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**LEGISLATIVE ASSEMBLY DEBATES**  
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**FIRST SESSION**  
OF THE  
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*Chamber of Deputies 18/1X/23*



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# LEGISLATIVE ASSEMBLY.

Thursday, 24th February, 1927.

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

## MEMBER SWORN.

Mr. Yacoob C. Ariff (Calcutta and Suburbs: Muhammadan Urban).

## PRIVATE NOTICE QUESTION AND ANSWER.

### STRIKE ON THE BENGAL NAGPUR RAILWAY.

**Mr. Chaman Lall:** Sir, with your permission, I beg to put the following private notice question:

Will the Government be pleased to state:

- (a) whether the Bengal Nagpur Railway strike has extended;
- (b) the approximate number of men on strike;
- (c) whether orders under section 144 have been served on the leaders of the men;
- (d) whether meetings have been prohibited,
- (e) whether intimidation is being practised against the strikers,
- (f) whether arrears of pay of the Nagpur men are being withheld; and
- (g) whether the Government intend to put an end to the policy of repression against the strikers?

**The Honourable Sir Charles Innes:** (a) The strike, as the Honourable Member knows, began at Kharagpur and has since extended to certain stations in different parts of the line. The Nagpur, Bilaspur and the coal districts are among the districts affected, but as I have said above, the strike has not extended to all stations.

(b) The number is estimated to be in the neighbourhood of 15,000 at Kharagpur and 10,000 on the rest of the line. Latest information is that at some stations men are beginning to come back to work.

(c) and (d). I have seen reports in the Press to that effect.

(e) The answer is in the negative but I am informed that men who wish to go back to work are being intimidated from doing so.

(f) My information is that every one whether on strike or not was paid his wages on the due date.

I do not know whether you are prepared to admit (g), Sir. I would submit it is an argumentative question.

**Mr. Chaman Lall:** May I ask the Honourable Member in which places section 144 has been put into force?

**The Honourable Sir Charles Innes:** I am sorry I have no information; I have only seen the reports in the Press.

**Mr. Chaman Lall:** Will the Honourable Member be good enough to inform the House of the number of men dealt with under section 144?

**The Honourable Sir Charles Innes:** I have already told the Honourable Member that I know nothing of the use of section 144 beyond what I have seen in the Press.

**Mr. Chaman Lall:** Is the Honourable Member aware that a large number of meetings have been proscribed and will he say whether that is the policy of the Railway agency?

**The Honourable Sir Charles Innes:** I have seen reports to that effect, but I must point out to my Honourable friend that action of that kind is not taken by the railway authorities but by the District Magistrate.

**Mr. T. C. Goswami:** Do I understand that the application of section 144 is independent of the advice of the railway administration?

**The Honourable Sir Charles Innes:** The matter is entirely independent.

**Mr. A. Rangaswami Iyengar:** May I know if the Managing Director of the Bengal Nagpur Railway Company has been intimating to the employees that a lock-out will be put into force if these people do not come in by a certain date?

**The Honourable Sir Charles Innes:** The Railway administration did publish a notice after the general strike had been declared, that they proposed to close the workshops at Kharagpur until it seemed desirable to re-open them, and that people who were willing to work should sign on before the 21st of February.

**Mr. Chaman Lall:** Is the Honourable Member aware that ejectment orders have been issued against certain workers on the Bengal Nagpur Railway?

**The Honourable Sir Charles Innes:** No, Sir, I have had no information to that effect.

**Mr. Chaman Lall:** Will the Honourable Member collect and let us have the information?

**The Honourable Sir Charles Innes:** I will certainly make inquiries.

**Mr. Chaman Lall:** And will the Honourable Member kindly inform the railway authorities that they are not to proceed with the matter?

**The Honourable Sir Charles Innes:** The Honourable Member must not make suggestions for action; he can only ask on points of information.

**Mr. Chaman Lall:** Is the Honourable Member prepared to put an end to the strike by setting up an inquiry board?

**The Honourable Sir Charles Innes:** I am not prepared to say anything on that point.

**Mr. Chaman Lall:** Will the Honourable Member kindly inform the House whether there has been a great deal of discontent amongst the public as well as traders served by this railway?

**The Honourable Sir Charles Innes:** Not that I am aware of.



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

### SECOND STAGE—*contd.*

#### *Expenditure from Revenue.*

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

#### *Strengthening the representative control by all interests concerned over Indian Railways.*

**Mr. President:** The House will now proceed with the further discussion on the motion of the Honourable Sir Charles Innes. I take it all those motions which are above Rs. 100 drop out in view of the fact that there is only Rs. 100 left in the Demand.

**Mr. N. M. Joshi** (Nominated: Labour Interests): May I, Sir, make one request to you. When we gave notice of motions for reduction by Rs. 1,000 it was intended that they should be nominal cuts; there was no intention of cutting down by Rs. 1,000, which would not matter very much to the Railways. I would ask you to allow me and others also to make a change in our motions so that we may have only one-rupee cuts, and we can go on cutting one rupee each and reduce the amount out of the sum of one hundred rupees still left for the Railway Board.

**Mr. T. G. Goswami** (Calcutta Suburbs: Non-Muhammadan Urban): Do you not think that would reduce the amount to a very much smaller figure?

**The Honourable Sir Charles Innes** (Member for Commerce and Railways): I have no objection, Sir.

**Mr. N. M. Joshi:** Sir, I move:

“That the Demand under the head ‘Railway Board’ be reduced by Re. 1.”

My object in asking the House to make a nominal cut of Re. 1 is to bring to the notice of this House the great importance of providing some machinery by which the Indian Railways will be controlled in the interests of those people who have invested money, those people who are working on the railways, and those people who are making use of these railways.

**Mr. President:** The House does not want the Railway Board.

**Mr. N. M. Joshi:** Sir, the House does not want the Railway Board. I am therefore suggesting what the House should have in the place of the Railway Board.

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, may I rise to a point of order? The House never decided that it did not want a Railway Board. What it decided was that the Railway Board should be efficient and represented by Indians.

**Mr. N. M. Joshi:** Sir, the question whether the Railway Board should exist or not is immaterial to the subject which I want to place before this House. Sir, the Indian Railways are a very huge industrial concern. We have invested more than 600 crores of rupees in this undertaking, and more than 700,000 employees are working on these railways. More than crores of people make use of the railways in India. It is therefore a matter of great importance that these industrial undertakings should be properly controlled in the interests of those people who have invested

[Mr. N. M. Joshi.]

money, those people who are employed on the railways, and those people who are making use of these railways. Sir, the present representative machinery by which these railways are controlled is the Legislative Assembly and its Finance Committee. We know, Sir, that this Legislative Assembly considers the Railway Budget for about 6 days and the Railway Finance Committee also considers the railway finances for about ten or a dozen days in the year. I feel, Sir, that considering the great sacrifice which the people have made in building up these railways the control which we are exercising at present is insufficient because you cannot discuss all railway affairs in the short time of six days, and neither can the Standing Finance Committee for Railways discuss all financial questions regarding the railways in the few meetings which they hold. Moreover, Sir, it is not that this House and its Committees cannot give sufficient time to discuss matters but I feel, Sir, that all the interests which really are interested in the proper working of the railways are not at present sufficiently represented on these bodies. I refer, Sir, to the large body of employees on the railways whose very lives depend upon the proper working of these railways. I therefore think if any representative machinery is to be organised in order that the railways should be properly managed and properly controlled in the interests of all concerned, the representative machinery must consist of the people who have invested money—I do not want to omit them altogether, but, Sir, after all money is not such a great thing as the lives of those people who are working on the railways. I would therefore establish a machinery in which not only those people who invest money will be represented but in which those people who are working on the railways will be adequately represented. I am also anxious that those people who are making use of our railways and those people who are helping the maintenance of these railways should also be represented in such a representative machinery. I have already shown that this House cannot find sufficient time nor can its Committees find sufficient time to discuss in great detail railway matters. I am quite aware that there is a Central Advisory Council for the Railway Board as well as advisory committees on different lines; but, Sir, everybody knows that the Central Advisory Council does not function very well nor are its powers very wide. We know that the Central Advisory Council meets perhaps half a dozen times in the year. I do not know whether they meet even half a dozen times. (Mr. Jamnadas M. Mehta: "Twice!") The Central Advisory Council has met twice; and the committees on different railways may have met a similar number of times. Moreover, these committees have very little power. They are considered to be advisory but unfortunately they cannot offer advice. Their advice must be first sought by the railways and railways are not very anxious to seek their advice. If the Central Advisory Committee could offer their advice it might be something; but they cannot call a meeting, they must depend either on the Railway Board calling a meeting or the Agent calling a meeting in the case of the committees. Therefore these committees do not function. And moreover, their powers are limited; they cannot bring forward any question before the meeting; the Agent will bring forward any question he likes. If the powers and functions of the Central Advisory Council and these committees are increased, then certainly they will be more useful than they are to-day. At present they are not of much use.

**Mr. President:** Order, order. The Honourable Member has got a separate motion on the subject of the constitution and functions of the Central Advisory Council: I take it he is going to move it?

**Mr. N. M. Joshi:** I will drop that.

**Mr. K. G. Neogy** (Dacca Division: Non-Muhammadan Rural): There are other Members, Sir, who would like to raise the question of the powers and functions of the Central Advisory Council, and I do not know what their position is.

**Mr. President:** I think the Honourable Member should restrict himself to his own motion and not go beyond it.

**Mr. N. M. Joshi:** I have no intention, Sir, of speaking at length on the functions of this Advisory Council and these Committees. I only refer to them to show that they may be considered to be a part of the representative machinery which I want to be established for the control of our railways.

Now, Sir, there are various ways in which one can suggest machinery for the representative control of our railways. It is quite possible that some people may suggest that we should have a separate representative body elected on a very wide franchise to control our railways. It is quite possible some people may say that a separate Parliament as it were is unnecessary; but, Sir, if a separate Parliament is unnecessary it is at least necessary that the present Legislature should give more time and should give more energy to the control of our railways. The present method of controlling our railways by a six days' discussion is not enough. I may suggest that the Government of India should hold a special Session for the control of our railways—at least they might transfer the Budget time from March to April or any other month, say August, and hold another Session where railway matters can be discussed for at least a month in the year. (Cries of dissent from various parts of the House). Sir, I know there are some Members who are unwilling—I know that very well. I know there are persons who are not willing to work for a large number of days in this Legislature. Therefore, I feel the best method is to have another Legislature where people may be able to find time for the proper control of our railways. And, Sir, I am not speaking of a representative machinery which has not been thought of by other people. The Belgian State Railways are now transferred to a separate organisation, and in that organisation they have provided for the representation not only of the Government but of those people who have invested money. They have also provided adequate representation for the workers who are working on those railways. I therefore think, Sir, that the Government of India and this House should in its own interest and in the interest of those people who are interested in our railways see that there is some machinery by which those people who are working on the railways, those people who have invested their money in the railways, and those people who are using the railways should be properly represented. If such machinery is devised, then I am quite sure our railways will be better managed than they are to-day. At present it is perhaps possible that the interests of those people who have invested their money are safe, because Government is bound to pay interest and Government have guaranteed the interest of these companies which have invested their money; but, Sir, the interests of people who are employed on the railways are not safeguarded at all. They have absolutely no voice. The Central Advisory Council and the Committees

[Mr. N. M. Joshi.]

which exist are prohibited from considering questions that concern employees. And in the case of this House it is no doubt true that we can move a Resolution but unfortunately we have to depend on the vagaries of the ballot box; and moreover we cannot discuss questions of railway employees in this House for more than a day or two in the year. If we begin to take up more of your time I am quite sure many Members will not like that. I therefore think it is necessary in the interests of the employees on the railways, in the interests of those people who are using the railways, that some machinery should be devised by which proper and sufficient consideration will be given to the matters pertaining to our railways. Sir, at the present moment I am not wedded to any particular scheme; but I am anxious that this House and the Government of India should consider some scheme by which the representative control over the railways will be increased. If a separate Legislature is considered to be too radical a scheme, I shall be quite content if the Government of India held a special Session of this House to consider railway questions every year. If we get two months' time in a year to consider the questions affecting railways, then things would be improved greatly. I have made it clear, Sir, that I am not wedded to one scheme, but I would prefer a scheme by which an independent machinery could be devised in which all the interests concerned will be thoroughly represented. I hope, Sir, the House will give serious consideration to my suggestion.

**The Honourable Sir Charles Innes:** Sir, I am in considerable difficulty in answering Mr. Joshi's speech because I found it extremely difficult to find out what the Honourable Member was driving at. He said that he was not wedded to any particular scheme and that he had no particular scheme to put before the House, but he wanted that more time should be given to the discussion of railway subjects in this House. Now, Sir, when the Honourable Member said that I thought with some relief that exactly five weeks to-day I shall be leaving Delhi, for I must confess that as far as I am concerned I do not relish the long discussions to which the Honourable Member refers; but I do feel that there is a good deal in what the Honourable Member has said. We always have felt in the Railway Department that it would be a very good thing if we could break away from the present system by which the Railway Budget is merely a part of the General Budget. I understand that we cannot break away from that system without an amendment of the Government of India Act, and I think I am correct in saying that the desirability of amending the Government of India Act in that way has been brought to the notice of the Legislative Department. The idea of course is that it would suit us in the Railway Department very much better if we could bring the Railway Budget before the Assembly in the September Session; we should then have the actuals for the past year to place before the House and we should have a very much better idea of the prospects of the budget year; and to that extent I am entirely with my Honourable friend, Mr. Joshi. But I must point out that if I am correct—I am speaking without the book—but if I am correct in what I have said, it would require an amendment of the Government of India Act. I do not think that I need pursue the rest of the Honourable Member's speech. If he will forgive me for saying so, Mr. Joshi is an idealist, and I may even call him an Utopian. I think most people in this House will agree that the idea of setting up a Legislature to deal with railway matters is Utopian; at any rate I am quite sure that this Assembly

which naturally and properly is very jealous of its rights and privileges would object to that proposal very very strongly. I think, Sir, that I might ask Mr. Joshi to withdraw his motion.

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

"That the Demand under the head 'Railway Board' be reduced by Re. 1."

The motion was negatived.

*Quinquennial Review of Capital Programme.*

**\*Pandit Hirday Nath Kunzru** (Agra Division: Non-Muhammadan Rural): Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Re. 1."

The Acworth Committee, to whose recommendations we owe the separation of the railway from the general budget, found two serious defects in our system of railway administration; one, dealing with the method of providing expenditure on repairs and renewals, and the other, dealing with the method of financing borrowings for new projects. A Committee of the Indian Legislature was appointed in December 1921 to consider the recommendations of the Acworth Committee; and the attention of that Committee was directed prominently to the two defects brought out by the Acworth Committee. Now, this Committee of the Indian Legislature recommended that the separation of the Railway Budget be postponed for a period of three years; but that the recommendation of the Acworth Committee be carried out in regard to the provision of capital expenditure for new projects. The Committee recommended that for the next five years a programme costing about Rs. 150 crores be agreed to, and the Honourable Sir Charles Innes in asking the Assembly to accept the recommendation of the Committee of the Indian Legislature said that of the two defects pointed out by the Acworth Committee he attached far greater importance to the recommendation in regard to railway capital expenditure. Now, one of the recommendations placed before the Legislature in March 1922, was that the programme of capital expenditure should be prepared on a five-year basis, the provision for each quinquennial period being considered about two years before the termination of the existing period. Now, the period for which the Assembly agreed in 1922 to grant roughly speaking a credit of about Rs. 150 crores will come to an end on the 31st March this year. But, as I pointed out in connection with another subject on the day the general discussion in regard to the Railway Budget took place, the programme for the next five years has not been placed before the Assembly as contemplated by the Railway Finance Committee of the Indian Legislature of 1921. During the last five years I find that out of the Rs. 150 crores that the railway authorities expected to spend, only about Rs. 98½ crores will have been expended by the end of this year. I take the figures for 1922-23 and 1925-26 from the reports of the Railway Administration and I take the revised estimate for capital expenditure from the Explanatory Memorandum attached to the Railway Budget for next year. Of this Rs. 98½ crores, a little over Rs. 18 crores would have been expended on new lines and a little under Rs. 80 crores on the rehabilitation of existing works. Now, for the quinquennium ending with 1931-32, we do not know what the total cost of the programme to be carried out would amount to. I know that the matter was considered at a meeting of the Standing Finance Committee in November 1925; but a reference to the proceedings of that Committee has not enabled me to find out what is the sum that is expected

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to be spent during the next five years. I find, however, from the budgets relating to the individual railways that have been placed before us, that by the end of the year 1931-32 we are expected to spend about 90 crores of rupees on new construction, and of this about 15 crores is expected to be spent in the year 1927-28. Now, I should like to know, in the first place, what is the programme of capital expenditure for the rehabilitation of existing works, so that we might know what our total commitments in regard to capital expenditure ought to be for the next five years. In the next place, I find that, while during the last five years ending on the 31st March this year we shall have spent a little over 18 crores on new construction according to the programme now laid before us, about five times that sum is to be spent on new projects, that is, either on projects in hand or on projects to be started in future. In this connection I should like to ask one or two questions. If these lines that are going to be built will be really paying, that is, if they will give an adequate return not merely on the capital expended in constructing them but also on the net loss on account of interest before they become paying, why is the expenditure on account of interest debited to revenue instead of being debited to capital? I pointed out the other day, Sir, that there had been a large increase in our interest charges. Now we are certainly prepared to make sacrifices in our interest charges, to forego immediate benefits for the sake of prospective gain, but I do submit that we might consider the propriety of moving at a less rapid rate than we have been doing in regard to new construction. We should see that we place no undue burden on our present resources even to increase them ultimately. There is one more question that I wish to put in this connection. I take it that when the new lines have been constructed, new rolling stock would be required for them. We may have a reserve of surplus of wagons now, but I take it that when the new lines are built we shall need more locomotives and more coaching and goods stock. Have we, in estimating the total capital expenditure to be incurred, taken into account all the money that would be needed for more rolling stock? If that has been taken into account, I should like to know what the total would be.

