a lower fuel bill owing to fall in prices.

Whilst I have given the chapter of satisfactory features so far, I will now come to the unsatisfactory features of the Budget. One unsatisfactory feature that struck me was the very wide difference between estimates and actuals which shows rather defective budgetting. (*An Honourable Member*: "No, no.") In 1924-25, the difference between the budget estimates and the revised estimates of income was Rs. 2.62 crores. The difference between the budget estimates and revised estimates of expenditure for the same year was Rs. 3 crores nearly. The difference between the revised estimates and actuals of gain from commercial lines was Rs. 14.75 crores minus 11.25 crores, that is, Rs. 3½ crores. In 1925-26 the budget estimate of income was Rs. 101.34 crores and the revised estimate was Rs. 99.81, that is, Rs. 153 lakhs less. The revised estimates of gross traffic receipts were down by Rs. 179 lakhs and the earnings from goods were down by Rs. 2½ crores. Then again the budget estimate of expenditure for the same year was Rs. 90.54 crores while the revised estimates were Rs. 89.36 crores, that is, Rs. 118 lakhs less. Approved capital programme was Rs. 32.07 crores, the budget provision was Rs. 22.92 crores and the revised estimate was Rs. 19.5 crores, that is, Rs. 3.4 crores less. I recognise that the Honourable the Railway Member has got a sense of this deficiency in this respect when he says:

"We have reason to hope that in the future actual capital expenditure will approximate more closely to our budget estimates."

So far so good. Coming to the great question of fares which has been a thorny question for this Assembly for ever so many years, I say, that it was in 1917, that these fares were increased, but with a promise that as they work merely a war measure, as soon as the war was over the original fares would be restored. But instead of doing that, in 1922, the fares were raised again and when Government were pressed for their reasons for not reducing the fares they said that they could not do so because of the rise in wages and general costs. If that was the case, that excuse should be applicable to the maintenance of the fares in regard to all classes. But yet there was discrimination. As regards the present reduction of fares upon which several Honourable Members have congratulated the Honourable Member, let me state one drawback and that

is this. While the first and second class passengers are benefited by an all-round reduction—if we look at page 40 of the Proceedings of the Standing Finance Committee, Vol. No. 6, we find that on the North Western Railway, for instance, in the case of first class passengers, the existing fare for the first 300 miles is 24 pies per mile and it will be reduced to 18 pies per mile. Likewise as regards the second class passengers it will be reduced from 12 pies per mile to 9 pies per mile. But that is not the case with regard to third class passengers. The existing rate is $3\frac{1}{2}$ pies per mile. That has been maintained up to the first 50 miles and it is only long distance passengers that get the relief. It should be remembered that in this regard consideration should be given to what is called the average lead. The average lead of third class passengers on the North Western Railway is stated to be 40 miles, a figure which appears at the bottom of page 41 of the Proceedings. It would mean, therefore, that the ordinary third class passenger is not to be benefited but only long distance passengers, whereas the proper person who should be benefited is the short distance traveller. There is no reason, Sir, why there should be this differentiation between first class and second class passengers on the one hand and third class passengers on the other. My own belief is that first and second class passengers do not need relief to such an extent as the third class passengers do. (*Honourable Members*: “You are right there”) Then, Sir, it must be remembered that the policy of not revising these fares in the past has been a great mistake because in this case, as in other cases, the economic law of diminishing returns has worked: that is, the higher the price the less the customers. Now, it is true that every year there is an increase in the third class travelling public on account of various causes, such as, development, increase in population, increase in living standards, and so on. But it has been found that during these years on account of the increased rates there has not been that normal growth in travelling public which we should have expected under normal conditions. I am glad to say that this factor has also been recognised by the Honourable Members belonging to the Railway Board.

Now, Sir, I come to certain other factors. We have been told that the remodelling of Great Indian Peninsula Railway station yard is also provided for in the Budget. I hope the Great Indian Peninsula Railway will now be able to provide waiting room accommodation for passengers which, unfortunately, the Victoria Terminus station, which is the best station in India, is lacking. I do not think there is any roadside railway station in the whole of India which has not got a waiting room. This point has oftentimes been hammered at by Sir Hari Singh Gour.

Coming nearer home to my province Sind, I find that Sind has been rather neglected or treated as the Cinderella of India, especially in regard to Railways. (*Mr. B. Das*: “What about Orissa?”) Orissa is left to the Honourable Member himself. Now, Sir, one great want of Sindhis is the construction of what is called the Karachi-Cawnpore Railway, which has been under discussion for a very long time. With regard to this Railway, the Chairman of the Chamber of Commerce, Karachi, said as follows on the 1st of May, 1925:

“I feel most strongly that the advancement of the Port of Karachi is suffering, and will in the future suffer still more severely, from the protracted delay in the construction of that new broad gauge line between Karachi and Cawnpore for which this Chamber has been pressing so considerably over many years.”

[Mr. Harchandrai Vishindas.]

Then again :

"There is no doubt that additional income would accrue from the valuable stimulus that would be given to the United Provinces by the better demand for their produce for export *via* Karachi. While railway difficulties exist, preference in cultivation will most certainly be given to articles for consumption either locally or in the near vicinity, but if the cultivator can be guaranteed a good export demand for certain valuable products, there is every reason to anticipate that he would see that these products were available The establishment, moreover, of this broad gauge line would place Delhi many hours nearer to its nearest Port—Karachi—whilst a direct mail service between Karachi and Aden would bring the capital of India nearer to the capital of the Empire than is possible by any other land or sea route."

Then, Sir, in this regard certain remarks were quoted from the speech of Mr. T. R. Wynnex, the then President of the Railway Board, during the second stage of the discussion of the Budget in 1914, which he made in the Imperial Legislative Council. They are as follows :

"During the year one most important matter has been receiving the earnest consideration of Government. I refer to the proposal to improve railway connections between Karachi, the United Provinces and North-East India, etc."

The Chairman of the Chamber then continues :

"Since this statement was made 11 years ago, the necessity for these improved railway connections has increased enormously, but still no definite improvement of any real importance in the form of a thorough broad gauge connection has been made I feel most strongly that the Chamber should go on hammering at the matter until something tangible actually occurs, however disheartening the task may be."

I think, therefore, that I cannot accord much appreciation to the Budget in view of this great shortcoming. I hope the Railway Board and the Honourable Member for Commerce will bear this in mind and do the needful by supplying the omission in the near future.

Moreover, Sir, there is this other point. When I said that Sind was treated as Cinderella of India, it is also manifest from the fact that while going from Calcutta to Karachi, there is always a big delay on the way for want of connection at junction stations. The Calcutta-Punjab mail reaches Lahore at about 12-30 and the passengers have to wait there till 8 o'clock next morning. Likewise, the connection between Delhi and Karachi from Calcutta is equally defective because the train for Karachi leaves Delhi at 9 P.M., whereas the Calcutta Mail arrives here only at 12 midnight.

There is one more point, Sir, after which I will bring my remarks to a close. It is this. For a long time we have been representing to the proper authorities the lack of communications in Sind and some time ago when an address was presented to the then Governor of Bombay, Sir George (now Lord) Lloyd, for this purpose, His Excellency's answer was that we should concentrate more upon feeder lines in Sind than upon other kind of communications. Although we have been hammering at it time after time, we have not had a sufficient response. I am glad to notice this year, however, that a reference was made by Sir Clement Hindley. I am told, in the Council of State where he promised that feeder lines in Sind would be provided for. When I left Karachi two or three days ago, I was also told that an announcement has been made that expenses for the survey of the Oderolal feeder line have been sanctioned. It is the same line about which I have been asking questions in this Assembly time after time.

I am also told that a conference is going to be held by the Commissioner along with other officials to consider the construction of some other feeder lines in Karachi. Well, Sir, this is a point that I ought to have mentioned among the satisfactory features of Government work in regard to railways. If that is true, then I congratulate the Railway Board. (*Sir Clement Hindley*: "It is quite true.") Thank you very much.

That is all, Sir, that I have to say on the Railway Budget.

Mr. H. G. Cocke (Bombay: European): Sir, this is the annual general meeting of the shareholders of Indian Railways and the Directors with their scholarship and learning and their files are sitting over there at a convenient distance from the shareholders who are criticising them. But you, Sir, unlike the Chairman of a meeting of a public Company, are in the fortunate position of absolute independence. (Hear, hear) Sir, I must be very careful in anything that I may say because I happen to belong to a committee which advises this Board of Directors. It is important that a member of that committee should not criticise himself and it is more important still that he should stick to any decisions that may have been reached by that committee. But one point which I should like to criticise is the extent to which new lines have been opened up during the last two years. It has been considerable in a sense and inconsiderable in another sense. I think the total new mileage opened in the last two years has been in the neighbourhood of 500 miles. Having regard to the number of railway systems in this country and also the vast extent of the country, that, Sir, is not a very vast development and it is obvious that the Railway Board is not altogether satisfied with it. I notice that *Sir Clement Hindley* in his speech said:

"The mileage added to the Railways last year and this year is only a partial index of the work which we have in hand and that we may expect before long to reach a much higher output."

It is stated that there are 63 projects at present sanctioned covering 2,500 miles, and that the projects sanctioned and under consideration cover from 6,000 to 7,000 miles. Those figures are very large and I hope that to attain them quickly construction will be speeded up very materially. One direction in which that can be achieved, I feel certain, is by making more use of private contractors. I know that is being done to some extent in bridge work and also in other ways, but I believe that by putting out specific work to tender you will get better results and get work done quite economically. I hope we shall hear something from our Directors on that point because if we are going to increase the yearly new mileage opened from 250 to 1,000 miles, which *Sir Clement Hindley* has hopes of doing, it is obvious that we shall have to go far more quickly ahead in the future than we have done in the past. We have seen that the railway agents have been far too optimistic in the figures that have been presented of capital expenditure anticipated. They have not been able to spend anything like the amount that they had hoped to. For instance this year, 1925-26, the approved programmed expenditure was 32 crores. The Railway Board said to their agents, "Go ahead, we will not interfere, spend your 32 crores, but we are sure you will not be able to do so." The Railway Board was more than justified. They made a lump sum cut of 9 crores, leaving 22 crores and 90 lakhs as a net grant to be spent. At the same time they did not prevent their agents from spending up to their 32 crores, but the latter have not been able to spend more than 19½ crores, leaving 3½ crores

[Mr. H. G. Cocke.]

to lapse, so that only 19½ crores will be spent this year. It is hoped that 22 crores will be spent next year, *plus* 4 crores on the Delhi-Umballa-Kalka acquisition, but as I say, if we are to increase the railway development of this country, in which there is a vast field, at a much quicker pace than has been possible in the past, it is necessary that we should spend very much more than 22 crores which is anticipated for the year 1926-27.

There is another point about new construction as to which I should like information, and that is with reference to the possibilities of company lines undertaking construction in advance of the date when they may be taken over by the State. What is the position? Supposing a company line spends a crore of rupees on a project of which that company will not reap the benefit, if, five years hence, the State takes it over. They have to pay interest on the money borrowed for expenditure, and they have, I understand, to pay that interest out of revenue. But I do not think in all cases—if at all—will they get back that interest from the Government when Government take that railway over.

Sir, it is very gratifying to find that the Railways of this country will have placed to railway reserves the amount of 12½ crores in the three years ending 1926-27. I hope, however, that too great inroads will not be made upon those reserves, as, compared with the size of the undertaking, really the figure is very small.

I have heard the word "Indianisation" mentioned in railway debates, and therefore I may raise it myself. I notice in the annual Report of the Railways for 1924-25 that the total number of people employed, Europeans, Anglo-Indians and Indians, is given. Now the increase for 1924-25, as compared with 1913-14 is 107,000 hands, and those 107,000 represent the increase in the number of Indians. The Europeans have dropped by 1,700 and the Anglo-Indians have increased by much the same figure, so the large increase of 107,000 is entirely Indian. That is very creditable. I have never heard anyone yet get up and suggest that the Railways of India can be run without a considerable measure of European supervision. (*Honourable Members*: "Question?") I am not dealing with the proportion of Indians, I merely say I have never yet heard anybody get up and suggest that the Railways of this country can be run without a considerable measure of European supervision (*Honourable Members*: "Why not?") If Honourable Members think they can do it, I hope they will give us their reasons later on in the debate. If we are desirous of going quicker, very much quicker than in the past, with development construction, I hope that this development will not be retarded by scrapping too many people with a vast amount of railway experience in this country.

There is another point I should like to mention and that is, the matter of the claims paid for loss of or damage to goods. Claims, I notice, have come down very materially; in 1922-23 the figure was 120 lakhs, in 1923-24, 79 lakhs, in 1924-25, 57 lakhs. I do not know whether there is any figure given (at least I have not been able to find one) for 1925-26, but I should like to know whether the 57 lakhs paid out in 1924-25 is going to be materially reduced in 1925-26.

One word on the subject of Rolling Stock. I notice that the Budget includes an allotment for 2,707 additional goods wagons and 671 coaching vehicles. Of these 671 vehicles, 547 are for lower class traffic. I am glad to see a large development in the lower class stock, and I yield to no one

in my admiration of the efforts made to improve the traffic facilities for third class passengers. At the same time I should like to mention that in my opinion first class passengers should not be entirely neglected. A large number of first class passengers come from overseas who are accustomed to travel in comfort on the railways of Europe and America and I do not like to hear criticisms of Indian railways which I often do hear. I have used carriages myself which have leaked during a heavy fall of rain, which have been insufficiently lighted making it impossible to read in them, to say nothing of other little disadvantages.

I welcome very much the two inquiries which are now going on, the one in connection with *accounts*, and I feel sure that the benefits which will accrue from the appointment of expert accountants will be considerable. We are gradually improving in the matter of keeping and presenting our accounts, and I hope it will be possible for Mr. Sim or his successor to give us something in the form of a Balance Sheet for each railway and a combined Balance Sheet for the whole of the Railways. We see a large amount of capital at charge in one statement but I cannot see side by side how that capital has been expended. I have no doubt that it is somewhere hidden away. I cannot find in concentrated form what the total expenditure is for permanent way, bridges, stations, and so on, or the amount locked up in stores at the end of the year, the surplus of assets over liabilities or of liabilities over assets, etc. A balance sheet on commercial lines is only following out the ideas of the Inchcape Committee and would be very valuable as a permanent record year by year.

As regards the Workshops Expert Committee, a very large field lies before that Committee which should lead to considerable economies. The amount of delay that takes place in executing repair work leads to a large amount of capital being unnecessarily locked up; it has meant that new engines have been purchased, which would not have been necessary so soon if there could have been a speeding up of repair work to existing engines.

Sir, I think that exhausts my remarks. In conclusion I should like to pay a tribute to Sir Charles Innes and all the more so because he will not be here next March. We do not know where he will be then. If he is sitting by the village pump reading the report of our discussion, he will no doubt take a very great interest in the proceedings. He may sometimes in retirement be inclined to weigh the benefits of the separation of railway from other finance with the benefits accruing during his period of office from the protection of industries. I should not be in order in going into that matter now, but I am quite sure that the separation of railway finances from general finances is one of the finest things which he has achieved during his term of office. It will go down to posterity associated with his name and I congratulate him very heartily on his success in his office.

Mr. R. K. Shanmukham Ohetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I have no doubt that my Honourable friend from Ahmedabad has got every reason to congratulate the Honourable the Commerce Member on the Railway Budget that has been presented to us. I may be allowed to congratulate my Honourable friend from Ahmedabad on what the Ahmedabad mill industry has got in this Budget. Sir, with all the criticisms that we on this side of the House may have to offer on the Railway Budget, I have no doubt that Honourable Members will agree with me when I say that my Honourable friend the

[Mr. R. K. Shanmukham Chetty.]

Commerce Member has every reason to congratulate himself on the results of the railway administration for the last three years. It is indeed very gratifying to note that the separation of railway finance from the general finances of the country has succeeded in producing the desired effect. As my Honourable friend the Commerce Member has pointed out in his speech, if there is one thing more than another to which the better results are due it is the convention of September 1924. The objects of this convention, as Honourable Members will remember, were two-fold, firstly, to relieve the General Budget from the violent fluctuations which resulted from its association with the Railway Budget, and secondly, to enable the Railways to carry on a more continuous policy of railway development. While those who are responsible for the railway administration of this country were actuated by the second object, that is to enable the Railways to carry out a continuous policy of railway development, I am afraid that, in agreeing to that convention, the House had more in mind the idea of relieving the General Budget from the violent fluctuations to which it was subject. Sir, my Honourable friend, Mr. Jamnadas Mehta, in his Budget speech last year, pointed out how with a merciless hand, this House forced out from the railway administration every penny that the General Budget could get. This contribution of the Railways to the General Budget is a feature which I personally do not approve of. Sir, the only ground on which the contribution which Railways are called upon to pay to the General Budget can be justified is the present, and I believe the temporary, financial stringencies of the General Budget; and I do hope that when our general finances are in a better and more stable position, the first thing we will do will be to wipe away the contribution which the Railways pay to the general revenues. Sir, what is the meaning and what is the significance of the contribution which the Railways pay to the General Budget? (*An Honourable Member*: "For the losses made before.") Whatever may be the losses made before, the meaning of the contribution is this, that it is a tax upon the communications of the country. Sir, I for one would not be prepared to support any taxation on the communications of this country.

While the separation of the two Budgets has resulted in producing the desired effect, I am afraid in one respect it may retard the future railway construction in this country. Sir, the obligation to pay a fixed contribution to the general revenues must necessarily hamper fresh railway development in future. My Honourable friend the Commerce Member has indicated in his speech that in launching fresh programmes of railway construction, the railway administration will primarily be actuated by the consideration whether the proposed new line will pay immediately and whether it will pay well. If that is to be the only criterion of future railway development in this country, I am afraid railway development will suffer very considerably and seriously indeed. My Honourable friend Mr. Cocke pointed out the very unsatisfactory progress that has been made in the opening up of new lines. In 1924-25, we opened 233 miles, in 1925-26, 264 miles, and in 1926-27, we expect to open 240 miles of railways. Sir, I believe I am correct in saying that at present we have a total mileage of 38,500 miles, and 20 years ago the Mackay Committee pointed out that India must very soon possess a mileage of 100,000 miles. Therefore, Sir, construction at the rate of 250 miles a year, I consider very unsatisfactory. My Honourable friend, Sir Clement Hindley, in another place, expected

that it would be possible, before long, to open up about 1,000 miles of new railway every year, and I do hope, that that expectation of his will be very soon realised and fulfilled.

