

LEGISLATIVE ASSEMBLY DEBATES

THURSDAY, 3rd MARCH, 1932

Vol. II—No. 9

OFFICIAL REPORT



CONTENTS.

Message from the Council of State.

The Railway Budget—List of Demands—*contd.*

Demand No. 1—Railway Board—*contd.*

Lack of Supervision and Control over Company-managed
Railways.

Future of the Railway Board and the Constitutional
Aspect.

NEW DELHI : PRINTED BY THE MANAGER
GOVERNMENT OF INDIA PRESS.: 1932

Price Five Annas.

LEGISLATIVE ASSEMBLY.

Thursday, 3rd March, 1932.

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

MESSAGE FROM THE COUNCIL OF STATE.

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

"I am directed to inform you that the Council of State has, at its meeting held on the 2nd March, 1932, agreed without any amendment to the Bill further to amend the law relating to the fostering and development of the bamboo paper industry in British India which was passed by the Legislative Assembly at its meeting held on the 24th February, 1932."

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

DEMAND No. 1—RAILWAY BOARD—*contd.*

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, all the five remaining cuts which are on the agenda in my name are very reasonable, and I strongly feel them to be reasonable. Mr. President, my previous cuts also were reasonable, and you will find from the debate, that Members sitting on my right and left have all supported me whole-heartedly. It was not the cause of my defeat yesterday that Honourable Members did not agree on the question; rather there was a mere misunderstanding which was responsible for the defeat. Still in order to give a chance to my other friends to move their cuts I do not want to move them. I only request that the Railway Board and the officers on the spot will consider the cuts moved and those remaining sympathetically.

Lack of Supervision and Control over Company-managed Railways.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Sir, I move that the Demand under the head 'Railway Board' be reduced by Rs. 100. Those of us who have been attending to the debates on the floor of this House in regard to the various parts of the Railway Administration must have noticed and also realised the extent to which the Railway Board exercise their power of control or supervision over those railways which are State railways, but for the purposes of administration have been given to private firms, and also those railways which are absolutely private concerns. I may not have much by way of grouse with regard to those railway systems which are absolutely controlled and managed and for whose welfare the Companies themselves are responsible and over whose dividends Government have not got any say; but I should feel very sorry if there was anything serious, the matter with the administration of those railway systems which are State railways and are being managed accidentally by private concerns. From the interpellations that have been put to the Treasury Benches from time to time,

[Mr. Muhammad Anwar-ul-Azim.]

and also from the facts which have been brought to our notice by the Railway Administration from time to time, I am sure every one of us realises that the Railway Board or the Government of India, represented by the Railway Board, do not seem to have any control whatsoever over the latter system of railways which I have just mentioned. The pink books which have been supplied to us by the Railway Board are ample proof that the money which these Railway Administrations have been spending has got to be passed through this Assembly, first by the Railway Finance Committee and then by this House. And if that is so, how can one be supposed to be illogical if he asks why such a state of affairs should exist so far as the control of these railway systems by the Railway Board is concerned? Last year, Sir, you will remember that a Memorandum was circulated to all Members of this Assembly at the instance of the Railway Board, and they brought out quite a lot of nice suggestions for the guidance of all Railway Administrations, including Company-managed railways. I do not know what good results that has produced up to now. I remember one very significant fact that was brought out by the authors of that Memorandum and that was this; that if those Railway Administrations wanted to fill in a certain amount of vacancies under their control, they should advertise locally and should try to take counsel from the local people who are concerned and are mostly interested in those recruitments. But it is a very sorry thing to say that not only have they known these suggestions or directions of the Railway Board—if I am not unnecessarily giving out my feelings in that matter—I remember personally that not only did they not care to advertise in the local papers, but their idea was this perhaps; they were masters of their own situation, and they were not willing to concede anything by way of even considering the recommendations of the Railway Board. Of course if that is the fact—and I am certain none of my friends on the Treasury Benches will have the courage to challenge it. Because I will not make a statement of which I have no knowledge; but if that is the state of affairs, certainly it is up to us here, at the time of passing huge amounts of money, to suggest to the Railway Administration what are the better methods which they might think of or have got to have recourse to, by which their recommendations will carry weight and be implicitly obeyed. One sometimes feels surprised at the attitude which some of the Company-managed railways have taken up from time to time and the nonchalant way in which they have flouted the authorities both of the Assembly and of the Railway Board, and I am really sometimes compelled to think very seriously whether these instructions, which are sent on the one hand by the Railway Board, are not nullified in some other way in our absence; and I should feel very sorry to think that that was so; but to what other logical conclusion can one come if results of this kind are to be had and found handy everytime? They do not listen to anything it seems—Are these Company-managed concerns so very careless as not to realise that we can stop their supply at any time?—If the directions of the Railway Board go unheeded, I am certain that will eventually be necessary, much against our wishes. Major Bliss of the Assam Bengal Railway is a good accountant, but inspite of that his company is loosing all round, why? Coming back now to one very flagrant matter which will be pertinent to the subject, Honourable Members will find from page 75 of Mr. Hassan's Report, para. 235, that it has taken the Railway Administrations, including the Company-managed railways, years to find out who are the minorities in this country. After a lapse of nearly 20 or 25 years

since the Railway Board was established, if this information is brought to our notice, I am obliged to conclude that the subordinate Railway Administrations in this country do not feel that they have a responsibility to discharge both to the Railway Board as well as to this Assembly. In para. 235 of that very able Report of Mr. Hassan, it is stated that :

“The reason why I am making the recommendation is that during the course of my discussions with executive officers on Railways, I noticed that there was a lingering doubt in the minds of some as to which communities were really the minority communities for which the safeguard had been provided.”

These Railway Agents are drawing salaries to the tune of Rs. 3,500 a month, which are larger than those drawn by Deputy Secretaries to the Government of India and first class Civilians in the Provinces.

Secondly, the Railway Board in Simla and Delhi have been crying themselves hoarse as to how best to manage affairs, but if one scans through these pages, he will find at every page the flagrant nonchalant attitude these Railway Administrations have shown. You will find the Assam Bengal Railway, which passes through my part of the country, has spent nearly a lakh on the construction of officers' quarters and staff quarters. If the policy of the Railway Administration has been to effect economy, I do not know how it was possible for the Assam Bengal Railway at Chittagong to indulge in these luxuries. They are spending on saloons and inspection carriages.

Sir Alan Parsons (Financial Commissioner: Railways): Can the Honourable Member tell me the exact page in the pink book on the Assam Bengal Railway to which he is referring?

Mr. Muhammad Anwar-ul-Azim: It is in your Explanatory Memorandum, and you will find that the Assam Bengal Railway has been spending Rs. 42,000 on officers' and staff quarters. If this is the kind of duty they are discharging 2,000 miles away from here, I am quite certain every one will be justified in asking whether the Railway Board exercise any supervision over that Company or not. The Railway Administration has been trying to find out the best means of improving their revenue, and to that end they have from time to time issued circulars for the guidance of these subordinate Railway Administrations who somehow or other do not care to attach any importance to the instructions issued from headquarters, and it is unfortunate that the Railway Board did not try to look into things in a strict manner and, in the words of the Railway Member, they did not try to look into the frittering away of railway revenue from a hundred and one sources, and if the Railway Board continue to maintain their present attitude, if they do not keep a proper check on the subordinate Railway Administrations, I am sorry, not to speak of balancing their Budget, it will be very difficult in years to come to find any revenue whatsoever. I should not like to embarrass the Railway Administration by giving more concrete instances, as some might feel that I have some personal interest—far from it; I have no personal interest whatsoever in this matter, but the mandate of my constituency is this, that I should ask the Railway Administration here to exercise a proper check on the Assam Bengal Railway Company so that they may be more prudent in their methods of administration and be more strict in matters of supervision. It will be within the recollection of this House from the interpellations that I had

[Mr. Muhammad Anwar-ul-Azim.]

the privilege to put some time ago, that on account of some fault somewhere last year, it was evident from the replies of Government that the Assam Bengal Railway incurred a loss of some 50 or 60 thousand rupees by way of defalcation, because somebody somewhere was at fault. Why was this so? If there was proper supervision, if there was a proper check over those officers who were responsible for this loss, then it would not have been necessary to show these losses in these pink books, it would not have been necessary to bring out these figures minus 6, minus 10, minus 14 deficit every year in lakhs of rupees.

Another matter is this. Sir. One of the reasons why the income of the Assam Bengal Railway is going down is because of the arbitrary way in which they have put down the timings. If one goes through the railway timings of the Assam Bengal Railway, he will find that merely to follow some regulation or rules made by somebody somewhere that Company has been compelled to frame their railway timings in a particular way. If they improve their methods of timings of trains, say, from Chandpur or from Mymensingh or Dohazari to the extreme South, my impression is—and I am voicing the opinion of a large section of the commercial community in my part of the country,—that the railway company's income would go up immensely. Perhaps, my friends on the Railway Board will trot out their time-worn reply that instructions will be issued to the Railway Administration concerned to improve their timings and so forth, but is that sufficient, Mr. President? I very humbly ask, have you not got responsibility for the payment of dividends to that particular company? If you feel you have a responsibility to the ratepayers of this country for paying a certain amount of fixed dividends. I am certain your responsibilities will not be discharged unless you make your subordinate agencies feel that there is some check over them and that they should obey you implicitly. It is an irony of fate that though after a long struggle the Railway Board appointed a very able officer to investigate into the grievances of the minority communities of this country, it was not possible for him to go round and see what was the state of affairs in the Company-managed railways. My suggestion to the Railway Board would be that it will not cost them much money if they take a little trouble to see what is the state of affairs with regard to the position of the minorities in the Company-managed railways as well, because I am certain no amount of writing either of Mr. Hayman or, for that matter, of my Honourable friend Sir Alan Parsons—though I know the interest that Sir Alan Parsons has taken in certain matters with regard to the administration of the Assam Bengal Railway—will help things. His method has not proved to be at all efficacious. I think I am tiring the House, and so, with these few words, I move the motion that stands in my name.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): I had no mind to take part in the debate on this particular motion, but I find that my Honourable friend, Mr. Anwar-ul-Azim, who comes from the same constituency that I represent, has raised objection to new constructions, in some of the Company-managed railways. I am very much interested in that subject. In the Explanatory Memorandum I find there is only an expenditure of Rs. 42,000 provided, out of which Rs. 15,000 is for completion of the bungalows under construction, and the provision for new works is only Rs. 27,000. If my Honourable friend thinks that even this small amount should not be spent, then

we will be in a difficult position. In my own district of Noakhali, which is on the Assam Bengal Railway, some of the railway buildings have been washed away due to erosion, and for the last few years we have been praying for a little bit of new construction. If my Honourable friend suggests that even this Rs. 27,000 should not be spent on new construction, I shall have to oppose the motion. As a matter of fact, for a big railway like the Assam Bengal Railway, where there is a proposal only to spend Rs. 42,000 out of which Rs. 15,000 is required to complete the old construction, I do not think that the suggestion of my Honourable friend is at all reasonable. Though I have no quarrel with other portions of his speech, I certainly dissent from this view of his.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): I rise to support the motion of my Honourable friend Mr. Anwar-ul-Aziz. I am very doubtful whether the Railway Board functions as a Board at all, or whether it does any work except what really suits it, though it is not in accordance with the desire of the Assembly or in accordance with the needs of the country. Sir, I am reminded of a saying in Oriya "chaing soithibaji taku uthaibakai" which means that you can wake up a man who is really sleeping, but not one who merely pretends to sleep. That is the position of our Railway Board now. Do they exist in the interests of India and for the people of India? We have cried ourselves hoarse for so many years, and even this year to-day is the third day of our railway debate. Do the Railway Board care to do anything? The other day when I put a question about the percentage of Oriyas in the Bengal Nagpur Railway, what was the reply of my Honourable friend Sir Alan Parsons? He said it was a communal question and he did not give a reply. Am I to teach him the meaning of the word "community" or "communal"? If Oriyas are a community, I think it is very wrongly understood by him. We are hearing on the floor of this House so many answers relating to the Muslim community, the Sikh community, and so on. I include in the term Oriya all people resident in Orissa, whether they are Hindus, Muslims, Brahmins or Non-Brahmins, be they Christians, Jains or whoever they may be. They are all Oriyas. I have used the word as it is familiar. If I might coin a new word I might say Orissans instead of Oriyas. "Orissan" includes all the communities residing in Orissa, just as the word "Bengali" includes all the people residing in Bengal, whether Hindus, Muslims, Buddhists, Jains, etc. (*Mr. Lalchand Navarai*: We have got the word 'Sindhi'.) I am glad you have got one. I even include the domiciled Bengalis in the term Oriya, because they live in Orissa. I also include Telugus residents in Orissa Ganjam.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I hope the Honourable Member realises that the motion on which he is making his speech relates to lack of supervision and control over Company-managed railways by the Railway Board.