And lastly, Sir, I would repeat the question, why the programme for the next five years was not placed before the Assembly. I understand that the programme of capital expenditure is revised and brought up to date every year. It may therefore be said that as the Railway Board do not carry out a programme every five years and then at the end of the five years prepare a fresh programme for the next five years, there is really no quinquennial programme to be placed before the Assembly, but I take it that this fact was known to the Railway Department before the recommendations of the Railway Standing Finance Committee of 1921 were discussed in the Assembly in March 1922. It was agreed then that the programme for the next quinquennium would be prepared about two years in advance. Why was this responsibility accepted, and this undertaking given if a quinquennial programme has no meaning in view of the revision of the capital programme every year? I ask, Sir, that we should be consulted periodically with regard to capital expenditure as well as with regard to the continuance of the present method of separation of railway from the general finances, because these occasions provide us with a convenient opportunity for reviewing the activities of the Railway Department, and for considering our railway requirements as a whole. If the new opportunities

that are supposed to have been provided with for criticising railway expenditure are to be real and not illusory, then one of the most important things is that the policy of the Railway Department as a whole should come periodically under review both in regard to revenue and capital expenditure.

**Mr. A. Rangaswami Iyengar** (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): I had hoped, Sir, that after the destruction of the Railway Board which we accomplished yesterday, there would have been no attempt made by Members on this side of the House to resuscitate it, in however attenuated a degree.

**The Honourable Sir Basil Blackett** (Finance Member): To attenuate it further.

**Mr. A. Rangaswami Iyengar**: But apparently the occasion is used for discussing questions of policy on heads which may not be reached and which may fall under the guillotine. I therefore have thought fit, Sir, to avail myself of this opportunity, which I may not get again, at the rate at which we are proceeding, to condemn the present position of things in regard to the policy of railway finance. I desire to draw attention particularly to the two points which my friend Pandit Kunzru rightly drew attention to, namely, that in regard to the capital programme of railway construction, this House is entitled to have a definite and proper policy placed before it and sanction obtained therefor. It is true, Sir, that the Railway Standing Finance Committee is from time to time placed in possession of various proposals for various projects and various items of expenditure are brought up for sanction. But, Sir, as my friend Pandit Hirday Nath Kunzru rightly pointed out, the real question is, what is the pace at which we can push the capital programme of railway expenditure that was settled in 1922 by what was known as the five-year programme of 150 crores? We all know that that programme was impossible to work up to, and the Railway Board and the Financial Commissioner get programmes for capital expenditure from Agents, and out of that they make lump reductions amounting to as much as one-third of the total of the capital expenditure which these people bravely say they will be able to put through in the course of a year, because by experience they have found that this capital programme could not be worked up to. That shows, Sir, that a good deal more has to be done in the way of scrutinising these programmes and of finding proper financial resources as well as the means of carrying out such capital programmes. But, Sir, so far as I am concerned, I propose specifically to draw attention in this connection only to the manner in which the Government has been proceeding to push the construction of strategic lines. So far as those strategic lines are concerned, we in this House have a right to ask that the present policy of separation of railway from general finances ought to be revised at the end of the three-year period which was the original period of convention. We find that the capital programme of strategic lines is pushed at an enormous pace, and if we just look at the separate budget estimates for strategic lines, we find that the programme of new construction during the past few years has advanced enormously. It began with 36 lakhs in 1925-26, went up to 52 lakhs in 1926-27 and it has gone up to 66 lakhs this year. At this rate, Sir, it imposes, I say, a very unjust and undue burden on the tax-payer in this country. In the next place, Sir, I object to the policy by which the net loss on the strategic lines is taken as a deduction from the railway profits that are paid over to the general tax-payer.

**Mr. A. A. L. Parsons** (Financial Commissioner, Railways): I submit for your consideration, Sir, that is really a question of the convention for the separation of finances and not a question of a review of the quinquennial programme.

**Mr. A. Rangaswami Iyengar**: I submit, Sir, that the whole question of the railway finance policy was raised by my friend, Mr. Kunzru, including the railway programme.

**Mr. A. A. L. Parsons**: Separation comes afterwards.

**Mr. A. Rangaswami Iyengar**: I thought he definitely referred to the question of the separation of railway finance.

**Mr. T. C. Goswami**: How the two can be separated I do not understand, Sir.

**Mr. President**: Mr. Rangaswami Iyengar.

**Mr. A. Rangaswami Iyengar**: Sir, it is only a question of convenience, even to my friend Mr. Parsons. I contend, Sir, that the present method of calculating the contribution from the railway accounts to the general revenues does not do justice to the latter. The present system is no doubt in force for three years and I do not desire to reopen it until the convention is remodelled. But I desire to state that we are bound to revise this agreement because, in my opinion it is unjust to the tax-payer of this country that he should be made to go on continually facing increasing deficits in the strategic lines accounts and thereby reduce the profits which are legitimately his and on which he is entitled to claim credit. Sir, the question is simply this.

**Pandit Hirday Nath Kunzru**: On a point of order, Sir, or perhaps on a point of personal explanation. I did not catch quite clearly what Mr. Parsons said (I seldom do), but from what Mr. Rangaswami Iyengar is now saying it appears that he is discussing the general question of the separation of railway from general finance.

**Mr. President**: If the Honourable Member does not wish Mr. Rangaswami Iyengar to raise that question, I would not permit him. I allowed Mr. Rangaswami to proceed on the understanding that the Honourable Member himself had referred to the subject in his speech.

**Pandit Hirday Nath Kunzru**: May I explain, Sir. I did not quite hear what Mr. Parsons said.

**Mr. President**: Never mind what Mr. Parsons said. What is the point the Honourable Member wishes to make?

**Pandit Hirday Nath Kunzru**: I mean, Sir, that the question of policy should be discussed on a separate motion. At any rate in making my motion I did not discuss this question.

**Mr. President**: Then Mr. Rangaswami Iyengar is not in order in discussing that point.

**Sir Walter Willson** (Associated Chambers of Commerce: Nominated Non-Official): Would it not be as well to let him continue, Sir, rather than let him begin all over again?

**Mr. Ram Narayan Singh** (Chota Nagpur Division: Non-Muhammadan): Sir, on a point of order. Only yesterday you clearly ruled that the largest cut would be taken first and, when this was carried, the smaller cuts would not be taken up, for they are all included therein.



**Mr. President:** Perhaps the Honourable Member has not followed the proceedings of to-day.

The question is:

“That the Demand under the head Railway Board be reduced by Re. 1.”

**Mr. A. A. L. Parsons:** Sir, the first point in the speech of my friends—Mr. Kunzru and Mr. Rangaswami Iyengar which I should like to deal with is the suggestion that in the manner in which we now lay our quinquennial programme either before the Standing Finance Committee or before this House, we have departed from the arrangements that we agreed to when what is usually called the 150 crore programme was accepted by this Assembly.

**Pandit Hirday Nath Kunzru:** Sir, may I request the Honourable Member to speak a little louder. I really cannot hear him.

**Mr. A. A. L. Parsons:** I will try to do so, Sir. I am sorry my voice is rather low. I quite agree that at present we do not put before the House an unvaried and invariable quinquennial programme which we ask them to accept to its full extent once and for all, and then about two years before the end of that programme start working out a fresh programme. The position was actually fully explained to the Standing Finance Committee for Railways and is I think known to all the Members of this House who take an interest in the subject, because I am sure they will have read those proceedings. But the real difficulty in carrying out that particular proposal literally was that we felt certain that the Assembly would not be prepared, even if it could legally do so—and I am rather doubtful about that—that the Assembly would not be prepared once and for all and on one occasion only to express its approval of the grant of the capital expenditure which we should want not for one year only but for five years. That I think—I was not myself then in the position I now hold—was the reason for the change. It was a change that, though it may not have been formally brought before this House was known to all Members of the House interested in the subject and it was certainly not a change that in any way reduced what may be described as the control of this House over the programme.

**Pandit Hirday Nath Kunzru:** Sir, may I put a question? Have Government then reverted to the old method of an annual programme which was condemned by the Acworth Committee?

**Mr. A. A. L. Parsons:** No, Sir. I think, again, that most Honourable Members are aware it is a quinquennial programme, but it is a live programme. It is subject to variation each year, when we discuss both with the Agents and subsequently with the Standing Finance Committee, before putting our proposals before this House, any alterations suggested in that programme.

The next point, which was one, I think, raised by Mr. Kunzru and not by Mr. Rangaswami Iyengar, is that we do not at present show to the House exactly what our capital expenditure is likely to be for each year of the next five years. The figures are actually available but I think I am right in saying that they are not given in a tabulated form. As I knew Mr. Kunzru would raise this point, I have had them collected for me. I will not trouble the House with the figures now, but if it is the desire that these figures should be given for the future with our budget statements,

[Mr. A. A. L. Parsons.]

though I am generally averse to adding to the number of these statements,—I think some Honourable Members find them already burdensome—I will have a statement added. So far as the budget year is concerned, I think that the House definitely has before it the information which it can quite rightly expect to have before adopting our proposals. In putting before the House our capital budget we ask it to accept two things. We ask it to approve the programme of works, expenditure on which is going to be incurred in the forthcoming year; and we ask it to approve the spending of a particular sum of money in the coming year; 25 crores is the figure for next year. The further information which this House can quite rightly want to know in dealing with the capital budget is what its commitments will be in future years on account of works which will be in progress but will not be completed in the coming year. Now, if Honourable Members will turn to the books of individual railways, they will be able to find out what this further expenditure to which we shall be committed will be, for they give both under the open line programme and under the programme of new construction the total estimated cost of each scheme.

Next, I should like to correct if I may,—I will not say that it was a misstatement, but at any rate what appeared to me to be a misstatement—of Mr. Kunzru. He said that we were going to spend 15 crores next year on our new line programme. The amount is clearly stated in our Budget Memorandum. We really expect to spend  $7\frac{1}{2}$  crores. The 15 crores or  $12\frac{1}{2}$  crores—I do not remember the exact figure—to which Mr. Kunzru referred was the figure which with some optimism Agents hoped they would be able to spend.

And that brings me to a further point raised by Mr. Kunzru. He asked how much we were likely to spend during the next quinquennium on what has generally been called the rehabilitation programme and on the programme of new construction. Again, that figure cannot be obtained, of course, from the estimated cost, so far as it has at present been estimated; of the new lines and other new works which are included in our programme. It is really to my mind dependent upon the amount of money which we are generally likely to be able to raise for our capital expenditure year in and year out. I should not like myself to state with any definiteness what that amount would be; but I should put it as somewhere in the neighbourhood of 25 crores. If we take the figure of 25 crores, I should expect to see, with a 6,000 miles programme of new extensions of which we might take up on an average about 1,200 miles a year, our expenditure on new lines working up gradually from our present estimated figure of  $7\frac{1}{2}$  crores to a figure of possibly 12 to  $12\frac{1}{2}$  crores. And of course the balance, roughly  $12\frac{1}{2}$  crores, would be the amount spent on rehabilitation. That is to say, we can expect, I think, a gradual decrease in the amount spent on rehabilitation, as it is called, or improvement of open lines as I would prefer to call it,—because we have already sunk a good deal of money on them—and a gradual increase in the amount which we can spend on extensions of existing lines and on new lines.

Then Mr. Kunzru raised another important point, namely, will the new lines which we are constructing be paying? I am very averse from prophesying. I can only say that we do take the greatest care to see, before adopting any proposal for a new line that comes before us, that it offers good prospects of being a paying line. We take into account in working

out these projects the interest during construction, depreciation on the capital cost, and interest charges on the capital which we will have to raise in order to build the line. We also, I may say, generally take a margin in case there may be an excess over the estimate. But whether every line taken up will be paying is of course something which no human person can say. It must depend upon the development of the traffic and upon the accuracy of our estimates of it. It may, I think, be said that in the past we have been rather too cautious in our traffic estimates and the thing now is to see that we do not go too far in the other direction.

A further point raised in the course of his speech by Mr. Kunzru was whether we take into account new rolling stock. The answer is quite definitely "Yes." We also take account of new rolling stock requirements for new lines in all our estimates of the number of wagons required immediately or likely to be required. The only qualification that I must make is this. Supposing we build a short extension of an existing line—30 or 40 miles or so. It is quite possible that the extension will not itself require an addition to our stock of wagons, coaches and so on, because the traffic can easily be carried at the outset over that extra distance without any necessity for extra wagons on the system as a whole. In that case we take as a general average 5 per cent. on the gross earnings, to cover the increased rolling stock which we shall eventually require, in working out whether a line will pay—this allowance covers what I might call a possible future liability for rolling stock.

**Pandit Hirday Nath Kunzru:** May I ask a question? The point is not quite clear to me. Is the expenditure on new rolling stock added to the capital expenditure to be incurred in connection with the construction of a line?

**Mr. A. A. L. Parsons:** If at the time we anticipate that we shall have to buy new rolling stock. If at the time we do not, for the reasons I have already given, expect to buy new rolling stock, in calculating whether the line will be a paying proposition, we add to the estimated annual working expenses 5 per cent. of the gross annual earnings to cover the eventual probable cost. In that way we provide either for actually buying new rolling stock, or for a possible future liability to do so, and thus we take full account of rolling stock in considering whether a project should be undertaken.

Sir, that I think is all I have to say; I hope I have been sufficiently clear and audible to the House. I have explained that in settling the procedure which we have adopted in the quinquennial programme we have really done nothing which takes away from the control of this House, and also that in dealing with new extensions, which is the second important point raised by Mr. Kunzru, we are as careful as we can be to see that we do not take up lines which have not got a good prospect of being a paying proposition.

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

"That the Demand under the head 'Railway Board' be reduced by Re. 1."

The motion was negatived.

(Mr. Sarabhai Nemchand Haji rose in his place.).

**Mr. President:** What does the Honourable Member want?

**Mr. Sarabhai Nemchand Haji** (Bombay Central Division: Non-Muhamadan Rural): Sir, I want to speak on my amendment about the amalgamation of Railways into groups.

**Mr. President:** The Honourable Member must wait till his amendment is reached. (Laughter.) **Pandit Hirday Nath Kunzru.**

*Policy followed in respect of the Purchase of Stores.*

**\*Pandit Hirday Nath Kunzru:** Sir, I move:

"That the Demand under the head 'Railway Board' be reduced by Re. 1."

In March, 1921, Sir Vithaldas Thackersey moved a Resolution in this Assembly asking that as much of the capital expenditure as possible during the next five years be incurred in this country for the development of indigenous industries. Sir Charles Innes in speaking in connection with that Resolution said that an Indian Stores Department was going to be established and added that:

"If this Indian Stores Department is established it will purchase for the State Railways all railway materials which can be procured in India. Further, if that Indian Stores Department is properly organised, if we have proper machinery and intelligence, and, above all, inspection, if that Department acquires the confidence of the great consuming Departments, especially the Company Railways, then the Stores Department would be mainly occupied in buying railway material not only for the State Railways but for Company Railways also."

Now, one would have thought, Sir, in view of that pronouncement, that the State Railways at any rate would pass their indents as far as possible through the Stores Department; but, as a matter of fact, there have been serious complaints made in this House from time to time in this connection. The Stores Department itself complains in its Report for 1925 that the principle that that Department should be the chief agent of the Central Government for the purchase and inspection of stores obtainable in India has been given effect to only partially. Owing to the questions put in this connection in this House in 1924 Government impressed on the Railways the need for buying as much of their material as possible in India, and I understand that a copy of the circular sent by them to the Railways worked by them was also forwarded to the Agents of the Company-managed lines. On account of that there has been certainly some increase in the purchases made by the Railways through the Stores Purchase Department. But even now the total amount of the purchases so made is far from being considerable. On account of the special steps taken by Government in 1924 Railways purchased material worth about Rs. 46 lakhs through the Indian Stores Department, and in the year 1925 material worth Rs. 42 was purchased. But in view of the total amount of purchases made by the Railways in India, the amount of the purchases made through the Stores Department is very small.