Judged purely from the financial results of the last three years, the railway administration has every reason to congratulate itself. For the three years beginning from the year 1924-25, the railway administration has succeeded in contributing a gross amount of 22 crores of rupees to the General Budget, in keeping a reserve of 12½ crores, and having in its Depreciation Fund account about 9.25 crores, altogether a net gain of 48.75 crores. Judged by these figures, as I said, the railway administration and my Honourable friend the Commerce Member might very well congratulate themselves, but, Sir, the financial results of a railway administration are not to be judged merely by the net profits that accrue but by the efficiency and the cost of service of that administration. Honourable Members will remember that the English Railway Act of 1921 laid down that the English railway companies are entitled to their standard revenue provided that the working and management are efficient and economical. Sir, here in India the railways are a monopoly and there is no competition. My Honourable friend the Commerce Member says that the House has its guarantee of economy in the fact that we have to pay not only our interest charges, but a contribution in addition, and that anything we can make in excess of our charges goes to our own reserves. Sir, on the question of economy we cannot simply take the word of the Commerce Member. An impartial and competent tribunal must decide whether the rates and freights charged on the railway companies are proper, whether they are in conformity with the economic position of the country, and only when that is proved, can it be said that the railways are providing service which is economic and efficient. A mere comparison with past years' results would not, I submit, be a proper index of the economies that have been effected. I will give, for example, an instance. I see, Sir, that the operating cost in 1925-26 was 26.74 crores; in 1926-27, the Budget provides for 26.46 crores. In 1926-27, if I have understood the Budget correctly, the railway administrations have provided for an increase in traffic to a considerable extent and the one item of expenditure which directly goes up with an increase of traffic is the operating cost. And yet what do we find? In 1926-27, in spite of the increase expected in the traffic, the operating cost is budgetted at about 10 lakhs less than it was in 1925-26. That shows there is something wrong in the operating cost of 1925-26. (*The Honourable Sir Charles Innes*: "The fuel account.") I for one have not been able to understand what the real significance of this is. Take again the stores balance account. I see, Sir, that in 1921-22, the stores balances amounted to 22.19 crores; in 1922-23 to 22.98 crores; in 1923-24, 21.57 crores; in 1924-25, 17.08 crores; in 1925-26, 15.35 crores; and in 1926-27, 14.06 crores. Sir, the enormous figures at which stores balances stood attracted the attention of the Inchcape Committee, and they pointed out that reforms were necessary. I have no doubt that compared with the figures of 1921-22, the figures of 1926-27 are very satisfactory indeed. In fact as compared with the figures of 1921-22 there has been in the stores balance account a saving of 41 lakhs in interest charges alone; but I would ask the Honourable Member for Commerce to explore the possibilities of still further reductions in the stores balances. As a layman I am not able to say whether it is justifiable, taking into account all the circumstances, to have

[Mr. R. K. Shanmukham Chetty.]

a stores balance of 14,06 lakhs. I hope my Honourable friends the Commerce Member and the Chief Commissioner for Railways will look into this matter very carefully.

Sir, speaking about economies I have got one suggestion to make. I would like to know whether the loading capacity of our trains is utilised to its fullest extent. Sir, I have not been able to find any statistics in the Administration Report of the Railway Board, any statistics or figures to prove this. I find, that in England the Ministry of Transport publishes statistics every month (Sir Clement Hindley: "We publish such statistics too.") You publish statistics every month, I know, but I want to know whether you publish statistics on this particular point. (Sir Clement Hindley: "Yes.") Well, I have not been able to find them. I understand there is a complaint even on English railways that the average load of merchandise in a loaded ten-ton truck is only 3 tons. What I would like to know is whether the loading capacity of our wagons

The Honourable Sir Charles Innes (Member for Commerce and Railways): The loading capacity of our wagons, you mean; you said tons.

Mr. R. K. Shanmukham Chetty: Of our trucks, I mean; whether it is utilised to its fullest extent. My Honourable friend the Chief Commissioner of Railways says that statistics are published, but I have not been able to find at least from the Administration Report any statistics on this point. It will be conceded that an increasing truck load and train load would lead not merely to a decrease in operating expenses but a reduction in maintenance charges and a considerable saving in replacement of rolling stock. This is a point on which the railway administration might well satisfy itself whether economy to its fullest extent has been realised in this respect.

Sir, there is no doubt, as my Honourable friend the Commerce Member said, that the prosperity of India is in no small degree bound up with the prosperity of the railways; but the prosperity of our railways depends not so much on the net earnings shown every year in the Budget but upon the efficiency of the service rendered and on the economy in the administration of railways. With these few words I would like to congratulate my Honourable friend on the budget statement which he has presented to the House.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): Sir, I do not desire to add to the chorus of congratulations of which my Honourable friend Sir Charles Innes is the recipient. Indeed I should have thought that his colleagues on the Treasury Benches might well nigh be envious of it. I desire therefore to view the Financial Statement of Sir Charles Innes and the statement made by the Chief Commissioner for Railways from a few general standpoints and to offer one or two observations on the general position of the Railway Budget this year. Sir, my Honourable friend the Honourable Sir Charles Innes three years ago, when the question of State management of Railways was discussed, expressed himself as wholly pessimistic of the wisdom of State management, wholly pessimistic of any democratic Assembly taking charge

of State management and spoke of the notorious incapacity of democratic assemblies having the power to manage railways, of the corruption that it would engender and all the rest of it. Sir, to-day on the floor of the House my Honourable friend claims that this Assembly will go down to history as having made the greatest landmark in the administration of Railways in this country. Sir, I congratulate him on his conversion to sane views. I congratulate the Assembly also upon having demonstrated to the most senior Member of the bureaucracy on the Treasury Benches that after all democracy in this country also has its uses, and that therefore it will not be possible at any rate for my friend Sir Charles Innes hereafter to say "We are still experimenting with this democracy, we are merely seeking to find out if you are fit for it and the Statutory Commission cannot be brought out before 1929." If this democratic Assembly on matters of railway management and administration is able to make a landmark in the history of Railways, if this Assembly has succeeded beyond expectation in producing an improvement in railway administration to the extent to which my Honourable friend claims and for which he obtains credit and receives the congratulations of the House, I say, Sir, our fitness for taking charge of all the other responsibilities that devolve upon us, not merely in respect of the Railway Budget, but also in respect of the General Budget, seems to me to be clearly established. I do hope my Honourable friend, Sir Charles Innes, will therefore not grudge to make that frank and full admission on the floor of the House.

I do not desire further to emphasise the political aspect of the admission Sir Charles Innes has made. I would therefore next refer to the fact that in spite of these great and satisfactory features upon which he can legitimately congratulate himself, I am yet unable to find to-day from his exposition the exact principle upon which our railway administration and State management of Railways is put in the Department which controls it. We want to know, Sir, whether Sir Charles Innes has now made up his mind that State management of Railways in this country is the right and correct thing to do and that it has passed through the experimental stage and we have established a great landmark. If that is so, I want to know what is that landmark, what is the principle upon which my Honourable friend would base the State management of Railways in this country. I find on the one hand my Honourable friend, Mr. Shanmukham Chetty, stating that State management of Railways should not be based upon a commercial basis. On the other hand I should have thought, Sir, . . .

Mr. R. K. Shanmukham Chetty: On a point of personal explanation.

1 P.M. I do not know whether I stated any thing which contained an implication that railway management should not be on a commercial lines: I said quite the contrary.

Mr. A. Rangaswami Iyengar: May I explain, Sir. I am afraid my friend Mr. Shanmukham Chetty has not understood the full implications of what he said. He said that the idea that the Railways should be worked in this country in order to earn a profit for the general revenue was not sound. On the other hand, he said that any profit that is earned would be virtually a tax upon communications. Now, I want to know what is a commercial proposition. I want to know whether a commercial proposition does not mean a balance sheet and a balance sheet with a profit. Otherwise, that business company which makes that

[Mr. A. Rangaswami Iyengar.]

proposition deserves to be wound up. Therefore, there is no question, once you admit the principle of commercialisation in the matter of railway administration, you have to work it on a business principle, on the principle that for every service that you do you obtain an adequate return. If you work on that basis, there is no escaping from the position that Railways should be treated as a business proposition. But, Sir, I do not want to labour this business aspect of it to death. On the other hand, I perfectly agree that so far as the Indian Railways are concerned, they must be primarily treated as administrations which perform national services on a business basis, and therefore while I am quite clear that the principle upon which railway finance was separated from general finance and reorganised upon a commercial basis is quite sound, at the same time I do not think that it is right that the general revenues should treat the railway property in this country as a property to be exploited. It was Lord Curzon, who in the palmy days of railway surpluses by which he was able to make the first reduction in the salt duty, described the Indian Railways as a magnificent asset. Sir, if it is a magnificent asset, we in this Assembly have to decide to what use we should put this magnificent asset, whether we are merely to put it to use in the way of putting more money into the hands of the Finance Member so that he may go on increasing expenditure upon the general services, military or other, of which the Government are in charge, or whether we should put the profits that are earned to the use of performing more national services. From that point of view, it is clear that the primary object to which this magnificent national asset should be devoted is the improvement of the utilities to the community which this railway property should bring to the country. I do not agree, again, with my friend Mr. Shanmukham Chetty who as good as stated that no contribution whatever should be made from the balance of railway surpluses to the general revenues. I do not agree with this view for the simple reason that the present basis upon which the surplus is divided is a wholly artificial basis. Now, Sir, if the Railways are to be worked as a business proposition, obviously the capital that has been sunk in the Railways and the present value thereof ought to give a return to the State which has put all this capital into it; and the question what is the proper return on that capital can be determined if we go into the whole figures for over seven or eight decades.

Mr. R. K. Shanmukham Chetty: It will pay the interest charges.

Mr. A. Rangaswami Iyengar: Yes; and the question is what is the interest charge upon the railway property. You are talking of capital at charge; I want to know what is the present value of the asset acquired by that capital; and what is the return you want on this capital that has now remained invested for over sixty years? If you are going to value the railway property on its present capital value basis and if you want it to give a return on that basis, I am sure, Sir, the one per cent. that is paid as contribution from the railway revenues to the Government and to the general revenues will be too small. On the other hand, if you merely say "We put in capital at various times; we lost so much money in various wildcat schemes; we have had huge deficits, huge losses on Railways in the past, if you are going to make up all that . . .

The Honourable Sir Charles Innes: And huge surpluses too.

Mr. A. Rangaswami Iyengar: Of course; if you are going to do that, then we will have to go into the whole history of it. I do not think, Sir, that the separation of railway from general revenues in India was made after taking steps to evaluate all these things and arrive at an equitable basis of figures. On the other hand, I take it that it was a rough and ready distinction based upon the exigencies of the services concerned. Therefore, it seems to me a futile task to try and find out whether this contribution should be dispensed with altogether. I think, Sir, that when the contribution from the Railways to the general revenues amounts to a much higher figure than it does now, the question whether that contribution or any part thereof can be repaid by the general revenues to the Railways for improving the utilities, is as well within our competence as the question whether we should pay these contributions to the general services. It is only a process of accounting, but it is of no great consequence in so far as we are concerned with the particular objects to which we shall devote the surplus earnings of Railways.

Therefore, Sir, I desire to point out that if we believe that these railway assets are to be national utilities, I think the Government of India should take more interest in the development of national or public assets in the provinces also than they have chosen so far to do; and that is the reason why I have been at pains to explain the position. The House will recollect—I do not know how many will recollect—that last year I referred to the vexed question of District Board railways. In our province, Sir, there was another form of public asset that was developed. District Boards taxed themselves and accumulated assets, borrowed money and constructed railways with the help of the Imperial Government. The Imperial Government last year reversed that policy. They held up all the railway projects for over fifteen years and they have now declined to give a clear lead to the province. The result of it is that this money of the District Boards in my province—over 1½ crores—has been locked up in securities which have terribly depreciated. The responsibility for that depreciation is wholly upon the Imperial Government; and I think they are bound therefore to make good that money lost in that way by at least helping up the District Boards to make the best use of that money in their hands by building up other and further transport utilities. We were told last year that the Resolution on the new branch line terms had as good as declared, with the concurrence, I will not say connivance, of the Standing Railway Finance Committee that hereafter all new projects for branch lines should be made as part of the main system and should be undertaken by the Government and that the capital that District Boards or Provincial Governments might furnish would only be availed of in cases in which the lines are not paying—a policy which was described in the Madras Legislative Council by a Member of the Government as “Heads I win, tails you lose”. That policy the Central Government has established; and the result of it is detrimental not merely in regard to future lines, but also in regard to all projected lines of these District Boards to which they had been looking forward, from the profits of which they expected to do much public utility work in the several departments under the local authorities in Madras. Not only has all that expectation been defeated in respect of future lines, but in regard to existing lines under actual construction the Government have held them up and the money that is lying idle has not been put to any use

Diwan Bahadur T. Rangachariar: They have taken it up themselves.

Mr. A Rangaswami Iyengar: I am coming to that. Then, I said last year to the Honourable the Financial Commissioner in this House that this matter required looking into and that the Government should afford guidance to the District Boards as to the best way in which they can carry out their policies and projects for the benefit of their districts. There were some technical difficulties under the Devolution Rules which I pointed out and which were subsequently remedied. The position so far as that is concerned is that railway construction is a reserved subject; while District Board cesses and District Board railway construction are transferred subjects. As a result neither of these two departments was able to co-ordinate their ideas with the other in this matter, thanks to dyarchy. Their difficulty is that the general question of railway construction and railway administration is a central department; and when I asked the central department a question on the subject, they said it was a provincial matter; but when the Provincial Government is asked about it they say it is under the Ministry, a transferred department. We get no lead, no help. All this time, all these years, prior to the Montagu Scheme, the Central Government had kept the tightest hold upon railway administration and railway construction every where, and now they say railway construction so far as feeder lines and tramway lines are concerned will be a provincial transferred subject; and then when the District Boards go to the Local Government, i.e., the reserved department, they feel no interest; they do not afford any guidance. I say, is it right for the Central Government to leave District Boards in this position of absolute helplessness? I asked my friend Mr. Sim to help District Boards in this matter. He came to my province twice; and the proposal he made was: "Look here; I will take over all these lines; I will pay you something; we will adjust the price: I will pay you the money; take it and do whatever you please with it." Sir, that is a policy of irresponsibility on the part of Government of India, and I object not merely in regard to this but in regard to the other question of policy of making doles to the Provincial Governments. I object to the Imperial Government dumping money upon provincial or local authorities with no guidance to them, with no expert help which they could obtain. I said, Sir, and I say that my Honourable friend had a very inadequate perception of his responsibility when he merely said "We will give you the money and you do what you please with it." I say, Sir, so far as this question is concerned, it is the duty of the Railway Board and of the Railway Department of the Government of India to come to the rescue of the District Boards and to tell them how best they can profitably use all this money, how best they can conserve and improve the resources which they have obtained by using this Railway cess. If the Government want to take over some of the railways, it is their duty not merely to pay them compensation, but also to instruct the District Boards how they can use it for other purposes of public utility. Sir, it was said at the time when the Devolution Rules were framed that District Boards and local authorities should be asked to confine themselves to the construction of tramways and light railways. Now, what have the Government done to help them in this matter? When we ask the Provincial Government about this matter, they say that they do not know anything about it and that the rules are very confusing and so we are referred to the Imperial Government, but when we ask about it here, we are referred to the Provincial Governments, and my friend Mr. Sim says, "Oh, you take the money, I do not know exactly"

Mr. President: The Honourable Member must know that his time is up. He is the Secretary of a great Party, and I think he should strictly adhere to the time limit.

Mr. A. Rangaswami Iyengar: Sir, I do not want to say more on this matter. But I will merely content myself with saying that my Honourable friend Mr. Sim will certainly give me a satisfactory answer about this matter.

Mr. W. S. J. Willson (Associated Chambers of Commerce: Nominated Non-Official): Sir, I desire, in the few remarks that I wish to make, to congratulate the Honourable the Commerce Member on the wonderful budget figures which he has put before us and to associate with him and other speakers in passing on our meed of praise to Sir Clement Hindley, the Honourable Mr. Sim and the railway staff generally.

I take first the important point raised by my Honourable friend Mr. Harchandrai Vishindas, in which he rather found fault with the Government about a difference in the estimates. To my mind, Sir, the figures put before us by the Honourable Sir Charles Innes are perfectly wonderful for their accuracy in estimating. The difference is only a matter of 35 lakhs of rupees net, which, on a turnover of 101 crores, amounts to the absolutely insignificant difference of 35 per cent. Sir, I do not think any accountant could claim that he could put forward better figures, and there must have been a certain amount of real good fortune in it that they came out so marvellously closely.

My friend Mr. Rangaswami Iyengar quoted Sir Charles Innes old speech against the policy of State management. He has forgotten that subsequently to that, Sir Charles Innes definitely stated in this House that to his mind the separation of railway finance from the General Budget had done away with one of the greatest of his objections to State management. I think Mr. Rangaswami Iyengar should have remembered that

Mr. A. Rangaswami Iyengar: May I say, Sir, that I merely relied upon the words which Sir Charles Innes used that this Assembly will go down to history as the Assembly which had at long last placed the railway finances on a proper basis. I was only claiming

Mr. W. S. J. Willson: Quite so. But the Honourable Member quite forgot what the Honourable Sir Charles Innes had said on a subsequent occasion.

The question of State management is a *fait accompli*. Therefore, it is no use arguing it further upon the floor of this House. The contribution which the railway finances are to make to the State has been fixed by this House. The Government proposals were amended by this House. If we follow Mr. Rangaswami Iyengar further, we would find that his speech practically amounted to urging an increase in the freights. But, Sir, I do not propose to follow him. I prefer to take the fact that we have in this Budget given effect to a considerable amount of reductions both in passenger fares and coal freights. In regard to passenger fares, Mr. Harchandrai Vishindas rather spoke as if it were one of the objects of a Railway Board to give relief to the passengers. I submit, Sir, that when we are running our Railways on a commercial basis, our first outlook must be

[Mr. W. S. J. Willson.]

to see that we make a profit. We are not here so much for the purpose of granting relief as for making a profit. I personally would not wish to see our resources frittered away, at this early stage under the change of management, in granting insignificant reliefs here and there. The question of whether a relief or concession or reduction is justified must prove itself by what it subsequently brings in to the pool. I attach no value to the giving of a few pice here and there, but would far rather see the money spent in the development of traffic and in the increase of facilities. It must be noted that the reduction in the coal freights, which I cordially welcome, stands on a slightly different footing. They are given on a prime mover, that is to say, coal is the article which provides the prime movers for all our industries, and the lower the cost you can make for all these things, the greater the fillip to industry. If you encourage your industries, anything that we may be giving away in the way of railway freight should come back with interest out of increased traffic. Incidentally, the coffers of the State, if it in the meantime has to lose a little of the contribution which it takes from the Railways, may be more than made up in an increase in income-tax.