Mr. B. N. Misra: I am only showing what control they are exercising over the Bengal Nagpur Railway. Only the other day we heard a lot about the grievances of the Muslim community against the Railway Board. Let me here tell them what is in the mind of the Railway Board or the Agents. I had a talk with an Agent of a railway one day. I asked him, "Why don't you employ Oriyas in your line?" The line goes through 800 miles of Orissa on all sides—on one side from Kharagpur to Jharsagudda and

[Mr. B. N. Misra.]

Sambalpur, and on the other side from Kharagpur to Naupada and other places in the Ganjam district, then again from Vizianagram to Parvatipur, to Salur, Titlagarh, etc. Sir, you will be surprised to hear that they cannot point out even one per cent. of Oriyas in their services. I asked them what the reason was, why they did not take in Oriyas? I was told that they are not available, but when applications are made, they are returned, saying that there are no vacancies. Thousands of persons are employed every year in the several departments, such as Transport, Traffic, Audit, etc. They are getting such a large number of Anglo-Indians, Europeans and others, and when they retire their sons, and grandsons, are being employed in their places and no outsider ever gets a chance. I asked the Agent, "Why don't you, like the Hindu Kings and Muhammadan Emperors, give them *dan*, *inam*, *jagirs* and make the offices hereditary, so that they may descend from father to son"? Then we will understand the position. From the highest to the lowest offices you will not find any Oriyas worth counting. This is all due to the policy of favouritism which obtains in the railways and the Railway Board does not exercise any supervision over these Company-managed railways. Outsiders never get a chance. This is gross negligence on the part of the Railway Board, on account of which only the relations of existing employees have got a chance of employment. Now, Sir, the Orissa province is in the making. It is in the womb of the Boundary Commission. The Commission is labouring hard and we all hope that before long they will give birth to a new baby the Orissa Province. Now, Sir, the Oriya speaking area comprises a vast tract of territory from Kharagpur to Jharsagudda, Bilaspur and Parlakimedi up to Vizianagram roughly. We have got 8 branch lines. The Bengal Nagpur Railway traverses about 800 miles of Oriya-speaking country, and yet there is not one per cent. of Oriyas employed in the railways. Other communities are not satisfied with even 20 per cent. I shall be glad if there is at least 5 per cent. of Oriyas employed.

Mr. Goswami M. B. Puri (Central Provinces: Landholders): On a point of order. The Honourable Member is speaking on Oriya representation in the railways which is not relevant to this discussion.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): He is showing that the lack of representation is due to the lack of supervision of the Railway Board.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair takes it that it is the Honourable Member's contention that the absence of Oriyas on Company-managed railways is due to lack of supervision of the Railway Board.

Mr. B. N. Misra: Yes, Sir, this is the trouble that the Oriyas have to undergo. A Commissioner of the Orissa Division, Mr. Phillip, as Member of the Advisory Board wrote a letter to Sir George Rainy or Mr. Hayman about an Oriya graduate. I hold the letter in my hand. This person has not been given any employment for about two years. There are many cases like this. Therefore I say you can awake one who is really asleep but you cannot awake one who pretends to sleep. It appears to me that the Railway Board is only an ornamental body. I have shown you the lack of supervision over the Bengal Nagpur Railway. No doubt other

Members will be able to speak about other railways. The Railway Board is like a society which is impervious and impenetrable. I had a talk with the Agent. He said that he got 1,200 applications. I asked Sir Alan Parsons how many Oriyas were taken in and he evaded the question by saying that it was a communal question. The Government find enough Oriyas cent. per cent. to man all offices, Collectorates, District Courts, etc., from Executive Councillor, Minister to District Collector, Principal, Lecturers, Teachers, Police Superintendent to Constables. But the Bengal Nagpur Railway cannot find even 5 per cent. of its employees from amongst Oriyas! I may tell you, Sir, that from the point of view of economy also, it is more profitable to employ Oriyas. During the Christmas and Durga Puja holidays time, many employees get passes and they go to Madras, Punjab, Dacca and so on. All this expense in issuing passes could be saved if the local people Oriyas could be employed. They would not have wanted to travel long distances on passes. All this travelling expense could be saved to distant places like Madras, Dacca and the Punjab, etc. They want passes to visit their relations and their wives and what not, and children too. (Laughter.) Of course, many people have got hosts of relations, whatever that might mean. Now passes are used not only on these two occasions, but on other occasion also. Sir, is it not a great loss which the Bengal Nagpur Railway suffers, which they would not have suffered if they had taken the men from these Oriya tracts, in which I may say most of these stations lie? In that case they would not be required to spend enormous sums, especially in these days, on passes. Sir, therefore I have given notice of a cut and I shall place it before the House for consideration. (Laughter.) I see the whole Assembly is crying, and they are not listening to what I say. Sir, all this trouble is due to the policy of the Railway Board. That policy should be to take the representatives of each province into confidence and see how the employment will go on equitably, smoothly and economically, what each province will require, what number of each community is fair. Sir, some of the representatives of the Assembly may form a better Board. What about these Advisory Committee Members. . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I have given the Honourable Member considerable latitude, but I cannot allow him to go on repeating himself in regard to the one issue which he has brought forward during the whole of this speech.

Mr. B. N. Misra: Sir, I would only suggest that this Railway Board should be abolished, and representatives from each province should be selected to form a Committee in order to consider the needs of each province, either communally or provincially, as necessary.

Dr. F. X. DeSouza (Nominated Non-Official): Sir, I rise to support this cut principally on the ground that the Indian Christian community, which I represent in this Assembly is most inadequately represented on the staff of the two railway systems where the Indian Christian community congregates in such large numbers, I mean on the South Indian Railway and the Madras and Southern Mahratta Railway, both of which are Company-managed. Honourable Members are aware that the Indian Christian community forms a very considerable proportion of the population of the Madras Presidency. Judging from the figures given in the last census, it appears that, out of a total population of more than 53 million in the

[Dr. F. X. DeSouza.]

Madras Presidency and in the attached Indian States, nearly 4 million are Indian Christians. 70 out of every thousand persons in that Presidency, Sir, are Indian Christians. If now you go by the standard of literacy prevailing in the community, judging from the figures given in the Census Report for 1921—those of 1931, are not yet ready—you will find that while for the Indian Christian community the percentage of literate persons for every thousand males is 235 and for every thousand females 123, that for the Hindus is only 149 and 15, and for Muslims only 74 and 18, respectively. This, Sir, therefore represents a very high standard of literacy amongst us, second only perhaps to the Parsi community in India (Hear, hear); and this standard of literacy prevails not only in relation to primary education but if you study the lists of graduates and under-graduates of the universities of Madras and Bombay, you will find the Indian Christian community figuring there in very appreciable numbers indeed. That, then, being the state of literacy and indeed of the stage of higher education amongst the Indian Christian community, what do we find so far as their representation in the railway services is concerned? And here, Sir, I regret I am under a peculiar disability, for, while the Railway Board in their annual Report do not give separate figures for the Indian Christian community—but I am thankful to my Honourable friend, Sir Alan Parsons, that he has undertaken to take into consideration my suggestion made the other day that he should give these figures in future Reports—for Company-managed railway I understand they do not furnish any statistics at all, and that being so, my position becomes very difficult. All the same I am glad to say that the conscience of my community in Southern India has awakened to the absolute lack of their representation in the service of these railway Companies, and a deputation headed by the leaders of all the minority communities waited upon the Agent last October and presented a memorial in which the following statistics are given. The memorial shows that while one of the communities, namely, the Brahmin community, which, in numbers, is less than 50 per cent. of the Indian Christian community, holds as many as 50 per cent. of all the appointments, in all the grades, high and low, of the subordinate establishments, the Indian Christian community holds only one per cent. of the posts in the officers' grade, two per cent. in the upper subordinate grade and 6 per cent. in the lower subordinate cadres. That, Sir, is a shocking state of things. And what is the remedy? The leaders of the community approached the Agent of the South Indian Railway who, although he refused to grant them an interview, intimated to them in writing that the Home Board had accepted the policy laid down by the Government of India as regards the representation of all the communities in India according to their proportion in numbers and importance, and while he agreed generally to follow the policy laid down by the Government of Madras and the Government of India in this respect, it was impossible at present to carry out the suggestion therein made. Now, when I brought that to the notice of the Honourable the Financial Commissioner the other day, he told me that all that the Railway Board could do was merely to bring to the Companies' notice what the policy of the Government of India was, and that if they refused to carry out the suggestions of the Railway Board, then they had absolutely no remedy. Sir, it seems to me that the position is absolutely intolerable. I cannot possibly believe that a Company, however powerful it may be, is able to function independently of the orders of the Railway Board and indirectly

of the Secretary of State in Council, who holds a very large proportion of the stock of these Company-managed railways. Am I to understand that these Companies, enjoying many privileges including the privileges granted by the Lee Commission for their officers from the Secretary of State in Council, must be allowed by the Secretary of State in Council to be independent of the control of the Government of India in such an important matter? Will the Right Honourable the Secretary of State in Council allow an *imperium in imperio* to flourish in India? Certainly, Sir, where there is a will, there is a way. I asked the Honourable the Financial Commissioner to bring his powers and influence to bear upon these Companies in order to rectify the error in the representation of the communities which I have brought to the notice of the House. Sir, somebody complimented him the other day on being an expert haggler. Undoubtedly from what I have seen of him in this House during my short time here, he has proved himself to be an expert haggler, but if he is unable to drive a good bargain in this case with the Company, then I would ask him to try a little tail twisting. I must say, Sir, one thing with regard to the deputation that waited upon the Agent, South Indian Railway, namely, that it has had one desirable result and that is that the Agent has established, in consequence of the representation made to him, what he calls a Staff Selection Board. To my mind, if all the Railway Administrations, in fact, for that matter, if all the Government offices who have any patronage in their hands were to establish a Staff Selection Board of this kind, the bulk of the complaints regarding the want of sufficient representation of the communities will gradually disappear. If the Staff Selection Board consists of the head of the department and if some officials and non-officials are co-opted to represent the various communities on it, I feel certain that the grievances of the different communities will be redressed in course of time. My Honourable friend Sir Henry Gidney complained the other day of the influence of the office Superintendents in filling up the vacancies. He said that these office Superintendents fill up the vacancies on their own initiative by appointing their own favourites and members belonging to their own community. That, I believe, is perfectly true. In spite of the orders from the higher authorities, those who have had any patronage to exercise under Government will realise what influence these office Superintendents wield in filling up vacancies, especially in smaller grades. And it is from among men recruited in the smaller grades that men rise step by step to the highest grade. So, if sufficient control is exercised over the recruitment in the earlier stages, I feel absolutely certain that these complaints about communal inequalities will disappear. This I must say, therefore, in connection with the Staff Selection Board appointed by the Agent of the South Indian Railway that it is an admirable institution which is worthy of encouragement on all other Railway Administrations. If this suggestion is carried out, I feel sure that these complaints about communal inequalities will gradually disappear.

Mr. S. G. Jog (Berar Representative): Will the constitution of this Board not be on communal lines?

Dr. F. X. DeSouza: My Honourable friend wants to know if this Board should be constituted on communal lines. My suggestion is that it should be presided over by the head of the administration or by the head of the district. It would consist of the Agent or other authority who is in charge of patronage, the Superintendents of the respective offices, technical and

[Dr. F. X. DeSouza.]

non-technical, and two or three persons belonging to the respective communities. It will be constituted just on the same lines as the Public Service Commission of the Government of India and it will also rectify the inequalities on the same lines. My own idea is that if such a Board is appointed in every district in India and on all the Railway Administrations, the bulk of the complaints against the actual inequality with which the whole House resounds from day to day will disappear. That is my humble suggestion to the railway authorities and if it is adopted, I am sure it will prove of great value.