**Sir Victor Sassoon** (Bombay Millowners' Association: Indian Commerce): What is the total?

**Pandit Hirday Nath Kunzru:** The total for the year 1925-26 given in the Report of the Indian Stores Department is Rs. 42 lakhs.

**Sir Victor Sassoon:** What is the total altogether?

**Pandit Hirday Nath Kunzru:** Sir Victor Sassoon wants to know what is the total purchases made in India altogether.

**Sir Victor Sassoon:** No, the total stores purchased everywhere.

**Pandit Hirday Nath Kunzru:** It is stated in the Explanatory Memorandum attached to the Budget for 1926-27 that the total capital allotment of State Railways spent in India amounts to about 4 crores and 70 lakhs. The figures for stores is not given separately.

**The Honourable Sir Charles Innes:** 23 crores. It is in England and India.

**Pandit Hirday Nath Kunzru:** But I was speaking for the present only of the amount spent in India in 1924-25, 470 lakhs. Now, a very interesting piece of information is obtained in this connection from the Report of the Public Accounts Committee for the year 1924-25. It is stated at page 50 of that report that the Committee raised the question "whether it would not be better to centralise Railway stores purchases for the whole of India under one Department". The report says:

"The present system of having a stores purchasing section in each Railway might be unnecessary. There were obvious difficulties in centralisation, but the Committee desired that the matter should be considered. The Committee asked whether greater use could not be made of the Indian Stores Department. It was explained that the Stores Department on Indian Railways were highly organised, and that more use was not made of the Indian Stores Department, because it had not been proved that a more extensive use of that organisation would be beneficial."

It is not merely, Sir, that the Railways do not make that use of the Stores Department which it was intended that they should make, but that separate Railways have separate Departments of their own for the purchase of stores. Now, if every Department were to be a judge of the efficiency of its Stores Department, were to decide whether it is better for it to go into the market on its own account or purchase its requirements through the Indian Stores Department, then, I ask, why was the Stores Department established? There are other great consuming departments, for instance, the Army Department, and if the Army Department follows a line of argument similar to that of the Railway Department, what would then happen to the Stores Department?

**Mr. N. M. Joshi:** It does.

(Several Honourable Members: "They do".)

**Pandit Hirday Nath Kunzru:** Some of my friends say that the Army Department is already saying that. If it is so, the infection might spread to other departments; and in that case the Indian Stores Department would have proved to have been wholly useless. It is a significant commentary on the value of the Stores Department that the total purchases made through it in the year 1925-26 on behalf of the Central Government and I believe the Local Governments and local bodies amounted to under 2 crores and 70 lakhs. It has been said in this House that although the Railways have purchasing departments of their own, nevertheless a copy of every indent sent to England is also sent to the Stores Purchase Department which has thus an opportunity of saying whether any of the materials ordered from England may be obtained in India. If the Indian Stores Department can itself have the last word on the subject of stores, why should it not be consulted in the very beginning, and why should not purchases be made through it from the very start? If you have highly capable officers on the various railways who have for years past made it their business to buy the best goods in the cheapest market, why not attach some of them to the Indian Stores Department and let other departments which might not have similar material take advantage of their services? I submit, Sir, that from whatever point of view the matter is looked at, the existing policy of Government in general and the Railway Department in particular—and it is the Railway Department that we are concerned with now—is highly unsatisfactory. If Government departments themselves are not going to

[Pandit Hirday Nath Kunzru.]

make use of this department, why is it not abolished straight off? It is true that if Government proposed its abolition, there would be strong opposition on the part of the Assembly; but I submit that it is not fair to this House to pretend to keep up a Stores Department and at the same time not to utilise it to the fullest extent that is possible. One of the conditions on which an extended use of the Stores Department was to be made, and which was mentioned by Sir Charles Innes in the Legislative Assembly in March 1922, was that it should be an effective agency for inspection. Now in that respect I understand from the report of the Stores Committee that Government have frequently availed themselves of the services of the Inspection department. If that is so, one of the conditions which was to decide the efficiency of the Stores Department has been fulfilled. Nevertheless so far from all railways, whether State-managed or Company-managed, resorting to the Stores Purchase Department, Government themselves are not making an adequate use of the Department established by themselves. It is no wonder then that with this example before them the Company-managed lines take a line of their own and refuse to consult the Stores Department even to the limited, very limited extent that the State-managed Railways do. The proceedings of this House show the deep interest taken by it in the policy pursued by Government in the purchase of stores and the use made of the Stores Department. This being the importance of the matter, I hope Government will take us fully into their confidence and explain why the policy that we all expected them to follow in 1922 is far from being realised five or six years after the establishment of the Stores Department.

**Sir Walter Willson:** Sir, I desire to support the amendment moved by my Honourable friend. It is, Sir, the case, and I have noticed it with pleasure, that the amount of business passing through the Indian Stores Department is steadily on the increase, but nevertheless we think that that increase might have been at a much greater rate than it has been. The figures quoted by my Honourable friend cannot be said in any sense of the word to be satisfactory to those whose interests are bound up with the supply of stores and the manufacture of articles in India. In my view, one of the main difficulties that exists is this. My Honourable friend mentioned that the Indian Stores Department had the last say in the matter. That is just the exact point where I differ from my Honourable friend, and I hope he will agree with me. The Indian Stores Department is thoroughly desirous of placing every order it can place in India, but the difficulty is not there. The difficulty is that the Indian Stores Department has no power to compel store-using departments to order through them. What is the use of merely sending a copy of an indent which has actually been sent home to the Indian Stores Department, if the Indian Stores Department has missed the bus? If the order has been sent home, the Indian Stores Department can only write to the indenter and tell him that the goods could have been got in India but, as I say, he has missed the bus and the order has gone. I would like to see some means by which the Indian Stores Department would have power to stop these orders going past the Indian Stores Department, when they know that the goods can be procured in the country. It is quite true, I believe, that railways and others, but I must confine myself to-day to railways, do not send all the orders that they might send through the Indian Stores Department. They feel that if they send the orders home a responsibility is taken off their shoulders, a responsibility,

which, so far as I know, the Indian Stores Department are very ready to undertake and wish to undertake.

Sir Charles Innes mentioned a figure just now of 23 crores as representing the total Railway store orders. As I have not examined that figure I cannot deal with it. I fancy probably it includes coal. (*The Honourable Sir Charles Innes*: "No".) That, Sir, is a very large figure, and I hesitated to accept it for a moment, but I accept it now. Out of that enormous figure I cannot ask the House to be satisfied with the figures just given by my Honourable friend as the amount of business which has passed through the Indian Stores Department. I therefore support his amendment and I hope that, unless Sir Charles Innes is able to give us some very satisfactory information in reply, my Honourable friend will press his amendment to a division.

**Mr. A. Rangaswami Iyengar**: Sir, I do not wish to say anything very much on this motion, but I desire to point out that the plea that Government have no powers in respect of compelling the railways to take stores through the Indian Stores Department is quite illusory. In reply to a communication that I sent to my Honourable friend, Mr. Parsons, he has told me the exact position which the Board of Directors of Company-managed lines occupy with reference to the purchase of stores. He told me that:

"The Board of Directors of Company-managed railways have for many years exercised full powers with regard to the purchase of stores for sanctioned works, operation and maintenance within the limit of the grants placed at their disposal; but we have expressed to them the hope that they will give full effect to the policy adopted in the stores rules."

I also asked him whether Government can intervene directly and do something in the matter. He has replied:

"I am very doubtful whether this is a matter in which Government have any active powers of interference, unless it was proved that a particular purchase of a substantial amount was not being worked out with due care, efficiency and economy. We have no definite information of any act in this respect."

The position seems to me to be deplorable. If Government, which owns these railways, just hands them over to the management of companies, Government should, in the interests of the tax-payer, call upon these companies to instruct their Stores Departments to order their stores through the Indian Stores Department. If Government will not insist on the Indian Stores Department being used, and that they should be availed of for this purpose, I do not see how we are going to get on at all in respect of the improvement which on all sides of the House is desired, and to which the Government have always given lip sympathy for nearly half a century. This scandal of purchase of stores in England is a scandal more than half a century old, and apart from pious wishes Government have done nothing. The recent establishment of the Indian Stores Department was no doubt some improvement in that direction, but I think, Sir, that the activities of that Department are being curtailed to an inordinate degree, and I feel, so far as these huge sums of railway stores are concerned, it will be the duty of the Government to insist that the stores will be purchased in India to the maximum extent.

**Mr. K. C. Neogy:** Sir, the point raised by my friend Mr. Kunzru brings us back to the conditions under which railway finances were separated from general finances. When we were discussing Indianisation yesterday, it was pointed out that the portion of the Resolution in which the question of Indianisation occurred was an essential part of the convention. Sir, the question of the purchase of stores also came up before the House in that connection, and that again is a part of the Resolution which contained the convention referred to. I find that the amendment which was moved by Mr. Ramachandra Rao referred to both these questions, first, the question of Indianisation, and second, the question of the purchase of stores, and this is what was laid down:

"Apart from the above convention, this Assembly further recommends that the purchase of stores for the State railways be undertaken through the organisation of the Stores Purchase Department of the Government of India."

While the point was under discussion, my Honourable friend Sir Charles Innes referred to the fact that he was in the closest touch with Mr. Pitkeathly, the Chief Controller of Stores, and that he had circularized all the State Railways and Company-managed Railways with regard to the desirability of making their purchases through the Stores Purchase Department. He said it was a very intricate matter because the different railways had their separate organisations for the purchase of stores and it was rather difficult to impose the agency of an outside office, which was established only recently, upon the different railways. But he said:

"Mr. Pitkeathly is leaving Simla to-morrow to follow this matter up with individual discussion with the store-keepers of the different railways mentioned."

We do not know yet what result has been achieved by these conversations. Moreover, I find that on that occasion my Honourable friend Sir Charles Innes expressed himself more or less as in agreement with the sentiments that were given expression to by the non-official Members and he also said:

"I am consulting the Chief Controller of Stores on the question whether we can tighten up this practice so as to prevent indents being unnecessarily sent to the London Stores Department."

We have not yet been told what has been done since in regard to this tightening up. Sir, when I spoke on the general discussion on the Railway Board, my Honourable friend Sir Charles Innes referred to the fact that, when he attended the Imperial Economic Conference at the end of 1923, he made it quite clear to them that India could not be expected to purchase railway materials in England unless it was in her interest to do so, and unless England was found to be the cheapest market for Indian railway materials. I have the proceedings of the Imperial Conference in my hand and I find that my Honourable friend was doing his best to convince the members of the Conference that as a matter of fact, a very large proportion of the orders of the Indian railways would go to England. Sir, we can sympathize with my Honourable friend in having to face the audience that he has got to face to-day and trying to justify the position that he took up on that occasion. It is really significant that, while speaking at the Economic Conference, he had to give a sort of assurance to the Conference that



about 95 per cent. of the railway materials were purchased in England, and referring to the future, he said :

"We anticipate that in the next five years £57 millions will be spent on material imported into India, and of that £57 millions I am sure the British manufacturer will see to it that the greater part is spent in England."

Sir, I do not know how my Honourable friend arrived at that percentage, and at that figure of £57 millions in advance. I do not know whether he had already consulted the Stores Purchase Department as to the extent of the possibility of making the purchases of stores in India and as to whether this £57 millions represented the amount that had, as a matter of unavoidable necessity, got to be brought out from England. My Honourable friend asked his audience at the Economic Conference to ensure that the enterprise of the British manufacturer should see to it that the greater part of the orders of Indian railway departments were sent to England. Sir, that enterprise has been strengthened by the recent addition of my friend Mr. Sim, who I am told has got a soft job on a big commercial concern in England interested in the supply of railway materials.

**The Honourable Sir Charles Innes:** Soft?

**An Honourable Member:** Fat you mean.

**Mr. K. C. Neogy:** Reference was made to the fact that my Honourable friend Sir Clement Hindley is also going to retire shortly. May we hope he also will find it possible to join a firm of British manufacturers so that we may in future be in a position to get railway materials at a cheap rate from England, and that his reserve stock of wagons may be further added to for the mutual advantage of England and India.

**Mr. H. G. Cocks** (Bombay: European): Sir, I should just like to say two or three words on the subject of the stores position and the figures which have been mentioned this morning. The figure of 23 crores which has been referred to as representing the total purchases in 1925-26 does not, as might be assumed from the remarks made, consist entirely or even substantially of imported materials. I notice from the report of the Railways for 1925-26 that, of that figure of 23 crores, 8½ crores represents the value of purchases of indigenous materials, and the remaining 14½ crores are imported material. But of that 14½ crores, 5 crores are purchased through agents in India, leaving 9½ crores purchased direct. I should like to ask, whether, in future reports, a column could not be added showing the stores purchased through the Stores Department. On the general subject of the purchase of stores through the Stores Department, I should like to know whether the Railway Board have received any complaints from Agents with reference to the expediency of purchasing through that Department. My information is that purchases made through the Stores Department often cost more and take longer to get, and therefore an Agent wishing to run his railway on the most economic lines and most expeditiously naturally does not wish to purchase through the Stores Department if it is going to take him longer to get his goods, and if he has to pay more for them. If in the case of very large purchases it is possible to use the Stores Department and it is not more expensive to do so, it certainly ought to be done; but I should like to know particularly from the Railway Board

[Mr. H. G. Cocke.]

whether the Department is looked upon with favour by Agents, and if not, why not.

**The Honourable Sir Charles Innes:** Sir, my friend Pandit Hirday Nath Kunzru is obviously an Honourable Member endowed with great industry. I see that he has been reading up the proceedings of this Assembly even as far back as 1922.

**Pandit Hirday Nath Kunzru:** I heard your speech.

**The Honourable Sir Charles Innes:** Since then a great deal of water has passed down the Jumna. It is quite a familiar story to this House, but I would just like to review it briefly for the benefit of Members who are new.

It is a fact that in 1922 when we first conceived the idea of the Indian Stores Department my idea was then that we should buy State railway stores, and possibly at a later date Company railway stores, through the Indian Stores Department. But since 1922, as I think my Honourable friend knows, we have made a very great difference in the organisation of the Indian Railway Department and we have set before our Agents quite a different sort of ideal, very largely as the result of the Inchcape Committee. The Inchcape Committee definitely suggested that we should try to treat the Agent of each railway as the General Manager of that Railway responsible to us for the efficient financial management of his railway. Now the difficulty we have always found in regard to transferring the purchase of all State Railway stores from individual railways to the Indian Stores Department just lies there. The House must remember, in the first place, that each railway must have its stores depôt, it must have depôts where it keeps all the stores which it has purchased and which it has in stock. Therefore it does require a store-keeping staff and therefore on every railway we have got an export organisation in regard to stores. Now what we felt was that it was very difficult for us to take away from the Agent whom *ex hypothesi* we hold responsible for the proper financial management of his railway, responsible to us for earning if possible not less than 5½ per cent. on the capital invested on that railway—to take away from him all concern in such an important matter as the purchase of stores, particularly as if we buy stores through the Indian Stores Department we have to pay not only 1 per cent. for inspection but also 1 per cent. on the value of stores so purchased. We do use the Indian Stores Department for inspection. As regards purchase, our policy at present is as follows. We have instructed Agents wherever they properly can, wherever they think they can with financial advantage make use of the Indian Stores Department, to do so. Where the Controller of the Indian Stores Department has placed advantageous running contracts, the Railways do try to take advantage of them; and although, as Sir Walter Willson pointed out, our purchases through the Indian Stores Department are not very great at present they are increasing from year to year. For instance, Pandit Hirday Nath Kunzru mentioned the figure of 46 lakhs. Well in the last calendar year, 1926, it has risen to 57 lakhs. Now that is the difficulty. We do try to hold our Agents responsible for the efficient financial management of their railways. Can we consistently with that position take away from them all concern in the purchase of their stores? That is the real difficulty; but there is absolutely

no doubt on the part of the Railway Board in the matter of policy. The policy of the Government of India is to purchase your stores in India wherever you possibly can, and that is also the policy of the Railway Department. Mr. Neogy asked what steps had been taken in order to tighten up the procedure by which the Indian Stores Department, the Chief Controller of Stores, acts as a watch-dog so that our railways do not unnecessarily place orders outside India when they can place them inside India. We have gone into that matter frequently and the procedure we have arrived at is as follows. A copy of every indent sent home by a railway to England is sent to the Indian Stores Department. Once a month a representative of the Indian Stores Department meets a representative of the Railway Board in the Secretariat. The representative of the Indian Stores Department brings to the notice of the representative of the Railway Board any item in any of those indents which in his opinion has been unnecessarily ordered from England instead of in India, and I understand from the Chief Commissioner that if there is time and if we do get a representation like that from the Indian Stores Department we send home immediately a telegram cancelling the order sent home. Now, I think although the House may think we ought to order more from the Indian Stores Department, yet they will realise that the important thing is that we should order as much as we can in India, whether we order them through our own stores officers or through the Indian Stores Department, and I think I have shown that we are taking the best possible precautions that we can to ensure that. I may add that the Stores Rules are now undergoing a most complete revision. (Hear, hear.) I think my Honourable colleague, Sir Bhupendra Nath Mitra, will deal with the matter more at length; but the Government of India have decided as far as possible to introduce a system of rupee tender. (Hear, hear.) That will apply to the railways just as much as to any other Department in India, and when that system is introduced I myself think and hope that more stores will be purchased in India.