On the question of Reserve Fund, therefore, I do not wish to see this fund dissipated. At 10 crores it is a very small figure, it is only equivalent to what we actually lost in one unfortunate year, and in another unfortunate year, we might lose a considerable portion of it again. I would not like to state any figure to which I think we should work up, but I do state generally that we should work up, and go on gradually increasing that figure. We must remember that our Depreciation Fund is one from which we naturally spend and that we have not, as other transport companies have, an Insurance Fund, which on occasions of calamities and so forth, may bear the cost of such calamities. Apart from reduction in the long distance coal freights which has long been asked for, I would dearly like to see our next step taken in the way of a further reduction by way of rebate on export coal. The reduction of long distance coal freights cannot be expected to bring in any new markets; it can only add to the consumption and development, but a specific rebate on coal freights is a direct incentive towards recapturing the markets which we were unfortunately obliged to lose during the war period.

Further, Sir, such reduction of coal freights has a special claim upon the Railway Budget, because it is the coal owners themselves who have made one of the biggest contributions to the Railway Budget by the reductions they have made in the price of their coal. On that subject I hardly think it wise to fix the date for the reduction some little distance ahead as the 1st of April. In my own experience, reducing freights at a given date like that has taught me that what happens is that everybody immediately holds up buying and everybody who can do without coal until after the 1st of April will be tempted to do so. That will mean that some wagons and engines and facilities generally will not be fully utilised during the intervening month.

Mr. Rangachariar commented somewhat adversely upon the expenditure under administration. Now, Sir, I take the point that if you are going to improve your administration, you cannot lessen the cost of it. You have to buy good brains—the best brains. You have to employ special staffs for special purposes. Anybody reading the speeches of Sir Charles Innes

and Sir Clement Hindley must have seen that they have had to employ a certain number of special officers to put upon special tasks, and this is a factor making for an increase in administration expenses and not a reduction.

I am sorry to see that it has not been possible to spend more than just under 20 crores, but there again, I know from such of the inner working of the Railways as has come before me in the Committee on which I serve, that this point is being well kept in mind and all attention is devoted to it on behalf of the Railways.

A great deal of the difficulties from which the Railways have suffered has been due to congestion in the marshalling yards. Those of us who travel extensively in this country cannot fail to notice the tremendous blocks of traffic that we see, and from the inquiries which I make in the places in which I travel, I am informed, actually at stations themselves, that things are improving. Mr. Shanmukham Chetty was not aware that figures are published, showing the working of the engines and wagons. I am sorry he does not know it, because, had he looked at those figures, he must have noticed the improvement for himself.

With regard to workshop development some of my friends have been much concerned to find that an expert has been brought out from home with a view to co-ordinating the working of the different workshops. I have had the advantage of a certain amount of conversation in his office with Sir Clement Hindley on this point and I am not so much alarmed about it myself. But I would merely like to say that I hope that as soon as possible that expert's report may be issued and a full statement made thereon.

I welcome very much the remarks in regard to work being given to outside contractors and I associate myself with the remarks which fell from Mr. Cocke in that respect.

Diwan Bahadur T. Rangachariar: May I ask what was the alarm about the expert on workshops?

Mr. W. S. J. Willson: Well, Sir, I will go back to the subject if you wish.

Diwan Bahadur T. Rangachariar: Please develop it. I do not understand it.

Mr. W. S. J. Willson: The idea was that this scheme would interfere with private enterprise and would have the effect of taking away from private workshops work to which they considered they were entitled and can perform.

I am sure we all welcome the statements in the speeches in regard to the work which is being given to the wagon builders of this country. It is very gratifying to find that these workshops are all now full, and I might perhaps pass on from there to say that if the work is given so far as possible in this country to wagon builders, why should work also not be given to our professional class? Take, for example, the proposal to import auditors to come and redraft some of our accounts. We have several very distinguished firms of chartered accountants in this country whose ramifications extend all over the world, and while it may be that their name has been borne in mind, for my part I should like to find that preference is given to those who are situated in this country and who pay their taxes here. Moreover, if any such system has been devised, it will probably require assistance from those in this country to carry it out.

[Mr. W. S. J. Willson.]

An important item in the Budget this year is the statement that the work on the new harbour at Vizagapatam has been put in hand. This is a work of very considerable magnitude and I should think it will probably have as far reaching effects as any other project referred to in the Budget.

Mr. B. Das (Orissa Division: Non-Muhammadan): It will ruin Calcutta any way.

Mr. W. S. J. Willson: Don't be selfish.

Mr. B. Das: It will.

Mr. W. S. J. Willson: With regard to the Rates Tribunal, I associate myself with the remarks from my commercial colleague from Ahmedabad. I would certainly like to stress that the Committee, be it advisory or statutory, should have amongst its members men chosen from the commercial world, though I will not be quite so provincial as he was as to claim that they should necessarily be appointed from Bombay!

In the Budget also we have a figure given as about 4 crores for the purchase of the Kalka Railway. I am not desirous of saying anything against that, but I merely like to say that I am not much enamoured of spending any money that we have on buying up existing concerns which are already doing their work. For my part, I would rather see the money spent on new projects in the country.

I was particularly pleased with the remarks of Diwan Bahadur Rangachariar on the question of inland waterways. The inland waterways of India have never received the attention that they deserve, (Hear, hear) and I think if the House will from time to time give vent to any views it may hold on that point, it will not be lost either on the Government or on any of the Standing Committees.

In conclusion, Sir, I should like to say just a very short word about Sir Charles Innes' departure. I trust that he may not find himself anywhere near a village pump

Diwan Bahadur T. Rangachariar: We will keep him here; let him take up waterways.

Mr. W. S. J. Willson: . . . but that India may continue to reap the benefit of the great and unselfish services which he has always so liberally placed at her disposal. (Applause.)

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. Mahmood Schamnad Sahib Bahadur (West Coast and Nilgiris: Muhammadan): Kindly allow me to congratulate the Honourable the Railway Member on producing this Budget and presenting it in a very intelligent and clear form. But there are still a good many things which the Railway administration must take into account. These Railways ought not to be worked on mere commercial considerations only. This ought to be a secondary consideration. The primary object ought to be the convenience of the people, the welfare of the people, and the improvement and development of the country; but many railway authorities merely look

to their profits only. For instance, the South Indian Railway opened a trial station at a place called Trikanad in the calendar year 1908.

The Honourable Sir Charles Innes: What district?

Mr. Mahmood Schamnad Sahib Bahadur: South Canara District. In the very first year the net income was Rs. 2,478 and it went on steadily increasing until in the year 1922-1923 it was Rs. 11,211. But it is a trial station still. They have not yet constructed a pucca building. Even after 18 years it is a thatched shed, without even a platform, or a waiting room, or any other convenience that is necessary for the comfort and convenience of the travellers; and it is also situated in a very inconvenient site.

The next thing I wish to point out is that the West Coast is altogether neglected in the matter of construction of new railway lines. There is only one line connecting the West Coast with the general railway system which runs through the Palghat gap. In cases of emergency we on the West Coast are quite isolated. For instance, during the recent floods, when this sole line of communication was interrupted, the West Coast was cut off from the outside world altogether for several weeks. Not even mails could be sent for weeks. As it occurred during the monsoon communications could not be had even by sea. Similar things happened during the recent Malabar rebellion when also some bridges were broken. It was also during the monsoon. This state of affairs could be remedied if the long proposed Hasan-Mangalore line were constructed. This line is to run through the Bisli Ghat opening. This will be a very paying line, not a development line and it has also been surveyed once. I have asked several questions about this, but nothing seems to have been done so far.

Another thing that calls for the attention of the Railway Administration immediately is the question of third class fares. There is no use of making nominal reductions and deceiving the people while substantial reductions are made in the higher class fares. For instance, a reduction of $\frac{1}{4}$ pie per mile made by the South Indian Railway will be no relief to the poor travelling public at all. This reduction is not even one-fourth of the increase made over the pre-war rates.

Sir, I want also to bring to the notice of this House that the West Coast interests were never represented in the Advisory Committee of the South Indian Railway. This is another example of the neglect of the West Coast. I beg to suggest also that Indianisation of the Railway Services has not received sufficient attention. But I have to remind the Government that Indianisation must proceed as far as is possible on the line of giving proper representation to the different communities of India.

Another thing that I want the House to remember is that there is no through running between Madras and the Imperial Capital. People have to come here *via* Bombay waiting there for some time or *via* Dhond and Manmad waiting there for some time with all their luggage and putting themselves to a lot of inconvenience. About this also I have been asking questions.

As regards the appointment of the Rates Advisory Committee I do not think that it will do much good. The Acworth Committee having recommended a Rates Tribunal I do not know why the Government have not adopted it. Sir, I hope that the Government will not fail to do something for the poor third class passengers and that the interests of the West Coast will not be neglected any longer. I resume my seat.

Mr. K. Ahmed (Rajshahi Division : Muhammadan Rural): Sir, I rise to congratulate the Honourable Member in charge of the Indian Railways on his presenting this year's Budget which he said in his introductory speech was an improvement on its predecessor, that is to say, that it was better than the last year's Budget. I have no doubt, Sir, that since the East India Company first started Railways in this country it has improved the condition of the country and that the railway lines have proved a great success as far as the interests of India are concerned. The Honourable Sir Charles Innes, while inviting the Members of the Assembly to consider the Budget, gave us to understand that we may take this opportunity of raising a discussion on questions of policy and matters of general interest. Your instructions, Sir, this morning before we began the general discussion on this Budget were that we must confine ourselves to a short general discussion because there are so many notices of proposed cuts and reductions in the Demands for Grants which will come up during the next four days. Now, Sir, the policy that is adopted by the Government in the matter of starting Railways in this country is stated to be commercial. But, Sir, there are some strategic lines also and the opinion has been expressed by Honourable Members in this House to-day that they ought to be administered for the benefit of the country, for the convenience of the people and for the advancement of their general interests. The policy of my Honourable friend Sir Charles Innes is that the Government are willing and anxious to construct new lines provided that they will be remunerative. The practice now is to draw up the annual programme of new construction on the basis of co-ordinated recommendations of Local Governments and Railway Administrations. No doubt, Sir, this practice is a very good one. But, if the Government had authorised the Local Governments to make inquiries through their self-governing or nation-building institutions such as the District Boards of every province and the Ministers of Agriculture whose duties should have been to communicate with the Railway Board direct about the advisability of new construction on commercial and national basis, then I would have congratulated my friend and said that the people of India have a voice in Sir Charles Innes' construction. India is an agricultural country; 95 per cent. of the population of India are agriculturists and it is for their benefit and for the benefit of the country that the new construction should take place. There should be construction of railways from each centre of agricultural product even from villages wherefrom these commodities of our agriculturists should be carried to the marketable centres, towns and metropolis at the cheapest rate. Sir, the Honourable Member has spoken about the reduction of rates of freight from the Jharia coal fields to certain important industrial centres in India. But the necessities of agriculturists are much more indeed to be looked into than the industries which are of less importance. My friend Mr. Kasturbhai Lalbhai was talking something about the business point of view. He wants to talk on every thing from the business point of view. Sir, there are some persons in this country and also in other countries who look at everything from the business point of view, without any regard to the convenience of the people and the convenience of the nation.

A reference has been made in the Upper House to the appointment of Sir Narasimha Sarma as the first President of the Rates Advisory Committee and that the Committee will be fully constituted very shortly to take up its duties by the beginning of next April. Well, Sir, I hope that Sir Narasimha Sarma and his Advisory Committee will now find opportunities

to utilise his experience and co-ordinate his efforts in the direction of settlement of reduction of rates of agricultural commodities for the benefit of the country. My friend Mr. Kasturbhai Lalbhai has made certain suggestions about the appointment of the Rates Advisory Committee and he has also criticised the appointment of Sir Narasimha Sarma from the business point of view. He says that he is lacking in business qualifications. Well, Sir, I do not know if a business man like him from Bombay city or from any other cities who are interested persons, who are, Sir, profiteers and who look things not from the national point of view but from the point of view of how to make a bargain out of it, will have any regard for the poor agriculturists, who form 95 per cent. of the population of this country. The Royal Commission on Agriculture which will start its work as soon as its personnel is selected by His Excellency the Viceroy will, I hope, investigate and co-ordinate every effort to uplift the conditions of the agriculturists in that direction. The essential point and the main object of maintaining the Railways in India should be the national one, namely, for the benefit of India and the Indian people. Every year about 3 crores of rupees as taxes or duties on jute are realised from Bengal alone and these are produced by the Bengal agriculturists who get almost no return from the Central Government for the taxes they pay. They get very little railway benefit. As a rule the railway lines are far away from their agricultural centres. This year there has been a good profit from paddy crops and grains, but unfortunately all these products do not find good markets for want of railway facilities from the villages at a moderate rate.

At present the Railways are not working for the benefit of the agriculturists and the masses. And there are some other Railways, as for instance, the Assam Bengal Railway about which reference has been made by my friend Colonel Gidney that it was not a profitable concern. As a matter of fact, Sir, it has every year been working at a great loss with the result that objection has been raised in this Assembly during the last 6 years, ever since I came here, by me and my friend Mr. Neogy and other Members till we got tired of asking questions about it. I should like to know why Railways of this sort are constructed in this country. It is neither a strategic line nor anything of that kind. I do not think anybody is going to fight there to conquer this country or that it is absolutely necessary. Sir, a rumour has been spread that the Government of India, particularly the department of my Honourable friend, has gone a little further in order to uplift the conditions of those gentlemen who come out from Europe to start tea plantations and tea gardens in the province of Assam. I think the Honourable Sir Charles Innes is quite familiar with this rumour. Sir, it is not only a rumour that I am raising but if you go to Assam you will hear this from every man there. The attack that has been levelled against the Government with reference to this railway line is that the Government are anxious to support Europeans and their tea plantations and nothing else. This industry is a great industry, no doubt, it helps people in this country, as far as the constituents, the labourers, of my Honourable friend, Mr. Joshi are concerned. But Sir, you carry these working class people from the Central Provinces or other provinces only probably once a year. Then what happens? The Railway does not fetch any profit. I don't think you will find much profit. There will, however, be a surplus of profits on Railways in general next year as it appears from the Budget, of 10.45 crores, according to the budget estimate but the working of strategic lines will be deducted from it. But where is the profit from the business point of view

[Mr. K. Ahmed.]

as my friend Seth Kasturbhai Lalbhai wants? Where is the commercial line from the business point of view? The Government of India in Railway Department undertake new constructions in this country. But that is not carried on on a sound businesslike principle at all.

Now I come to the third class passenger fares, a subject which has engaged the attention of this House already. This is not sufficiently lowered to bring it to the pre-war rates, though the Honourable Sir Charles Innes thinks that there will be a possibility of further reduction. There are only six railway lines out of so many that have reduced third class fares by a very small amount. Railway fares should be reduced for the benefit of the country, and should not be kept up at the enhanced rate to pay the high salaries of the Chief Commissioner and the Members of the Board and its Directors whose pay, Sir, we cannot touch because they are not votable. They are, Sir, untouchable, and I agree with the Honourable Mr. Chetty when he said that so much profit should not be made out of Railways to add to the revenue but the Railways should run for the convenience of the people. This has been discussed at great length and debated upon in the suggestion advanced by my Honourable friend Mr Rangaswami Iyengar.

Mr. President: Order, order. Will the Honourable Member now bring his interesting remarks to a close?

Mr. K. Ahmed: The Government must realise the situation, and I hope it is not wise for me to level any more attacks on the subject. I moved a Resolution in 1923 for the reduction of third class fares and of other classes also and the Honourable Sir Clement Hindley gave us to understand that he would consider it, but since then effect has not been given to his promise by Government in this matter. If it is not out of my modesty, I tell the House that I took a leading part and was instrumental in getting the East Indian Railway and the Great Indian Peninsula Railway to be managed by the Government, but the Government have been very slow to move in the matter of giving effect to our cherished hopes. As regards the other subjects, Sir,

Mr. President: Order, order. The Honourable Member must now conclude.

Mr. K. Ahmed: In two minutes, Sir.

Mr. President: I am afraid I cannot allow the Honourable Member to go on.

Mr. K. Ahmed: In half a minute, Sir. I believe, Sir, the subject of coal will be dealt with by my Honourable friend, the coal expert, who is looking at me, and engineering by Mr. Das who is familiar with wagons and their component parts. I am not going to trouble the House in any way on the subject. All that is necessary for me to say is that I hope the Honourable Sir Charles Innes will find the Railways expand and grow more and more and become more and more an efficient instrument of Indian trade, commerce and agriculture which will bring prosperity to India, if he will devote a few days more before he retires from his connection with Indian Railways, towards the uplift of the masses, the great peasantry, the dumb-

millions, the 95 per cent. of the people of India, employ them as servants of the railway and put them in the administration and not the Anglo-Indians alone

Mr. President: Order, order. Will the Honourable Members reserve further remarks for a future occasion? **Mr. Gaya Prasad Singh.**

Mr. Gaya Prasad Singh (Tirhut Division: Non-Muhammadan): Sir, I am glad the advent of the Railway Budget gives us on this side of the House an opportunity of renewing our acquaintance with our old friend, Sir Clement Hindley, whose presence we welcome here this morning, as his visits, if I may be pardoned for saying so, are somewhat like the visits of a comet, few and far between. He is here no doubt to receive and inflict some of the hard knocks to which reference was made the other day by the Honourable the Commerce Member.

Reference has been made in the course of the debate to the constitution of the Rates Tribunal, especially by my Honourable friend from Ahmedabad. He criticised the constitution of the Rates Tribunal as not being a statutory body and as departing from the recommendations of the Acworth Committee. I agree with him there. The present position of things which results in a virtual monopoly in favour of Railways, so far as rates and fares are concerned, is highly unsatisfactory; and we would have been glad if the Rates Tribunal had been constituted in the manner recommended by the Acworth Committee. But my Honourable friend went further and suggested that the President of the Rates Tribunal should have been a business man. Here my friend conveniently forgets the recommendation of the Acworth Committee which says that a lawyer of some eminence ought to be the President of the Rates Tribunal. At page 51 we find this recommendation:

"We recommend the establishment of a Rates Tribunal consisting of an experienced lawyer as Chairman, and two lay members, one representative of the railways and the other of commercial interests, with power to add two additional members, one on each side."