Sir, it is with very great reluctance that I have taken part in this debate because I consider that whatever partakes of the nature of communal representation leaves a very bitter taste in the mouth and creates bitterness not only in this House but outside it also. On second thoughts, it, however, seemed to me that it was wrong to regard it as a communal squabble

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order; I have allowed the Honourable Member a considerable amount of latitude. He has to bear in mind that the motion before the House is the lack of supervision of Company-managed railways by the Railway Board, and the Chair has not been able to follow how all that the Honourable Member has been saying is relevant to that one issue. Is it the Honourable Member's contention that all these inequalities in subordinate and other employments are due in Company-managed railways to lack of supervision by the Railway Board?

Dr. F. X. DeSouza: Precisely so, Sir. That is just my point, and I regret to say that I have not been able to make myself clear. What I said was that if the Railway Board had a better control over the management of the Company-managed railways, then these inequalities would not prevail. It is because they have no such control and also because the Financial Commissioner admitted the other day that there was no remedy against the Company-managed railways if they did not carry out the policy laid down by the Government that I have brought this motion and I am speaking on this cut. What I contend is that if the South Indian Railway and the Madras and Southern Mahratta Railway were State-managed railways, then I could have asked the Railway Board to interfere directly and, if they failed, would have given them a bad quarter of an hour in this House. But as they have no such control at present, I ask them that they should obtain more control in order to rectify the injustice that is done in the recruitment of officers for these Company-managed railways. It is true that they have agreed to a policy of Indianization. But Indianization so far on the South Indian Railway has merely meant this, that the monopoly by one community has been perpetuated. If Indianization was to be insisted upon by the Railway Board because they thought it was a political necessity, may I venture to point out to the Railway Board that it is a still greater political danger to perpetuate the monopoly of one community? It is therefore on this ground that I urge the points that I have made under this cut. That is all I wish to say and I now resume my seat.

Mr. B. Das (Orissa Division: Non-Muhammādan): Sir, this is not the first occasion when we have discussed on the floor of this House the

maladministration of Company-managed railways and the lack of supervision on the part of the Railway Board. We have shown in the past that the Railway Board, from the year 1910 onwards, have so mismanaged the control that they allowed the Secretary of State to enter into contracts with the Board of Directors of Company-managed railways in England whereby the Bengal Nagpur Railway, of which my friend Mr. Misra spoke so much, got its agreement extended from the year 1912 to 1950. The same thing has happened with other Company-managed railways. These are surely serious charges against the Railway Board. Sir, those Members of the Railway Board have now retired, and some of them are advisers in the India Council; others are Directors of some of these Company-managed railways. They are still carrying on their business in India. Sir, if I may be permitted to refer to what happened in the Public Accounts Committee, I may say that most of us particularly laid stress about the better financial control of the railway administration in the Company-managed railways. In 1929 it was my friend Mr. K. C. Neogy who presided over a Sub-Committee when the then Financial Commissioner, Mr. P. R. Rau, gave us complete satisfaction as to the proper control that the Railway Board exercises over the affairs of the Bengal Nagpur Railway. Sir, it seems that the Government at present exercise a certain amount of financial control over the Company-managed railways through the Auditor, who is known as the Government Examiner of Accounts. But the Agents of these Company-managed railways never allow these Government Examiners to have any access to the facts and figures. But as this matter was forcibly pressed in the Public Accounts Committee, the Railway Board have paid greater attention to it and they exercise now a little better financial control over the Bengal Nagpur Railway. Before 1924-25 there were serious irregularities on that Railway and they squandered away lakhs and lakhs of rupees. The moment a letter was sent from the Railway Board to inquire about a particular irregularity, the Railway Agent managed to send away the official directly concerned after paying him his provident fund and other allowances that he was entitled to. When the Railway Board wanted to penalise the officer in

12 Noon. that particular case it was ascertained that the officer had left with his provident fund money, and so nothing could be done. Of course a poor Indian clerk or a chaprasi would have been dismissed, as it always happens. Sir, I can say this much, that to-day the Railway Board are exercising much better control than they used to exercise before 1925-26 but I am not yet satisfied that there is at present proper control over the Company-managed railways. Why the same practice regarding recruitment should not prevail in Company-managed railways as in the State-managed railways, I cannot understand. When my Honourable friend Sir Alan Parsons got the sanction of this House for the separation of audit from accounts, he promised this House that there would be an examination for recruitment to the Accounts Department and the recruitment should be on a provincial basis, every province being allowed its quota.

Sir Alan Parsons: I am sorry to interrupt the Honourable Member. I do not think I said that recruitment should be on a provincial basis.

Mr. B. Das: It was I who suggested it and my Honourable friend accepted it. If he had not accepted it, then I was misled. I would have raised the point in subsequent discussions had I known that it was not accepted. I understood that in the matter of recruitment to the

[Mr. B. Das.]

various railways, Government would take into account that recruitment should be done on a provincial basis and that provincial quotas should be allocated, and if Government have not done it, then it is a serious dereliction of duty on the part of the Railway Member and the Railway Board. It does not mean that the Punjab alone should monopolise all the services, whether in Bengal or Bihar and Orissa. (Mr. Jagan Nath Aggarwal interrupted.) I do not mean any offence to my Honourable friend Mr. Aggarwal, but I want that if the railways are built up by money to which all the provinces are entitled and all the provinces are paying interest on borrowed capital, then recruitment to the railway services in the State-managed railways and in the Company-managed railways should be done on a provincial quota basis. At the same time I do not mind if the communal demands of different sections come in on that provincial quota basis. At present it has not been shown to have been done and it should be done. If we apply that analogy to the Company-managed railways, we will find the B. N. R. which runs throughout the whole of Orissa does not pay heed to this principle.

I congratulate my Honourable friend Mr. Misra who put the case of Orissa in that inimitable way of his to which we are all accustomed. I come from the same constituency as my Honourable friend does and I have spoken privately to my friends on the Treasury Benches on behalf of Orissa, but pre-occupied as I have been with other matters, I did not like to press the case of Orissa too often on the Government. As regards non-employment of the Oriyas in the B. N. R., I think the time has come when I should demand that equity and justice should prevail. The Oriyas should find employment in the B. N. R. and also on the State-managed railways, and recruitment whether it is for the State-managed or Company-managed railways should be on a provincial quota basis. If a particular railway extends over two or three provincial units, let these provincials be employed on that railway. That is my submission about recruitment.

One other point which my Honourable friend Mr. Misra raised was that even the Company-managed railways were negligent about recruitment of members to the Local Advisory Committees. Three years ago we brought this question to the notice of the Honourable the Railway Member and he said he would look into the question. If he only looks into the Local Advisory Committee of the E. I. R. which is a State-managed railway, he will find there are three or four Local Advisory Committees where the mercantile community and the Government find adequate representation, even the municipalities and the district boards and Provincial Councils find representation, but in the B. N. R. it is not the same. It is left to the sweet will of the Agent and he has limited the number of members of the Local Advisory Committees to six. I was once a member of that Local Advisory Committee. I went away to Geneva four or five years ago, and since that day no Oriya has been recruited as a member of the Local Advisory Committee. My Honourable friend Mr. Misra pointed out that the Commissioner of Orissa Division is the sole representative of Orissa, the Government of Orissa and the people of Orissa. I think even in the pre-occupation in which the Honourable the Railway Member finds himself always, especially in these days of Ordinance *raj* and political difficulties, he ought to see that there is certain amelioration granted to people over whose territory a certain railway traverses. If the railways exist, they must exist for the benefit of the people, and

people of every part should derive their due quota in benefits, in employment and in privileges.

Sir Alan Parsons: Sir, when I noticed this motion on the Order Paper, I had not expected that I would have to meet attacks on the subject of the representation either of individual provinces or of certain communities in the services of Company-managed railways. I anticipated rather that I should have to deal with the extent of our control and supervision over the Company-managed railways in order to safeguard the financial interests of Government. That matter has actually been touched on only briefly by my Honourable friend the Mover and to a certain extent, before his local patriotism overcame him, by my Honourable friend Mr. Das. I should however like to explain to the House, before dealing with the few points raised by speakers which had any financial implication, exactly what our position is *vis-a-vis* the Company-managed railways on the financial side. In effect the powers, which are exercised by the Boards of Directors on Company-managed railways on the financial side, are no greater than those which have been delegated to Agents on State-managed railways, and our position with regard to supervision and control over Company-managed railways on the financial side is, therefore, very strong. I am grateful to my Honourable friend Mr. Das for saying he considers that the control and supervision over the Company-managed railway with which he is particularly acquainted has been improving during the last four or five years. Mistakes will of course occur at times on every railway, Company-managed or State-managed; the matter may not be brought to the notice of the Railway Board; and if it is, the Railway Board is itself not infallible, and it may not always take correct action. But taken as a whole, I consider the powers of control and supervision possessed by the Government of India through the Railway Board over Company-managed railways are adequate to safeguard the financial interests of Government, and I claim that as a whole those powers have been exercised in the past, so that those interests have been properly safeguarded. I will take as an example of the exercise of these powers of control, an instance mentioned by my Honourable friend Mr. Anwar-ul-Azim. He complained that, I think he said a number of lakhs, but the exact amount is Rs. 42,000, has been provided for expenditure next year on the Assam Bengal Railway, as he said for officers' and subordinates' quarters. As a matter of fact no provision has been made at all for officers' quarters, and though in the programmes which came up from Agents of Railways there were suggestions for a certain number of bungalows to be built for officers next year, I think I am right in saying that in no case did we accept those suggestions. That is an example of the exercise of our powers of control. With regard to the provision of quarters for subordinates on the Assam Bengal Railway, here I am between two fires. Apparently my Honourable friend Mr. Anwar-ul-Azim thinks that even if the Railway Administration is allowed to complete the quarters which are already under construction, they should not be permitted to build any fresh quarters. On the other hand my Honourable friend, Mr. S. C. Mitra, with his local knowledge of that part of the country, thinks, I am afraid, that I have been rather stingy. I can only hope that having fallen between two fires I shall come out unscathed.

Mr. Anwar-ul-Azim also mentioned the fact that a fraud has occurred on the Assam Bengal Railway—a Company-managed railway—fairly recently, I think it was last year,—by which that Railway lost about

[Sir Alan Parsons.]

Rs. 50,000. That was certainly a regrettable incident, but I cannot admit that that was in any way due to the fact that the railway was under Company-management. Unfortunately regrettable incidents of that kind occur just as much on State-managed railways, and we have them every now and then on every railway in India.

Mr. B. Das, though, as I have said, he was more complimentary to the Railway Board than he usually is, complained that the contracts with the Company-managed railways had been badly drawn up and gave them too much power. That of course must be mainly a matter of opinion. But with regard to the railway he was speaking about, the last contract was I think made in 1908, and I can only say therefore that if he were to vote for this particular motion on that ground, he would be visiting the sins of the fathers upon the children.

I now turn to the question of the control or supervision which the Railway Board can exercise over the recruitment of their employees by the Company-managed railways. The position is quite clear; the contracts give us no power. The Company-managed railways have accepted, and are therefore bound by their acceptance, the obligation to recruit as quickly as possible 75 per cent. of Indians in vacancies in superior posts as they occur. They have not accepted any obligation to distribute that proportion of Indians over different communities. What the Railway Board have done there is to send to the Company-managed railways copies of their instructions to State-managed railways, pointing out the desirability of avoiding any undue preponderance of any one class or community in their services, and expressing the hope that they will be able to follow more or less the same plan as we have adopted in making their recruitment. That is the extent to which we can influence the Company-managed railways. I use the words "class or community" and I should like here to refer to the point raised by my Honourable friend Mr. Misra. I realised his "*cri de coeur*" and we know that he is very loyal and patriotic to his land of Orissa and if I may express my personal opinion, I do consider it desirable that where a railway runs through a large tract of country, so far as possible in the railway services working in that tract of country there should be a fair number of natives of that area; I am perfectly prepared therefore to bring my Honourable friend's remarks to the notice of the Agent of the Bengal Nagpur Railway. But I must premise that neither the Government of India nor the Secretary of State nor the Railway Board have any powers to say that the Agent shall take so many persons into the Railway's service from Orissa. It must be left to his discretion whether he can find people from that area who are suitable for railway employment.

I think Mr. Misra or Mr. Das, or possibly both of them, mentioned the matter of the Local Advisory Committees on the Bengal Nagpur Railway. I was not aware before that Mr. Das had been a member of one of those Committees, but Mr. Misra is I think aware that at his request I have already pointed out to the Agent of that railway that there is some demand from the inhabitants of Orissa that some one from Orissa should be placed on these Committees so that representations from Orissa should receive due weight.

In the same way I am prepared to send a copy of Dr. DeSouza's remarks with regard to the representation of Indian Christians on the South Indian

Railway, though, if I understood rightly what he has said, it appears that the Agent of that Railway has already got that question under his consideration and that therefore there is very little that the Railway Board need or can do in that matter.