Mr. Neogy referred to what I said at the Imperial Economic Conference in 1923. I wonder if Mr. Neogy realises the atmosphere of a Conference of that kind and the difficulties that one has when one is in a conference of that kind. After all, we officers who serve India are anxious for nothing so much as that the name of India should stand high in the councils of the Empire; and I hope the House will realise that when, in a conference like that you have the Premiers of all the Dominions, all the Dominion Prime Ministers agreeing to a thing of this kind, it is very difficult for the representative of India at once to say "I will not do it". I had twice at that Conference to refuse. I was the first man sitting round that table to refuse to join in in what every other Prime Minister had suggested on the question of Imperial Preference to which I definitely refused to commit India. The other occasion was when a proposal was made that we should in buying stores in England give a definite preference in favour of the British manufacturer. I referred to the orders which I myself had issued in 1921, namely, that the High Commissioner for India and the Company railways too for that matter must follow one principle and one principle only, namely, that they must accept the lowest satisfactory tender; and I declined in any way to depart or derogate from those orders; but I did, going by past results, point out that a very large proportion of stores purchased abroad had as a matter of fact been purchased in England and I suggested that if British manufacturers would bring their cost down I saw no reason why they should

[Sir Charles Innes.]

not get a like large proportion in future. And I should like to know of any Member of this House who is prepared to blame me for making a suggestion of that kind.

The Honourable Mr. Cocke suggested that a column showing the stores purchased through the Stores Department should be added to this column on page 50 of the Administration Report. We will certainly take that suggestion into consideration. He also asked whether there had been any complaints against the Indian Stores Department. I have not got particulars of that matter; but the real reason why we have gone on with the policy I have just explained is the question of principle. We feel it is a matter of principle. If you do hold an Agent responsible for the efficient working of his line it is wrong to take away from him so important a matter as the purchase of his stores. But as I have said we order Agents as far as they can to make use of the Indian Stores Department and in particular to take advantage of these running contracts.

Sir, I oppose the motion.

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

"That the Demand under the head 'Railway Board' be reduced by Re. 1."

The Assembly divided.

#### AYES—66.

Abdul Latif Saheb Farookhi, Mr.  
Acharya, Mr. M. K.  
Aiyangar, Mr. C. Duraiswamy.  
Aney, Mr. M. S.  
Ariff, Mr. Yacoub C.  
Ayyangar, Mr. K. V. Rangaswami.  
Ayyangar, Mr. M. S. Sessa.  
Belvi, Mr. D. V.  
Bhargava, Pandit Thakur Das.  
Bhuto, Mr. W. W. Illahibakhsh.  
Chetty, Mr. R. K. Shanmukham.  
Chunder, Mr. Nirmal Chunder.  
Crawford, Colonel J. D.  
Das, Mr. B.  
Das, Pandit Nilakantha.  
Dutt, Mr. Amar Nath.  
Dutta, Mr. Srish Chandra.  
Gavin-Jones, Mr. T.  
Ghulam Kadir Khan Dakhan, Mr.  
W. M. P.  
Gidney, Lieut.-Colonel H. A. J.  
Goswami, Mr. T. C.  
Gour, Sir Hari Singh.  
Gulab Singh, Sardar.  
Haji, Mr. Sarabhai Nemchand.  
Hyder, Dr. L. K.  
Iyengar, Mr. A. Rangaswami.  
Iyengar, Mr. S. Srinivasa.  
Jayakar, Mr. M. R.  
Jogiah, Mr. Varahagiri Venkata.  
Joshi, Mr. N. M.  
Kartar Singh, Sardar.  
Kelkar, Mr. N. C.  
Khin Maung, U.  
Kidwai, Mr. Rafi Ahmad.

Kunzru, Pandit Hirday Nath.  
Lahiri Chaudhury, Mr. Dharendra.  
Kanta.  
Lajpat Rai, Lala.  
Lamb, Mr. W. S.  
Malaviya, Pandit Madan Mohan.  
Mehta, Mr. Jamnadas M.  
Misra, Mr. Dwarka Prasad.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
Naidu, Mr. B. P.  
Neogy, Mr. K. C.  
Pandya, Mr. Vidya Sagar.  
Prakasam, Mr. T.  
Purshotamdas Thakurdas, Sir.  
Ranajaya Singh, Kumar.  
Ranga Iyer, Mr. C. S.  
Rao, Mr. G. Sarvotham.  
Roy, Mr. Bhabendra Chandra.  
Roy, Rai Bahadur Tarit Bhusan.  
Ruthnaswamy, Mr. M.  
Sarda, Rai Sahib M. Harbilas.  
Sarfaraz Hussain Khan, Khan.  
Bahadur.  
Sassoon, Sir Victor.  
Shafee, Maulvi Muhammad.  
Singh, Mr. Gaya Prasad.  
Singh, Mr. Narayan Prasad.  
Singh, Mr. Ram Narayan.  
Singh, Raja Raghunandan Prasad.  
Sinha, Mr. Siddheswar.  
Tok Kyi, U.  
Willson, Sir Walter.  
Yakub, Maulvi Muhammad.  
Zulfikar Ali Khan, Nawab Sir.

NOES—44.

Abdul Aziz, Khan Bahadur Mian.  
 Abdul Qaiyum, Nawab Sir Sahibzada.  
 Akram Hussain Bahadur, Prince  
 A. M. M.  
 Allison, Mr. F. W.  
 Anwar-ul-Azim, Mr.  
 Ashrafuddin Ahmad, Khan Bahadur  
 Nawabzada Sayid.  
 Ayyangar, Mr. V. K. A. Aravamudha.  
 Ayyangar, Rao Bahadur Narasimha  
 Gopalaswami.  
 Bhoze, Mr. J. W.  
 Blackett, The Honourable Sir Basil.  
 Coatman, Mr. J.  
 Donovan, Mr. J. T.  
 Dunnett, Mr. J. M.  
 E'jaz Rasul Khan, Raja Muhammad.  
 Ghuznavi, Mr. A. H.  
 Graham, Mr. L.  
 Greenfield, Mr. H. C.  
 Haigh, Mr. P. B.  
 Hayman, Mr. A. M.  
 Hezlett, Mr. J.  
 Hindley, Sir Clement.  
 Howell, Mr. E. B.  
 Innes, The Honourable Sir Charles.

Jowahir Singh, Sardar Bahadur  
 Sardar.  
 Kabul Singh Bahadur, Risaldar-Major  
 and Honorary Captain.  
 Keane, Mr. M.  
 Lindsay, Sir Darcy.  
 Macphail, The Rev. Dr. E. M.  
 Mitra, The Honourable Sir Bhupendra  
 Nath.  
 Mohammad Ismail Khan, Haji  
 Chaudhury.  
 Moore, Mr. Arthur.  
 Muddiman, The Honourable Sir  
 Alexander.  
 Nasir-ud-din Ahmad, Khan Bahadur.  
 Natiq, Maulana A. H.  
 Paddison, Sir George.  
 Parsons, Mr. A. A. L.  
 Rajah, Rao Bahadur M. C.  
 Rajan Bakhsh Shah, Khan Bahadur  
 Makhdom Syed.  
 Shah Nawaz, Mian Mohammad.  
 Singh, Rai Bahadur S. N.  
 Suhrawardy, Dr. A.  
 Tirloki Nath, Lala.  
 Tonkinson, Mr. H.  
 Young, Mr. G. M.

The motion was adopted.

*Separation of Railway from General Finance.*

**\*Pandit Hirday Nath Kunzru:** Sir, I move:

"That the Demand under the head 'Railway Board' be reduced by Re. 1."

I will be as brief as possible on this subject, for I referred to it during the course of the discussion on the Railway Budget. There were three points that I wished then to be taken into consideration in this matter, and they were, that the capital redeemed by us up to March 1924, and the expenditure incurred by us in connection with the item "Land and Subsidy" and the interest charges should be debited to capital and not to revenue. I wish to place three more points in this connection for consideration. The first is, how are we to know whether the new railways are going to be paying; how are their accounts to be separated from the other railways? That was a question put to Government a day or two ago in connection with the general discussion, but I do not remember their having given any reply to this point. The other matter is with regard to the accounts of strategic railways. This was a matter which was considered by the Assembly in 1923 when Sir Malcolm Hailey promised that it would be placed before, I believe, the Central Advisory Council, and that Council recommended that the accounts should be shown separately, that is, the accounts of income and expenditure should be shown separately but that it was for some reason considered impracticable to make them a part of the Military Budget. I am not sure whether what I have said is absolutely correct, but I have no doubt that the substance does represent correctly the meaning of the recommendation of the Central Advisory Council. I should like this matter to be considered, Sir. It may be an inconvenience to have the size of the Military Budget added

\*Speech not corrected by the Honourable Member.

[Pandit Hirday Nath Kunzru.]

to the Railway Budget. It may be impolitic; perhaps Government regard it as impolitic that they should allow the Military Budget to appear greater than it is. But we hear frequent complaints from Members opposite that the deduction made from the contributions by the Railways on account of strategic lines does obscure the amount given to the general revenues by the railways. They would perhaps then regard it as a convenience from their own point of view that the strategic lines should form part of the Military Budget and that the commercial lines should be treated as a separate concern.

Another point that I wish to dwell on before I sit down is the size of the depreciation fund. I want to know whether there is any principle governing the size of this fund. Have Government arrived at any decision as regards the size to which this fund is to be allowed to grow? What in their opinion is the extent of the burden that we should provide against by having this depreciation fund? And what are the most urgent reforms they propose to effect, either in regard to railway travelling in general or in regard to the improvement of rates and fares which they have in mind, and what their total cost would be? For it is only by taking reasons like these into consideration that we can arrive at some reasoned estimate of the extent to which the depreciation fund should be allowed to grow.

Lastly, Sir, I should like to state that even on general grounds, I would like the question of the separation of the Railway Budget to be reconsidered, for it would give us an excellent opportunity of reviewing the activities of the Railway Department during the last three years. Government said yesterday that they had absolutely no objection to a reconsideration of this question, and that they would give every opportunity for it if the House so desired. I hope, therefore, that the House will make it clear to-day that it does want an opportunity for the reconsideration of this matter.

**Mr. A. Rangaswami Iyengar:** I am glad Mr. Parsons' point of order is now at least not likely to be raised, but I want to deal with this matter from a different standpoint. I agree with my friend Pandit Hirday Nath Kunzru that now that the three years' period of the railway convention has expired, it is up to the Government to bring up the matter by means of a proper motion at the earliest possible opportunity, but whether it shall be at this Session or the next is a matter of the convenience of the House and of the time available. But the point that I want to be particularly considered is the loss on strategic lines that is assigned in this calculation of the contribution to general revenues from railway finances. Honourable Members are aware that the original proposal of the Government as regards the contribution from the railway to general revenues was fixed at 5/6th of one per cent., and it was definitely found subsequently that that would be a very inadequate return, and it was increased to one per cent. in the negotiations that took place through various non-official Members in which my Honourable friend Sir Purshotamdas Thakurdas took a leading part. Sir, I want to point out that by the operation of the clause as regards the deduction out of the net contribution payable to the general revenues of the net loss on strategic lines of a sum which now represents more than 1½ crores, the actual net return to the general revenues from the railway receipts has actually been less than 1 per cent. Sir, whether the strategic lines should be considered to be

merely military lines and should form part of the military budget is a question which I do not propose to deal with at present. But I take it, Sir, that the whole of the railway system is one property of the Government of India. It is not claimed that the strategic lines are not open to traffic; it is not claimed that ordinary passengers cannot travel on those lines. It is exactly the same kind of classification as between productive and protective lines. I cannot see that strategic lines could from the point of view of the business part of the railway administration be treated differently from other lines which are called commercial lines. It is true, no doubt, that we incur a loss on strategic lines, but yet as part of the whole railway system of this country, we think it right that the whole of the railway system including these strategic lines, and the extent of the development of these strategic lines is essentially a matter which comes within the purview of the Railway Budget. Therefore, Sir, I cannot see what principle there is in saying that the deduction of the loss on strategic lines should be borne not by the entire surplus realised from the commercial lines, but only from the contribution paid to the general revenues. My proposal would be, and I would put it next time when this convention comes to be considered by this House, that the interest on the capital at charge and the loss in working strategic lines should be deducted not from the contribution after it is calculated but it should be deducted from the surplus profits realised from commercial lines before the one-fifth share of these profits is arrived at. The real position is this, there are losses on some railways, there are also gains on some other railways, there are small profits on some railways, while there are larger profits on other railways. We must take all of them together and out of that determine the share which should go to the general revenues. It is not right that the loss on a certain section of the lines, wherever that loss may be, should be thrown on the tax-payer, and that where there are gains all that should go to the railway business account. Again, Sir, this is a proposition which is by no means fraught with any serious consequences to the position of our reserve. I have worked out the result as it would be if my proposal were accepted. For instance, I would say that the amount accruing to the general revenues under my scheme would be 7 crores 42 lakhs in 1924-25, whereas the actual contribution to general revenues under the present system is 6 crores 78 lakhs. What I now propose, Sir, would have reduced the size of the reserve at the end of 1927-28, from about 12 crores which it is now assumed to be to about 9 crores. I do not, however, propose to disturb the arrangement as it is worked already, but what I say is that the result of distributing these losses

on strategic lines over the total realised profits of all the lines in this country would be to give to the reserve a somewhat smaller sum. Sir, it may be said, that we have got to build up adequate reserves. But the reserves that accrue to our railways are intended for certain specific purposes. The railway reserves should be used first, to secure the payment of an annual contribution to the general revenues. So far as we have seen, Sir, during these three years the railway reserve has not been touched except for a few lakhs and during this year only for this purpose. It is next to be used to provide, if necessary, for arrears of depreciation and for writing down and for writing off capital. The amount at credit for the depreciation fund is fairly considerable. Then lastly it is to be used for strengthening the financial position of the railways in order that the service rendered to the public may be improved and the fares and the rates may be reduced. Sir, I agree that this reserve may

1 P.M.

[Mr. A. Rangaswami Iyengar.]

legitimately be used for the improvement of amenities, the reduction of rates and fares for the benefit of the public. But if it is sound, that railways are a business proposition, I do not think it is sound business to say that the rates and fares should be reduced so that every year crores from the reserves may be paid by way of subsidies to the railway users. The whole point in the determination of rates and fares is, as Sir Charles Innes has very often told us, whether the traffic will bear the reduction. If that is so, the rates must be so arranged that they are a paying proposition, if not immediately, at any rate for the years to come. Therefore, the only proper purpose for which the reserves should be used is that of tiding over the transition period. For that purpose the reserve which is built up under the scheme which I propose is ample and more than ample, and I do think that the tax-payer who has lost so many crores by this railway programme, who has after so many years of mismanagement and maladministration on these railways, found himself in the possession of a property which yields him something should obtain some relief. I say, Sir, that the relief to the tax-payer is paramount and I do not think it is a right policy to build up reserves of whose investment, as Mr. Chetty has pointed out, we have no very definite knowledge. They add to the balances of the Government of India and I say, Sir, that it is useless to go on building up these balances and reserve without giving relief to the tax-payer. I say therefore that the losses on strategic lines should be a deduction on the total profits that are available for distribution between the tax-payer and the railway administration. That is a proposition—a very important proposition—which I think ought to be considered when the railway convention comes to be re-examined.

**Mr. K. G. Neogy:** Sir, I want to give my Honourable friend, Sir Charles Innes, an opportunity of explaining away one more inconsistency of his. Sir, speaking in the Council of State on the 11th September 1924, on the merits of State management of railways and of the necessity of having a separation of the revenues of railways from the general revenues he stated:

“The dangers that I see in State management are the dangers that will inevitably arise in India as India becomes more and more democratised and as your popular Assembly exercises more and more influence and control over the management of railways . . . . In view of this experience

(he refers to the experience of other countries)

the modern tendency in democratic countries is, as the Council no doubt saw in the telegram which appeared quite recently stating Sir William Acworth's view, to guard against those dangers by separating off the railway finance from the general finance and as far as possible getting your railways away from the interference of the popular Assembly.”

When my Honourable friend speaks in this House, he speaks in a quite different tone, and I take the opportunity of this debate to inquire what exactly he meant when he said this in the Council of State. Sir, reference has been made to the question of showing the expenditure on the strategic lines under the Railway Budget. This is not a new question. It came up before the Acworth Committee and witness after witness, having experience of the Government of India Finance Department and having experience of the management of Indian railways, said that the real intention was, as a matter of fact, to keep down the military expenditure, or



rather to present a deceptive appearance to the public so that they might not know what amount exactly was being spent on military account. This question again came up when we were considering the separation of railway finance from general finance; and my Honourable friend Sir Charles Innes succeeded in hoodwinking us by telling us: "Here you are, you always complain that the Army Budget is not a votable item. Here you have an item of military expenditure which you will have the authority to vote every year. That was the inducement under which we agreed to the inclusion of this item in the Railway Budget."