My Honourable friend from Ahmedabad also complains that Bombay has been treated rather unfairly by the Government. I think he ought to have gone further and pointed out the two glaring instances in which Bombay has been treated unfairly. One is in the matter of the abolition of excise duty, and the other in the reduction of coal freights.

I will now refer briefly to a very ticklish subject, namely, the Indianisation of the railway services. This is a question which naturally raises a great amount of warmth on both sides of the House, and recently the non-appointment of an Indian on the Railway Board has given emphasis to this point. When this question was under discussion last year my Honourable friend, the Finance Member, distinctly stated that when the next vacancy occurred in the Railway Board the scales would be weighted heavily in favour of an Indian. But, as was pointed out the other day, something seems to have gone wrong with the scales and we find no Indian has been appointed.

3 P.M. I do not of course want to say one word against the gentleman who has been appointed. He may be all right; as a matter of fact he may be quite fit for the post; but the position is that the process of Indianisation, instead of being accelerated, is being retarded in certain matters

Sir Clement Hindley (Chief Commissioner: Railways): Question?

Mr. Gaya Prasad Singh: My friend on the other side questions. Fortunately I have before me

Mr. President: Order, order, the Honourable Member will have ample opportunity to deal with the question of Indianisation when an amendment to that effect will come before the House. He might refer to the question in a general way but must not discuss it in detail at this stage.

Mr. Gaya Prasad Singh: I was going to refer to it because it was questioned by my friend on the other side. However I will not refer to the question of Indianisation now. I will come to the inconveniences of third class passengers. Can I speak on this, Sir?

Mr. President: The Honourable Member may refer to it in a general way, but he need not go into details because the question will come up for discussion before this House by way of amendment.

Mr. Gaya Prasad Singh: I am referring, Sir to the general inconveniences of third class passengers. In the first place I would refer to the difficulty which the third class passengers have in buying their tickets. I have been asking question after question in this House suggesting that the booking offices ought to be opened a considerable time before the arrival of trains, but so far as the realities of things go, this is far from being the case. The booking offices are not opened in time to allow all the passengers to buy their tickets. This feature is worse on the Railway in North Bihar than elsewhere, I mean on the Bengal and North-Western Railway. It appears, Sir, from the present Budget that "the receipts from third class passengers on the whole system, including Company and State sections, are about 99 per cent. of the total passenger traffic, and yield 96 per cent. of the total receipts from coaching traffic;" but the treatment of these passengers is simply deplorable. On the occasion of fairs and festivals they are carried like cattle in wagons. In 1922 the Government issued instructions to the railway administrations that "steps should be taken as far as practicable to put a stop to the practice of conveying passengers in goods vehicles," and this was admitted in reply to a question of mine on the 20th January last. But the evil is not yet remedied.

Then also I am sorry to say that, so far as my province is concerned, the progress of railway construction has been neglected so far as new projects go. There are two projects in North Bihar to which I should invite the attention of the Honourable Member in charge. One is the projected railway between Muzaffarpur and Sitamarhi, and I am glad to say my friend Mr. Sim, in reply to a question the other day, has stated that it has been put down as a project which is likely to be taken up in the near future. The work should be undertaken at an early date. There is another project, Sir, which I should like to bring before the Railway Department, and it is this. There is no direct railway connection between Hajipur and Sitamarhi, and passengers travelling between Hajipur and Cawnpur on one side and wanting to go to Samastipur and beyond are put to very great inconvenience, trouble and loss of time. Besides this that tract of country is not at all open. That is a fertile tract of country in which tobacco and rice are very largely cultivated and also exported. I venture to suggest that this project should be carefully examined to see whether it is likely to be remunerative; and if so, the Railway Board and the authorities concerned should take the matter up.

With regard to some other points, notices of amendments have already been given when we shall have ample opportunity to discuss them.

Mr. Narain Dass (Agra Division: Non-Muhammadan Rural): Sir, I shall make a few observations of a general kind because that is, after all, what is permitted to us and what we ought to do on an occasion like this. I shall take first that aspect of the debate in which Members have poured down a stream of congratulations on the Honourable the Commerce Member. Sir, so far as the arithmetic of the Railway Budget goes, I think that congratulation is not without a reason. But, Sir, I would rather like to show the genesis of the present financial position of the Railways. Is it due to better management? Is it due to what has been called rehabilitation or reconstruction? Or is it due to some extraordinary methods of accounting, supervision and inspection? Sir, these things might have made a contribution to a very slight extent, but I will take the very basic fact, the extraordinary burden of railway taxation, I mean in the shape of fares and freights, which has been had recourse to not once or twice but perhaps thrice during the last eight or nine years, and it has been persistently stuck to. It is this that is the secret of the financial position of the present Budget. Sir, Railways are called a commercial concern, a business concern. Why should we not call it a heartless monopoly? What is the character of this business concern, the only business concern in the country which can dictate its own terms, which can dictate its own fares and its own scale of freight? That is the Imperial sort of business concern, that is the real genesis of the commercial nature of the thing. Sir, the Honourable Mr. Willson has given expression to a very good formula. "We are here not for granting relief, but for making profits." I think that is a statement which holds good not only in the Department of Railways, but in all the departments of the Government administration. We are here not for giving relief, not even to the poorest, not even to the most needy, but for making profits. That is the shocking statement which has come out after all from a great business man. I will repeat the statement again that that is a statement which would hold good not only in the Department of the Railways, not only in the Department of Posts and Telegraphs, but throughout the administration of this country. Sir, as it has a very close and striking resemblance to this expression of views. I will just take your permission to read a few words from the speech of the Railway Member relating to the fares of third class passengers. Sir, this is what he says:

"The position in regard to the third class fares is somewhat different. I gave figures in my budget speech last year to show that taking Indian Railways as a whole the last three years showed a steady increase both in the number of passengers carried and in earnings derived from the traffic. The figures of 1924-1925 tell the same tale and it might be argued that there is no very strong case for any reduction in third class fares."

Here, Sir, is the commercial formula. If it implies anything it implies that because third class passengers who have no other means of transport, nothing else to fall back upon, submit to this scale of fares, that argues of itself that the fare is all right, is a reasonable fare. Sir, I do not know what the commercial value of such an argument is. Railways happen to be the only concern—I mean Railways are the monopoly of Government. Private persons as such, private firms as such, are not allowed to run railways, at least without a number of restrictions and limitations which reduce them almost to the condition of a State business. Such being the case, is it a sound argument to say that because a certain scale of rates

[Mr. Narain Dass]

and fares was submitted to by the people, though they are poor people, and because in spite of those rates, they were compelled to have recourse to Railways in increasing traffic that shows that rates and freights are reasonable? I think that is not a good argument. Supposing the Government were to make a monopoly of the whole wheat production of the country. What would be the effect? If we mean to live at all, if we do not mean to give up the ghost, though we may reduce our scale of food say half a chattaok or a chattaok, yet unavoidably, wheat being our staple food, we shall have to fall back upon the Government for our wheat whatever be the price they fix for it. So it is no argument to say that because there was not a considerable falling off in the volume of third class traffic, or because there was a slight increase or some natural growth in the volume of third class traffic, it is no argument to say that because this has been the case, the scale devised by the Railway authorities is a reasonable scale and a very fair scale of fares. At least to a man not initiated very much into the commercial aspect of Railways or the business aspect of Railways as these terms are understood by Government, this seems to be a very hollow argument indeed. Sir, in spite of all the efficiency of management which we find in this Railway Budget and in the statement of the Honourable Sir Clement Hindley, if these unconscionable fares and rates had not been persisted in and adhered to, these crores contributed to general finances, the building up of a big Reserve and the contribution to the Depreciation Fund—all this would have been a dream and a vision. Sir, there are ways and ways of doing things: Look at the paragraph which deals with new constructions and so forth. I find that much of the money allotted year after year is absorbed in what is called reconstruction or rehabilitation. We had a certain sort of railway system here. They were being conducted on certain lines. Now all sorts of improvements, all sorts of imaginary improvements and facilities and conveniences, without regard to the poverty of the country, without regard to their absolute necessity, are being introduced and they come of course more or less under the head of new construction. I find out of 22 crores or so about 15 crores or more are absorbed in this fashion. If we go on spending money like this, how can we ever hope to arrive at a position when the reduction of third class fares or a reduction in railway freights will be at all possible? Well, if we make every station of marble and if we use furniture of the finest teakwood and the finest ebony, I do not think a millenium will ever come when we shall be able to think of reductions in right earnest. So I say even if we mean to run the railways on the footing of a business concern, means could be devised by which speedier relief could be given to the overburdened people of this country.

Sir, there are people holding decided views that the more railways in this country grow, the better the interests of the country will be served. I am not one of those who look upon railways as quite unnecessary and superfluous things. But, Sir, the capacity of every country has first to be consulted. Big railways acting as arteries might be a great necessity; but in the case of a poor country like India to think of a network of railways would be a luxury beyond the means of this country. I know that these railways serve the interests of the foreign capitalist and the foreign tradesman. Every ounce of grain we grow first goes to feed mouths thousands and thousands of miles away. We know how comparatively richer those people are. We know how they would starve us even with the moderate means we have at our command. But these railways have other interests

also in view. There was a time at least when money was rather easy in western countries, and foreign capitalists had to find some place where they could invest it under a sort of guarantee, not only under a sort of guarantee but in a variety of cases they were actually given a guarantee and the interest was guaranteed, whether the railways worked at a profit or at a loss. Well, Sir, if we divest ourselves of these remote considerations and if we look upon railways as mere business concerns, we could find out even without the intelligence of a financial expert or of a railway expert, a number of means by which relief for a poor country like India might easily be found. But, Sir, that is not the motive that actually moves us. We have to think of building up reserves and so on, while every third class passenger pays twice the fare he used to pay some 10 years ago. Every body here can cite instances where even for the longest distances in India the third class fare even with the show of reduction that has been made here in this Budget, is more than twice what it was some 10 years ago. And, Sir, the one point that I will urge is this, that if the Honourable the Finance Member deserves any congratulation I think he ought to be congratulated for continuing with an almost cruel tenacity rates that were imposed as a temporary war measure and which are not in accord with the capacity of the people nor consistent with a healthy growth of trade and industries.

Mr. Jamnadas M. Mehta (Bombay Northern Division: Non-Muhammadan Rural): Sir, as you have rightly hinted, this is an occasion for a financial review of the railway administration and I propose to confine my few observations to that question alone. Along with the rest of the Honourable Members I also feel gratified at the prosperous condition of the Railways and I am willing to give credit wherever credit is due. Honourable Members will wait till they hear whom it is that I am willing to give credit to—the factors that have contributed to this prosperous condition of our Railways. Before doing so, I may say that the Railway Finance Committee has been working with the best goodwill and co-operation with the Financial Commissioner; if the Railway Board was more independent than it is to-day, if it was not still in the leading strings of the Secretary of State, it would be more able to respond to the Standing Finance Committee on Railways on the various questions that come up for discussion before the Finance Committee.

I may say one thing about the form of the Budget: It has improved; it is more handy; but I think even the Railway Board need not economise so much as to make the budget figures almost unreadable; a little more money might be spent on printing the figures in somewhat larger type than has been done.

Another suggestion that I would make is that members of the Standing Railway Finance Committee might be allowed, if they so choose, also to be members of the Local Advisory Committees of the railway administrations at whose headquarters they may be residing; very often questions come up before the Central Advisory Council about railways of the provinces in which the members are residing; and yet in order to be able to throw some light on that subject they must go to members who are members of the local Railway Advisory Committee before they can be of any use; and as this Finance Committee is the central body, it would become a more useful body if Government and the various Agents would accede to the suggestion which I am making. It will really increase the usefulness of these Railway Advisory Committees in the provinces.

[Mr. Jannadas M. Mehta.]

Now, Sir, I must go quickly through the various financial questions; there is one omission in the Budget, in that it does not contain the general accounts of stores, nor the general accounts of manufacture which used to be a feature of previous Budgets. With the budget books of the various railway administrations we have got the store account separately; the general summing up of the stores position and of the manufacturing operations does not occur at the end of the main budget book, as used to be a feature, at any rate, last year.

Much good, Sir, has been done; much has been attempted; and, as everybody now acknowledges, it is due to the two Committees, Sir William Acworth's Committee and Lord Inchcape's Committee, followed up by the very wise action of this House in separating railway finance from general finances. The decentralisation powers given to Agents are in one sense necessary if you want to call upon them to show results. The Department of Statistics is I am sure creating a very healthy emulation among the various railway administrations to correct their own extravagances and eventually to contribute to the improved working of the railway administration. Many sources of waste and extravagance have been also stopped; for instance, the reduction of stores balances will save, as my Honourable friend, Mr. Chetty, rightly pointed out, an annual amount of 41 lakhs of rupees. We find also that we have reduced the compensations paid to various consignees of goods on account of stricter control of watch and ward; the saving is about 64 lakhs in two years, although unfortunately it seems to me that Bengal is still more infested with railway thieves than any other province of India.

Then, Sir, another thing which has led to economy is that wasteful agreements with some of the railway companies have been terminated, and we are now losing less than we were losing before because of the existence of this contract; as for example, the Delhi-Umballa-Kalka Railway. The other is the dismantling of the Arakan light railway. Although the railway is being dismantled it is saving us an expenditure of Rs. 28,000 a year, because its working was costing us 2 lakhs a year by way of loss. These factors have contributed to the better results and to that extent I say waste has been prevented and we are grateful for these factors which have led to economy. But there are other factors also which have led to the results on which everybody seems to be congratulating himself, which my friend Sir Clement Hindley calls a striking success, and which my Honourable friend Sir Charles Innes calls a signal success, and on which, as I say, everybody is in a mood of congratulation; but I still say that the present prosperous condition is not solely due to the efficient working of the separation of the railway and general finances, but to other factors. For one thing, it is no use comparing the figures of net profits which Lord Inchcape's Committee gave as Rs. 805 lakhs, because since then we have added five hundred miles of railways; and you have to take into account the increased earnings from the increased mileage.

Well, Sir, the capital at charge which is shown to be to-day at Rs. 580 crores is not the real capital at charge. We have in the past years paid, by way of railway annuities and sinking funds, capital to the extent of Rs. 51 crores, and that is a concealed source of earnings. The other capital at charge is that we have given to the various companies and subsidised companies land as a free gift, worth Rs. 250 lakhs; that also is silently earning;

it is a concealed source of earning and further that would be . . (Mr. N. M. Joshi made an interruption which was inaudible); these add to the earnings of the railways. As Mr. Parsons had pointed out—Mr. Parsons who will replace my friend Mr. Sim—I am sorry so soon as an officer proves to be an excellent officer, he is transferred to another department; that is not the right way of working the Railways; my Honourable friend Mr. Sim should have consulted railway efficiency more than the claims of the Government of India. Coming back to the subject, Sir, I say the losses paid come to Rs. 64 crores; and if the interest thereon, as worked out by my Honourable friend Mr. Parsons, is added the total losses come to Rs. 135 crores. This also the country has spent in making the Railways what they are to-day.

Then, Sir, capital has been always unduly relieved, and here I state categorically that I do not agree at all with what my friend Diwan Bahadur Rangachariar has been saying. I say that all that he has said is entirely opposed to facts. Capital has been unduly relieved in various ways and the amount can never be calculated. These things—this concealed capital which comes at the barest calculation to somewhere near 200 crores—and the interest thereon alone will come to 11 crores a year which is our present income; so that the rest of the capital at charge, i.e., 607 crores, is not earning anything.

Diwan Bahadur T. Rangachariar: That was not the point I took.

Mr. Jamnadas M. Mehta: I am coming to your point: I am merely incidentally mentioning this here. It is the concealed capital that is earning. I was asked "What else is earning". I am coming to it now. The high rates and fares are earning; it is the discomfort of passengers, the "blood" money which we have taken on account of higher rates and fares, the sweated labour of the railway employees, all these things are earning. Again the rise in exchange has been earning. Thanks to the Honourable the Finance Member, he gets us one rupee and makes us lose five rupees, but the Government finances appear prosperous. If you take all these factors into account,—and there are many more, the cycle of good years which the country has got, the good monsoons that have contributed to the earnings—I say if you take into account all these factors, you are working altogether at a deficit; the Railway Board has still to show good results as a result of the separation of its finances from the general finances. What it is to-day earning is neither the result of the separation of its finances from the general finances nor the result of the other good things, but it is the concealed capital, it is the high rates and fares, it is the discomfort of the third class passengers, the sweated labour, the rise in exchange and fall in prices, it is these things which are earning and the Railway Department has yet to show that they are making the best use of the separation of their finances from the General Budget. The efficiency and good results of the separation of the Railway Budget have yet to be shown. Therefore, I say, Sir, I congratulate these factors on the good results. I will congratulate the other factors when they begin to be operative.

Sir, the figures of the current year are so accurate that they will deserve the commendation of my Honourable friend Mr. Willson. I think they are even better than he thought them to be. The Budget shows that there is a decrease of Rs. 35 lakhs in earnings but if Rs. 37 lakhs were not

[Mr. Jamnadas M. Mehta.]

paid to these undeserving railway officials the result of this year's working would be not 10 crores 45 lakhs, but 10 crores 82 lakhs which is better by Rs. 2 lakhs than the budget figures.

Then, Sir, I shall refer briefly to the working expenses. During last year's Budget, my friend Mr. Rama Aiyangar suggested that the figures of the working expenses of the Railways should be carefully examined. That was done at great length in the Standing Finance Committee for Railways. In this connection I want to pay a tribute to the great industry and application of Mr. Rama Aiyangar for bringing the subject in that very pointed form, and as a result of the examination we found that, after all, the situation was not so dismal as he had pictured to himself, and that we were not working worse than we were working in 1913-14; but I hope the railway administration will not consider that sufficient. We have still to go on making retrenchments on account of various factors which I am going to mention presently. Sir, you find that schemes for open line works are made out in a hurry. They are not properly estimated and funds are voted; then it is found that the estimates are not properly made, that the alignment was not properly done, and that the subject required overhauling, and, Sir, in this way, various schemes of betterment of open lines have been made which have caused delay and loss to such an extent that one Agent of a Railway, the Agent of the Eastern Bengal Railway, was compelled to make a complaint to this effect, on page 29 of the Quinquennial Programme of that Railway, and he says:

"But I am convinced that much delay and expense are incurred by bad lay-outs of yards which have been added to without method or real study of their functions as transportation machinery."