I should like to refer to one constructive suggestion which was made in general terms I think by my Honourable friend Mr. Anwar-ul-Azim and somewhat more definitely by Dr. DeSouza, and that is that in recruiting there should be some sort of a selection committee. That is certainly a view which the Railway Board themselves hold. On the North Western Railway I think recruitment is now done entirely by such a committee, and the system is being extended on other State railways. That is also a suggestion which, if we have not already done so, I shall be quite prepared to put forward to the Agents of the Company-managed railways. I do not commit myself to a committee or board of the exact description suggested by Dr. DeSouza; but it does seem to me that if we could associate in some way with selection committees, which would probably have to be departmental committees, non-officials of the various communities whose principal duty would be to bring to the notice of the Railway Administrations where suitable material for recruitment was available, that would be a method by which eventually we might free ourselves in this House from these long series of communal debates.

Mr. Muhammad Anwar-ul-Azim: Sir, I have listened with great interest to what my Honourable friend Sir Alan Parsons had to say. In reply I should like to say a few words just to save time. If I am allowed a little time to say a few words in reply, I may not move the other motions which stand in my name. Sir Alan Parsons has very pertinently referred in his reply to my suggestion and the suggestion of Dr. DeSouza that if a certain arrangement can be made for the recruitment of people on the Company-managed railways, perhaps that will avert a political crisis of which Dr. DeSouza has ably spoken. If this matter of recruitment is not equitably solved, I am certain, Mr. President, that will lead to complications, which no ingenuity in this world will be able to solve. My advice is, take courage, feel like the conservative Government at home, and then you will find that you have come out unscathed, and once this is done I am certain these Railway Administrations will think a million times before they think of disobeying any suggestion from the Railway Board.

As regards certain matters connected with the finances of railway companies, I think it may be said that we have now got a very good auditor, an Indian gentleman in the Assam Bengal Railway and I think that railway so far as finances are concerned will continue to improve.

I have to suggest one other matter and it is this. In 1930 I was a member of the Road Committee; we had a conference in Simla and there the Railway Board was very fully represented, by Mr. Colvin I think, and with the concurrence of the conference and of the Government of Bengal, we came to the definite conclusion that a certain road running through the whole district of Chittagong and reaching to the borders of Burma should be constructed and Rs. 5 lakhs were sanctioned by the Local Government on that consideration and the work progressed a bit; but it appears some sort of apprehension or suspicion has crept into the minds of the authorities of the Assam Bengal Railway, and they are trying to thwart it. I think it would be most injudicious if progress on that work was stopped and I mean on the Arakan Road; because if the Railway

[Mr. Muhammad Anwar-ul-Azim.]

Administration here had its ears and eyes alert, I should suggest to them that it would be a criminal folly to stop a work of this sort, because it is the only road which passes through the whole district of Chittagong and through hill ranges. If you had a big rising there your aeroplanes would not help you. That is my suggestion.

One other matter and I have finished. One must have noticed from the Report submitted by the Eastern Bengal Railway Administration—and those of us who come from the other side of the Padma know very well—what is the condition of a place called Goalundo. It is I suppose about 156 miles from Calcutta and the Eastern Bengal Railway has been expending money like water on that station.

Sir Alan Parsons: On a point of order, Sir; the Honourable Member in his reply is introducing entirely new matter. Is he in order in doing so?

Mr. President (the Honourable Sir Ibrahim Rahimtoola): No Honourable Member can introduce new matter in his reply; he can reply only to the points that may have arisen in the debate.

Mr. Muhammad Anwar-ul-Azim: In that case I have very little to say. I have had experience of carrying motions—in 1928—but they do not produce any effect, and in that view I will not press this to a division; I will ask the House to allow me to withdraw it and leave it to the good sense of the Railway Board to ponder and act.

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

Future of the Railway Board and the Constitutional Aspect.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, with your permission I shall move:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100.”

At the very outset I may state that I have no intention of pressing this motion to a division. My only object in giving notice of this motion was to get an opportunity for the Assembly to express its opinion on a subject which has been I believe before the Round Table Conference and its Consultative Committee, judging from the reports of that Committee published in the Press. It is but proper that the Assembly should have an opportunity to express its opinion on the matter, though I recognise that the Government are in a difficult position and may not be able to express their opinion in the matter, especially as the constitution is in the melting pot. But I believe that they will forward this opinion of the Assembly to those who are constitution-making, for it is just as well that the opinion of the Assembly is before them.

With these preliminary observations, I shall take the subject into consideration. A Calcutta newspaper which arrived in Delhi this morning publishes certain views of the European community in regard to the future of Indian railways, one of which is contained in one sentence:

“So far as possible the Railways and ports must be removed from political control.” This view is attributed to Mr. Benthall. I do not know how far it is correct, because the publication says, “Very private and confidential; not for publication in any way”; but it is published all the same in a Calcutta newspaper; and subject to the statement of responsible European Members

as to whether this publication is correct or incorrect, I believe that a movement is on foot to keep the railways out of political control. I am not an extremist in the matter of controlling the railways. My position is that of a moderate. One school of political thought in this country believes that it has a right not only of controlling the railways but also of attacking on the floor of this House each and every detail of administration connected with the railways, thus controlling the railway administration itself. My friend Mr. Arthur Moore or my friend Sir Hugh Cocke will be able to enlighten us in this matter, because both Mr. Arthur Moore and the Leader of the European Group are in a better position to tell us as to what the views of the Europeans are, and the European views are very important, I admit, in regard to this fundamental question of the railways; and especially when there is a kind of clumsy publication—because what is marked private and confidential should not ordinarily be published, but the justification I suppose for the publication is the national interest from the newspaper's point of view—because it does not really relate to very much of a private document; and any way in view of that publication and in view of the importance of the subject I do trust that the Leader of the European Group or his esteemed colleague Mr. Arthur Moore will place before us what exactly the European community want.

I hope they do not want to keep the railways out of political control. Even the views that are published in Calcutta by an enterprising Indian newspaper say, "As far as possible they want to keep the Railways out of political control". I hope they do not want to create a railway autocracy. These are days of autonomy; we talk of provincial autonomy; we talk of central autonomy, and it may be that some of our European friends—I do not for a moment say it because I want to hear their exact opinion in the matter—it may be that some very enthusiastic people want to create what I may describe as railway autonomy. Sir, I would rather like to find out a *via media* between autocracy and mobocracy,—autocratic autonomy from the control of the legislature on the one side and excessive control of the legislature on the other side. Sir, the question of policy, so far as railway administration of the future is concerned, must be absolutely and fully controlled by the Legislature, because on the railways depend the future of our industries, on the railways again depend the future of our agricultural development. In view of the fact that our industries are in an infant stage, it becomes all the more necessary for the Legislature of the future to control the railways absolutely in regard to the question of policy. Sir, I shall presently show by means of quotations how the policy of the railways has been controlled in the Dominions by the Legislatures with a view to improve industrial and agricultural matters. I shall also show with the help of quotations how agricultural improvement was effected in England by Parliament retaining to itself the right of controlling the railway policy.

Then, Sir, there is the question of running the railways on business lines. I quite agree that in the coming days of democracy there will be a tendency to exaggerate political interference; there will be a tendency on the part of the politicians to treat the railways as their protege; there will be a tendency on their part to interfere with the commercial management of the railways to "politicalise" the railways if I may so put it. This "politicalisation" of the railway administration will be detrimental to the management of the railways concerned. Personally, I do not believe in the interference in petty details of railway management. If a railway is to be run on business lines, it must have mainly a business management. Railways, even if controlled by States, are business propositions, and the moment we agree

[Mr. C. S. Ranga Iyer.]

they are a business proposition, we cannot make the management a victim of the predilections of politicians. Railways cannot be a pawn in the party game of the future; railways cannot be a victim of political intrigues and party adventures. Therefore, I do certainly very strongly oppose any idea of railways becoming the play things of the politicians. If we examine the Colonial history, we find in South Africa, Australia and Canada, time and again, politicians trying to play with the railway administration. Sir, in Australia railways were under the control of politicians down to the year 1884, and there was such mismanagement; the politicians so frequently and constantly interfered with the railway administration, that a non-political Commission had to be appointed, and the railway administration had to be handed over to the Commission. The Chief of that Commission was an Englishman, who, with the other members of that Commission, controlled the railway administration practically. There was a nominal control by the Minister, but theirs was the practical control. For a short time, because they were appointed only for 5 years, this kind of Commissions' control worked, but as days advanced, as years progressed, politicians wanted once again to interfere with the administration of the railways in Australia, because Australia, Sir, is a semi-socialist State if I may say so. It is a State in which labour interests are very great and labour interventions equally great in matters of administration. They looked upon their railways as one of their pet things and they thought it was their duty to interfere with the railway administration. Therefore, the Australian Railways were a financial failure. Once again they handed them over to the Commission, but again it went back to the politician. Sir, at the last stage it went back to the politician, I say this was inevitable, for, this Commission curiously enough came under the control of the politicians and in this matter Sir William Acworth has in his book on "State Railway Ownership" made some very interesting observations. He has clearly proved that it is much better for an administration to be run subject to parliamentary control rather than it should be free from that control, should it degenerate into a political clique. The Commission in Australia, Sir, degenerated into something in the nature of a political clique, and therefore it was thought that it would be more desirable to hand the railway administration over to the politicians themselves. And Sir William Acworth in this particular case mentions that the jobbery of the politician, of the political Minister, will not be so bad as the jobbery of the Commission clique which comes under political influence. This is what he says:

"The new system was not over-successful. Political pressure still continued. The financial position got worse, budget estimates of expenditure were largely exceeded. And, as has already been mentioned, free passes were given on a wholesale scale to the dependents of Members of Parliament. After mutual recrimination the Commission was abolished and the Railways handed back to direct political control. Evidently"—(says Sir William Acworth)—"a Commission which though composed of individuals personally clean-handed is not strong enough to crush attempts at jobbery in its neighbourhood may be even worse for the public interest than a Minister who uses patronage for political ends. For the Minister can at least be watched and exposed in Parliament by political opponents, while a Commission can take shelter under the cloak of its statutory irresponsibility."

This, Sir, is a very valuable quotation from "State Railway Ownership" by Sir William Acworth. It should be a guide for us in future constitution-making. While it is dangerous to be caught by the political Scylla, it is equally dangerous to be swallowed by the bureaucratic Charybdis.

Our attempt must be to steer clear of the Scylla on the one hand and the Charybdis on the other hand, to combine all that is best in bureaucratic management, if I may say so, without meaning any offence, for I am perfectly confident that Members on this side will admit that democracy has a tendency sometimes to be less efficient than autocracy, but autocracy uncontrolled and irresponsible becomes quite as bad as democracy run riot. That is exactly what has happened in South Africa. . . .

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Far worse.

Mr. C. S. Ranga Iyer: My friend Sir Abdur Rahim says "far worse". I am certain he means by that, democracy run riot cannot be so bad as autocracy without control. (Hear, hear.) That view was expressed on this side of the House by my late lamented friend Lala Lajpat Rai who said that he wanted politicians to be Members of the Railway Board. He was then sitting in the place where my Honourable friend Sir Abdur Rahim is now sitting as leader of the Independent Party. I was sitting on the Swarajist Benches very near to the place which I am now occupying at present. I had to differ from my friend the late Lala Lajpat Rai, and if my Honourable friend Sir Abdur Rahim will look up the proceedings of this Legislative Assembly, he will find that I was applauded by my side of the House by way of agreement. The Swarajists, then, Sir, did not contemplate the complete politicalisation of the railway administration. They wanted politicians—and I shall presently come to that—but they also wanted at the same time experts. I will presently show that the constitution that France has at present, has some elements in it, has some aspects in it which could be usefully annexed to the Indian constitution of the future. In France you have complete State control of the railways. Ever since the beginning of the French railways, the State has controlled the administration of the railways. Of course, the railways were managed by companies, but controlled by the State. The State found money for the making of the railways and at a later stage they were handed over to the companies so that the business aspect fully recognised and business management fully carried out. No railway can be handed over to the politician to play with; it is not a lollypop; and politicians of the future will have to recognise it, politicians themselves will not agree to bring the railway administration in the middle of the political whirlpool. In France after the War, when faced with heavy deficits, what happened? A new convention was established, and in 1921 five railways were given representation in a board of directors called a "Committee of Direction". Each railway had three representatives, and in 1923 another railway, the Alsace-Lorraine Railway also joined this convention. Thus, there were six Railway companies which had representation in that Committee. That Committee consisted of 18 members, it was a technical committee consisting of business men who were responsible for the administration of the railways on the business side, but according to that Convention the parliamentary people, the representatives of the French people also wanted to protect the interests of the public. From the point of view of industries, from the point of view of agriculture, they wanted to control the railway policy, and therefore, Sir, the Superior Railway Council came into existence. This Superior Railway Council was made up of three bodies—the members of the railway administration 18, three representing each of the six railways, secondly, two representatives of the

[Mr. C. S. Ranga Iyer.]

staff from each of the six systems and nominated by the Railway Minister; the Minister of Public Works, which came to 12, and the remaining 30 were handed over to the popular representatives. They were members appointed by decree on the proposal of the Minister of Public Works. Thus, the French railway administration is controlled by 60 members, 30 of whom are drawn from the people and 30 either from the company administrations or from the administrative staff of each of the systems from which the Minister chooses his nominees. Thus, the companies were represented, the railway administration was represented and the people were represented in the new Convention which is now obtaining in France.