**The Honourable Sir Basil Blackett:** Sir, Mr. Neogy is an old enemy of the separation of railway finance from general finance and I do not propose to follow him in re-opening some of the arguments with which he was unable to convince his colleagues in the second Assembly. Listening to these debates in the last two or three days, I have felt some considerable regret that we had not the advantage of Mr. Kunzru's presence in the last Assembly. He has evidently studied this subject with real care and with real understanding and my regret that he was not here with us three years ago to assist us in framing the present convention is increased by one other consideration and that is that he is not fully aware of what took place when that convention was framed, and he is apt to go back to the debates of 1922 and 1921 which were superseded entirely by what took place when the railway separation finance was introduced. The question whether the separation convention should be re-opened was answered by my Honourable friend Sir Charles Innes yesterday or the day before when he said that, so far as the Government are concerned, they have no objection whatsoever to the reconsideration of the terms of that convention as soon as they are convinced that the House really desires it, though they are themselves of opinion that a year or two's delay would probably be advantageous because we should then have the advantage of the report on the accounts of the railways which is now in course of preparation, which will be of material assistance to us in arriving at conclusions when we come to reconsider the convention.

The particular point which was raised by my friend, Mr. Rangaswami Iyengar, in regard to strategic railways is of course an important one from the point of both of the tax-payer and of the Railways. The objection to the transfer of the cost of the strategic railways to the Army Budget is, first of all, that it would make that expenditure non-votable, secondly that the Railways are, as Mr. Rangaswami Iyengar pointed out, a single whole and run as a single whole by the Railway Department. It is not the Military Department that makes the loss on running Railways though it may be that there are military reasons for the original building of the railways and that the original purpose of the railways was mainly strategic. But you cannot, I think, ask the Military Department conveniently to bear the whole loss on the running of the Railways unless you are prepared at the same time to give them a say in the way the Railways are run. The ordinary accounting principles are that the Department which is actually responsible for the administration of a particular subject should bear the charges in connection with it. If, however, the House are anxious about the total of the military expenditure of India, I should be the last person to pretend that the cost of the loss of working on strategic lines is not part of our expenditure on defence; of course it is. It is merely an accounting question whether it is desirable to transfer it from its present place to the Military Budget and I think that on examining the question

[Sir Basil Blackett.]

with an open mind we shall come to the conclusion that there would be very considerable disadvantages in a transfer of the charge to the military estimates.

I do not think I need deal here with the point that was raised by Mr. Rangaswami Iyengar a little earlier about the great increase in the expenditure on strategic lines. I do not think that there are many new strategic lines in process of being built at the present time. There is one which was recommended by no less an authority than the Retrenchment Committee, its purpose being to save the cost of transportation charges to Fort Sandeman. That is a clear case where the result of building the railway is a saving on the Military Budget larger than the loss on the strategic railway when built. It is obviously only a question of accounting where exactly you show the loss on strategic railways.

As to the point that the Convention might provide that the loss on strategic Railways should be charged before the share of the tax-payer in the surplus profits is taken, it is a very interesting suggestion and one which might well be considered. I do not see that there is any objection at all as a matter of arrangement to that proposal. But what we got to when we were discussing this matter in 1924 was the question how far you want to use your railways as a means of relieving the tax-payer. Is a tax on transportation a good tax? It was the opinion of the Government that on the whole the Railway Convention put rather a larger charge on the Railways than they themselves thought desirable. On the other hand, from the point of view of the Finance Member speaking as such, I cannot regret that I get an extra number of lakhs every year for the relief of the tax-payer. But at the same time I think we have got to stick very clearly to the principle that a tax on transportation is a bad tax and the contribution of the Railways should not be much more than what is reasonable in consideration of the fact that they are benefiting from the use of the credit of the Government and that they are not paying income-tax. All these points will of course be considered when we reopen the question of the Railway Convention. Speaking with some experience of the finances of India I would only make one request and that is, that Honourable Members should not approach it with a desire of going back to the bad old system when we were taking the total of our railway receipts as part of our income and the total of our railway expenditure as part of our expenditure, when alternately we were robbed by and robbed the Railways of their dues. The question always comes down at the last stage to this, how far are you justified in using the Railways in relief of the general tax-payer? It means that they are charging higher fares to the users of the Railways which is probably not in the economic interest of the country if you insist on obtaining a larger dividend from the Railways at the expense of the consumer of the Railways in aid of the tax-payer. That is the simple proposition which you have to discuss whatever the details of the Convention of the separation of the Railway Budget from the General Budget. The same point is really the point which was raised by Mr. Kunzru in regard to the land and subsidies question. We had that out very fully in 1924. If you want to secure for the tax-payer a return on the present value of the land and the accumulated compound interest plus principal and the subsidies given years ago if they really exist, then you must charge very much higher rates and fares than you do at present. That is merely a question of . . . . .

**Pandit Hirday Nath Kunzru:** May I point out that I did not say a word about accumulated compound interest.

**The Honourable Sir Basil Blackett:** I was only dragging it in just to accumulate the points. I do not think that it is entirely true to say—that was another point we had out in the 1924 discussions—that the Railways have been an enormous loss to the tax-payer of India for generations. The Railways are inclined to say that they have sometimes contributed much larger sums than they ought to have done, and that obviously they were doing so during the War. Whatever the details of what happened 50 years, 20 years, or 10 years ago may be, we simply come back to the general proposition, how much do you want to charge the present user of Railways for using them in order that you may benefit the tax-payer and reduce the amount that you are taxing him. We had arrived at a convention which in a sense wiped out the past so far as the question of past losses and gains were concerned. We arrived at a figure of the present capital at charge of the Railways on which the Railways should pay interest and contribution to the Government—to the tax-payer—and it is on that basis that rates and fares have at present been fixed and the contribution to the tax-payer has been fixed. You can increase the contribution by increasing the rates and fares. You can reduce the contribution and help to reduce rates and fares.

The special question of the reserves, which my friend Mr. Rangaswami Iyengar raised, comes up there. We do not want to build up a large reserve for the pleasure of looking at it. We want it there for use and one of its important uses is that when the time seems to be coming for reduction of rates and fares, you can be bolder. You can take more risks in introducing reduced rates and fares. It must always be a matter of estimate how much you are going to recover by way of additional traffic and you cannot be sure what the effect of the reductions may be. During that period when you may be making losses which you are not meeting out of revenue, it is very useful to have a reserve which you can fall back upon to tide over that period where you do not know the effect of the reductions you have made. In regard to the reserves there is one other point I should like to touch upon and that is the question of their investment. I have never been happy about the position under which the reserves accumulated by the Railways are simply merged in the general balances of the Government. It is true that it is a better system than the previous arrangement by which you simply took the receipts into the revenue and the working expenses into the expenditure of the Government of India. We have been working on a scheme which would arrange for some sort of funding of the various portions of our balances which now represent capital lent to the Government from such sources as Provident Fund, Railway reserve and so on, and if that scheme could be worked out, as I hope it may be,—but it cannot be done very quickly,—I hope to be able to take one step further towards what is now only the ultimate ideal, the time when the Railways will depend entirely on their own credit and will borrow in the market on their own credit and keep their resources for themselves, and not merge them inside the Government balance. The interest that is paid on the balances of the reserve is the general rate of interest paid by the Government on all the funds that they keep in that form in their balances.

**Mr. A. Rangaswami Iyengar:** What is the exact percentage, may I know?

**The Honourable Sir Basil Blackett:** At the moment it is about 8½ per cent., i.e., 1 per cent. below the rate at which Government is borrowing. A small portion of this reserve, to complete the picture, is invested in the shares of some branch lines and it has been separately invested in one or two instances, but generally speaking, we are still in the difficulty that the money market in India is not big enough to have both the Government of India and the Railways as separate borrowers competing against each other or even working in dissociation. Until we reach that time, we have got some absence of completeness in our separation. That is something for the future, but I do not think it can be immediately realised. I do not propose to deal with the other smaller points which were raised by Mr. Kunzru and will leave them for Mr. Parsons to deal with when the debate continues.

**Mr. R. K. Shanmukham Obetty** (Salem and Coimbatore cum North Arcot: Non-Muhammadan Rural): Sir, there has been a general desire expressed on this side of the House that the time has come when we ought to examine the convention arrived at three years ago in the light of the experience gained so far. Before the House is actually given an opportunity to re-examine the convention, I think it will facilitate our work if we can have the report of Sir Arthur Dickinson and his assistants about the system of accounting on the Indian Railways, and it will further facilitate discussion of matters in this House, if the Financial Commissioner for Railways will place the results of this investigation before the Standing Finance Committee for Railways before actual discussion takes place in this House. I do not know at present, Sir, when the Financial Commissioner expects to get this report; but under any circumstances it would perhaps be desirable that we should have this discussion about the convention before the next Budget is actually presented to this House; and if this is accepted it would perhaps be convenient for this House if it is given an opportunity to discuss the matter at its September meeting. I do hope that my friend the Financial Commissioner will take the necessary steps to expedite the receipt of this report and place it for consideration before the Standing Finance Committee.

Sir, my Honourable friend Mr. Rangaswami Iyengar raised the question of the contribution which the Railways are making to the General Budget. There is no secret that on this point myself and my Honourable friend hold different views. I expressed during the debate last year that to ask the Railway Administration to pay a contribution to the general revenues is tantamount to putting a tax on transportation in the country. (*Mr. A. Rangaswami Iyengar*: "No.") I would be satisfied if the Railway Administration is placed in such a position as would enable them to give the most efficient service to the travelling public at the cheapest rate possible; and if this principle is accepted, I do not find any justification for my Honourable friend, Sir Basil Blackett, to extract as much money as possible from the Railway Administration to enable him to balance his Budget. The General Budget of the Government of India, Sir, must be balanced without this contribution from the Railways, and unless this is done, I cannot call the General Budget of my Honourable friend a balanced budget. Speaking on the general discussion, I asked for some information as to the exact percentage of interest that the Government of India is paying on the balances of the Railways and my Honourable friend has just now told us that the Railway Administration is getting about 3½ per cent. on its reserves. Now, I put it to you, Sir, whether it is proper that the Railway Administration should invest its own amount of very nearly 22 crores of rupees

at 3½ per cent. and borrow from my Honourable friend himself at 4½ per cent. I submit it is not an equitable treatment. When we re-examine the convention and when the accounts of the Railways are placed on a better basis, I do hope that steps will be taken, as I suggested the other day, to invest the railway reserves in more permanent securities thereby enabling the Railway Administration to get a reasonable interest.

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. A. A. L. Parsons:** Sir, I wish to rise at once to reply to certain questions which were raised by my friend, Mr. Chetty. He suggested, and I myself am inclined to agree with him that this House . . . . .

**Nawab Sir Sahibzada Abdul Qaiyum** (North West Frontier Province: Nominated Non-Official): Have we a quorum, Sir?

**Mr. President:** We have got a quorum.

**Mr. A. A. L. Parsons:** He has suggested, and I am inclined to agree with him that this House, and indeed all the authorities who deal with the matter, will find it more convenient to consider any revision of the separation convention after we have received Sir Arthur Dickinson's report, and he asked me whether I should be prepared to put that report before the Standing Finance Committee for Railways; and also when we were likely to get it. On the first question I can give a definite answer. I have every intention of putting that report, as soon as I possibly can, before the Standing Finance Committee and of taking their advice, as soon as we have ourselves considered it, on the whole subject; and I shall also want to take their advice as to the procedure to be adopted in laying the question of the revision of the separation convention before the House. On the second question, as to when we shall receive the report, I cannot give quite so definite an answer, but I will attempt to discover when we are likely to get it before the end of the Session and will let the Standing Finance Committee know. My present information is that we are likely to get a report from Sir Arthur Dickinson and his Committee probably about the beginning of June, but I am not quite sure whether that will be a preliminary or a final report.

There was one other point raised by Mr. Chetty to which I should like to refer. He asked me why we only got so low a rate of interest on our reserved depreciation fund balances from the Honourable the Finance Member. We get, as the Honourable Sir Basil Blackett explained, one per cent. or about one per cent. below the rate at which the Government of India have been borrowing. The answer is that though we in the Railway Department may look upon our reserves as a more or less permanent investment, only to be trenched upon in times, I will not say of emergency, but of difficulty, from the point of view of the Government of India in whose general balances those reserves are merged, it is short term money and the rate which we get on the money is, considering the size of the balances of the Government of India, particularly in the hot weather, probably as large, if not larger, than they themselves can get on those balances.

**Mr. Kunzru** asked why we did not at present debit to capital interest during construction, particularly on, I think, the expenditure on new lines.

[Mr. A. A. L. Parsons.]

I am not sure whether he also referred to open line projects. That again, I may say, we cannot come to a decision on before we receive the Dickinson report. I know that one or two Members who have spoken to me on the subject think we are too much of financial purists; in this matter I think they hold that we do not follow business practice. My own view is that there is a good deal to be said on both sides. Even if (this is only a provisional view, I do not wish to commit myself.) even if we did charge interest during construction to capital, it would be a type of preliminary expense to be charged off as soon as the lines were beginning to work at a profit by writing it back to revenue.

Mr. Kunzru also asked me the question how we could know, after a new line has been opened, whether it is paying. I do not think at the moment I can give a definite answer. There is no doubt that, taking all our new construction as a whole, we can obtain an idea whether we have done well out of them after some years, from a general survey of the financial results of the whole system of which they form extensions. I cannot for the moment see any method by which we could—say five or six years after the opening of a new line—say quite definitely that it has been paying the return which when we originally proposed to take it up, we expected we might get from it, because in the meantime rates and fares might have risen or fallen. And also it would be impossible, I think, with any account system to say definitely what actual extra earnings we were getting from an individual line, because those earnings are not only obtained from carrying traffic over that line itself but over other parts of the same system and other systems for varying distances. I will, however, certainly consider the question and see whether we can get hold of any system by which we can, after a period of years, test the accuracy of our original assumptions.

Those, Sir, are, I think, all the points which have been raised in this debate, to which the Honourable the Finance Member has not already replied. I trust that in view of the explanations given the Honourable Member will be prepared to withdraw his motion.

**Pandit Hirday Nath Kunzru:** If it is understood that after the Dickinson Committee has reported, the House will be given an opportunity to discuss the matter, I will not press my motion.

**The Honourable Sir Charles Innes:** Yes, Sir.

**Pandit Hirday Nath Kunzru:** I ask for leave to withdraw my amendment.

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

#### *Form of Budget and Statistics.*

**\*Pandit Hirday Nath Kunzru:** I move:

"That the Demand under the head 'Railway Board' be reduced by Re. 1."

I mentioned the other day that it was desirable, in the interests of most of us, that fuller information should be given in the Budget than is contained at present. It should be more detailed, and in the second place it should enable us to take a comparative view of the income and expenditure of the various railways. We get at present a separate statement of their income and expenditure, both charged to revenue and to capital. I should certainly like that these estimates should be given to us in a form which would enable us to compare the working of different lines.

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\*Speech not corrected by the Honourable Member.

As regards the statistics, I want to bring two points to the notice of Government. Till recently the second volume of the Railway Administration Report used to give separately the number of first, second and third class passengers and the holders of season and vendors' tickets. That practice has now been discontinued and it is therefore difficult to compare the figures, say for 1925-26, with the figures for past years. Now this information I know is available at present in Volume I of the Report, but there is no guarantee that that practice will be continued. I understand that there is no form fixed for the manner in which that part of the Report is to be made which is contained in Volume I. It is only the statistics, I believe, that are fixed. I should like therefore that the statistics relating to the number of passengers should be given in the old form. The other point that I wish to bring forward is in connection with the statistics given, I believe, at the end of Volume I with regard to the number of vacancies occurring every year and the manner in which they are filled up. Now in the Report for 1924-25 I believe the men newly appointed were classified as Europeans, Anglo-Indians, Muslims and non-Muslims, but the classification adopted in the Report for 1925-26 is a different one. There the new appointments are classed under European, Hindu, Muslim and others. Here again I ask that the old form should be followed and for a particular reason. I have no desire to look upon Anglo-Indians otherwise than as Indians. All those who are born in this country and who regard it themselves as their mother country must be regarded by all sections of Indians as being in every sense of the term Indians. But as Sir Charles Innes himself recognised in presenting the budget statement for 1924-25, there has been a complaint and a pointed complaint in this House on several occasions that discrimination has been shown in favour of one section of the population to the disadvantage of other sections. If that is recognised, surely our statistics should enable us to see how far the injustice then done to the other sections of the population is redressed in future. Lastly, I want to suggest that we should be given not merely the number of vacancies filled up every year, but, so to say, the names of the various posts that fall vacant in each department. We should be able to see what were the posts that fell vacant and what were the qualifications required of the men to be appointed to these posts, for it is only when such information is given that we can see how far the statement made that persons of the requisite qualification were not available can be regarded as sufficient by this House.