Sir, this is the strongest condemnation that could come from an Agent of a Railway about the haste with which these schemes are worked out, and it is borne out by the memoranda accompanying the Budget. In some cases after the funds are voted, some of the work has to be held up, with the result that loss accrues. If things were done more carefully the working expenses could be further reduced. Another thing that would lead to the reduction of the working expenses is this. We find that additional traffic is being worked at a very high operating ratio. When a railway is working for a number of years, its equipment is complete; the rails are laid, stations are built, the line is constructed, signals are made, in fact everything is completed; if years after the equipment is complete additional traffic comes, it ought to be handled by the addition of a few men and a few coaches and wagons. That cannot make the operating ratio at 50 per cent. or 60 per cent. To-day the operating ratio of additional traffic works out between 50 to 60 per cent. of the new earnings. The operating ratio of the additional traffic must be barely between 15 to 20 per cent., because nothing has to be done except to add a few men or a few wagons or coaches to deal with that additional traffic. Sir, this is another method by which your working expenses could be reduced if you will only pay proper attention to the operating ratio of additional traffic.

There is one more thing, Sir. I find a discrepancy between the figures about the contribution to the general revenues in the Budget presented by the Honourable the Railway Member and in the speech made by the Honourable Sir Clement Hindley. The Honourable Sir Clement Hindley says:

that the contribution from 1925-26 is 5 crores 30 lakhs, while the Budget says it is 5 crores 9 lakhs. You will find that on page 8 of the Budget. There it is shown as 5 crores 9 lakhs, while the Honourable Sir Clement Hindley has said in his budget speech in the other House it is 5 crores 30 lakhs . . .

The Honourable Sir Charles Innes: What year are you talking of?

Mr. Jamnadas M. Mehta: I mean 1925-26.

The Honourable Sir Charles Innes: I said 5-32 crores.

Mr. Jamnadas M. Mehta: You have shown the figures as 5 crores 9 lakhs at page 8 of your Budget whereas Sir Clement Hindley said in the other House the other day that it is 5 crores and 30 or 32 lakhs. I say he is correct, and therefore, you will have to make a consequential change here; there is some confusion about the method of reckoning the contribution to general revenues, because it seems that the losses on strategic lines are deducted twice, and sometimes one-third of the additional surplus is not added as in the case of 5 crores 9 lakhs. I am not in favour of giving more to general revenues, but now that we are observing a convention, we must do proper accounting; and therefore unless my Honourable friend Sir Charles Innes tells me how his figures are correct, my figure should be accepted by Government.

Mr. President: The Honourable Member said that he had only one thing to say and that he would finish with that one thing.

Mr. Jamnadas M. Mehta: If you will permit me, Sir, I shall take only two more minutes. I have to speak only on the reserves. Now, I do not agree that the reserves should be what they are and even more. Let us compare the New South Wales Railways and see how our reserves stand. There a Commission had been appointed, which did not recommend any reserve; the moment you have paid the interest, sinking fund charges and for depreciation, all must go, says the New South Wales Commission, towards the reduction of the rates and fares. That is what the Commission of New South Wales, on which there were distinguished railway men, recommended, and I do not understand why India should make an exception in the case of reserves. We provide amply for interest and depreciation; we even go and place 7 crores at the disposal of Government towards general revenues; after that I do not understand what remains to be provided for.

Sir, this 12.15 lakhs is the clearest evidence that we are taking more from the traveller and the merchant than we ought to take; you should not take a single rupee more than you are justified in taking. Automatically it should lead to the reduction of rates and fares, the moment you have got something more when all these things are provided for. Therefore, I am wholly opposed to these bloated reserves; they only serve the purpose of giving Government a temptation to waste more, and I am afraid that sometimes they may even be diverted to non-railway purposes and to finance aggressive movements outside India. Therefore I am entirely opposed to this. So long as you keep this contribution to general revenues, you may keep one year's reserve against a bad harvest or a bad monsoon.

Diwan Bahadur T. Rangachariar: The Reserve Fund is a diminishing asset.

Mr. Jamnadas M. Mehta: It is not a diminishing asset. That is my complaint that Diwan Bahadur Rangachariar has not paid proper attention to this Reserve.

Diwan Bahadur T. Rangachariar: I have.

Mr. Jamnadas M. Mehta: They are not a diminishing figure. They are an increasing figure. In 3 years they have come to 12,15 lakhs. Government have no business to take a rupee more from the people or the merchants than is absolutely necessary. I am sorry I have to wind up because of the time limit, but I do say that the high Reserves are a standing danger.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevelly: Non-Muhammadian Rural): Sir, I rise with mixed feelings of satisfaction and sorrow. My friend Mr. Jamnadas Mehta has relieved me of much of my work. But I think I may mention that in this Budget the satisfaction that we feel is that somehow or other we have arrived at a decision to establish the convention under which we are now working. The whole credit must be given to the Honourable Sir Charles Innes for bringing that about with great patience and with great skill and labour. We feel the effect of it. But I am certainly sorry, Sir, that we were not able, as was proposed by some of us at that time, to see that the whole thing was put off for three years. However, we passed a Resolution saying that at the end of three years we should be able to revise the arrangement. Under these circumstances I do not feel that we should have put it off even for three years. The three years' working shows abundantly that we would have been wiser if we had come to a settlement as to the distribution amongst the several heads after taking the real working of the Indian Railways into consideration after the experience of the Great War. After the War, till 1921-22, we were working at great sacrifice. We were not able to rehabilitate as we ought to have done. Prices fluctuated enormously, and actually we worked at a big deficit in 1921-22. The Retrenchment Committee came in 1922-23 and reported before the Budget of 1923-24. They worked under circumstances in which it would almost be absolutely impossible for any one to judge of the position. Here was the Railway Department pressing for all their rights and saying that all their expenditure was quite proper. There was the Retrenchment Committee which saw nothing but a big waste and extravagance. The Acworth Committee had reported on the methods in which the thing is to be worked, but the Retrenchment Committee had to weigh the position as it stood. In these circumstances, if they made a recommendation that 8½ crores would be the proper contribution to general revenues from the Railways, it was because they felt the position to be extraordinarily bad, and they could not then say what the real worth of the Indian Railways was. However, it would have been very well for them to have taken note of the fact that between the year 1913-14 and 1918-19 the contribution to the general revenues ranged from 7 crores to 19 crores. If they had taken note of that they would not be stopped with telling the railway authorities that 8½ crores was the least they would expect to be the contribution from the Railways to the general revenues. I brought out this point at the beginning of this separation question, and I insisted, Sir, that 8 crores should be the least that we should get. Now I find the Honourable Sir Charles Innes and Sir Clement Hindley claiming credit for having by a touch of the magic wand of theirs come to the position

the Inchcape Committee recommended the very next year after they left the shores of India. They now claim credit for having spared 6½ crores in 1923-24 itself while the Inchcape Committee only plodded on for 4 crores. That argument has so much infused itself into the mind of the Department that they do not know where they are, and they are telling us that since it is shown to have resulted in large profits, we need not go on economising. My friend Mr. Jamnadas Mehta suggested a thousand and one reasons for those profits being got from Railways. I am satisfied with that, though he was a party to the Resolution which was passed by the Standing Finance Committee that my questions may be shelved—and I did not agree with him at that time—he has agreed with me now practically. There is much work to be done yet in connection with this economy. I may at once say that I must apologise to this Assembly and to the Members of the Railway Finance Committee and to the Honourable Mr. Sim in particular that I was not able to be present at the last sitting of the Railway Finance Committee on the 18th to 20th January when the whole of the revenue Budget was passed. I was a party to almost every other expenditure under capital heads and new construction, and I can assure the Honourable Members of this Assembly that we have taken such care as was necessary in sanctioning the items that were put forward. So far as the revenue Budget is concerned, as I said, I owe an apology that I was not able to be present. However, that does not detract from my duty in placing before this House the real position. Before going into that I will take the two positions taken by the Honourable Sir Charles Innes in his speech. He says that we must build up our reserves in order to place the Railways in an impregnable financial position. That is one of the considerations that should weigh with us in order to build up reserves further. I do not understand what is the "impregnable financial position" that he talks of. In fact, there is no weak financial position with the Indian Railways. We have put the capital at charge at 670 crores to-day only for convenience. They are worth at least two thousand crores, and we take only 1 per cent. of the capital at charge, 670 crores, with some profits. What is the financial position he is going to build? I dare say that if he will think over it he will find that this is absolutely a myth that he is talking about. I will also add, Sir, that this debit of the capital at charge, we are not leaving unconsidered in the General Budget. We take a certain amount of money from this Budget to the General Budget, and in the General Budget the Honourable the Finance Member has taken the method of amortisation of debts within a certain number of profitable investments and by other rates for investments which do not yield, so that we set aside about 4 crores for payment of debts and this 670 crores is taken into consideration as a portion which is to be wiped off after 80 years. In these circumstances, where is the need for my friend the Honourable the Commerce Member to worry himself unnecessarily about making the financial position impregnable? There is no meaning in that statement.

The second statement that he makes is that if we do build up reserves considerably, we would be able to embark upon development lines as opposed to paying lines. Being a commercial concern, once we pay the contribution to the general revenues, the idea of development must be out of our mind. The Finance Member will take charge of that. The provinces, if they want to develop, will certainly pay for the loss. That

[Mr. K. Rama Aiyangar.]

is the proper way to work it. If you mix up your duty or if you confuse yourself, you will be nowhere. Therefore I submit that it is absolutely unnecessary to build up more reserve than is necessary to meet one year's deficit towards the contribution to general revenues. My Honourable friend Mr. Cooke asks me why we should not think of two bad years. That is absolutely unnecessary after we have started this Depreciation Fund. Whatever be the badness of the year, it is not likely that you would lose, you may not get any profit. But that has not been the history of India during the last 53 years.

Mr. A. M. Hayman (Railway Board: Nominated Official): That was the history of 1887 and 1888.

Mr. K. Rama Aiyangar: In fact, my Honourable friend Mr. Hayman is referring to a period when we had not developed our Railways properly and the famines in those years were of dimensions which are unknown now, and I think it is unnecessary to count upon such a contingency. We have now established a Depreciation Fund which has already got a balance of Rs. 9 crores in the course of three years. There is also the Reserve Fund and you are not going to allow the Reserve Fund to remain in the state in which it is now and it must grow. Apparently my Honourable friend Diwan Bahadur Rangachariar thinks that the Reserve is going to diminish because he finds Rs. 270 lakhs as reserve to be taken next year while this year it is three crores and odd and in the previous year it was more than that. The total of reserves is Rs. 12 crores on the Budget, but in 1926-27 you will have actually more than 4 crores. Apart from that, there is no fear at all that we are going to decrease the reserve but you ought not to unduly build it and there is no reason to put one pie more into it. I therefore submit, Sir, that both the positions taken by the Honourable Sir Charles Innes will not stand scrutiny.

Coming to the Budget itself, I find that neither the Department nor Mr. Sim nor the Honourable Member in charge has taken the trouble to scrutinise the revised Budget properly. That has been the sin of this Assembly and I have been pressing it ever since I joined this House. The revised Budget is not based on the actuals of the previous year. But they go on the original budget figures and then say that there is some reduction. They do not explain why the original Budget itself was much more by many crores over the previous year's actuals. That is the point they miss and I mentioned it also in connection with the Military Budget that they do not think of the previous year's actuals while budgetting for the revised estimates of the next year. If they do they will not commit the mistake that they are so glaringly committing now. My examination of the figures shows that in the revised estimates for the working expenses they have at least—I used the expression “at least” advisedly because I can withstand any attack on that position—they have at least put Rs. 1·69 crores above the actual expenditure they will incur at the end of this year because they have committed the mistake of proceeding upon the budget estimate without taking into consideration the actuals of the last year. During the last year the total income from Railways comes to more than Rs. 102 crores. The actual budget expenditure inclusive of the military lines is Rs. 62·90 but excluding the military lines it is only Rs. 60·92 crores. To that you must add for the commercial lines the gain that we have got of Rs. 1·41 crores from customs duty that

has been remitted to us. Therefore, the figure for the working expenses of commercial lines last year comes to only Rs. 62·33 crores. But what do you find? You put in here in the original Budget Rs. 65 crores. You now put in Rs. 63·87 crores which is 1·13 crores less than the budget figure. You have first committed the mistake of basing yourself not on the actuals of 1923-24 but on the revised estimates of 1924-25 where you have now gone down by Rs. 1·54 crores. That Rs. 1·54 crores is simply tagged on to the revised Budget of 1925-26 and the figure for 1926-27 is not taken on the actuals of the previous year or the likely actuals but on the revised estimates of this year, that is, of 1925-26. You add another 1·32 crores, making it Rs. 65·19 crores and it is absolutely impossible for the Department to spend this amount. Next year they will again show Rs. 2 crores less on the revised estimates, and with the actuals another 1 crore or Rs. 2 crores and odd are budgetted more or less wrongly and added on to the figures only later on to show as profits made in the actuals. They have not followed the actual expenditure during the first 11 months. If they had followed that they would not budget like that. I say this for this reason because if you examine each Budget as I have done you will find that they only take the previous budget figure and reduce some amount for provision of automatic couplings and some amount on open line works. Taking off the two items they put the rest of it in one lump sum while they know that the administration report of 1924-25 says that they have actually saved by economic working in operation expenses about Rs. 1 crore.

Mr. President: The Honourable Member must now bring his remarks to a close.

Mr. K. Rama Aiyangar: May I have only another two minutes? Besides the reduction made in automatic couplings and the open line works the rest of it all is put down in one lump sum and no notice is taken of actual reduction by economic working. Again they should also take note of actual control of coal expenditure and if they only take up the previous year's actuals that would enable them to come down by more than Rs. 1½ crores. I know that Mr. Sim is the only gentleman who has been worrying himself to economise and I have no doubt that while he is fighting with us here he has to fight inside with the Agents and the other Railway Board Members and I am sure that except where it is a question of new lines or open line construction he is not at all very much helped in the methods of economy that he has been pursuing. That is my belief, but whatever it may be, if only they can induce the various Departments to start inquiries as to the economies that can be made in each line we should be able to have a good deal more saving. In administration alone it appears we have to reduce and economise mainly on the four Railways, the Bengal Nagpur Railway, the Bombay, Baroda and Central India Railway, the East Indian Railway and the Great Indian Peninsula Railway. In reply to a question that I put I have been told that the Bengal Nagpur Railway and the Great Indian Peninsula Railway have taken up that question and the other Railways have apparently not. I beg to submit that there is much work that has yet to be done. It is not time to congratulate ourselves on the economies that have been made. It has not progressed very much though it has done so to a certain extent owing to the tremendous exertions of Mr. Sim. But much more has to be done. I therefore submit that we have to be watchful and careful

[Mr. K. Rama Aiyangar.]

in protecting the interests of the country and that the third class passengers should at once be relieved to the fullest extent possible with which I will deal later on.

Mr. B. Venkatapatiraju (Ganjam cum Vizagapatam: Non-Muhammadan Rural): Sir, the Honourable Sir Charles Innes presented this Budget and as there is no likelihood of his presenting another Railway Budget and as he has striven hard during the last 4 or 5 years to bring about some order out of the chaotic railway administration I do not grudge our Honourable friends from all quarters showering congratulations on him. For my part I shall only deal with the disputed policy underlying the Indian railway administration. The question before us is whether we are satisfied with the fundamental policy of our railway administration. As suggested by my Honourable friend Mr. Willson, he wants that the Railway should be run on a commercial basis. Practically that is how it is being run for some years and the Honourable Sir Charles Innes also advocates the same view. But that is not the Indian view at all. The Indian view is that there should be an economic administration. Nobody wants a pie more to be spent unnecessarily and what we want is economic administration. What they want is that the Railways which are helped

from the funds of the central revenues, which are extracted from
 4 P.M. the general tax-payer, must serve the national needs. Therefore, the question which we have to decide, if not to-day, some other day, is, whether these Railways should be run purely on commercial lines to yield profits or whether they should be worked for national service? Even the Acworth Committee admitted that Indians have no voice in the management of their Railways. I ask if Indians have any voice in the management of the railways even now. I do not think Sir Charles Innes would claim that he is all-knowing, or that his right hand man, Sir Clement Hindley, is infallible in all matters or that Mr. Sim is perfect in all his financial problems. Is there any one in the higher circles to present the Indian view point? Mr. Sim rightly points out to Mr. Jamnadas Mehta and Mr. Rama Aiyangar who are the champions of the popular cause. Even they, when they get up to-day, with bated breath criticise the administration because opposition will be blunted by closer association with officials. It is stated that the Honourable Sir Charles Innes was able to save 40 crores during his administration of the last four or five years. May I ask, Sir, whether it has rained from the heavens? Is it not after giving allowance for extra traffic that you have raised by increasing the freights and fares twice in 1920-21 and again in 1922-23, to the extent of 120 crores that you have shown 40 crores for depreciation and for reserve and for contribution to general revenues? Now, I ask, Sir, whether it is not all due to the extra charge that you have made on the general taxpayer for transport purposes. You cannot escape it. You yourself have admitted that you have increased the passenger fares by 52 per cent. and the goods freight by about 32 per cent. Now, I ask, how long do you propose to keep up these high rates? In all other industrial or commercial concerns wherever there was high cost either in the purchase of materials or in the payment of wages, they have tried to reduce the expenditure just as they have done in the Bombay textile industry. Have you adopted that course? No. You say you cannot help increasing the wages of your highly paid officials, as recommended by the Lee Commission, and there-

fore you have provided for 37 lakhs for them and you have to increase the wages of all other persons. But I ask, is there no way of economising the administration? For the last 30 years up to the War we have been spending only 50 per cent. of working expenses out of the gross earnings. Since then our expenses have gone up to 60 per cent. and in the case of certain railways they have gone up to 70 per cent. There are, of course, two or three railways which are still working under 50 per cent. Now, I ask, is not the ideal to be aimed at in railway administration that the expenditure should be limited to 50 per cent. of gross earnings, if not to-day, in time to come? Is there no possibility of reducing the freights and fares? You say that beyond 300 or 100 miles there would be some relief to third class passengers. My friends have already told you that you are practically giving them no relief at all, for on the average these passengers travel less than 50 miles.