Sir, objection has been taken to this arrangement on the ground that it is more or less like a debating society. And I know that this objection has been made by critics who are certainly students of constitution, but I am afraid who have no knowledge of the working of the French railway administration. For instance, we cannot have a better authority on this matter than Sir William Acworth himself, and let us see what he has got to say about the administration of railways in France. He says in the words of Mr. A. T. Hadley, President of the University of Yale whom he quotes :

"The English and American maxim is that whatever can be done *without* Government should be thus done. The Continental principle is that whatever can be done by Government should be".

India resembles in this respect more the Continent than England or the United States of America. And the opinion of Sir William Acworth is valuable on this matter. On the matter regarding the French railway system he says :

"The railway history of France stands by itself. Nowhere is the passion for logic and the love of symmetry which distinguish the French genius better exemplified than in the history of the French railway system."

Sir, I know that this opinion is not shared by Brigadier General Hammond whose memorandum has been submitted to the Round Table Conference and which has been placed in the Library of the House. Brigadier General Hammond is of opinion that the French method is not satisfactory. He says that so far as France is concerned, the defect of the system has been its unwieldiness. I shall quote his own words :

"The disadvantage is that it appears to our minds rather an unwieldy body, consisting as it does of 60 members, and to partake rather of the nature of a debating assembly than of one which is required to take executive decisions."

Sir, I submit that General Hammond is wrong, and for this reason. The French railway administration has been one of the most satisfactory railway administrations in the world, because it combines popular representation with commercial management, and if after the War France has survived and the railway administration has once again begun to emerge from the chaos into which the War had drawn it, it is entirely because France has made the administration an amalgam of all that is finest in democratic control with all that is necessary in commercial management, representing the Government, representing business interests, representing the political, or more correctly, the administrative group in the political assembly. Therefore, Sir, I do not accept the opinion of General Hammond on the problem before us.

Mr. B. Das: What are his qualifications?

Mr. C. S. Ranga Iyer: My Honourable friend Mr. B. Das asks what qualifications he has. I may straightaway answer him, that he is a great student of constitution, that he has also a great knowledge of the administration of railways though not of Indian railways, and I think he has drawn his conclusions after a very good study. I do not for a moment cast any reflection on this authority. I have carefully gone through his memorandum and it contains many good ideas on the subject of railways. It is for us either to agree with him or to differ from him. I myself have been very much profited by a perusal of his memorandum. To acquire knowledge from a memorandum is one thing and to swallow one's views is entirely another thing. I do not agree on this particular matter with General Hammond. Coming again to Australia, and in this matter, General Hammond is in agreement with Australian politicians; they have bungled in bringing Australian railways too much under political control. In this respect I would rather quote few other authorities besides General Hammond, because I have just consulted them to make sure whether I have not their authority for my Statement. Some of them are as good as Hammond, some of them better than he.

When I say that the Federation of the future should control railway administration in regard to policy, it is based on the fact that agricultural and industrial matters are of very great importance to this country, which wants to progress both agriculturally and industrially. In a large country like India, 41,000 miles of railway are not very much. Railway management and extension will have to be carried on with a view to improve industrial development. Sir, when you used to be one of the shining lights of the old Imperial Legislative Council, the charge used to be that the railways were run less in the interest of industries and industrial development and more in the interests of carrying raw material from the interior to the ports. I do not want to develop that idea at present because railway construction has since been carried far into the interior and the wise words which you, Gokhale, Pandit Madan Mohan Malaviya and Vijayaraghavachari and other stalwarts of the old Imperial Legislative Council uttered on the floor of that House had not fallen on deaf ears. Railway construction has been carried on with greater and greater vigour by successive railway members and my Honourable friend the Leader of this House has been no exception to the rule. So far as it lay in his power he carried out that policy as far as it could be carried and in the future this policy of railway construction will be in accordance more with the interest of the people themselves but we cannot get away from the fact that the railways will have to be run as a commercial proposition because they have to make money. We cannot throw away money and it is part of the tax payer's business to see that the railways pay. In England the railways play a great part in the development of their agriculture and their industries also and as Indians want that the same development should take place in India, Indians will not be a party to the establishment of something in the nature of a railway autocracy, remote from the Legislature and not responsible to the Legislature in matters of policy and capital programme. While we will be willing to concede readily that we do not want to interfere in the day to day matters of management and details, for we know that would be real interference with the progress and the business of the management of the railways, while we will be willing to concede that these matters should be taken up either

[Mr. C. S. Ranga Iyer.]

by a new Railway Board or a body between this Legislature and the Railway Board properly constituted as in France, without the disadvantages of the French body, which I have just referred to, we will not for a moment agree that the power of control in regard to policy and capital expenditure involving large expenditure of the tax payers' money should be taken away from the legislature. Now, in "Modern Railway Administration", which is a practical treatise by leading railway experts, a standard book, I find that with the object of encouraging agricultural development and co-operation, several companies such as the London and North Western and the Great Western offer specially low owners' risk rates for the conveyance of farm and dairy produce by passenger train. This originated at a series of conferences at which several interests were represented and not only were reduced rates the outcome but pamphlets were compiled and published giving the names and addresses of farmers and others who were prepared to send to townfolk regular or occasional boxes of produce. In England the railways are not owned by the State. They are managed by private companies. Even there there is that co-operation and if any busy bodies either in this country or in Whitehall were to think of taking away the legislatures' absolute right to control and discuss the railway policy, I may say that it would be trying to take away something to the taking away of which the country would not and could not agree. But at the same time I may with equal emphasis point out that if any extreme politicians in the country imagine that they can introduce political control in the railways, we cannot agree to that for the simple reason that the history of Colonial Railways shows us that they have been a dismal failure whenever and wherever politicians interfered with them. On this matter we find material not only in General Hammond's Report, but we find material also in the documents on the subject of railways in South Africa. As I shall presently show, the railway control by the politicians there resulted in large deficits. In Canada, the Canadian Pacific Railway was looked upon by the Conservative Party as its protege. Not only in Canada, but also in South Africa and Australia, railways have been a failure as a financial proposition. The experience of these countries must warn us against making railways a matter for constant political interference.

Mr. S. C. Mitra: Without political interference, it is a failure.

Mr. C. S. Ranga Iyer: My friend Mr. Mitra says that without political interference they are a failure. I do not think he is serious in making that statement because the railways are not a failure. We have of course our quarrel with the Railway Administration but for a responsible member sitting on this side of the House to say that the railways in India are a failure is like moonshine in water.

Mr. B. Das: Why do you offer unsolicited certificates to the Railway Board?

Mr. C. S. Ranga Iyer: The certificate was solicited by the intervention of Mr. Mitra. (Laughter.) I was not giving a certificate. I was answering an interruption which was wide of the truth.

Mr. S. C. Mitra: You will hear the answer when I get the opportunity,
1 P.M. when I shall show what the position is.

Mr. C. S. Ranga Iyer: Mr. Mitra says that when he gets the opportunity, he will show that the Railway Administration is a failure. The very fact that I want to change the constitution shows that I am not satisfied with the present constitution of the railways, but what I was doing was comparing, from the financial point of view, Canada, Australia, South Africa and India or was contrasting, because there is more of contrast than of comparison; and I can say without any fear of contradiction that the Indian railways are more efficiently managed than the South African railways or the Australian railways or the Canadian railways (Hear, hear), and I can also say that the Indian railways have yielded more profit than the Canadian railways or the South African railways or any other Dominion railway. On that point therefore I am quite willing to accept the challenge from Mr. Mitra when he gets the opportunity to speak if he can prove to me from the administrative point of view, if he can prove to me from the financial point of view how this is a failure and that is a success. In the meantime I shall show from a memorandum quoted by Sir William Acworth in his book, "State Railway Ownership" commenting on which Acworth says: "South Africa has spoken out with considerable freedom on the subject in official documents. And South Africa may well serve as a sample. In March 1907 the Commission on the Cape Railways reported unanimously that it was impressed with the necessity of removing as far as possible the mismanagement of the railways from the influence of party politics. (Here is in more detail an account of the reasons which led to that conclusion. The quotation is from 'A Memorandum relative to Railway Organization, prepared at the request of the Railway Commissioners of the Cape Government Railways', by Sir Thomas Price, formerly General Manager of those railways and later General Manager of the Central South African Railways.)"

Here is an extract from that Memorandum :

"Political Influences—Disturbing Effect of the drawbacks in the management of the railways in the Cape that call for removal arise from the extent to which and the manner in which the authority of Parliament is exercised. They are two-fold in their character, viz. : the practice of public authorities, influential persons and others bent on securing concessions or other advantages which the General Manager has either refused in the conscientious exercise of his functions, or is not likely to grant, making a representation to the Commissioner (*as the ministerial head of the Government*), supplemented by such pressure, political influence, or other means as are considered perfectly legitimate in their way, and are best calculated to attain the end applicants have in view." etc., etc.

Sir, Sir William Acworth goes on to say :

"Neither the Commission's Report nor Sir Thomas Price's memorandum can have sufficed to change matters, for in May, 1915, there was a further "Memorandum on the Control and Management of Railways and Harbours" presented to the South African Parliament by the Board of Railway Commissioners."

Here are some extracts from it :

"Any Minister, however, able and strong his character may be, is under the system of party government insensibly susceptible to party considerations and is in constant difficulties in giving impartial decisions."

Now my friend, Mr. Mitra, and others of his way of thinking should not for a moment imagine that I for one agree to the continuance of the present form of what I might describe as a railway autocracy (Hear, hear), I am now developing the other side of the case, I had made my position

[Mr. C. S. Ranga Iyer.]

absolutely clear in regard to the control of policy when I was dwelling on the French Railway administration. However unpleasant it might be, I must equally clearly point out that I should very much object to extremist politicians of the future making the railways a sort of playground or plaything for their own pet political purposes, because such a course will only end in the total destruction of our railway assets (*Cries of "Hear, hear" from the non-official European Group*). (*Mr. Gaya Prasad Singh*: "That is what the Europeans say.") Yes, but partly. The Europeans do not agree with me when I say that the system of Railway Administration must not continue without the controlling voice, the controlling vote with regard to policy and expenditure, of the Legislature, and moreover by the bringing into existence of a constitution more or less like the constitution in self-governing France, with the same responsibilities attaching to it, with the same rights attaching to it and also with the same capacity to run it on administrative and commercial lines. Sir, there is no use blinking facts; we must accept part of what the European Members say as correct when they do not want to hand the railway management over to the politicians, but resist their purpose if they want to keep it in their own hands; if they want, as Mr. Mitra says, to monopolise it for themselves.

Mr. B. Das: Now you have grasped it.