**Mr. C. Duraiswamy Aiyangar** (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, I rise to ask that one point may be made clear to me with reference to this Budget. On various demands we find certain items are voted and certain are non-voted. Section 67-A of the Government of India Act, sub-clause (3) (ii), says:

"Expenditure of which the amount is prescribed by or under any law"

is not voted. Similarly, Sir, under sub-clause (3) (iii) salaries and pensions of persons appointed by or with approval of His Majesty or by the Secretary of State in Council are not voted, and sub-clause (3) (iv) makes other exceptions. Sub-clause (5) makes all other items votable. Under section 4 of the Indian Railways Act the authority for appointing Railway Inspectors is entirely vested in the Governor General in Council. If so, Sir, I want to know why, under the heading 'Inspection' any item can come under non-votable. On the other hand we find Rs. 2,81,000 are put down as non-votable under the heading 'Inspection', whilst under the Act they are all

[Mr. C. Duraiswamy Aiyangar.]

persons who ought to be appointed by the Governor General in Council, and as such the amounts which are demanded under that heading ought to be put under 'votable'.

**Mr. A. A. L. Parsons:** Sir, may I reply first to the point raised by my friend Mr. Duraiswamy Aiyangar? He has asked why certain of the items under the head 'Inspection' are shown as non-votable. The answer is that the appropriations there proposed are for officers who were appointed by the Secretary of State. They may be appointed to those particular posts by the Governor General in Council for the purposes of the Act, but they are appointed to the services to which they belong by the Secretary of State.

**Mr. C. Duraiswamy Aiyangar:** May I ask the Honourable Member whether the Government have got the right to take away from this House any items which come under 'votable' because persons appointed by the Secretary of State to some other posts are taken over to this Department?

**Mr. A. A. L. Parsons:** There is no question of taking away any particular items from the vote of this House.

If I may, I will now turn to the questions which were put by Mr. Kunzru. He asked that the Budget should in certain respects show more detail. The position is that the form of the Budget was settled with the agreement of the Standing Finance Committee and at the time this form was originally laid before the House it received their approval. If, as I think is quite probable, when we get Sir Arthur Dickinson's report, we alter to a considerable extent the form of our accounts, I have little doubt we shall have to alter, again with the concurrence of this House, the form of our estimates and we will then certainly consider any suggestions which have been made either now by Mr. Kunzru or in the course of this debate to see if we cannot get the form still more into a shape which will meet the needs of the Members of this House. The difficulty, of course, is that the needs of individual Members differ. My reply is very much the same with regard to the statistics. The fact that we have transferred one particular statement from Volume II of the Railway Board's Report to Volume I does not indicate any intention on our part to abandon that statement, and we shall certainly continue the particular statement to which the Honourable Member referred. For the rest he suggested certain modifications in a statement which we have recently given in reply to the demand of this House showing vacancies each year, and asked for rather fuller information, names of appointments and so on in that statement. Again, we will very carefully consider that suggestion as also any other suggestions that Honourable Members may like to make for the improvement of statistics given in our annual Report so as to make it more useful to the House. I hope the Honourable Member, in view of this undertaking, will withdraw his motion.

**Mr. K. C. Neogy:** Sir, I find that for the first time in the Administration Report on Railways, for 1925-1926, Hindus and Muslims have been classed under "statutory Indians" and I should like my Honourable friend Mr. Graham to tell me whether my claim to be called an Indian depends on any Statute.

**Mr. L. Graham** (Secretary, Legislative Department): I think I am entitled to notice of that question.



**Mr. K. C. Neogy:** Sir, I thought that the term "statutory Indian" was devised for the benefit of a community which is yet dubious as to its nationality, which calls itself Indian and yet whose representative in this House sits in the European group as a member of that party. I was reading a newspaper that I received only yesterday evening, and what do I find? Here is a letter from an Anglo-Indian gentleman and in it he makes the illuminating statement that an Anglo-Indian is an Indian and has always been so, and he has a right to be treated as such so long as he does not forfeit his citizenship; and that an Anglo-Indian is a Britisher and will continue to be so until he can claim no right to the name by virtue of his descent. My objection is to being classed in the same category as Mr. Facing Bothways. Sir, I very much wish that my Honourable friend Mr. Parsons will see his way to revert to the old system of presenting this particular set of statistics; and I do not think we need wait for the Dickinson Committee for this little change.

**Pandit Hirday Nath Kunzru:** Sir, I ask for leave to withdraw the motion.

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

**Pandit Hirday Nath Kunzru:** Sir, I find that motion No. 15 which stands in the name of my Honourable friend Mr. Joshi is more comprehensive than my motion (No. 11). I will therefore express my views when his motion is taken into consideration.

**Mr. Bhabendra Chandra Roy** (Presidency Division: Non-Muhammadian Rural): Sir, as this matter regarding the failure of Government to appoint an Indian on the Railway Board has already been discussed I do not want to move the motion standing in my name, No. 12.

*Grievances of Subordinate Railway Employees.*

**Mr. M. K. Acharya** (South Arcot *cum* Chingleput: Non-Muhammadian Rural): Sir, the next item, No. 13,\* has already been discussed; but if I am permitted to do so I will take what is printed as No. 14 on this list:

"That the Demand under the head 'Railway Board' be reduced by Re. 1." (Government's non-acceptance of the Assembly Resolution recommending an enquiry into the grievances of subordinate railway employees).

Sir, this is an old story, old at least to those Members who happened to be here in the last Assembly. It will be within the memory of them all how in 1925 this House after a very long debate passed a Resolution, namely, recommending to the Government an enquiry into the grievances of subordinate railway employees through the Railway Advisory Council or a Committee thereof. That was in February, 1925. Last year, Sir, the same question was taken up because the Government had disregarded the Resolution of this House—or, if I am to be technically correct, had not disregarded but did not give effect to the Resolution with all respect to this House. I say this, Sir, because I fear my Honourable friend Sir Charles Innes will get up and say there is no question of regard or respect due to this House and things of that kind. He will say that Government gave its most careful consideration to the Resolution that was passed by this House, and after very careful consideration they decided not to give effect to it. If that is the form in which it should be put I have no objection to put it in that form; but the net result is the same, that the Government have not yet chosen to carry out the recommendation made by

\*"That the Demand under the head 'Railway Board' be reduced by Re. 1. (Non-appointment of Indians on the Railway Board)."

[Mr. M. K. Acharya.]

this House in 1925 and pressed upon the Government last year at the time of the Railway Budget in exactly the same form as the motion now before the House. Sir, I may be permitted to point out that the attitude of the Honourable the Commerce Member throughout, from the very beginning, from the first time this Resolution was introduced in this House, has been one of uncompromising opposition. He put forth several pleas. In the first place he said that there were no general grievances. Then he said that there was no demand for an enquiry into their grievances by the railway employees themselves; that the demand was a fabricated or manufactured demand for which he thought my Honourable friend Mr. Joshi there was responsible. Then later on he told this House, especially last year, that everything needful was being done by means of some communication or circular addressed by the Department to the various Railway Administrations. He maintained that this was a very dangerous proposal, an enquiry in the case of 700,000 men to find out exactly what their lot in life was; and if this Resolution was to be given effect to very untoward consequences would follow. All these things which were said by the Honourable Member at the time should be familiar to most old Members of this House. I am simply repeating them very briefly in order to remind the old Members and to inform those who are new to this House, that unfortunately the attitude taken by Sir Charles Innes over this very innocent Resolution has been one of utter lack of sympathy. Sir, I was surprised to hear from him that there was no real demand from the employees themselves; and as I fear he may again persist in that plea I would like to draw his attention to what materials I have before me. He said last year—at the beginning he said there were no grievances at all. Then later on he was pleased to admit that there were some grievances, though not with regard to pay and wages and things of that kind. This is what he said in 1925. There were no general grievances with regard to pay and allowances; that there may be other grievances, he did not deny, though he thought the proper way to deal with these other grievances was by putting pressure upon him, not by entrusting the matter to a committee of the Central Advisory Council. I repeat that he began by saying there were no grievances in regard to pay and allowances; and then he said last year:

“What we feel strongly is that if we had appointed this commission of enquiry we might have created serious trouble. . . . We had no evidence before us that there was any demand on the part of our railway employees for a commission of enquiry. As far as we know”

—there was ample evidence available for that I suppose—

“As far as we know the demand for enquiry came from Mr. Joshi himself and not from the railway employees.”

Sir, as far as I know—I am not of course part of the Government of India and I have no access to all the sources of information open to the Honourable the Commerce Member—but to the best of my knowledge, I thought, Sir, when I moved this Resolution in 1925 there were a lot of railway employees who had sent a lot of letters to me asking me to move this Resolution in their behalf. If I had not known that they wanted it badly, I should not have wasted my time or the time of this House in moving the Resolution or in trying my best to force it on the attention of this House.

Therefore, Sir, I am not pleading for Mr. Joshi—he is able to take care of himself—but I would draw the attention of the Honourable the Commerce Member to the fact that there were many resolutions passed at many conferences of railway employees. There was, I think, the All-India

3 P.M. Railway Federation which met last year and which emphatically demanded this inquiry. There were other conferences of railway men very earnestly praying for this inquiry into their grievances. I do not wish to tire the patience of this House, but I have got here a lot of these resolutions passed by railway conferences and railway unions praying for an inquiry into their grievances; and I do not believe that any Member, at least on this side of the House, is going to take literally the statement that the Government, the all-knowing Government, have no evidence before them to show that there was any demand on the part of the men themselves, these struggling men, for some kind of inquiry into their grievances and for some redress of their legitimate grievances. Therefore, Sir, I hope that that plea will not be advanced now.

A statement was made last year by the Honourable the Commerce Member that a circular was being sent round to the various Railway Administrations and everything needful was being done by the administrations to see that all legitimate grievances were redressed. I wish, Sir, that that circular had the desired effect. It is probable that the circular was sent out with the best of intentions; but unfortunately we live in a world in which good intentions do not carry us very far. Therefore, in spite of this very charitable circular of the Government asking the Railway Administrations to redress all legitimate grievances, there they are to-day, just as they were in 1924 or 1925; and the men are feeling their lot very keenly.

I may state at once what those grievances are in just a few words:

Insufficient scales of pay;

Insecurity of service;

Fines and punishments;

Ill-treatment and unsympathetic attitude of the Railway Administrations towards railway unions.

Sir, the other day in this House in reply to a question the Honourable Sir Charles Innes admitted that the lowest scale of pay on certain railways came down to as low as Rs. 20 in the case of clerks, and Rs. 9 or Rs. 13 in the case of workmen, that is less than annas 5 and 7 per day. There it is on page 385 of the proceedings of the 2nd February. In reply to one of my questions the Honourable Sir Charles Innes said:

“The minimum rates of pay of the lowest paid non-skilled workers in the Bengal Nagpur Railway is Rs. 9 a month for women and boys and Rs. 13-8-0 a month for men. The minimum pay of the lowest paid clerical staff is Rs. 28 per mensem. The starting pay of junior clerks in the South Indian Railway is Rs. 20-8-0.”

I may add rising by increments of Rs. 1-8 to Rs. 46. On the Madras and Southern Mahratta Railway it is Rs. 20 rising by increments of Rs. 2 to Rs. 30, on the Eastern Bengal Railway Rs. 28—annual increment Rs. 4—maximum Rs. 40; on the Bengal Nagpur Railway, Rs. 28—annual increment Rs. 4—maximum Rs. 40; on the Oudh and Rohilkhand Railway (now East Indian Railway), Rs. 40—annual increment Rs. 3; on the Bombay, Baroda and Central India Railway, Rs. 40—5—55; on the

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Great Indian Peninsula Railway, Rs. 40—5—80; and so on. This is my case; and here are the actual figures which cannot be contradicted. The starting salary on the Madras and Southern Mahratta Railway for clerks is Rs. 20 and on the South Indian Railway, Rs. 20-8. Here I have got some of the latest communications of the unions in their magazines saying that, in spite of all their endeavours and appeals to the Agents, in spite of the circular of the Government, in spite of the earnest and humble efforts made by the clerks concerned to touch the heart of the Agents, they are where they were. The Agent of the South Indian Railway seems to have told them that it was all a question of supply and demand, and unfortunately that is the plea put forward by the Honourable the Commerce Member also in reply to the question to which I referred just now. Mr. Jamnadas Mehta asked:

“Does the Honourable Member regard Rs. 9 as a human wage for a human being?”

*The Honourable Sir Charles Innes*: I imagine, Sir, that a very large number at any rate of agricultural workers in this country get a great deal less than Rs. 9 a month. Perhaps the best answer that I can give the Honourable Member is that we get for every vacancy in the railway a great many applicants.”

And that, Sir, is to be the principle that governs all these matters, the law of supply and demand. I am ready to confess, Sir, that as one of the results of the present system of education we turn out of our schools and colleges every year thousands of young men who are hungry, who are prepared to accept anything they can get—Rs. 15, Rs. 20, Rs. 25, Rs. 28 or Rs. 30, indeed anything that they can get; and this problem of unemployment will have to be tackled by the Central Government sooner or later. I am glad in this connection to note that the Government of the Punjab at least has taken steps to appoint some committee to inquire into this problem, that at least one province has taken steps to deal seriously with the matter. I am prepared to admit that in the Madras Presidency these young men who come out of schools and colleges and have nothing otherwise to do, not being technically trained, have to get at something and they grab at the merest chance of getting anything, and so they are prepared to accept anything, however low. The question is not whether there are not men willing to accept jobs on these low salaries, but whether the Government thinks that these are wages on which a young man of 25 or 30 will be able to do his work well, who probably has a small family to support—a wife and perhaps a child or two. How can they live on Rs. 20 or Rs. 25? That is the question, Sir, which has to be put to the Government here and to the Agent there. The Agent is absolutely unconcerned whether the man is content or not content; he thinks that the man is a machine. He says “You must work on Rs. 20; next year you will get Rs. 1-8 more and next year another Rs. 1-8, until you get in 17 or 18 years the magnificent maximum of Rs. 46.” Therefore, Sir, there is that question of a living wage there; and yet the Honourable Sir Charles Innes says that so far as he knows there was never a grievance regarding pay and allowances on the part of clerks or regarding wages on the part of workmen.

Then, again, Sir, it was said that the women and men in factories got between five annas and six annas a day; or sometimes only four and five; and the Honourable Sir Charles Innes had the goodness to say that agricultural labourers in India get no more. I do not know what the agricultural labourer in Northern India gets; but I do know that in South India

agricultural labourers very often prefer to get their wages in kind and not in money. I know in many districts the labourers get so much paddy or ground-nuts and things of that kind getting in kind, is much more profitable to them. There is a great deal of difference certainly between the labourer on the farm and the workman in the towns. The agricultural labourer has no rent to pay; he gets a piece of land and he puts up a few mud walls and a thatched roof; he does not purchase his firewood; he does not purchase various other articles of food; the corn is produced on the land and if he can get a few measures of paddy he is quite satisfied. Do you expect a man at Kharagpur or Calcutta or Negapatam or wherever else you have your workshops to be able to live at the same rate of wages as the other does—on four or six annas a day? At Kharagpur you pay these women and boys some 4 annas and the men seven annas a day. I repeat that this question will have to be gone into very carefully by a committee . . .

**The Revd. Dr. E. M. Macphail** (Madras: European): May I ask the Honourable Member, Sir, . . .

**Mr. M. K. Acharya:** To find out whether these are living wages, wages on which a human being can subsist.

I do not want to take up more time, Sir; I am sorry to see that my old professor is getting impatient; he used to teach us to be patient when we were his pupils. However that was in another place. My friend reminds me that we used to put up with very much more tiresome lectures when we were at college. However I am not anxious to detain the House further. There are these many many difficulties; and all that we ask, Sir, is that some responsible committee should go out, if possible with my dear old master on it, and find out what the living wages of these people are and what is needed to better their conditions. And what is the attitude of the Government towards that question, Sir? "No grievances, first; then, the employees do not want any committee." It is as if we are told that a man struggling in the water, and about to be drowned does not want any help to be given to him to be drawn out of the water and landed on the bank. Is anybody going to believe all these pleas?