Now, Sir, I may mention one or two other points in order to show how much negligence there is and that people are not properly taken to task on that account. On the Bengal Nagpur Railway alone it was shown that there was 50 per cent. of wastage of lubricating oil. May I know how did this reduction happen all of a sudden? There must have been a leakage somewhere, which means pilfering. Has anybody been taken to task for it? How was it that there was 50 per cent. wastage allowed before that date which you have reported in the year 1924-25? There must be some negligence on the part of somebody. Similarly, with reference to coal consumption in Madras. You have very well pointed out in the report that there was a reduction because leakage was found. In these matters you have to point out where the leakage was and you must punish the persons who are responsible for it. It has also been pointed out that you have shown some improvement in the reduction of claims for damages of consigned goods, bringing down 120 crores to the reduced figure of 50 crores. May I ask, who is responsible for these exorbitant damages paid in previous years? Who is responsible for this loss? You have shown improvement, for which we are thankful, but is it not theft committed with the connivance of some person or persons for which you allowed so much money to be paid? It is true that you have been able to point out to-day, but is it not due to negligence on the part of some persons who have hitherto been allowing it? You are satisfied with 50 lakhs to-day. This shows that there is more vigilance, which means you are paying more attention. But who is responsible for not paying more attention hitherto? Everything is under your control. It cannot be said that the Railway Board either under the original conditions or under the present conditions is not in a position to check the evil. However, I do not propose to take up much time. I just want to say one word. I suggest that the Honourable Sir Charles should be placed on special duty when he retires in April to find out and put down corruption everywhere, from one end to the other. You have got to go about with your eyes open without any prejudice whatever to put down corruption and bring the delinquents to book. If you take the people into your confidence you will find that by working for six months you will be able to save 10 crores more both in revenue and in expenditure. There is too much corruption which everybody who is acquainted with it knows. But everybody says: "How can you put an end to it?" I say, let Sir Charles take some Indian with him in order to understand the actual working of the various systems in all directions and you will find that there is wastage and leakage which is awful. Until you do it you cannot

[Mr. B. Venkatapatiraju]

expect to enlist sympathy with your administration and have the satisfaction that you are doing your level best. You are putting down leakages here and there. We are thankful for it, but you have not done it thoroughly. There is still more room and more scope to put down corruption.

With regard to purchases, ordinarily manufacturers pay 10 per cent. commission. Whether it is paid into the Government account or not I do not know, nor do I know whether the Railway Board have ever considered that question as to whether manufacturers' commission was ever entered in Government's account. You have to take all these things into serious consideration if you mean business.

As for Indianization

Mr. President: The Honourable Member has exceeded his time.

Mr. B. Venkatapatiraju: I think it is not all fair dealing all along the time. You must go into the very depth of it. You will find that there is corruption rampant, and if you are acquainted with the people who are concerned with it they will tell you where the leakage is. So long as you sit aloof and do not want to go into that question, you will never know. Now I appeal to the Railway Board to look very carefully into the matter of preventing wastage of expenditure and conserving their several revenues.

Sir P. S. Sivaswamy Aiyer (Madras: Nominated Non-Official): Sir, as this is the last Railway Budget presented to this House by Sir Charles Innes, I should like to add my voice to the chorus of congratulations offered to him. My satisfaction is enhanced by the fact that he hails from my province, and it is not diminished by the consciousness that after many years of fruitless appeal to the Government of India, Southern India has come by her own and has at last succeeded in getting several of her railway projects pushed through, for which she has been agitating for the last twenty years and more.

My friend, Sir Charles Innes, is entitled to look back with pride upon his achievements during the last five years. He has undoubtedly succeeded in placing the management of Railways on a satisfactory financial basis. I am however sorry that he exaggerated the credit to be given to the second Assembly, though he himself recognised that it was only at the end that this Assembly agreed to the separation of the railway and general finances. If it was not brought about during the lifetime of the first Assembly, it was no fault of that Assembly. If it had been so brought forward, we should not have shied at the proposal in the way that the second Assembly did and we should have passed the measure much sooner.

The result of this separation of the railway from the general finances has been entirely to the good; in fact so much so, that one wonders why this obvious course had not been resorted to long before. The result of this policy has been to give new confidence to the various railway administrations to enable them to go forward with projects for the extension and improvement of transportation facilities. Existing railways have been rehabilitated, new lines are being pushed through and an era of vigorous development has commenced. All this is matter for legitimate gratification. When the question of the assumption of management of Railways by the State was under consideration there were people who doubted whether the management of Railways by the State would be beneficial to the

country in general. Even now I am not sure whether there are not people who still entertain a preference for company management. They may feel that State management will have a tendency to run the administration on non-commercial lines. The usual democratic tendency is to press the Government to run Railways as a charitable organisation. It will be conceded by everyone that so far no such tendency has asserted itself in this Assembly. On the other hand the management has been left to be conducted on principles of enlightened business administration, those in charge recognising that the best interests of a commercial concern like Railways are in the main identical with the true interests of the people at large and the tax-payers.

I am glad to find that Sir Clement Hindley is a man of large vision. He is not content with the small rate of progress we have been making with regard to the construction of new lines. He pictures to himself a time when we shall annually be constructing something like a thousand miles by way of additions to the existing mileage. I hope he will consistently and strenuously strive towards that end. In the matter of railway policy, there are fanatics of two sorts, those who wish to spend all the money they can spare on the improvement and maintenance of the existing lines, and the other, the fanatics who are always pressing for the construction of new lines and extensions. I belong to neither of these schools and I think that the Railway Board have held the balance fairly between the demands of extension and new construction, and the demands of efficient maintenance of the existing lines.

I was very pleased to find that the Railway Board had given instructions to all the railway administrations to carry on the work of surveying the areas within their spheres of operations and exploring the possibilities of opening up new tracts of country. Compared with any other civilised country in the world, I believe that the total mileage of railways that India possesses will be found to be very poor with reference to her area and population and what is required is a vigorous policy of extension of railway communication wherever it is needed and is likely to prove remunerative. Among the various possible lines worthy of consideration, to which attention is drawn in Sir Clement Hindley's speech in the other place, I do not find a reference to certain tracts which I should like to mention here. For instance, in the Madras Presidency there is the big zemindary of Jeypore with its rich mineral and agricultural resources. The zemindary is over 12,000 square miles in area. The Agency Tracts of our Vizagapatam and Ganjam Districts and the Province of Orissa generally are in a very undeveloped condition, and I hope that they will receive the attention of the Railway Board. I should like also to suggest the extension of the west coast line from Mangalore to Marmagao. Turning to other parts of the map of India, I find that there is a railway proposed from Hindu Bagh to Fort Sandeman. I should like it to be continued up to Dera Ismail Khan instead of stopping short at Fort Sandeman. It is only another hundred miles and a considerable traffic may be expected from Persia and Quetta to the Punjab. Sir, we have been told by Sir Charles Innes and Sir Clement Hindley that the powers of sanction possessed by the Government of India have recently been increased. It would be interesting to us to know by how much these powers have been increased. I hope that in his reply Sir Charles Innes will give us information on the point.

[Sir P. S. Sivaswamy Aiyer.]

(At this stage Mr. President vacated the Chair which was taken by the Deputy President, Diwan Bahadur T. Rangachariar.)

I should like to suggest to Sir Clement Hindley that his ambition should not be restricted merely to pushing on the extension of railways or improving the efficiency of the existing system. There are other points to which he should devote his attention.

I find from the present budget figures that the amount of capital allotted for expenditure in England is 25·8 crores, converting the sterling into rupees, not at 2 shillings to the rupee, as is done in the Memorandum, but at the present rates of exchange, and the amount of capital allotted for expenditure in India is 19 crores. I hope, Sir Clement Hindley will systematically endeavour to reduce further and further the proportion of expenditure in England and to increase the amount of expenditure in India. One important object which he should seek to achieve is the encouragement of the manufacture of locomotives and coaches in this country either by giving facilities to private enterprise to establish itself here, or by undertaking it departmentally or by some other method. It should be the ambition of the Railway Board to make India as self-contained as may be practicable in the near future

Mr. Deputy President: If the Honourable Member is proceeding to any other point, I may inform him that his time is up.

Sir P. S. Sivaswamy Aiyer: There are only one or two other observations that I have to make. With regard to the types of coaches various suggestions were made by us during the last winter Session in Delhi. I hope that the various suggestions which were made at the time will all be kept in view and that, in ordering new coaches, the improvements suggested will all be carried out.

There is one other matter, Sir, which gives me great gratification and that is the paragraph about the arrangements for the health of the railway staff. I hope that in every important railway centre which employs a large number of hands it will be the object of the railway administration to form a regular railway colony and to lay it out on approved principles of town planning so that it may be a model to the neighbouring town. In Southern India we have a model colony provided for and being carried out by the South Indian Railway Company at Trichinopoly. I hope the railway administrations, which are the largest employers of labour, will make it their aim to house their staff in railway colonies planned and built on thoroughly sanitary and up-to-date lines.

Mr. Deputy President: I think the Honourable Member must conclude his remarks.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I do not wish to add much to the volume of praise showered upon the Honourable the Commerce Member, but as one who has criticized his policy, especially as regards the treatment of railway employees, it is due to him that I should say that as the bureaucratic head of the Indian Railways, he has done his duty, if I may say so, very well indeed. Sir, the Indian Railways for the past two or three years have been prosperous, and I should like the House to remember that this prosperity synchronises with the adoption of the policy of the State management of Railways. For many years

our Railways, in which the Indian tax-payer has invested a very large amount of capital, were managed by private companies, with the result that the whole country suffered a great deal. Fortunately, that policy has been given up and we now have decided to manage the Railways, which are owned by the tax-payers of India, through our own agency. But, Sir, although the bureaucratic management of the State Railways has succeeded so far, let me assure the House that if we substitute democratic management of the Railways the success will be much greater. (Hear. hear.)

I think, Sir, the Honourable Member for Commerce and Industry gave great credit for the prosperity to the separation of railway finances from general finances, and to the reorganisation of the department. I need not deal with this subject as my Honourable friend from Bombay, Mr. Jamnadas Mehta, has dealt with this subject very thoroughly. But I feel that this prosperity is due, not to the separation, although I am in favour of separation, but to the increased rates of fares and freights, as well as to the exploitation of the railway employees. Sir, if I have supported the policy of separation, I have done this because I felt that separation would enable this House to have greater control over the finances of the Indian Railways. To-day's discussion, as well as the discussion that will follow for the next four days, will show that our control, at least to some extent, over the Indian State Railways has increased, and I hope, Sir, that the Government and this House will take steps to increase that control year by year.

Sir, I do not wish to go into the figures of this budget as my Honourable friend Mr. Rama Aiyangar has already dealt with that aspect of the subject. Sir, I should like only to say this, that I would like the Honourable the Commerce Member and the Railway Standing Finance Committee to improve the form of the Budget much more, and also to include in this Budget much more detailed information than is given at present. In this Budget, which deals with 100 crores, only few details are given. Take the details as regards the officers employed on the State Railways. It is only those appointments which carry a salary of a thousand rupees and more that are shown in the Budget. I think, Sir, every appointment of an officer should be shown in the Budget. It is not impossible. If the Honourable the Commerce Member will study the Budget that will be presented by the Honourable the Finance Member he will find that there is a good example set to him in this respect. Then, Sir, even as regards the subordinate staff our information, the information given, is much more meagre. You cannot find how many guards or how many drivers or how many station masters are employed on the Railways. Their grades of salary are not shown. I do not know why it is impossible for the Department to show all these details. The Department receives the Budget from the Railways with all these details and it should not be difficult for the Department to place these details before the House. I do not say that this House need go into all the details when they criticise the Budget or discuss the Budget; but I am quite sure if the House is provided with the necessary information it will be in a position to discuss the Budget much better. Sir, I do not wish to point out all the details that are necessary to be given, but I suggest to the Railway Board that they should make better statistics and better information available to the Members of this House. For instance, I was interested to find out how much money was

[Mr. N. M. Joshi.]

provided by the Government of India for constructing more first, second and third class carriages; but the figure is given in a lump sum. I do not say the Railway Board has avoided showing these figures intentionally, but it is true that these figures are not given separately anywhere in this Budget.

(At this stage the Deputy President vacated the Chair which was resumed by Mr. President.)

Then, Sir, I may say that I wanted to look into the number of carriages, passenger coaches, which our railway system possesses. I find the total number but again I do not find the number given according to the class. I know, Sir, that the number of seats according to each class is given in the Report published for this year, but I wanted to find out the average number of seats in each carriage of the first, second and third class. But, unfortunately, I was unable to do so. I do not suggest here that the Railway Board has adopted this new system of statistics purposely but I suggest to them that it is necessary that we should know the number of carriages of each class at present owned by the Railway Board.

Sir, I do not propose to go into the question of saloons, but I would like to make one remark on the lines of the remarks which my Honourable friend Sir Sivaswamy Aiyer made. We have developed a large system of railways but our Government have failed totally to develop railway industries in this country. It is unbelievable that when we have run a large system of railways for a number of years we cannot produce sufficient locomotives for our railways and sufficient wagons for our railways. I do not understand, Sir, why Government should have neglected this aspect of the question. If they had paid sufficient attention they could certainly have produced all the locomotives and all the wagons necessary for our railways. We are actually producing wagons and locomotives at Ajmer and if they can produce locomotives and carriages at Ajmer they can certainly produce these articles in the other workshops of the Railways in India. But, Sir, they have totally failed to do so.

I would like to say, Sir, only one word as regards the Indianisation of these Railways. When the Lee Commission's Report was discussed it was stated that the proposals made in that Report were composite proposals and that both sides of the proposals were accepted by the Government together, that is, the salaries of the superior officers were to be increased and along with that increase certain proposals for Indianisation were to be carried out. But what do we find on the Railways of India? We have begun to distribute the Lee loot from 1st April, 1924; but as regards the Lee proposals for Indianisation the Railway Board states that they will be given effect to as soon as practicable. (Mr. B. Das: "Shame!") Sir, if the salaries of the superior officers were to be increased according to the Lee Commission's Report on the 1st April, 1924, why were not the proposals of the Lee Commission brought into existence or given effect to at once? Why do the Government of India say that these proposals will be carried into effect as soon as practicable? Let Government at least say what is the meaning of that phrase "as soon as practicable". When are you going to let it practicable to give 75 per cent. of the Lee appointments to Indians? I hope the Honourable the Member for Commerce will give a clear explanation on this subject.

Sir, I do not wish to go any more into the details of this Budget, but I would like to say one word before I sit down and that is as to the policy which the Railway Board and the Government of India should keep in mind in conducting our Railways. Much has been said about the commercialisation of our Railways; but, Sir, if our Railways require anything it is not commercialisation but humanisation. Railways are means of progress and comfort for human beings; let them be used for that purpose. I do not say that if you use your railways for commerce you will not secure the comfort and happiness of the people, but the promotion of commerce is not the main object of your railways. Your main object and your ultimate object in carrying on your railways is to secure human comfort and human happiness. Sir, let the Railway Board examine their policy according to this principle. At present we find that their policy is to promote commerce at the expense of passengers and to promote the interests of the higher class passengers at the cost of the lower class passengers. I do not say you should carry all your passengers free. (*An Honourable Member*: "Why not?") Somebody says "Why not." Well I am not against carrying the poorest class of people free. Certainly it is their right to travel free on State Railways; but, Sir, I do not insist that all classes of people should be carried free. But let us remember, let us keep in mind, what the ultimate object of the Indian Railways is. That object is to secure the comfort and the happiness of the poorest class of people in this country.

Lala Duni Chand (Ambala Division: Non-Muhammadan): Sir, I wanted to speak at an earlier stage of the debate but I could not get an opportunity. I feel bound to say that every Province should be given an opportunity at least on important occasions to express its views through its representatives when there is a desire on their part to speak.

Mr. President: What does the Honourable Member mean? Does he mean that the Chair does not allow the opportunity?

Lala Duni Chand: I do not say that. (*Cries of "Order, order."*)

Mr. President: What then is the meaning of his remarks? The Honourable Member must be very careful in the use of language.

Lala Duni Chand: I may at once make it clear to the Honourable the President that I did not want even by implication to say anything against the Chair. I simply wanted to express a view so that if the Honourable the President thinks proper it may be accepted in future. It is only with that object in view that I have made these remarks. I thank the Honourable the President for having given me an opportunity to speak at this late hour; but I do not want to exercise my right as I think I shall have an opportunity to speak in the course of the debate in connection with the several motions for reduction that I have tabled. I would like to waive my right in favour of those Members of the Assembly who are more competent to speak and in favour of the Honourable Sir Charles Innes who has to reply to so many Members.

Mr. B. Das: Sir, we will not find the Honourable Sir Charles Innes here again to discuss the railway policy of the Government of India after this Session. Therefore if we survey his work in the Government during the last ten years, 5 years as Secretary in the Commerce and Industry Department and 5 years as Member for Railways and Commerce, he has done two

[Mr. B. Das.]

good things, two great landmarks in the policy of the Government of India in the Departments of Commerce and Industries for which his name will be remembered in India. One is his adoption of the policy of protection of Indian industries; and the second is that he established the principle that all Indian Railways should be State Railways. For these two things he will be long remembered, and when he leaves India and retires to his Highland home he will remember with pleasure that Indians who come after us here will always appreciate his true orientation of the policy of the Government of India.

I am very glad, Sir, that Mr. Joshi, in spite of looking after the interests of labour, thought also of the policy of Indianisation and alluded to the policy of the *Lee loot*, to the very bad treatment which Government have given us in the matter of railway administration in giving railway officials the Lee Commission concessions in spite of the expressed views of the House, by getting the certification of the Governor General, thereby going against the principle that the railway administration is responsible to this House. If you are honest, you will stick to the principle of the bargain. What is the bargain? That you will Indianise 75 per cent. every year. If you could not do that from 1924, what right have you to give these Lee concessions to your railway officials? Why do you not stop recruitment in England till 75 per cent. recruitment for the years 1924-25 and 1925-26 is reached? You will not do that. It is always a one-sided bargain. There is no justice; there is no honesty; it is always a one-sided bargain.

Sir, my friend Mr. Rangachariar and my friend Mr. Willson have alluded to the fact that the Railway Department is becoming the only method of transport that the Government of India advocates. The Acworth Committee specially recommended that there should be a Member for Communications, who would look into all the systems of communications, not only Railways, but all other methods, inland navigation, coastal traffic, ports, docks, harbours and also posts and telegraphs. But the wisdom of the Government of India divided the Posts and Telegraphs from Railways, and they are now in the hands of two different Members; and the Member for Railways does not look into the question of the development of inland navigation.

Here I may just draw the attention of the Honourable the Commerce Member to a resolution passed by the Indian Industrial and Commercial Congress which was held at Delhi only the other day. In passing, I may say that whenever any European Chamber of Commerce meets at Calcutta or elsewhere, Viceroys and Governors, Finance Members, Commerce Members and Members for Industry all attend; but save the single presence of the Honourable Mr. Chadwick, nobody of the Government of India took any notice or had the time to attend this Industrial and Commercial Congress. Probably it was due to the fact that it was a gathering of Indian merchants and not of European Merchants

The Honourable Sir Charles Innes: Is the Honourable Member aware that the Assembly was sitting that afternoon and that is the reason why I was unable to go and that my Secretary attended in my place?