Mr. C. S. Ranga Iyer: My Honourable friend, Mr. B. Das, says, "Now you have grasped it". That shows that Mr. Das has been listening to my speech like that great man who was listening to the Ramayana and after the epic story was finished, asked, "Who was Sita to Rama?" (Laughter.) Sir, it is absurd and ridiculous for Mr. Das to interrupt and say, "Now you have grasped it". My whole position has been that the control of the Legislature must remain in regard to the policy and also in regard to the capital programme and expenditure,—the same control that French legislatures exercise in France. But at the same time I say that we do not want to make it a forum of the political parties or the political cliques as has happened in some countries with disastrous results. Sir, as I was pointing out—and I must develop this point for the very simple reason that in future I know that some sections of my countrymen would like to make the railways an appendage to their political party just as has happened in Canada, and in this matter even General Hammond has not concealed that fact. He himself has admitted that in Canada:

"Politics have always entered largely into Canadian railway policy, the Canadian Pacific Railway being regarded as the protege of the Conservative Party and the Grand Trunk of the Liberal, and it cannot be said that, despite the efforts of the President and Vice-Presidents, they have even now been eliminated from certain phases of railway policy, more particularly in respect of new lines. . . . Politics have, however, been eliminated nearly entirely from one of the most important questions, that of rates, the control of which is in the hands of the Board of Railway Commissioners,"

but that is an aspect which I would not enter into at present. I will confine myself purely to the two questions of control of policy and expenditure on one side and running it on business lines on the other, with representation for business interests and business men, not excluding politics, in the railway administration of the future, and I have shown how that is done in France.

Sir, in Australia the Australians have hardly been satisfied with the help that the railways have given to the development of agriculture even though politicians have been running the railways. In fact politics have run riot in Australia, so much so that they want to run the railways more and more on political lines. They say :

“Railways are as essential in modern agriculture” (*which is more true of India*) “as ploughs or harrows, and good farming is futile where railways are bad. In the Australian States agricultural settlement and agricultural development have from the outset been prevented and retarded by an astonishingly unenlightened and inefficient railway policy.”

That shows that Australians want to control and modify the policy more and are not satisfied by the manner in which they have controlled it. We in India certainly want to control the policy keeping in mind the commercial aspect.

Again, the part played by the Canadian Railways in the industrial development may be mentioned. Mr. Ellis T. Powell, LL.B., B.Sc., in his paper before the Royal Colonial Institute in London stated :

“No sooner are we in the Eastern provinces, with our faces towards the West, than we are forcibly reminded that the first fruit of British capital of work in Canada was the Canadian Pacific, the most powerful of all the factors in Canada's industrial development.”

We are anxious that the Indian railways must play the same part in India's industrial development.

Sir, there is in India a curious position. We have the State railways, we have the Company railways and I may say we have got the Government railways. When I say the State railways I mean the Indian State railways. The railways of India consisting of some 41,000 miles of various gauges are split up so far as management goes into several different categories which may be classed as follows: State-owned lines directly managed by the State, as General Hammond has put it; State-owned lines managed by Companies; Company-owned lines managed by Companies; Miscellaneous lines including lines owned by District Boards and Branch lines owned and in some cases worked by Indian Companies. In the final category are the railways in Indian States. The policy of the Government of India, Sir, in regard to the railways in Indian States was summarised in a Resolution. As we are thinking of a Federal Assembly, as in the Federal Assembly the States will be represented, and as the Federal Assembly will have to control the policy of the railways and also its capital programme leaving out matters of detail and day-to-day affairs to another body properly constituted, it is necessary to place on record the Government Resolution on the State railways, the main provisions of which may be summarised thus :

“When a proposal is made that a railway should traverse State territory, the State or States concerned will be afforded full opportunity of making representations on the subject and such representations will receive most careful consideration. Except when the proposed railway is required for strategic purposes nothing will, in the absence of a mutual agreement, be done which is calculated to infringe the sovereign rights of the States. If after full examination of all possible routes for a proposed strategic railway, it is found that there is more than one alternative feasible route, one traversing a State and the others avoiding it, the wishes of the State concerned, will, provided conditions are approximately equal, not be overruled.”

[Mr. C. S. Ranga Iyer.]

There are implications in this Resolution and complications which can be solved if the States will be represented in the railway body of the future which should be something different from the present Railway Board and which will be something more analogous to the French Superior Railway Council. Therefore, not only the Companies will have to be represented in that body, not only the State Railways will have to be represented in that body, not only the ministerial staff or whatever administrative staff the Minister chooses will have to be represented in that body, but by a decree of the Legislature the representatives of the Legislature will also have to be represented in that body and business interests as well which cannot be left in cold neglect. It is only such a comprehensive body that can take from the control of the Assembly matters of petty detail which are clogs in the wheels of railway administration. These matters must be completely taken out of the purview of the Legislature. That is my opinion because you cannot run a democracy and at the same time a business if the purpose of that democracy is, in the spirit of a mobocracy, every time to put its fingers into the administration of a business and try to wreck that business unless it is run in the interests and to serve the purposes of cliques, coteries and caucuses which will be inevitable concomitants of every democracy whether in the East or in the West. But, at the same time, you cannot, because a democracy is coming into existence, bring into existence a kind of autocracy because as was pointed out by Acworth himself jobbery without responsibility will be worse than jobbery with responsibility. What I want is a happy blend of responsibility and efficiency of business and legislative control so that we can have a successful administration of the railways run in the interests of the people themselves.

Sir, in this connection I can quote with advantage for India's future purposes the observations of Sir William Acworth contained in his Report in connection with the financial reconstruction of Austrian State Railways. That is what he says:

"In India, the railways almost all belong to the State, but the bulk of the lines have always been worked by private Companies."

Of course, I look forward to the day when Company management would cease and when all the lines will be run by the State itself. Railways. That is what he says:

"A Committee over which I had the honour to preside reported two years ago that the existing Company-management could not be allowed to continue: and the Indian Parliament has now resolved that, as each of the existing leases terminates, the Company's lines shall then be taken over for direct management by the State. I come, then, to the conclusion that the Government must retain possession of the railways on three main grounds (1) that the cession of the railways to private enterprises is politically impossible."

Objection to the Company management is taken by politicians on the ground that political and racial considerations dominate in that management and I shall, at a later stage in this debate if guillotine doesn't fall, show how the Companies have not progressed *pari passu* with the State railways in regard to certain percentage of Indianization that should have been introduced. Sir, political considerations do prevail in Company management which are objectionable:

"(2) That it would be impossible to find a purchaser or a lessee who would take over the railways on any terms which the State could reasonably accept; and (3) That

history shows that it is impossible to draw a lease of State railways to private enterprise which works satisfactorily. And if this be so where railways are earning a net income, *a fortiori* it will be so where the current railway operation results in a large deficit."

Sir, what is applicable to the Austrian Railways will be equally applicable to our railways of the future because Austria is a self-governing country where a miserable mess of the railway administration has been made.

Therefore, the warning of Sir William Acworth in regard to Austria will be of very great advantage for us in the future when the administration will be coming into our hands:

"If the State is to retain possession of the railways, they must be managed as a business undertaking, in the interests of the community as a whole. Local and sectional interest must not be permitted to hamper the management. If political needs, local jealousies and provincial particularism, industrial pressure or parliamentary support of unjustifiable concessions to the staff make it impossible for the General Manager appointed by the State to shape the organisation and to conduct the management in the manner in which he deems best in the interests of the community as a whole, success will be impossible. And the failure will not be because the management is carried on in the name of the State but because the Manager is not allowed to manage. If this were to happen, it is possible that the State might find itself compelled to part with the management and even with the ownership of railways."

Mr. President: Will the Honourable Member tell the Chair how much more time he wishes to take?

Mr. C. S. Ranga Iyer: I am just going to develop the concluding part of my case. I may take half an hour.

Mr. President: Then the House will adjourn for Lunch till 2-30 P.M.

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. C. S. Ranga Iyer: Sir, as I have pointed out, we must take the good in every railway administration and give up the bad. My friend, Mr. Mitra, I believe, will try to prove what he has in mind, but I do hope he will try to contradict the point that I raised, namely, that not one of the Colonial railways are better administered than the Indian railways. I only confined myself to them so far as his point was concerned. And I am quite willing to concede that I am not in a position to say that the Indian Railway is the best administered railway in the world, for the very simple reason that I lack information on that point and I lack adequate knowledge of the working of all the railways in the world; for instance the railways in China; for at the time at my disposal and with my pre-occupations outside I could only make a comparative study of the railways that I have mentioned and am about to mention. I admit that in France there have been difficulties in regard to political influence. I also admit

[Mr. C. S. Ranga Iyer.]

that French railways have been faced with deficits. The new convention to which I referred was an attempt to get over the difficulties which arose from the old convention of the 18th and 19th centuries. The French people are combating the political difficulties, and in my opinion successfully. I do not for a moment say that there is nothing good in the Colonial railway administration. The expansion of trade and commerce and agricultural development in the colonies is entirely due to the railway administration and on this point, about the good in the South African railway, it has been truly said by a very high authority that the broad features of South African State Railway policy have been low rates for raw materials for manufacture, agricultural produce, minerals and other raw products of the country with a view to stimulating agricultural and industrial development; especially low rates are granted for long distance traffic and the flat and tapering rates principles have been largely adopted. Passenger fares have been substantially reduced, particularly for suburban and long distance traffic. On the South African railways internal and commercial development has also been stimulated by low distribution rates designed to afford inland traders equality of opportunity as regards railway tariffs in competing with coastal merchants for the interior trade. That is the good in the South African railways.

But while we must keep the good, we must avoid the danger which the railways in the Union of South Africa are faced with, as pointed out by Mr. S. H. Frankel, in a statement which is naturally considered hostile in South African political circles, but which contains a good deal of truth and which may be quoted with effect on the present occasion with the prospects that we have in view. Mr. Frankel, whose book is very well documented and whose honesty as a critic is not questioned even in South Africa, says:

“Under the present system the Minister of Railways (*usually not a railway expert*) represents the interests of the Government generally rather than those of railway transport; and a political board ratifies his decisions, whilst the only expert representative of railway interests is the General Manager, already overburdened with executive duties. Under such a system the administration of railways on commercial principles becomes impossible.”

Once you keep in mind that the railways must be a paying proposition, you cannot shirk the fact that they have to be treated as a business undertaking: they are not to be treated as a *dharmasala*. (Laughter.) And when my friend, Mr. B. Das, whose views I expect to have on this occasion and who does not agree with me in certain observations that I made—I think he was not contemplating, being a business man himself, that the railways should be treated as a charity proposition. They must be treated as a business proposition; and if politicians will not keep this in view, I can only say that they will be unworthy of the future which is waiting before them; and it is because I am confident that responsibility is coming, that I advocate that there should be restraint in matters of political intervention and interference for political influence will be a most poisonous thing for any commercial undertaking

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Question.

Mr. C. S. Ranga Iyer: My friend, Mr. Lahiri Chaudhury, says “Question”. I want him to stand up and prove the contrary.

Mr. D. K. Lahiri Chaudhury: I will prove it.

Mr. C. S. Ranga Iyer: I hope he will. How is he going to establish that political interference in the administration of commercial railways is going to be a healthy proposition

Mr. D. K. Lahiri Chaudhury: What is in England?

Mr. C. S. Ranga Iyer: My friend asks "What is in England?" In England they are not State Railways at all: they are private-owned affairs.

Mr. D. K. Lahiri Chaudhury: But though they are managed by the Companies, the British Parliament has a control over their administration.

Mr. C. S. Ranga Iyer: I would ask my friend to read the two volumes on "Modern Railway Administration," which are in the Library. In England there is very little of State interference in the day-to-day management of the railway administration. While Parliament certainly has, as I quoted a little while ago, a controlling voice in certain matters,—because Parliament is the supreme sovereign legislature in England,—Parliament has least interfered in the railway administration in England in day-to-day details. They are private-owned railways there; and the less my friend talks of England so far as the Indian administration of railways is concerned, the better it will suit the future of the country, because I do not want that we should follow the example of the British Parliament, because I do say even now that we must exercise a good deal of control in regard alike to policy and programmes of capital expenditure. The State Railways of India are really going to be controlled by the State; but they should not be run by politicians to subserve political interests. Politicians will always have axes of their own to grind. That is true not only of the Indian politicians; it is true of politicians all over the world. At least in politics, there is only one tribe—that of politicians: there is no caste or class division or distinction so far as politicians are concerned; and everywhere, wherever possible—it is not possible in England because they are private-owned railways and private-managed railways—but it has been possible in the Colonies; it has been possible in other countries;—political interference has practically brought railways to something in the nature of financial chaos; and I hope my Honourable friend will establish when he stands up, how political interference is practised by the British Parliament in the management of British railways; until he proves his case my arguments must hold the field. (Hear, hear.) Now, Sir

Mr. N. M. Joshi (Nominated Non-Official): What is your point. How should they be controlled?

Mr. C. S. Ranga Iyer: My friend Mr. Joshi wants me to go back and repeat what I have already said and he asks how should they be controlled. He forgets I placed before the House the working of the French railways. I said that in France you have got a sort of triarchy, something in the nature of a triple control; you have got the Committee of Direction in France which consists, as I showed, of representatives from the six railways

Mr. President (The Honourable Sir Ibrahim Rahimtola): Is the Honourable Member repeating what he has already said? He should go on with his observations.