Lastly, Sir, it is said that the Agents of the Railways have been asked to look into these matters. I know, Sir, the Agents are human. I am not blaming them at all. But very often the trouble comes not from the Agents, but from their subordinates; and one particular complaint that I have in mind is entirely due to the action of the subordinates, not of the Agents. We have got here the theory of "the man on the spot". The Agents have no doubt got their good intentions; they are doubtless actuated by the best of motives, I do not deny that at all; but it is their subordinates who are responsible for most if not all these troubles. I do not believe that there is any Agent who will turn out his subordinates for not carrying out his orders; I do not believe that even the Honourable the Commerce Member will turn out any of his subordinates for not carrying out his orders. There will be palliatives and there will be explanations as to why the orders have not been executed. So whatever the reason may be, however good the intentions of the Agents may be, or of the Members on the opposite side, I am very sorry to say, Sir, the men suffer and suffer; they rot and rot; and when we come here and ask for a committee of inquiry to look into their grievances, we are at once told that the men do not want a commission of inquiry. Sir, I am very sorry to have to refer to this very old story. I

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remember how a substantial personage like Sir Hari Singh Gour who moved a similar motion some years ago, succeeded by making a cut getting his grievance redressed. I am very sorry I am not so substantial as he is, but all the same I hope he will not be satisfied with what he achieved once, and that he will assist me with the weight of his support on this occasion; and I would appeal to all others in the name of these many many thousands of men and women to lend me their support in this very important matter. Sir, I have taken particular care just now to avoid any reference to what is going on in the Bengal Nagpur Railway; because I know it is a serious question; and I am sure it is engaging the attention of the other side. There also, I may say in a general way, the trouble is due to insufficient wages, to ill-treatment, and to what are called discharges and dismissals. Men are given a month's notice,—not a month's notice, but they are given a month's pay in lieu of notice, and sent away without any reason being assigned. If the discharged men ask for what reason they are sent away, why, they are not wanted! The immediate officer says that he does not want them, and in some cases he gives Rs. 7 or 8 and discharges them. These are some of the many grievances which the railway workmen have and which to most of us at any rate on this side appear to be perfectly legitimate. At the same time, Sir, I do not want the Honourable the Commerce Member to fix any particular rate of salary. I do not want to say that the men must get Rs. 50 to Rs. 200 or that they must get Rs. 40 to Rs. 100 even, although on some railways they do start people on Rs. 40. All we want is that a committee of the Members of this House, or a committee of any respectable gentlemen or any other body the Government may decide upon, I am not particular what committee it is—but I want that some committee of respectable people should be appointed to go about and find out the causes of the present troubles and the grievances of the men and see how far those grievances cannot be redressed.

There is one thing more, Sir, and it is a serious thing. It is sometimes urged, especially by people who are not in touch with these men, that we are the people who incite these illiterate workmen, that members of Government know more about these people than we do and so on. But, Sir, I do not believe for a moment that any member of the Government can hope to know even half as much as I or my friend Mr. Joshi or as a matter of fact any non-official Indian knows about these people. In fact, if the truth is to be told, when the men on the South Indian Railway were feeling very uneasy over the question of their wages and also of holidays, I advised them to do nothing at all seriously, but to wait and hope. Again, while I was coming to Delhi this time, the men on the Bengal Nagpur Railway met me at Kharagpur, and this is the very thing I told them. Their grievances were acute in January, and I told them not to take any serious step; advised them to be patient. Although I knew that we in this House could do very little to relieve their lot, although I knew that all our appeals in the past on behalf of these poor men have fallen on deaf ears, that all the cry that we can raise in their behalf in this House may fall now also on deaf ears, although I knew all that, I still gave them hope and asked them to be patient and not to do anything which they may have to regret later. Therefore, Sir, while we are doing our very best to tell these men not to resort to any extreme step which may inconvenience them and the general public, some Honourable Members there say that we are the people who have incited these men. Yes; some Honourable Members of this House

say—I am glad they are not Indians,—that we are the people who inflame these railway men. It is really very unfortunate that when we do everything we can to dissuade these people from resorting to any extreme measures we should be charged and told that it is we who incite these people to strike. I therefore appeal once more to the Honourable Members on the opposite side to consider, if they cannot see eye to eye with us on this important question; I would appeal to the Honourable Sir Charles Innes before he lays down the reins of his office to see if he cannot alleviate the grievances of these many many poor people. I make this appeal to every Member indeed. I do not want to say anything that may exasperate the feelings of anybody here. I simply want a committee of inquiry to see whether the lot of these people cannot be bettered. All the Railways of India are making huge profits; the State Railways are making enormous profits and the Company Railways even more. For instance, the South Indian Railway made in 1925-26 a profit which was much more than that of any of the other Railways, and yet it pays the lowest. In 1925-26 the South Indian Railway got 8.55 per cent. as net revenue receipts after meeting all the charges. The State Railways made only 4.54, while the Madras and Southern Mahratta Railway made 6.68. Last year after deducting all expenses, the South Indian Railway were able to make Rs. 2,19,11,000; the Madras and Southern Mahratta Railway were able to make Rs. 3,42,15,000. So that it cannot be said that these Railways are not in a position to give a little portion of their net earnings after meeting all their charges, to meet the legitimate demands of these men through whom and through whom alone—and I make this point very strongly—through whom and through whom alone, the Railways of India obtain all these large earnings. Yes; but for these downtrodden men, but for these seven lakhs of suffering labourers, I put the question whether the officers can be of any use, whether the railways can run, or whether the railways can earn any money at all? Therefore, Sir, to take all the work you can from them, and then tell them you do not care if they go, that if A goes B can be put in his place or if X goes Y can be put in his place and so on, is hardly right. Is this the answer, Sir, that a civilized Government or a civilized system of administration should give to these poor men? I therefore again appeal to this House that all Honourable Members should support me in this matter; and I hope my good friend Maulvi Muhammad Yakub will also be with us on this Resolution. Last year he voted with us both on this motion and on the motion to omit the Demand under Railway Administration; and I hope he will find no difficulty to vote with us on this occasion, on this important issue which merely asks for an independent committee of inquiry. The Honourable the Commerce Member fears that a committee of inquiry will inflame these people, that it will put all kinds of false hopes into the minds of these ignorant workers. For three years we have been agitating on their behalf in this House, and no false hopes have been put into their very very illiterate hearts; and I do not believe that by the appointment of a committee of inquiry such as we suggest they will be inflamed. They have suffered enough, and I do not think that they expect that the millennium will come as soon as a committee is appointed. I repeat the Government can put anybody in whom they have confidence on this committee; they need not put me or Mr. Joshi on it, although we claim to know more about these men than others. This committee will submit its report to Government; there will be ample opportunity to scrutinise the report with the help of their so-called experts, and this House will also probably have ample opportunity to discuss the report. All that we ask is, you should inquire

[Mr. M. K. Acharya.]

and find out what the men's grievances really are. If in spite of all that I have said, the Honourable the Commerce Member says that he cannot agree to appoint a committee of inquiry, that he will leave the matter entirely to the Agents of the different railway administrations, and that what they say will be the last word, that this House should not have anything to do with the grievances of these men, that we shall not and cannot move one inch further than what the Agents say, all that I can say, Sir, is that so far as this side of the House is concerned it cannot put up with that attitude any longer. Therefore, Sir, when this House for the third time passes this motion and censures Government, for not carrying out the unanimous wish of the Members on this side, for not carrying out this very very sane and innocent Resolution recommending an inquiry, which has become all the more urgent to-day than it ever was before; if the Government still refuse in spite of the verdict of the House to accede to our wishes and persist in carrying on their old game, all I can say is that they will be adding one more reason to our feeling that this is after all a House of Mockery. I hope, Sir, they will not give us any further cause of grievance on this subject. We have cried and cried, and let it not be said that this year for the third time we have cried in vain.

**The Revd. Dr. E. M. Macphail:** Sir, as Mr. Acharya has referred to me, I think perhaps I ought to explain why I interrupted him. I was really wanting to reverse our old role. I wanted him to instruct me. What I wanted was that he should try and put into money the total wage that he or other landowners pay to their agricultural labourers. He put us off by telling us something about ground-nuts and paddy, but that does not convey to my mind what the amount actually paid is. What I want to know is, do they pay anything more than a mere subsistence wage? (*An Honourable Member:* "Much more.") Much more. Well, I shall be grateful to Mr. Acharya if he would put into terms of currency—as currency is the great subject of the day—the actual amount that the labourer receives. It is perfectly true that the agricultural labourer has a great deal more security of tenure than the employee in the railway. That is perfectly true. In fact, when I came to Madras he had so much security of tenure that he could not leave his master even when he wanted to. When I came to Madras, out in the districts round about it was a common thing for a man to give a bond for the debt which he took and to bind himself and his children to serve until that was paid off. And when was it paid off? Never. The man was practically selling himself into slavery; and only last week I saw a case in the *Madras Mail* of a man trying to enforce a bond of that nature. But was it security of tenure? He was kept there practically as a serf receiving merely enough to keep him in life. I have the most intense sympathy with the class that Mr. Acharya has referred to: I mean the class of students who come to our colleges and specially Brahmins who come to our colleges, and at the end of the time are turned out with very little to look forward to in the way of employment. It is one of the great problems in all countries. what we are to do with our boys, and it is a problem specially great in India owing to the peculiarity of the caste system which until lately prevented people like Mr. Acharya from finding any outlet except something in the nature of clerical work. It is because of the large number of people who by caste scruples were not able to engage in trade or in any industrial work that this particular class is even larger . . . . . than it is at home. I have sometimes felt it on my conscience that I am partly responsible for this large number of unemployed



educated people. I am responsible for having turned out a large number of graduates, I am partly responsible for having turned out Mr. Acharya. Mr. Acharya complains that the Railways deal with this problem merely by quoting the law of supply and demand. Well, what I want to know is does a rich landowner give his labourer twice as much as he would give if he were getting a smaller amount? Does the pay of the agricultural labourer increase in proportion to the wealth of his employer or does he still receive a mere subsistence allowance? With regard to the question of supply and demand, there is this to be borne in mind. There is only a limited amount of work and what the Trade Unions at home try to do is to keep down the number of people employed in order that the wages may be increased, so that there may not be this competition. Where you have unskilled labour, you will necessarily have greater competition, and when you have a large number of people who unless they go to a law college and become lawyers, have very little opening except in the way of badly-paid clerical work, you have severe competition. I doubt whether the lot of the ordinary clerk in India is not worse than that of the petty clerk at home, in England and in other European countries. I remember that one of the things which Walter Besant used constantly to bring forward in his books was the folly of people rushing in into the clerical profession—I don't mean the Church, but I mean going in for being merely clerks. Why do they do it? Because they are not fit for anything else. They might be fit for something else if they had the chance. But they have not had the chance. It is a great pity and it is partly due to the fact that we have an enormous number of men rushing in for education who sometimes were not fit for anything after they had come out. I have often said to my Brahmin students: what would you be doing if the British had not come here and opened colleges. I have found it very difficult to get an answer. As far as I can see, they would be sitting on their lands performing ceremonies and saying prayers. That seems to me to be the answer. But the Brahmins were always people who saw a door when it was open and when they saw that entrance into Government service and into the bar brought distinction, in some cases at all events, there was a tremendous rush into the colleges and schools and people who would have been better employed . . .

**Mr. B. Das** (Orissa Division: Non-Muhammadian): Sir, may I inquire whether we are discussing here the motion which Mr. Acharya has moved or the very nice system of education which this Government have introduced to emasculate the nation?

**The Revd. Dr. E. M. Macphail**: I think, Sir, I am in order—Mr. Das is an authority upon irrelevance—but with due respect I think I am answering something that Mr. Acharya said. I had no intention of making a speech when I got up on my legs but I am sometimes carried away by my subject. On this particular occasion what I do want to express is my great sympathy with these underpaid people; and, when I say “underpaid” I do not mean that it is the duty of the railway to give more than the market value of the work. After all, the railway have a duty to the tax-payer. It is not the business of state railways to give more than the ordinary market value. Sentiment is a very good thing but I have often found that sentiment is expressed at other people's expense, and that what usually happens is that people say “I sympathise with you very deeply but I am not going to do anything for you myself.” What we have got to do in this country is, as far as possible, to develop its industries in order that there may be more openings for the young men who wish to take up other kinds of work than merely clerical work. And I also think that we should do nothing to raise the cost of living for this unfortunate class.

**Maulvi Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I have also tabled a motion in order to ventilate the grievances of the railway employees on the East Indian Railway and now that the general question of the grievances of the employees is under discussion, I think, Sir, it would be proper if I were to take my motion as well. Also because my friend Mr. Acharya is so anxious that I should vote with him, I would prefer to associate myself with his motion rather than press my own motion separately. But, before speaking on the grievances of the East Indian Railway, I would like to say one word in reply to what has fallen from the lips of our learned friend Dr. Macphail. He has asked, Sir, that what the condition of the Indians would be in this country if the British had not come here.

**The Revd. Dr. E. M. Macphail:** May I rise to a personal explanation? I said the Brahmins.

**Maulvi Muhammad Yakub:** Well, he has confined himself to Brahmins only, but then I would say, Sir, that if the British had not been here and had not opened colleges, I think the Brahmins in India would have been much more prosperous than they are now. They would have got many more openings than they have got here. Now, Sir, what is the result? Even in their own line, to which Dr. Macphail refers, that is performing their religious rites, I would submit that, on account of this irreligious and material education imparted by the English institutions they have to a great extent left their religions and they do not go to poor Brahmins for performing their religious rites.

So, if the colleges had not been opened I think the Brahmin would have been in a better position and he would have got more devotees of his own religion to go to him and give him something as alms for performing religious rites.

**Nawab Sir Sahibzada Abdul Qaiyum:** And the Brahmins would have kept them in the dark for ever.

**Maulvi Muhammad Yakub:** No country in the world is dark now. There are many countries in the world where the British have not yet set their foot, although they are trying to do so, as in China, but still we find that civilization is spreading. It is not only with the occupation of the British that we find light in the world. Probably, even in the darkest Afghanistan, where the British have not yet set foot, we find that there are signs of civilization. There are all the inventions of present civilization. Even aviation is to be found there and even Indians have been given offices in aviation in Afghanistan which they cannot get in India. (Laughter.)

**Nawab Sir Sahibzada Abdul Qaiyum:** I mean, Sir, the Brahmin and non-Brahmin question would not have arisen if there had been no colleges, in other words, if the Brahmins had remained in sole possession of knowledge, they would have kept the other people in darkness and the people would not have been any better.

(An Honourable Member: "Certainly not".)

**Maulvi Muhammad Yakub:** I think, Sir, that Brahmins are included in the category of men.

Now, Sir, coming to my subject, the grievances of the employees of the East Indian Railway, which I am going to enumerate now, they are not of my own creation but they form the gist of the resolutions which were passed in a meeting of the Moradabad Divisional Union of the East

Indian Railway. These Resolutions, Sir, were duly forwarded to the Agent of the East Indian Railway but no response was made to them. Therefore I am obliged to put them before this House.

Before the amalgamation of the Oudh and Rohilkhand Railway with the East Indian Railway it was considered that the unity of these two lines would conduce to mitigate the complaints and improve the general conditions of the employees and the general public travelling on these two lines. But unfortunately the amalgamation seems to have thrown the old Oudh and Rohilkhand Railway section altogether into the back ground and its employees are looked upon by the officers of the East Indian Railway like the children of a deceased wife.

The first question with which I propose to deal is the persistent obstinacy of the higher authorities in the matter of the recognition of the Railway unions. At first a Railway Union of the Oudh and Rohilkhand Railway employees was formed at Lucknow. This Union received recognition from the authorities of the Oudh and Rohilkhand Railway in 1921 or 1922, but unfortunately its recognition was withdrawn in 1924; since then several attempts were made to secure recognition but all have been unsuccessful. Subsequently the railway employees of Moradabad railway division formed a separate independent union of their own on moderate lines. The Agent of the East Indian Railway was approached in August 1926 to grant recognition to this Union and it was strongly urged on behalf of this Union that its sphere of activity would never go beyond the limits of moderation and constitutional methods, but the Agent refused to grant recognition. In these days of general awakening when the unions of highly responsible Government departments like the Police Department are being recognised by the Government this conduct of the Agent of the East Indian Railway seems highly improper and objectionable. It is high time that the Railway Board should take action in this matter and move the Agent to grant recognition to this union.

Another matter of very great importance which has caused great trouble and inconvenience not only to the employees but also the commercial and trading public of the United Provinces is the removal of the clearing audit and other offices from Lucknow to Calcutta. This change of headquarters has created great discontent and sensation in the United Provinces and several public meetings were held to record the public protest against the measure, but the indifference of the railway authorities to accede to the wish of the people in the matter is really surprising. The employees of the Oudh and Rohilkhand Railway accepted their employment on the clear understanding that it was a local service and that they would not be required to serve beyond the jurisdiction of that line. At the time of amalgamation the Agent in reply to an address presented to him by the staff of the Oudh and Rohilkhand Railway assured them that they would not be removed to Calcutta except in very rare cases of the exigencies of the service. At the same time the Chief Auditor of the Oudh and Rohilkhand Railway also recommended the retention of the Traffic, Audit and Statistical Offices of the combined lines at Lucknow for the following reasons:

- (1) That it would obviate the transfer of a large body of men to Calcutta from Lucknow or *vice versa*, the Audit Office containing the largest number of employees of the Central offices which it would be impossible to provide for outside the Audit Office.

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- (2) It would solve the difficulty and expense of finding the necessary accommodation in Calcutta there being ample accommodation in Lucknow for the whole of the Traffic, Audit and Statistical Offices of the combined line.