Mr. B. Das: Yes, Sir; I said that. I recognised that Mr. Chadwick attended, but I think that the Member for Industry and the Finance Member might have attended.

Mr. Chaman Lall (West Punjab: Non-Muhammadan): May I ask the Honourable Member how this is relevant to the discussion we are holding to-day?

Mr. B. Das: It is relevant in this way that I am drawing the attention of the Honourable Member to the neglected condition of one of the principal means of communication and transport. I will read the resolution now:

"This Congress, recognising as it does the importance of water transport and the intrinsic limitations of railway transport in the industrial and commercial development of this country, and having regard to the totally neglected state of the former in India, strongly urges upon the Government of India the acceptance of an active policy of encouraging water transport, and as steps towards such encouragement recommends to the Government of India the early adoption of the following measures:

1. Provision of adequate specialised facilities for the working of coasting vessels and the shipping and landing of traffic for the coast at the major and the minor ports on the coast of India.
2. Grant of concessional port dues and landing and shipping charges in respect of coasting vessels and traffic at such ports.
3. Institution of an inquiry for the development of inland water communications with special reference to the unfair railway competition affecting them, unanimously recommended by the Acworth Railway Committee."

Well, if you want to develop the communications of India, do not develop only railway transport. I want to tell Sir Clement Hindley who is a big engineer: "Do not repeat the mistakes which Sir George Buchanan and Sir Lawless Hepper have made in the Bombay Development scheme in which crores upon crores have been squandered." I warn him with all the force at my command. You may think of developing thousands of miles of railways every year; but can Indian finance stand this development? What do the people of India want? Develop canals; develop the waterways; develop the rivers, ports and link it with the railway traffic. You do not do that. Do not go on building mechanical railways. Like blind Samson, your mechanical inventive genius may fail and you will find your costly railways are ruinous monuments. If you go on at this rate you will not find sufficient finance to build in the future. I hope Sir Charles Innes, before he leaves the Department, will see to the introduction of co-ordination of the work of transport. I ask him to revise his memory and remember the recommendations of Sir Arthur Cotton in the early seventies of last century, when he established the principle that a proper system of inland navigation can be built alongside of the railway policy of the Government of India. I want him to co-ordinate these methods of communications.

Now, Sir, I come to the capital charges of this Railway Budget. The Incheape Committee recommended $5\frac{1}{2}$ per cent. interest charges; but we find there is 680 crores of capital on which interest has been charged. I take it that the whole amount of this capital on Railways are debts of the Government of India. What about the annuities and the capital sunk every year? Where is that portion of the capital? Why should not interest on that portion of the capital be credited to the revenue of the Government of India? And what about the new capital that is spent every year? You borrow capital at 6 per cent.; you cannot charge $5\frac{1}{2}$ per cent. to railways, specially mismanaged railways like the Bengal Nagpur and Assam Bengal Railways; they are not paying; do not give them any money. For all new capital you must charge the actual interest you pay and the railways

[Mr. B. Das.]

must pay 6 per cent. or 7 per cent. or whatever rate at which the Government of India borrow this money. Do not hand over a certain sum of money for nothing to these mismanaged railways.

I come now to the question of the Rates Tribunal and the Rates Advisory Committee. I wish this Advisory Committee had not been appointed. Although there is only one Member of the Government of India present here in Sir Charles Innes, I deprecate the policy of the Government of India in offering ex-Executive Members of the Government of India posts under the Government of India. The Government of India are living in the Garden of Eden and like Eve tempting our ex-Executive Members, ex-Ministers, ex-Presidents with posts—apples of discord for ever. Do not tempt our Ministers to be Executive Members nor tempt our Presidents to be Executive Members. You are creating very bad precedents by offering posts to Executive Members, Ministers, Presidents and others. I congratulate Sir Abdur Rahim and Sir Sankaran Nair, now in the Council of State, who after retiring have come back to serve their motherland: they did not seek jobs and they do not want to serve under Sir Clement Hindley and Mr. Sim in a subordinate capacity as President of the Rates Tribunal. I think the Government of India, if they believe in the spirit of the Reforms, should not encourage such policies by inducing Presidents, Ministers and Executive Members to accept subordinate positions. And this Advisory Committee? Who wants your Rates Advisory Committee? We want a Rates Tribunal. But you always set back the clock. You want something which will always upset the whole policy of experts. I ask the Government not to trifle with but to carry out the recommendations of the Acworth Committee in the matter of the Rates Tribunal.

Allusion has already been made to the reduction of coal freights, and the Indian Industrial Congress has passed a resolution to that effect. I know that the Honourable Sir Charles Innes will see to it, and it is the unanimous recommendation that 25 per cent. of the coal freight should be reduced. In this connection I will just draw the attention of the House to what the Honourable the Chief Commissioner said in his speech in the other House. He said:

“It is held in some quarters that these rates amount to a subsidy.”

Well, railway freights and rates are fixed in India not in order to develop the indigenous industries of the country, because the transport of Indian raw produce at cheap rate is always forgotten and when the Honourable Sir Clement Hindley says that the coal freight amounts to a subsidy, he has touched the limit.

The Honourable Sir Charles Innes also observed in this House that Government are forced to reduce the rates and freights by popular pressure. Nothing of the sort. You increased your rates and freights. You found the Indian public could not stand these high rates. Your Revenue fell. You expected that that policy would increase the passenger traffic but you have broken the camel's back. The Indian passengers cannot pay those high rates and freights, and naturally you are taking this step, not to relieve the Indian passengers, but to increase your revenue.

Now talking on the head of working expenses, you have to reduce your top heavy administration. You are appointing station masters and other high officials on high salaries while you do not make adequate payment

to the lower paid subordinates. You are increasing the higher paid staff, I mean Engineers, Assistant Traffic Superintendents, Traffic Superintendents, Divisional Engineers, and so on; you are multiplying these high offices. That is top heavy administration. How can you reduce your working expenses under those circumstances? If you want to reduce your working cost, you must abolish some of these highly paid offices, so that you may be able to give some relief to the suffering low paid staff who have been always overworked.

I agree with my Honourable friend Mr. Rama Aiyangar that the commercialisation of the Railways has not been effected, because we do not know what the exact capital of the Railways is. There is a fictitious capital for which you pay a certain amount to the general revenues. You should give us the exact capital, you must show us the true assets of the Government of India and show us what the Railways are earning.

As regards my own sub-province, Orissa, I need not say much because my friend Sir Sivaswamy Aiyer has already alluded to it, and I hope that the Honourable the Commerce Member will see that the internal development of Orissa is facilitated and that trade and commerce are developed by proper railway communication.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, the empty benches which I see in front of me are perhaps a testimony to the amount of interest taken by this House in the Department which earns annually about 100 crores and disburses about 90 crores from revenue.

With this preliminary observation, Sir, I may proceed to add my quota to the meandering stream of congratulations which started from this side of the House and flowed on to the other side finally to empty itself where the Honourable the Commerce Member sits. The Honourable Sir Sivaswamy Aiyer claimed that Sir Charles Innes came from Madras (*Honourable Members*: "From Malabar".) (*Mr. R. K. Shanmukham Chetty*: "Yes".) and the official Whip of the Swaraj Party with a certain amount of gusto says "Yes". I am very glad, Sir, that an independent leader, if not of the Independent group, and a Whip of the Swaraj Party vie with each other in showering their congratulations on the Commerce Member. (Louder please.) I came from a district where Sir Charles Innes made his name. (Hear, hear.) If he looks back to those days, he will remember that amongst the members of his Service and perhaps amongst his old colleagues were men who did not have the opportunity of even glimmering where he shone. It is a matter of great joy to him and a matter of great gratitude that he rose so high, leaving many behind, though perhaps my last year's prophecy about him is not likely to be fulfilled. (*Honourable Members*: "What was that prophecy?") I hear voices from all sides "What was that prophecy.". That prophecy, Sir, was, that he might perhaps share the pleasing fate of a Home Member who left those Benches to preside over the fate of one of the provinces of India.

Now, Sir, it is needless to say that this personal touch does not at all interfere with what I have to say on the merits of the Budget. This personal touch of congratulation becomes necessary, because Sir Charles Innes has borne "the White Man's Burden" with all the enthusiasm and faith of those white men who come to this country to share the burden of the brown. And, Sir, during his term of office rates and fares were raised so as to produce an additional revenue to the extent of 6 or 7 millions. Sir,

[Mr. C. S. Ranga Iyer.]

he has served the Government as loyally as Wolsey had served his King. And, Sir, during his term of office the revenue expenditure of Railways has increased by over 14 crores of rupees, and, if I may say so, during his term of office, the grievances of the railway employees have also been accumulated (Laughter)—the unredressed grievances for which perhaps the Honourable the Commerce Member can hardly be held responsible, but the grievances are there. But, Sir, one achievement which is a matter for real congratulation is the tremendous performance of Sir Charles Innes, for which he congratulated this House though he was equally responsible for laying low the ugly old superstition regarding the superiority of State management over company management. He has proved that State management can be as efficient as company management. That superstition has been laid low on the floor of this House once for all by a Member who was once, I believe, troubled by his own doubts and questionings as to the wisdom of embarking on uncharted seas. Sir, he has also, I believe, according to himself and friends over there, tried to rise equal to the occasion not working "with his back to the wall", to use a phrase of the Honourable the Finance Member, but placed in a more embarrassing position because of the surplus. He had plenty of money to distribute, and it is the manner of distribution that calls for criticism. Sir, as I said last year, I must repeat the statement this year, it is not the poor man's Budget. Last year the poor men were ignored altogether,—I mean the third class passengers. In this year's Budget it is the miser's dole that the third class passenger has received. It reminds one of those rich men looking down on the poor and distributing the crumbs. Such indeed is the attitude of the railway administration towards the third class passengers! Sir, I think it would have been more proper if the third class passengers had got more consideration.

Another thing for which I am sorry I am not able to congratulate the Honourable the Commerce Member is an unfulfilled promise. The promise was made by Mr. Sim the other day in answer to a question
5 P.M. put in this House by my Honourable friend Mr. Ambika Prasad Sinha about racial discrimination in a particular railway. He said that the policy of racial discrimination was under consideration. Sir, this is a taint which is not confined to one particular railway,—it extends to a number of railways. I have before me a document bearing the signature of an ex-official of the railway, the President of the Trade Union Congress, supplying us with plenty of powder and shot, which we will be able to use on another day, proving conclusively that this racial discrimination is rampant in the Railways. Sir, what is sauce for the Anglo-Indian goose is certainly not sauce for the Indian gander! It is a terrible shame that there should be so much racial discrimination in the Railways, and the Honourable the Commerce Member has not raised his little finger, and if he has raised it not successfully, to abolish this disgraceful hall-mark on Indian railway management.

Then there is the question of Indianisation. The Government's pace reminds me of the proverbial snail. They do not seem to move in the Railway Department at a much greater velocity than in the Army Department. You have got a Dehra Dun, with an exaggerated title of a Military College, and you have got a Chandausi for training Indians. Can Chandausi solve,—just as Dehra Dun has failed to solve,—the whole railway question? This

is a very poor attempt on the part of Government to give greater opportunities for Indians.

Then there is the scale of pay already heavy in the Railway Department. I think the Honourable the Commerce Member will not challenge my statement if I say that the railway officers in India are the most well paid officers in the Orient, perhaps in the whole world, but certainly in the East. I find the Honourable Sir Clement Hindley smiling a gracious smile of belief and approval.

Sir Clement Hindley: No, not approval. Complete disbelief.

Mr. C. S. Ranga Iyer: I will immediately draw his attention to the state of affairs in Japan. Japan is a country which is far richer, considering the population and size of the country, comparatively than India. Does the Honourable Member know how the high railway officials of Japan are paid?

Sir Clement Hindley: No.

Mr. C. S. Ranga Iyer: The Honourable Member says "No". They are paid not more than a thousand rupees a month. I shall presently tell him, because he says "No", the proportion of the minimum salary of the railway subordinate to the minimum salary of the highest railway official in some of the civilised countries of the world. In Holland it is 1:7, in Italy it is 1:6, in France 1:13, in Japan 1:22, in India 1:400. That, Sir, is how the railway salary works here and elsewhere. There is no parallel to what is happening in this country. And, the high-paid officials are overfed on the Lee Commission's extra diet. The glutton's appetite seems to grow with overfeeding, at any rate so far as the railway officials are concerned. In the revised estimate for the current year we shall lose in the net gain Rs. 35 lakhs. There would not have been this reduction in gain if the estimate had not included Rs. 37 lakhs in respect of Lee concessions to big railway officers. I do not want to cast any reflection on them, but I do say that this country cannot afford to pay so much.

Sir, the Honourable the Commerce Member in one of his remarks in his peroration said "We are animated by a single-minded, even jealous, devotion to the interests of Indian Railways". They are certainly animated by that jealous devotion, but I must say, Sir, they are animated also by a jealous devotion to the interests of the country from which they come (Laughter). Reading through these budget figures and facts, what do we find? We find that about 10 crores will be spent in England on stores. I want to know, Sir, the true significance of the budget memorandum showing an expenditure of 19,35,00,000 from which there will be a saving of 4,26,00,000, I want to know the true significance of these figures. I want to know if these figures are an index of the Government of India's policy that the purchase of stores will be made more and more in England. What does this figure represent? 10 crores will go to England. Unless, Sir, Government are prepared to reduce their commitment in England more considerably,—at present we have 50 per cent. of commitments in England,—I do not think Members on this side of the House will be very enthusiastic about the Railway Budget.

And then, Indian resentment has deepened because the scales were not weighted as promised, in regard to the post of the Financial Commissioner. This, Sir, is a question which will have to be taken up on another occasion.

[Mr. C. S. Ranga Iyer.]

Before concluding, I wish to take the liberty of quoting, and making my own observation on the quotation, the last sentence of the Honourable the Commerce Member's speech. He said:

"The prosperity of India is in no small degree bound up with the prosperity of her Railways."

Sir, I say, that it is the feeling on this side of the House, that the converse proposition is even more true. The prosperity of the Railways is in no small degree dependent on the prosperity of the country, and there is not only proof in his budget speech, but everybody who knows the working of the administration is aware that Railways become more and more paying when there is internal prosperity, when the monsoon, when the harvests, when the industries, when all these progress favourably towards the increasing prosperity of India. Sir, if we are not satisfied with the prosperity shown, it is because we are not so prosperous.

I do not agree with the observations that were made by certain Members of this House in regard to the ambitious plans of the Honourable Sir Clement Hindley. I welcome them. It is good to build more railways. But I would ask him also to remember that there must be more waterways too, especially in the United Provinces. In the United Provinces, heaps of people were thrown out of employment when railways took the place of waterways. I think the two should advance *pari passu*. That ought to be the aim. Incidentally, in his construction of railways, I will ask Sir Clement to remember the beautiful district in the United Provinces called Bijnor. In that beautiful district are some of the most sacred places of India. It is there that Vidhura, after leaving his bad kinsmen of Delhi, went and stayed. It is there again that Shakunthala lost her famous ring. There again dwell the hallowed memories of ancient times. The Government seem to have forgotten that a railway is wanted there. I believe there was some survey taken for a branch line sometime in the district of Bijnor. Even the district headquarters are not connected with a railway, and I do hope that the Honourable Member's ambition from the extension point of view of railways will include Bijnor.

Sir Clement Hindley: Does anybody live there?

Mr. C. S. Ranga Iyer: The Honourable Member asks, "Does anybody live there?" It is one of the most fertile, and thickly populated districts in the United Provinces, favoured by the Ganges. It is also a trade centre. He will know, when he builds a railway, that he will add to its prosperity. I am afraid he did not know that.

Sir, in conclusion, I will only refer to what Mr. Cocke said. He said that Railways cannot run without Europeans. I suppose he meant by that European domination. This is what was said by an Honourable Member on the other side in the old Imperial Legislative Council in 1911. He said much the same thing. I may have to dwell at length on this on another occasion, but I may briefly refer to a family likeness between the statement of the Member from Bombay and what Sir T. R. Wynne said in his speech in 1911. He said:

"I say deliberately that for the proper and safe working of its railway system at the present time you cannot with safety reduce the present percentage of European staff in the superior grades."

We have been protesting against this, and you are hugging the formulæ framed before the floods. The formulæ will have to be modified sooner than later.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadian Rural): I propose to make a very few remarks of a very general kind, for I have no special interest. I deal neither in cotton, nor in coal, nor am I interested in contract work; neither do I propose to dig underground all the hidden wealth of statistics. These are the special realms of my Honourable friends Mr. Rama Aiyangar and Mr. Mehta. Nor shall I draw upon the thundering eloquence of my Honourable friend on the right. I propose to speak on behalf of the man in the street. And the man in the street in India, I may submit to the House, is a bit of a philosopher; and naturally the philosopher looks upon all things in the world including railways as a very mixed blessing; and therefore I must, if I represent the true Indian opinion, say that we do not look upon the railways as an unmixed blessing as some Members on the opposite Benches would have us believe. However, having got them, having got the railways in India, the man in the street would like that the railways should be as far as possible and as fully as possible Indian in every respect. Therefore in a philosophical manner I would dream of the day when the Indian Railway Budget will be presented by an Indian Member to this House. Not that I have any quarrel with the present Railway Member. I have very great regard for him, as I have for every Scot. Still I hope I am saying nothing detracting from his praise, if I say that we should like it better if the Railway Budget were presented to this House by an Indian Member of the Government. We want also that the Indian Railways must be Indian in men, Indian in material and in money and Indian in everything that makes them a really commercial concern. And referring to this I would very much like that more details were furnished to us, for instance, as to wherefrom the materials were drawn with which these railways are built. Sometimes the man in the street is very much interested to know how much of the very many materials required for these railways is being drawn from other countries. I suppose we have just made a beginning to find our rails in India itself. I hope some attempt is being made to get all the timber that we want for our wagons, for our carriages and things of that kind in India itself. May I appeal to the gentlemen opposite to give us, if possible, some small statistics hereafter as to how much of the materials required for railway construction, such as, iron materials, wood, timber and other kinds of things, are being found in India, and how much every year are being imported from other countries, and the countries from which we get them. I do not know if the statistics are already given here, but I should like the information to be given in this form, namely, how much of these materials are found in India itself, and how much are being imported from other countries. Lastly, I would like, for instance, that Indian Railways are managed in a manner which will be in every way fully adequate to Indian interests. I would like that the Honourable Member in charge of Railways should in his yearly speeches tell us, for instance, how much attention has been paid during the year previous to make the Department responsive to the wishes of this House. I fear I do not find much in the Commerce Member's speech to show in what respects he was able to carry out any of the many proposals made in this House towards Indianisation, towards economy, towards retrenchment and other things. Here and there a sentence only is given, and even in the Railway Administration Report for the last year I find two or

[Mr. M. K. Acharya.]

three paragraphs which are very vague and not at all satisfactory. Therefore, I would like, when they are talking of the great value which this general discussion and the debates in the succeeding days are going to have,—I would very much like to know from the Honourable Members opposite in what details they have been able to give effect to the recommendations and wishes of this House. Of course, if I may quote, Sir, what you yourself said when you were here along with us last year, it was to this effect: if we should have the Member representing Railways responsible to this House, much of our present trouble will be minimised, and a great deal of the remarks which we make will not at all be required. Now that he is not responsible to us and not as responsive to us either as we would like, we are forced very often to repeat what we have said time and again; we are forced to repeat it until our wishes are satisfied. Last year reference was made to it, and the question was raised as to what the position of the Agents hereafter will be; whether the way in which we in this House are trying to meddle in railway matters will minimise the importance of the Agents and reduce their powers. And I believe the Commerce Member last year gave us the assurance that so far as the Railway Member was concerned, so far as the Railway Board was concerned, nothing would be done by them which would in any way reduce the powers of the Agents; although I think he added that there was this House to reckon with. Well, Sir, I do repeat that we would like to know in what respects the wishes of the House have been communicated to the many Agents of the Railways, and what they have done, and what they propose to do from year to year. That will be a very interesting information that we should like to have.