Mr. C. S. Ranga Iyer: I thank you very much for your lead. I have already answered the Honourable gentleman, and I have only to say now that the French Superior Railway Council was not a mere Advisory Body, and the Superior Council that I contemplate for this country will not be a mere advisory body either. The French Council has powers and very important powers in regard to the railway administration, and those powers, Sir, I shall briefly refer to. The Superior Railway Council in France:

"is primarily an Advisory Body but in certain cases is said to possess executive powers. The Minister has to place before it all questions technical, commercial, administrative and financial which affect all the systems and he may, if he thinks fit, place before it any important questions which affect one or more."

"The Minister cannot take a decision contrary to the advice of the Superior Council until after that body has deliberated the question a second time. In the same way, the Committee of Direction can demand a reconsideration by the Superior Council, if it considers that any Resolution of the Council or decision of the Minister is opposed to the interest which it is its duty to protect."

"One of the questions on which the Council is recognised as having executive power is that of tariffs, and particularly of raising tariffs in such measure as is necessary to re-establish the balance between receipts on the one hand and expenditure and loan charges on the other."

Increases in tariffs are proposed by the Superior Railway Council for the final approval of the Minister of Public Works. Increases in tariffs will have legal force if the Minister of Public Works, after consulting the Minister of Finance, does not object to them within a month:

"Furthermore, the Minister of Public Works with the consent of the Cabinet can enforce the lowering of particular tariffs which he thinks injurious to the public interests, even though the Superior Council has twice taken a contrary resolution. Finally, all increases in tariffs which raise goods rates by more than 180 per cent. or passenger rates by more than 100 per cent., have to be ratified by Parliament and the maxima are to be subject to review every 5 years.

"The powers of the Superior Railway Council are hardly, therefore, such as we would call as executive as its decisions have to be approved, either specifically by the Minister or by his tacit acquiescence and in certain cases it can be over-ridden."

I need not dwell further on the French constitution. I would like men like my friend Mr. Joshi to study it carefully. . . .

Mr. N. M. Joshi: I have already done it.

Mr. C. S. Ranga Iyer: He says he has already done it as a Member of the Labour Commission, and if he has as a Member of the Consultative Committee on the R. T. C. as my friend Mr. B. Das says he will do well to enlighten us further on this.

Now, Sir, let us take the case of the United States of America. There the railways are owned by private companies; they are managed by private companies. The United States of America resemble India in their wide and varied extent, but not in the State control of the railways; in the vast resources of the people, but not again in the manner in which railways are being administered today and have to be administered in the

future. There is, as I said the other day, in America, the Inter-State Commerce Commission which has great powers. Originally its powers were limited, but its powers have greatly increased. Its extensive and comprehensive powers are due to successive Acts of Congress and decisions of the Supreme Court in regard to railway administration. But even in the United States of America where the railways are owned by private companies and managed by private companies, the Congress has the power of interference, and Mr. Lahiri Chaudhuri who is not here. . . .

Mr. D. K. Lahiri Chaudhuri: Yes, I am here.

Mr. C. S. Ranga Iyer: Oh, I see he is here on my side; he is a quite welcome neighbour,—my friend will note that in the United States of America also parliamentary control is not eliminated:

“It is important to note that Congress has the power to instruct the Inter-State Commerce Commission by resolution to carry out any policy which the Congress thinks advisable. Thus, at one time, a Resolution was passed instructing the Commission to grant as low rates as possible on agricultural produce, and it was incumbent on the Commission to implement that Resolution, interpreting the Resolution, of course, in the light of existing legislation.”

(Even in the United States of America there has been some danger which will always exist in every self-governing country where the legislature wants to have power.)

“There is danger in such procedure that it may enforce on the Commission the duty of carrying out a purely political policy. There is only one instance, however, of such a Resolution for the germ of the danger is there, and it might in times of depression and stress give an opening to Congress to enforce its own political policies on the Commission”.

I do not want to take away the power of the Legislature, in regard to capital programme and policy of the railways, but I do want to take away the power of the Legislature in regard to unnecessary hampering intervention in the day-to-day details on the floor of the House in the work-a-day details of commercial management. And I want to take this power out of the Legislature and put it into the hands, as they have done in France, of a Superior Railway Council whose constitution I have stated before the House, so the dirty linen will not be washed before a whole surging mob of public men and public women. (Loud Laughter.) With a large crowd of people, a large number of men and women who take part in public life, with their conclaves, coteries, newspaper campaigning on petty particulars and very very ordinary details, no commercial management can be a successful proposition. Therefore, I want to take that power out of the hands of the Legislature and put it in the hands of a body in which the Legislature will have representation, in which business interests should have representation, in which the Government should have representation, and in which the railways should have representation.

And then comes the question of the Railway Board. I will reconstitute the Railway Board, and on the reconstitution of the Railway Board it is unnecessary for me to dwell, because my views are very well known. I will not necessarily eliminate from the Railway Board certain form of representation, as for instance I will not say that so long as India has the British connection, that European representation should be eliminated from it; I will not be a party to the elimination of European representation on the Railway Board. But at the same time being an Indian Board, it should be run and managed and conducted by Indians, for the good of

[Mr. C. S. Ranga Iyer.]

India, for the benefit of the nation and for the prosperity of the railways themselves, and through the railways, the taxpayer.

In conclusion, I would take a generous view in regard to representation on the railways as a whole. I will not take a parochial view, but I will take a patriotic view, namely, it should be out and out Indian, yet we must have on the railways of India experienced and competent men including experts from England. I do not say for a moment that I can contemplate for many days to come the running of the railways purely on national lines. Instead I would advocate their being run on commercial lines which will neither exclude nor include people on considerations of race or caste, but whose governing principle will be efficiency,—all the time remembering that they should in the main be run by Indians for Indians and for Indian glory and Indian prosperity and also for the vindication of Indian competence—the fact that Indians can run their railways as well as or even better than the best run railways in the world. (Applause.)

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): I rise to offer my congratulations to the Honourable the Mover of this motion for the very exhaustive and able way in which he has outlined his idea as to how our railways should be treated under the future constitution. I however found it rather difficult at times to follow him in some of his mental somersaults, but I must admit that his views possessed a great deal of weight. Unfortunately much of that weight was discounted by the very heavy indents he made on the views and Reports of various authorities on railway administration. He quoted Sir William Acworth and General Hammond, recognised authorities who can safely be relied upon to support one's opinion. However much these two authorities may diverge in their opinion, there is no doubt that their views converge in one direction, and that is, as my Honourable friend Mr. Ranga Iyer has so emphatically stated, the Legislature should not be allowed to control the day-to-day administration of railways.

The speaker in his various remarks repeatedly referred to French railways which he quoted as his ideal in railway administration. Sir, I wonder whether he has travelled much on French railways. If he had, I am sure he will agree with me that as far as administration is concerned, as far as financial returns are concerned, and as far as the number of accidents and the safety of passengers are concerned, France is certainly not an ideal upon which Indian railways should be founded. But, Sir, I can see what is behind the mind of the Honourable the Mover of this motion when he quotes France as his ideal forgetting the fact that French railways with less mileage than Indian railways lost £25 millions last year. His idea is that we should have a large body of Directors controlling our Railway Administration on the French system which he says is composed of the finest democratic control together with sound commercial management, a system which General Hammond has condemned. The proof of the pudding however is in the eating thereof, and if one is to assess the competency or incompetency, or to use a very much hackneyed phrase as heard to-day in this House, the "efficiency" or "inefficiency" of a railway, the French administration of railways would certainly be the very last that I would offer as a model. I agree with the Mover that in certain matters the Legislature must have a final say. But, Sir, I do not think any one

in this House will deny that if you try to mix politics with business and commerce, you generally get a bad amalgam, an amalgam which yields a very thick precipitate of inefficiency. Mr. Ranga Iyer said,—I quote his words—"the Legislature should not interfere with the business or the management of the railways but must be able to control its policy and capital programme". This I am afraid was his first mental somersault. He began his speech by saying that politicians should not interfere with Railway control, he now wants this control of the capital programme, and I should like to know how he is going to separate capital programme from the day-to-day administration of a railway. Let us see how railways are run in other countries? Mr. Ranga Iyer has given us a very full account of this matter. He instanced British railways which are all run by private enterprise with very little parliamentary or legislative control except the Board of Trade. Then he referred at length to American railways which we know are controlled by the Central Federal Government but subject to the primary control of the Inter-State Commerce Commission. He also referred to the Canadian, Australian and other Dominions railways. We know that the main difference between the administrations of Canada and Australia is that in the former the residuary power remains with the Central Government, while in Australia it rests with the provinces. Sir, that is a fundamental difference, and mainly accounts for the difference in efficiency of railways in these two countries. But I should like my Honourable friend to tell me if there is one railway in the world to-day that is being so efficiently run, *i.e.*, at a profit as to be accepted by us as an ideal for our new constitution. The conditions and the needs of India are pathognomonic to this country. The Honourable Member told us that the Canadian, Australian and South African railways are worse off in every way and are not so well administered as Indian railways. If this is his opinion and belief, I do not see any reason why he should want to change the present administration of Indian railways with which he is apparently well satisfied. But my Honourable friend struck the soundest and truest note when he declared his faith to be—I use his words again—"I do certainly very strongly oppose any idea of railways becoming the playthings of the politicians." But here again he performed another mental somersault, for he wound up his observation by saying that Indian railways should be under the control of the Legislature,—again quoting his own words subject to correction, "I want control by the Legislature of railway policy and expenditure on one side as against its non-interference with the day-to-day administration on the other side". And he added that as in Australia industrial development was secured by the political control of railways, he desired a similar situation to be created in this country. Sir, I have personally always had grave doubts—I know the opposite side will not agree with me—as to the wisdom or unwisdom of the transfer of Indian railways from Company to State control. I feel I can trace the decadence of their financial prosperity from the date this transfer was effected. And if I were asked to support my statement, I would refer to the present financial prosperity of the only railway in India which is showing any good return—the Bengal and North Western Railway—a Company-managed railway. But this change of administration is past history and there is no use crying over spilt milk, let us spill no more, and in looking ahead the first point I want to settle in my mind is this. Let me present it to this House in the form of a riddle. When is a policy not a policy? If my friend Mr. Ranga Iyer or any of those seated on the Government

[Sir Henry Gidney.]

Benches will answer me this question I will sit down and say no more, because in my opinion the whole future of Indian railway administration depends on the interpretation this Legislature is prepared to apply to the word "policy". Policy is a very elastic phrase exposed to different interpretations and applications and can be used as a political lever by any party that may be in power. I believe, if this House solves that point it will have really solved most of the difficulties of the future administration of our railways. Let me put it in another way. What is a policy and what is not a policy as far as administration of Indian railways is concerned? Another point you will have to consider is this, will rates and fares come under "policy", if so will it be controlled by the Federal Legislature? (*Mr. S. C. Mitra*: "Certainly.") Or will it come under day-to-day administration? If rates and fares are to be included under "policy" and placed under legislative control, the House I am sure will agree with me that, not being a technical or an expert body, not one of them will be able adequately to deal with the matter; in other words, you will have to create an absolutely independent body, call it the Rates Advisory Tribunal, free from legislative control and the control of day-to-day railway administration, but its reports should be and must be subject to the criticism of the Federal Legislature. Railway rates and fares are too intricate and technical a subject to run the risk of amateur legislative interference and control. Another question we shall have to settle is this: Will railway inspection work, *i.e.*, the public safety as also the hours of employment, be placed under the control of the day-to-day railway administration? These cannot be subject to such control. You will have to create a separate independent body to administer this part of railway administration because the main duties of inspection work is to criticise the work of the day-to-day railway administration. Therefore, we shall require to create an independent body whose reports will of course be subject to legislative criticism. I detail these difficulties not to complicate an already intensely difficult and complex problem, but to emphasise the grave dangers attending any political control or interference by the Legislature in such highly technical and scientific departments of railway administration. We see enough harm being done day-to-day to our Railways, the result of interference by the present House. Let us take a warning from this and let not our politicians of the future Legislature be permitted to interfere with the men at the wheel or give them this power when we constitute our new Railway Statutory Board, lest it be abused and our Railways suffer. This House should deal with its new Railway Statutory Board more as practical statesmen in grim quest of an efficient and productive railway administration serving the needs of all the peoples of India rather than politicians intoxicated with a lust for political control and powers of interference which on every application is sure to operate as spokes in the wheels of every railway coach and locomotive and cause a derailment. My conception of sound railway administration is this: There should be an Executive Board or Committee comprised entirely of technical experts recruited from our Indian railways. This Committee would organise and control the day-to-day administration of all railways. In addition to this there should be another Committee or Board to be called the Business Board or Committee constituted somewhat on the following lines. This Board should be composed of (1) the Chairman and say one other member of the executive or technical committee. My reason for suggesting two