As soon as the employees came to know that the Coaching Office would be shifted from Lucknow to Calcutta they submitted a memorial to the then Viceroy and Governor General of India, and in a letter No. 2898-F., dated the 5th December 1925, the Railway Board informed the Chief Auditor that the question of transferring the Coaching Audit office was not under consideration. In spite of all these undertakings and assurances the offices were transferred from Lucknow to Calcutta. About 90 per cent. of the clerks in the Deputy Chief Accountants' Office are inhabitants of Lucknow or other places in the United Provinces; most of the residents of Lucknow have their own houses in that city. At Calcutta all of them will have to pay the prohibitive house rent, which, being an extra expenditure, they can hardly afford to pay out of their meagre salaries. Moreover living is also more costly in Calcutta than Lucknow, and in Calcutta the children of the United Provinces residents will also have great difficulty in receiving their education owing to the language of Bengal being different from that of the United Provinces. Besides the above-mentioned difficulties great financial issues are also involved in this question. The transfer of the Lucknow offices to Calcutta is likely to entail an extra expenditure to the Government of something like Rs. 1,25,000 a year in the shape of Presidency allowances, rent of the buildings to be hired for office accommodation and extra travelling expenses. Besides these grievances of the staff the public of the United Provinces will also have to undergo a great deal of inconvenience and trouble on account of this change. These offices were located at Lucknow for more than 60 years and for the residents, especially the merchant and trading classes of the United Provinces, it would be very hard and costly to go to Calcutta in order to adjust their affairs. The East Indian Railway has more miles of track in the United Provinces of Agra and Oudh than in Bihar and Bengal combined and therefore justice and equity demand that the East Indian Railway administration ought to have been located at Lucknow and not at Calcutta. On account of this change the trade of the United Provinces has materially suffered and it is extremely desirable that the Clearing House and the Chief Audit offices should be located at Lucknow, and the attention of the Government is urgently required in regard to this matter.

Another most serious grievance of the employees which also endangers the life of the public is the long hours of duty. In certain cases the railway workmen have to do over 12 hours' duty without any break. The assistant station masters, line jamadars and pointsmen especially have very responsible and onerous duties to perform and to keep this class of employees on long hours of duty is a thing which should in no case be tolerated. It is on account of these long working hours that so many accidents happen on the line and great loss of life and property is caused. I could give instances of such accidents but for the fear of occupying a great deal of the time of the House. Another most chronic difficulty is the shortage of quarters for accommodation of the staff. In very many places, for instance at Moradabad, Bareilly and certain other important

stations, quite an insufficient number of quarters is provided for the members of the Indian staff and large number of low paid and hardworked Indians have to walk for miles sometimes under very inconvenient climatic conditions after performing laborious duties for long hours before they have any sort of rest. Moreover, where the quarters are provided they are extremely insanitary and unfit for living. On the old East Indian Railway section the ticket collectors, booking and parcel clerks, signallers and goods clerks all got free quarters but to the staff of the Oudh and Rohilkhand Railway section these classes of men are deprived of this privilege, and in certain cases where the members of the staff are entitled to free quarters but have not been supplied with them they are not being paid even a house allowance to cover the loss.

Another grievance of the members of the Indian staff is about the leave rules. The leave rules applicable to the Indian staff are very unfavourable as compared with the privileges allowed to Europeans and Anglo-Indians. The benefit of the Fundamental Leave Rules are totally denied to the Indian drivers, even casual leave is not granted often times. Leave in cases of emergency is seldom granted in time. Again the railway authorities refuse to accept medical certificates issued by any authorised medical practitioner except the railway doctors and Civil Surgeons. It very often happens that a man gets ill and goes to his native place in a far-off village or town where there is no railway doctor. In such cases his application for leave supported by a medical certificate of a local authorised medical practitioner is rejected and great deal of trouble and inconvenience is caused. In the case of the subordinate services no railway servant can get a medical certificate nor can he be taken as an indoor patient in any railway hospital without getting a sick memorandum even in cases of serious illness and this office memorandum is sometimes refused even if the poor clerk is suffering from a painful disease and is quite unable to work. As a result of this the poor clerks have sometimes to attend duty even while suffering from serious illness and sometimes succumb to their illness. Sometime ago one Jugal Kishore, clerk in the Divisional Superintendent's Office at Moradabad, was suffering with high fever for three days, he requested the Office Superintendent of the Divisional Superintendent's Office to give him a sick memorandum, but failed to get one and the poor man died for want of rest and proper medical aid. No steps were taken against the stonehearted Office Superintendent. This state of affairs is intolerable and must be carefully examined and remedied.

Sometimes for an ordinary fault men who have a record of long and faithful service are ruthlessly discharged or dismissed and deprived of their only means of livelihood and are also deprived of all their bonus and gratuity. Security of service is the only inducement for the efficiency of the work and this having been lost the efficiency must naturally suffer.

In the matter of promotions the Indian staff is also treated with great injustice. Promotions are not considered on the merits of the employees such as educational qualifications, experience and length of service, but in several cases only favouritism brings promotion. It sometimes happens that the most senior man is left uncared for while the juniors go ahead by leaps and bounds. In the Moradabad Divisional Superintendent's Office last year some promotions in the grade of Rs. 70 to Rs. 105 and Rs. 110 to Rs. 140 were given, it is said, for other considerations than seniority and efficiency of work. The Indian drivers in some cases are stopped at Rs. 55

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per mensem and generally an excuse is made that they are heavy in coal consumption. This rule of coal bar does not apply on the old East Indian Railway section. The head clerks of the sub-offices are blocked at Rs. 64 per mensem and there are no further prospects for them. The lot of the "C" class assistant station masters is also very hard and miserable. There are six classes of assistant station masters as regards pay, i.e., "A", "B", "C", "D", "E" and "F". The last two classes are held only by Europeans and Anglo-Indians. In the Moradabad Division there is one "D" class station only, the first three classes are open to Indians. The "A" class people start on Rs. 40 and go up to Rs. 55 only while in the old East Indian Railway "A" class people rise up to Rs. 76, "B" class men start on Rs. 60 and go up to Rs. 75. The "C" class men start on Rs. 78 and go up to Rs. 90. After that there are no prospects for the Indian assistant station masters because they are not promoted to "E" class and there is only one "D" class station in the Moradabad Division, and it is an anomaly that if an assistant station master getting Rs. 90 is promoted to the grade of station master his starting pay is reduced to Rs. 75. In the same way the Indian station masters of the "A" class are usually blocked at Rs. 75 while the European and Anglo-Indian assistant station masters of the "E" class start on Rs. 150 and rise up to Rs. 250 and the European station masters start on Rs. 350 and rise up to Rs. 500. This racial distinction must immediately be stopped and grades of salaries and promotions must be the same both for Indians and Europeans according to their merits and qualifications.

Lastly the question of direct appointments is also worthy of consideration. Sometimes it happens that outsiders are given high appointments directly at the cost of the old experienced and efficient railway employees.

All these grievances and complaints are so serious that they require immediate investigation and attention and I agree with my friend Mr. Acharya that an enquiry committee consisting of both officials and non-officials including some of the Members of the Legislative Assembly should be appointed at an early date in order to investigate all the questions raised by me and steps be taken on their report.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, after the very eloquent speech of my friend Mr. Yakub, who hails from the same constituency as I do, I do not think that I would be justified in detaining this House on this very important question if I had not something new to say. It is a perfect scandal, if the Honourable the Commerce Member will permit me to use that expression, it is a perfect scandal that an enquiry committee has not been appointed to investigate into the grievances of the numerous railway employees. I do not know why the Government should have shirked their responsibility in this matter. Sir, we had one Committee, the Raven Committee, which went into one part of railway affairs. The Raven Committee has been responsible for bringing to light the big scandal about stores and wagons, about stores and other matters. The great efficiency, the great incompetence, the bungling, all these have been brought to the public notice by the Raven Committee. The Government have very boldly published the Raven Committee's Report instead of shelving it. And if another committee were to go into the question, and a much vaster question of the grievances of railway employees, I am afraid that the Government

would have to face a much bigger exposure. Sir, numerous questions put from this side of the House have made the Honourable Members on the other side confess to certain very glaring discrepancies, very great irregularities in the matter of racial discrimination. An enquiry initiated by the Government producing a report, proclaiming to the world the existence of racial discrimination on railways will at once expose this Government. Sir, the Queen's Proclamation is violated by the railway administration in this country. My friend, Mr. Ambica Prasad Sinha, put a question during the last Session and Mr. Sim replied that racial discrimination will soon be abolished on the East Indian Railway. I do not know if any step has been taken to abolish this racial discrimination. I do not now propose to go into the figures and details. They have so often been presented by this side of the House and accepted by the other side. But is it not the duty of Government here to appoint a Committee of enquiry at once with a view to put a stop to this racial discrimination?

Then there are the other questions: the poor pay of the railway employees. The Honourable Member from Madras, Dr. Macphail, in a very well-delivered speech, brought forward some remarkable ideas about the Brahmin menace. In the Madras and Southern Mahratta Railway numerous employees are Brahmins, but I have no taste for the Brahmin and non-Brahmin question. At least in this part of the country the Brahmin and non-Brahmin problem will not cut much ice. I know that the Honourable Member, whatever his want of authority on railway matters may be—the authority belongs, according to him, to my friend, Mr. Das—is far from “a tiresome” speaker. He said something about “supply and demand”. We had something about this just now in this House when Mr. Acharya made a certain “demand” and the professor from Madras “supplied” some arguments against it. (Laughter.) Then he talked about “sentiment at somebody's expense”. I am sorry—I think I share the sorrow of the professor under whose shadow I at any rate had not the good fortune to sit,—I share his sorrow so far as that phrase “sentiment at somebody's expense” goes. He gave it a very wide application, but I am inclined to give it a very narrow application. Mr. Acharya's “sentiments” were perhaps at the professor's “expense” (Laughter) and far from pleasing to the professor. He also talked of the agricultural labourers in Madras. I am rather out of touch with agricultural labourers in Madras. In my younger years I had a great deal to do with agricultural labourers in connection with my father's estates, and I may say that in Madras the tyranny of the taluqdars is unknown—my friend the Raja of Jahangirabad shakes his head. He is one of the very good taluqdars of Oudh. I witnessed the tyranny of the taluqdars in Upper India.

**The Revd. Dr. E. M. Macphail:** What about the Mirasadars?

**Mr. C. S. Ranga Iyer:** I am dealing with the class whom the professor described as agricultural labourer. The agricultural labourer in Madras has a turf of ground to call his own. The agricultural labourer in Madras is sure of his daily wages. The agricultural labourer in Madras is not exiled from his own home, and he gets his wages from the owner of the farm. But what happens on these railways? The railway employees are exiles from their own homes. What is the responsibility of the agricultural labourer compared with the responsibility of the railway employee? I am surprised that a professor of much experience should stand up and compare the agricultural labourer with a railway employee. The agricultural

[Mr. C. S. Ranga Iyer.]

labourer can very well go to sleep, but if a railway employee, say the pointsman, had gone to sleep on our way to Delhi the professor and I would not be here to-day to measure swords. (Laughter.)

To say that the agricultural labourer gets so much less therefore the railway employee should not get more is absurd. Take the case of a small station, where there is only a station master. He is also ticket collector, booking clerk, and everything else. He has got to work for all the 24 hours. What a violation of the agreement to which the Government are a party, the Labour Conference agreement. No station master is expected to work for more than 60 hours a week. I believe the Government themselves do observe that agreement in regard to certain labour in India, but this privilege they are not prepared to extend to railway employees. They want to make them work more than any man can work, yet they want to give him a scanty wage. The more pay a man gets the greater the concession that the Government gives him. Have they not extended the concessions to railway officers commended in the Lee Commission's Report? I say the men who have got less must get more. They must be able to live. A porter or a pointsman on the railway gets Rs. 8 a month. I ask the professor if he can live

**The Honourable Sir Clement Hindley** (Chief Commissioner, Railways): May I ask on which railway the pointsmen get Rs. 8?

**Mr. C. S. Ranga Iyer:** On the Oudh and Rohilkand Railway.

I beg your pardon, I mean the Rohilkund and Kumaon Railway.

**Mr. T. C. Goswami:** Does that give any greater satisfaction to Sir Clement Hindley?

**The Honourable Sir Clement Hindley:** Does the Honourable Member make himself responsible for that statement?

**Mr. C. S. Ranga Iyer:** Will you tell me what exactly he gets?

**The Honourable Sir Clement Hindley:** I have not got the information here.

**Mr. C. S. Ranga Iyer:** I put it to the Honourable Member whether he can live on the wages that the pointsmen on the Rohilkund and Kumaon Railway get, on the East Indian Railway, or the biggest or the best railway in India. (Laughter.) I put it to the Honourable Member if he can live on that salary.

**The Revd. Dr. E. M. Macphail:** Or the agricultural labourer.

**Mr. C. S. Ranga Iyer:** I do not say you should give them the salary that you get, but I do say that you should show some consideration. It is no use having all the luxuries for yourself and leaving them in the cold. Supposing he starves, supposing he lives on one meal a day, is it any justification that the railway employee should also starve or live on one meal a day? Two wrongs cannot make one right. (Cheers.) I am surprised that a professor who has taught students and added to the unemployment question (laughter) should come forward with a suggestion like that in this House. Victimisation of the employees on the railways is not a difficult question for Honourable Members to understand. Sir, some of us who travel have sometimes had the misfortune of coming into contact with high railway officials. For instance, not very long ago I was going to preside over a Postal Conference and I was having



a shave in a first class waiting room and in comes a strong big Englishman and says, "How dare you be here?" I was in my Gandhi cap and dhoti. . . . .

**The Honourable Sir Charles Innes:** May I rise to a point of order? Is this a grievance of a railway employee?

**Mr. C. S. Ranga Iyer:** This conclusively proves when a passenger can be treated in that manner how much worse must a railway employee be. (Laughter.) I find my official friends over there having a hearty loud laugh. It is "the loud laugh that speaks the vacant mind." Sir, when a man who is not employed on the railways, when a man who has nothing to do with the railways can be treated in a manner which is extremely objectionable by a railway official, how much more must be the misfortune and misery of a railway employee? Do you think going on strike is a luxury for a railway employee? Do you think men go on strike for the fun of it? And we are to-day in the middle of a big strike which is growing and why? Because of the violent treatment, the callous treatment that has been given to the railway workers, and the Honourable Members now sitting there and laughing ought to set an example to the lower officials by taking matters like this seriously.

There are two grades of officials, the higher officials who sit in front of us and the lower officials who maltreat the subordinate railway employees. It is a fact that most of the officials on the railways do not belong to that higher category of officials of the Government of India. Therefore they have not that higher breeding, that better attitude, and naturally the oppression on the Indian railway employees is bitter. I expect Honourable Members over there to take a much more serious view of this scandal, this oppression which is going on on the Indian railways. They ought not to be frivolous, they ought not to be light-hearted when a serious thing is discussed lest this levity should be taken as an encouragement by the Railway officials. It so happens that when a man grows old on the railway, instead of giving him the consideration he deserves, these lower officials get some excuse and give him "one month's pay in lieu of notice." In the Government service they get a pension. On the other hand the agricultural labourer has his land handed down from father to son, from generation to generation. There is no question here of any analogy with the agricultural labourer. Here the poor man is turned out and in many cases explanations are not given. These facts were placed before the House and the Honourable the Commerce Member did not meet those arguments and did not go into the details. When we avail ourselves of this opportunity of the Budget to place the long-standing grievances of the railway employees before you, you try to laugh them away. The illtreatment accorded to the staff by the officers of the railways has been stated. The illtreatment accorded to the female coolies in the Bengal-Nagpur Railway cannot be read. I do not want to read it here, but I want the Honourable the Commerce Member to read it. The treatment accorded to them is not secret, it is published by the Union, and it is appalling, it is disgusting, it is immoral.

Innumerable are the punishments inflicted on the employees. Reductions, dismissals, fines are being inflicted for trifling faults. There is no security for these servants, wages are inadequate and the employees in general are driven to borrow money at high rates of interest. We have

[Mr. C. S. Ranga Iyer.]

heard in this House sometimes very pleasing statements, highly moralizing statements on the awful evils of usury. While discussing the Santhal Pargana question Honourable Members on that side became eloquent about the follies and evils of usury, but by paying the railway employees so poorly, they are driving them into the hands of the Shylocks of India. (*Lala Lajpat Rai*: "Sweating is the word.") And the Unions are not recognised because the Unions bring forward the troubles of the troubled. It does not pay the Government to recognise the Unions, but, Sir, I would ask the Government to set an example in this country such as they have set in their own country. On this side of Suez why should matters change? I shall read to you the grievance of the Unions from a report of the second conference of the Madras and Southern Mahratta Railway Union, in Madras. This is what they recorded:

"This Conference regrets that, in spite of the Union being conducted solely by the employees for the last three years, the Agent has not chosen to recognise the Union and redress their properly formulated grievances."

The Government should, without further dilly dallying or shilly shallying go into this matter, appoint an inquiry committee and give unto the poor people what is their due. The rich have taken their due, in spite of this House. . . . .

**Mr. President:** If the Honourable Member is going to be very long, we might adjourn at this stage.

**Mr. C. S. Ranga Iyer:** Yes, Sir, I bow to your ruling; I am afraid I shall take a little more time.

**Mr. President:** What time is the Honourable Member going to take?

**Mr. C. S. Ranga Iyer:** I will take about half an hour. (Laughter.)

The Assembly then adjourned till Eleven of the Clock on Friday, the 25th February, 1927.