Just to sum up the few points to which I have referred, we want much more careful budgetting. We want more economy without at the same time loss of efficiency. We want more Indianisation; above all else we want very much more adequate return for the masses. I am aware that we shall have to refer to them in detail later on. But it is well that we should on this very first day call attention to the fact that the Honourable Member has not given in his speech, that he has not given in the statistics following the Railway Budget, as much information on all these various heads as we in this House would like to have. Lastly, I would like to add one word to what my Honourable friend Mr. Raju said about the great corruption that is to be found in the railways and the great desirability there is of putting down the corruption that exists in the railways. I should in a general way support the view that he has advanced. But it is one thing to point out an evil and quite a different thing to find out a proper remedy for the evil, and considering the complex conditions in which the railway men are placed, I am not quite sure that any investigation, however deep, would be able to give much relief. The corruption to which my Honourable friend referred, I believe, is very widespread; and unless there is a very radical overhauling in every branch of the Service including the remotest branches, I do not believe that the poor subordinate employees alone can possibly change into the very pure and clean handed men which we would like them to be, for the simple reason is that they have always got their masters to please in more ways than probably they would be willing to admit in the open day. That is why I say that the corruption has to be put down in the higher quarters before we make any attempt to put it down among the lower clerks. Corruption pervades in many places, it is an old evil on earth; it has existed from time immemorial; and it is

no wonder that the railwaymen are corrupt. For a long time during the past 60 years the railwaymen have not been responsible to the people of India, not even to public opinion. Even now we find that the Railway Member is not at all responsive to us in as large a measure as we would like him to be. If this is all the responsiveness of the Railway Member and of the Railway Board, how can we possibly expect the lower railwaymen and officers to care more for what we say or do? I hope, however, that the time will come when what we say in this House will have some effect on every officer in the Railway Administration. I hope the time will come when what is said in this House will tend to make Railway Administration as efficient and economical as possible, when it will tend to make them feel for the poor as much as possible. And then the man in the street will not be forced to complain. Now, it is all a rich man's business. The poor man only pays. Everywhere in India it is the poor men who pay and the rich men get the greater portion of the profits and luxuries. To sum up, I hope the day will come when the Indian Railway Budget will be presented by an Indian, when there will be a large number of Indian Members on the Railway Board, and when the great majority of the Indian people will be able to get the larger share of the benefits of Indian railway administration.

The Honourable Sir Charles Innes: Sir, I must first thank Honourable Members of this House for the many kindly references they have made to myself during the course of the debate. Even my Honourable friend Mr. Ranga Iyer who says the most outrageous things with a charming smile upon his face paid me and the Railway Board an implied compliment. Like Mr. Das, Mr. Ranga Iyer suggested that the Railway Board, having made a success of their railways, should now take over inland waterways. Well, Sir, I am quite prepared to admit that it is a very sound view to take that when in a difficulty or in a doubt, come to the Railway Board. But there are constitutional difficulties in the way of the Honourable Member's suggestion. He seems to forget that inland waterways are an entirely provincial subject and that it is open either to the Government of India or the Railway Board to disregard the Devolution Rules and to assume charge of inland waterways. My trouble in replying to this debate is that I have such a large number of notes that I do not know where to begin and if I were to deal with all the points that have been raised then I should keep you all here for a much longer time than I am sure you wish to be kept.

I will deal first with my friend Mr. Rangachariar's remarks. He suggested that I might have made a reference to the first Assembly in my speech. Sir, I should be sorry if Mr. Rangachariar or Sir Sivaswamy Aiyer thought that I had any desire to leave out the first Assembly. In that speech of mine which I made when I introduced the Budget I had to leave out many things on which I would have liked to speak. One has to keep one's speech within reasonable limits. I freely admit that we owe a lot in the Railway Department to the first Assembly. It was the first Assembly that first enabled us to go in for a proper capital programme. And if we could not bring forward our separation proposals in the first Assembly it was merely because the time had not yet come. The reason why in 1924 we were able to bring up separation proposals with some chance of success was that the railway position had generally greatly improved. In 1921-22 and 1922-23 when we were not paying even our interest charges, it was quite useless to talk of separation. Mr. Rangachariar then complained of the increase in administration charges. He pointed out that from 1922-23 to 1926-27 they had increased from 8 crores to 13 crores. I do not wish to go into any detail in regard to that point

[Sir Charles Innes.]

now, but I merely wish to point out to Mr. Rangachariar and to the House that in that Demand for Grant there are a great many items which have now been included and which were not included in 1922-23. Such items, for instance, as charges on account of the Telegraph Department, charges on account of Police, charges on account of contributions to provident fund, gratuities and other similar expenses. When Mr. Rangachariar compared the Budget Demand under that head in 1922-23 with the Budget Demand in the year 1926-27, I can only say that he was not comparing like with like. The last point to which I wish to refer in Mr. Rangachariar's speech was his complaint about the allocation of expenses to capital and revenue. He suggested that we were unduly relieving revenue at the expense of capital. He wanted to know who had approved these rules. Well, Sir, I think I might in the words of the Bible reply to the Honourable Member: "Thou Art the man," because these allocation rules were placed before the Central Advisory Council in 1923. My friend Mr. Rangachariar was a member of the Central Advisory Council then and the Central Advisory Council directed that the draft rules should be discussed by Mr. Sim with the two commercial members of the Central Advisory Council, namely, Sir Robert Watson-Smythe and Sir Purshotamdas Thakurdas. After that had been done, Mr. Sim sent a revised copy of the rules to Mr. Rangachariar and said that this was the final copy and asked for any remarks that Mr. Rangachariar had to make and he had none. But I entirely agree with what the Honourable Member said about the absolute necessity of our keeping our railways in a proper state of repairs, and I do claim that with our Depreciation Fund we are in a far better position to-day than we have ever been in the past. The Honourable Member need have no fear. It is a point which is always before our mind.

Mr. Jamnadas M. Mehta: The fear is otherwise.

The Honourable Sir Charles Innes: Mr. Harchandrai Vishindas complained about the reduction of rates and fares. He suggested that we have done too much for the first and second class passengers and not enough for the third class passengers. But I am afraid I can only make that excuse which some Honourable Members do not seem inclined to accept, namely, that we look upon this matter purely as a business matter. We found that on our present rates and fares we were losing first and second class passengers. Not only that, we were losing earnings. We were not making money because our rates were higher than the traffic could bear. That is the only reason why we have reduced first and second class fares. It is purely a matter of business that we have reduced the first and second class fares. As regards third class passengers, as I said in my speech, purely on the economic and commercial ground there is not so much reason for the reduction of the third class fares. But of the 124 lakhs that we are spending on the reduction of passenger fares, nearly a crore will be spent on the reduction of third class fares.

Now, I come to Mr. Cocke.

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): What about the Karachi-Cawnpore Railway of which Mr. Harchandrai Vishindas spoke?

The Honourable Sir Charles Innes: Mr. Harchandrai Vishindas also said that the Budget was a bad budget because we had not made any provision for the line between Karachi and Cawnpore. Mr. Vishindas knows

perfectly well that when I went down to Karachi last October I discussed that very question not only with the European Chamber of Commerce there but also with two Indian Chambers of Commerce with which the Honourable Member is connected. I explained very fully the reasons why, greatly to our regret in the Railway Board, we were unable at present to take up that project. We have had part of it surveyed quite recently—a large part—and we found that the project was not likely to bring us in more than about 1 per cent. upon the capital charge, and it is quite impossible for us at the present time to take up a new line which is only likely to bring in about 1 per cent. on the capital charge. If the Honourable Member wishes us to take up lines of that kind, he must agree with our policy that we must go on building up reserves. When we are in a better financial position with larger reserves, we may be able to take the risk of building unremunerative lines. But I cannot hold out to the Honourable Member any hope that in the near future, at any rate, we will be able to construct the Karachi-Cawnpore railway simply because we cannot see that it is likely to pay us.

Mr. Harchandrai Vishindas: That is a miscalculation.

The Honourable Sir Charles Innes: Let me pass on to my Honourable friend Mr. Cocke. He suggested that as a means of expediting the execution of our capital programme, we should go in more for the employment of private contractors.

As I said in my speech, we are experimenting in that way. The Southern India Railway is experimenting with private contractors in regard to bridge work. We hope to experiment to some extent in the same way with regard to the Bally Bridge, and Honourable Members may perhaps have seen that quite recently Mr. McLean has been advertising for private contractors to take up work in regard to the Bhoreghat reversing station. There are many difficulties in connection with that system, but we are giving it a real trial.

Mr. Cocke also asked what about company railways who before the expiry of their contract are asked to take up new construction. He pointed out that they have to pay interest on capital out of revenue but they had no hope of getting any return on that capital expenditure if on the expiry of the contract the line is taken over by Government. He asked whether any special arrangement was made with reference to that point. The answer to the Honourable Member is that in most of our contracts with these private companies there is a clause which governs that particular matter, and it says that that matter should be a matter of special arrangement in each case. Finally, Mr. Cocke complained that we had given no information about compensation claims. The Honourable Member will find the information he wants in Demand No. 5 and he will find in Demand No. 5 that we have reduced our payments on account of compensation to 40 lakhs and we hope to reduce it further in the coming year. It is only a few years ago that our compensation claims amounted to over 120 lakhs, and now we have got them down to 40 lakhs which is a great improvement.

On that particular point may I say that several speeches of Honourable Members have shown me that they have not displayed that sedulous industry to which I referred in my opening speech. Mr. Joshi complained that he had no information about the number of carriages and wagons

[Sir Charles Innes.]

we had on each railway. The information is there for all to see in Volume II of the Administration Report, page 68, I think it is. Then Mr. Acharya complained that he did not know where we had given information when the different classes of stores required on the railways for different items of work were procured. The information is all contained on pages 164 and 165 of the second volume of the Administration Report. (*An Honourable Member*: "Are these reports supplied to Members?") They are in the Library. Then Mr. Chetty complained that he had no information about average wagon loads. That information is contained in Volume II of the Administration Report. I think the fact that in that Administration Report we have already the very information which three Honourable Members applied for shows that we are getting our statistics better and we are beginning more to understand the exact sort of information that Honourable Members want.

I should like to express my appreciation of a great deal of what Mr. Chetty said. Mr. Chetty criticised the convention, he criticised it on the ground that general revenues should not take so much out of the Railways. He went on to say that he hoped that the time would come when general revenues would be able to dispense with any contribution from the Railways. I do not know whether my Honourable friend on the right would accept that suggestion, either now or in the future. It depends entirely on your general financial situation and what is best in the interests of the country. At any rate there is a great deal to be said, as Mr. Chetty put it, for merely requiring Railways to balance their Budget, to pay their interest charges, to build up reserves and to devote whatever else they can make to reduction of fares and improvement in the services.

Mr. Rangaswami Iyengar asked me to confess on the floor of the House that I was wrong in what I said in 1923 about State management. Mr. Willson has already made the point that I was going to make. What I said in 1923 about State management was not said with the intention of attributing to the Indian Legislature a double dose of original sin. I was merely laying down propositions which have been proved by experience in most countries which have State management that where you have democratic assemblies and State management of railways your railways are apt to go to ruin unless you separate off your railway from your general finance, and unless you hand over your railways more or less to a commission and merely lay certain obligations upon them. Here we have made one advance towards complete separation. We have separated the railway revenues from general revenues and I should like to say that so far I think the result of that policy has been very successful.

A great many remarks have been made about the Rates Tribunal. I will not go into the functions of the Tribunal here because there are motions for reduction which will refer to that very point. But I wish to associate myself with what Mr. K. Ahmed said on Mr. Kasturbhai Lalbhai's suggestion that the President of the Rates Tribunal should be a business man and a Bombay business man at that. The Rates Tribunal, I would like to make perfectly clear, is not designed to secure reductions of rates in the interests of business men. Certainly it would be if a business man was appointed as President. On the railway side among the many advantages that we hope to get from that Rates Tribunal are that we hope to be able to shatter many illusions about our rates. A great many

people feel and think that our rates are designed for the benefit of our foreign trade. It is thought that we give better rates for imports from abroad than for local produce. We are perfectly prepared to have our rates investigated by a perfectly independent body of that kind in order that people in India may see that there is not one iota of truth in a charge of that kind. But there are many reasons why we want this Tribunal, Mr. Willson need not be afraid. Our intention is to have exactly the kind of composition suggested by the Acworth Committee, namely, a lawyer of standing as President, a commercial man and a railway man.

Now with regard to the speech made by Mr. Jamnadas Mehta, he complained of excessive control by the Secretary of State. In this connection I am reminded that Sir Sivaswamy Aiyer asked me to what extent our powers had recently been increased by the Secretary of State. I have not got the whole information here, but I can give him some information on that point. In regard to ~~new~~ lines the Secretary of State in Council has increased our powers from 12½ lakhs to 1½ crores, and from 20 lakhs to 1½ crores in regard to open lines. The House will agree that that is a liberal measure of decentralisation to us and I hope it will lead to more expedition in the carrying out of our capital programme.

Mr. Jamnadas Mehta then complained that the White Paper was too small. I shall certainly take note of that point and I hope to rectify it next year. I shall also make it my business to communicate to Agents of railway administrations the suggestion that members of the Railway Finance Committee should be appointed *ex-officio* members of Local Advisory Committees for the particular railway with which they are concerned.

Mr. Jamnadas Mehta made a complaint that we had omitted to give the figures for stores. That is not quite correct because he will find those figures in the pink books.

Mr. Jamnadas M. Mehta: But separately?

The Honourable Sir Charles Innes: There are so many points that the Honourable Member made that it would take too long if I went into them all, but I would like to take up one or two of these points. He made great play of the waste in the lay-out of station yards. Surely the Honourable Member must know that that is all ancient history. I am quite prepared to agree that these station yards, such as the Delhi station yard, grew up more or less haphazard; they grew up haphazard because the Agents never knew how much money they could get. Whatever money they got they spent on making a small improvement here and a small improvement there instead of planning out their station yards years ahead. One of the benefits we shall get from the separation will enable us to correct errors of that kind. He also said that additional revenue ought to be earned much more cheaply than it is now. Just let me read one paragraph from last year's Administration Report:

"The net result of the year's working, therefore, was better than that of the previous year by Rs. 5.35 lakhs which is chiefly due to the very large increase of Rs. 6.67 lakhs in gross earnings of the railways as compared with an increase of only Rs. 76 lakhs in working expenses."

I think the Honourable Member will see that sometimes we earn our additional revenue very cheaply indeed.

It has also been suggested by several Honourable Members that the prosperity of our railways in the last few years was not due to separation,

[Sir Charles Innes.]

was not due to the Acworth Committee's report, or due to the Inchcape Committee's Report, but merely due to the Commerce Member having put on an entirely excessive increase in rates and fares. Well, Sir, the Commerce Member, in putting on this very excessive increase of rates and fares, at any rate was acting on fairly good authority. Let me read to the House an extract from the Acworth Committee's Report:

"Indian railway rates and fares have always been among the lowest, if not the lowest in the world."

—I think they are the lowest—

"They have only been advanced in the last few years very slightly as compared with the rest of the world. A general and substantial increase is overdue. Witnesses from all parts of India have agreed in recognising that rates and fares should be increased, and saying that they will be ready to pay the increases, provided a reasonably efficient service is given in return."

Mr. Jamnadas M. Mehta: That is also ancient history.

The Honourable Sir Charles Innes: That was what the Acworth Committee's Report said. It has also been said that we are working on a wrong policy. It is not a right thing to try and manage our railways on business lines, we should work them on what I might call a humanistic basis. I think Sir Sivaswamy Aiyer gave the right answer to that particular suggestion. What we feel is that, if we can work our railways on commercial lines, we shall keep in view what are after all the two main things to keep in view, namely, efficiency and economy, and that if we can keep efficiency and economy in the forefront of our aims, that is the way in which we shall do our best for the Indian consumer, that is, the railway passenger; that is the way in which we shall be able to offer him better services and to reduce rates.

Now, Sir, the hour is late and I will not attempt to answer any of the other points raised. Mr. Rangaswami Iyengar challenged me just now to repeat what I said about the debt we owe to the second Assembly in regard to the separation of railway from general finance. I have no hesitation in doing so. Indeed I have been now in this Assembly for a number of years; this is my sixth budget Session. It seems strange, though I should say so, that I am the only Member on these Government Benches that has sat on these Benches since the day this Assembly was first opened by the Duke of Connaught in February 1921 (Applause), and I can say quite honestly and sincerely that in all the work of a commercial and economic and railway kind which I have had to put before the Assembly, whether the first Assembly or the second Assembly, I have always met with the greatest co-operation. I have had many Bills of a difficult kind to put before them. I can remember the Workmen's Compensation Bill, the Mines Bill, the Boiler Bill, the Cotton Transport Bill, the Steel Bill, and many others, and I do wish to say that I do feel that I have always received from the Assembly the greatest assistance and co-operation. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 23rd of February, 1926.