3 P.M.

technical experts is to supply the Business Committee with guidance on both traffic and engineering needs and problems of railways. (2) There should be some well known businessmen as members. (3) Then there should be representatives of the various important communities as members of this committee. (4) In addition there should be representatives from the principal political Parties of the Federal Legislature. Such a composition of the Business Board or Board of Control would approach the French system which Mr. Ranga Iyer has offered as his ideal. I am asked who is going to appoint these committees. Whoever does this there will still remain the dissatisfied who spend their lives in appointments and dis-appointments. I think this is a knotty problem. Perhaps the best way would be to leave the appointment of the executive committee or the major portion of it in the hands of the Governor General. With regard to the Business Committee this should be done by election in this House. Members of this committee need not be restricted to the Federal Assembly, they may be selected from outside or the upper chamber. But whatever method is accepted there must be the stipulation that when a member is elected from any of the two Houses, he should immediately resign his seat in the Legislature. (Interruption by Mr. Sykes.) But, Sir, beyond and behind all this there is no doubt that the powers of the Executive Committee must be clearly defined and there must be no interference whatever with its duties by either the Business Board or the Federal Councils of the future Government, but the Executive Committee can be called upon for an account of its administration if the Railways are being worked at a loss and on those points criticism made on their day-to-day work by the Inspection Department. But above all else the new constitution must define in precise terms what are to be considered questions of policy and what are not to be considered questions of policy.

Mr. N. M. Joshi: I am sorry I was not present to listen to the interesting speech of my Honourable friend Mr. Ranga Iyer from the very beginning, but I feel I have now some idea as to what the trend of his argument was, and I propose to offer only a few remarks on the subject which he has raised. Mr. Ranga Iyer said that the Indian railways should be run on commercial and business lines. I feel, Sir, when the Indian railways were established, they were not established as a commercial or a business proposal or undertaking. The Indian railways in my humble judgment were established as a national service. The country needed means of transportation. People wanted to go from one place to another and they wanted to carry their goods. It was with that object that the Indian railways were established. I therefore do not agree with my Honourable friend Mr. Ranga Iyer when he said that the railways should be run as a commercial or business undertaking. I feel, Sir, that the Indian railways should be conducted as a national service, as a service needed for the welfare of the whole community and the whole country. It is wrong to treat railways as a means of profit. Commercial and business undertakings are conducted mainly with the object of making profits. I would not like Indian railways to be run in order that those who are managing the railways—it may be on behalf of the whole country—should make profits in the sense that they should collect money, because then you will use the Indian railways as a means of taxation. I believe that is a bad method of taxation. If you want to raise taxation, by all means raise it by proper means, but to use the railways as a means of taxation is a wrong method.

[Mr. N. M. Joshi.]

I feel that the railways are a national service intended for developing means of transportation in the country. They must be controlled by the Legislature or by some organisation which can act on behalf of the country and the whole community, and in present circumstances I cannot see any other organisation that can represent the whole country except the Legislature. I therefore feel that the Legislature should be the supreme authority in the control of the Indian railways. Then only shall we get the Indian railways on the lines the country needs, namely, as a national service. Although I am prepared to advocate that the Indian railways should be finally and ultimately controlled by the Indian Legislature, it is quite possible that the Indian Legislature itself might find that, in the first place, it has not got sufficient time to give to the supervision of the work of the Indian railways, and it may also come to the conclusion that the Legislature, which is being elected on different issues, may not have also the men who know the affairs of railways. I feel sure that the Indian railways may come to the conclusion, that the whole task of managing the railways may be transferred to a body which the Legislature itself can trust to act on behalf of the whole community and on behalf of the whole country. Sir, as a Member of the Legislature, I have some experience, and I have come to the conclusion that the great national undertaking which we have developed does not receive sufficient attention from the Legislature. (Hear, hear.) Sir, I have no desire to blame anybody because the constitution is such that the Legislature has to look after several things; the Legislature is not created only to look after the railways; it has to look after a hundred other things; therefore it does not find time to go into the details of the railway administration. Secondly, as I have stated, the Legislature is elected on different issues and it is quite possible that all the Members may not know all the details the knowledge of which is required in people who are supposed to manage Indian railways. I therefore feel that it is necessary that the management of the railways should be transferred by the Legislature to somebody in whom the Legislature will have confidence.

Now, Sir, when we come to this point, I feel that the body to be created must be a body which will represent all the interests which are concerned in the management of the railways. Now the main interest, in my judgment, is the interest of the people for whose benefit the railways are created, I mean those people who want to use the railways. The persons whose interests must in the main be taken into consideration are, in my humble judgment, the users of the railways. Of course by all means first take that class of people who use the railways in the largest number, I mean the poor third class passengers, who have the largest interest in the management of the Indian railways. As that one interest gives you the largest amount of money, any Board or organization which is to be created for the management of the Indian railways must be representative of those people who use the railways so largely. If the representation is to be separated and divided, I must say that it must mainly be representative of the third class railway passengers. Sir, I shall not be against giving some representation to the second class and even to the first class passengers. (Mr. H. P. Mody: "Thank you.") But the main representation must go to the third class passenger. . . .

The Honourable Sir George Rainy (Member for Commerce and Railways): Will the Honourable Member apply the same principles to the Indian Legislature?

Mr. N. M. Joshi: Yes, Sir. Then, Sir, I also quite realize that the railways are also used for the purpose of carrying goods. Now, by all means give due representation to that interest also. Then, Sir, I also feel that under the present circumstances all those people who have put in their money into the establishment of these railways must have also some representation. Let capital, therefore, also be represented. Now the capital of the Indian railways belongs to the country, at any rate most of it, and therefore some body which can act on behalf of the country will have to be represented and I feel, Sir, that there is no body which can represent the capital on behalf of the country but the Indian Legislature. (Hear, hear.) Some people may not like the Indian Legislature to be represented, but I want to know, Sir, who will represent that portion of the interest which is capital. The capital, it is true, is borrowed capital, but ultimately who is responsible for paying back that capital or paying the interest on that capital but the country and the whole community, and if there is any organization which can represent the country and the whole community, it is the Legislature. (Hear, hear.) I therefore feel that if you do not give any representation to the Legislature, you will not be giving representation to the capital which is invested in the Indian railways.

Then, Sir, there is a third class of interest which must be represented and that is those people who are actually running the railways, I mean the railway employees. You may have capital, and there may be passengers willing to travel on the railways, but how can you have railways run unless you have got a large body of competent men who would be willing to work for those railways? I therefore feel that, if a body is to be created for the management of the Indian railways, that body must also represent the Indian railway employees. I am glad my Honourable friend, Mr. Ranga Iyer, pointed out the example of the constitution of the Board as it exists for France. The French Board has on it two representatives of the different systems and there are 12 representatives of the railway employees on the French Board, and I think that it is a very good provision. I therefore feel that if we can create an organization which will represent the users of the railways, the passengers, as well as the capital as represented by the community, and as well as the employees running the railways, then the Legislature can very safely transfer its own power to such an organization. The extent to which the Legislature can transfer its own functions to that body will depend on the representative character of the organization which the Legislature will create. If the organization created by the Legislature is thoroughly representative of all the interests, then certainly I shall transfer almost all the functions of the Legislature to that body. Still it is quite true that all the functions of the Legislature cannot be transferred to that body because the Legislature is a body which will co-ordinate ultimately the functions of all the industrial organizations which we may create. Today we may create an organization for the management of the railways. Tomorrow we may have to create an organization for the management of the mercantile marine which we may develop and which we all hope to develop. Perhaps after a few years we may develop some other industrial undertaking. Therefore, although the Legislature may create different organizations for the management of the

[Mr. N. M. Joshi.]

different industries, there must be an organization which will co-ordinate the work of all these different organizations managing the different industries. I therefore feel that some control in co-ordinating these organizations which the Legislature may create must be left in the hands of the supreme Legislature. I feel, Sir, if such an arrangement is made, the railways in India will be run as a national service and not as a mere business or commercial proposition. Sir, I shall say one word more. There is a proposal that a statutory Board may be created by an Act of Parliament. I feel that that is a wrong idea. (*Mr. B. Das*: "Certainly so.") No Parliament has a right to create a body which is to manage the Indian railways on which the voice of the Indian nation cannot be secured, and therefore if a Board is to be created, it must be created by the Indian Legislature. Sir, I have done.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce):

Sir, I would like to congratulate my Honourable friend, Mr. Ranga Iyer, on raising an issue of first-class importance and on initiating general principles which I think on the whole are very sound. But, Sir, my Honourable friend has placed this House in a rather difficult position. He has asked this House in the course of an afternoon's discussion to lay down the general lines of the constitution of the railway administration which might be expected to come into existence when a new Legislature with new responsibilities is brought into existence. I submit, Sir, it is not possible for us to attempt any such solution of the very complex problem raised before the House. My Honourable friend's speech is itself an illustration of that difficulty. I listened to it with great interest, as I am sure every other Member has, but I have failed to find in it, in spite of his exhaustive treatment of the subject, any concrete suggestion or solution beyond the general benediction which he has pronounced upon the French system. As my Honourable friend, Sir Henry Gidney, has just pointed out, the French system is not exactly a model to be copied by anybody. The point that I am trying to make is that it is not for this House in this fashion to try and hammer out a solution of a problem which has been ventilated before the Round Table Conference but which has not gone beyond the stage of preliminary discussion. My submission would be that this is eminently a problem for which it would be necessary to set up an independent *ad hoc* Committee. I would be the last man to detract from the value of the work of the various Committees set up by the Round Table Conference, but I say, Sir, with great respect and at the same time with great emphasis that this question is not going to be solved by any of the Committees which have been set up. I understand that this very day the question was before the Consultative Committee of the Round Table Conference. I do not want to hazard a guess and all that I would like to say is that I should be very greatly surprised if the Consultative Committee has not passed it on to some other Committee or has not reserved the question for future discussion. I repeat that this question is of such considerable importance, and the railways are an enterprise of such magnitude, that it is very essential that we should have a Committee of experts if you like, and also of businessmen, and of representatives of various other interests, who might be in a position to offer a workman-like solution of a problem which has not even now been satisfactorily solved in many countries where the State owns and manages railways. Therefore, my submission would be, while we may offer various suggestions here, that no

possible solution of this question which could be at all satisfactory or adequate can be arrived at on the floor of the House. My Honourable friend Sir Henry Gidney has put forward his own suggestions. Mr. Joshi followed him with other ideas of his own. It would be easy to make suggestions, and it would be easier still to knock them down, and, so far as I am concerned, I am not going to set up nine pins for my Honourable friend Sir George Rainy to knock down. I am not going to deal today with the question as to what sort of body should be constituted, what should be its functions and how far the control of the Legislature should be exercised on the operations of that body. That is not my reason for intervention in this debate. I would only like to deal with the general considerations which the Honourable the Mover of this Resolution has placed before the House. I entirely and whole-heartedly agree with him in the suggestion that whatever constitution you may assign to the body or bodies which you are going to set up, political influences should be altogether absent from the composition and consideration of these bodies. My Honourable friend Mr. Joshi has acquired a sudden love for the Indian Legislature. He has suggested that this House is the proper body for the purpose of controlling either directly or through the medium of some other Committee the railway administration of this country. But when it came to suggesting how this Legislature was to exercise these functions, the only thing that I could get from my Honourable friend was third class passengers and railway labourers.

Mr. N. M. Joshi: I did not say that. I said that all interests should be protected.

Mr. H. P. Mody: I was merely freely paraphrasing what my Honourable friend said. Now, Sir, I do not ignore the value of the representation of third class passengers, but I am afraid that it is not the third class passengers who will have a say in the matter, but it will be the third class politicians, and to these I have a very rooted objection. (Applause.) And when it comes to the question of the representation of labour, I do not mind the genuine representation of labour, but I distrust very heartily the sort of representation which labour interests often receive. Sir, the Legislature is certainly not the body in my opinion for the day-to-day control of the railway administration of the country. I am not going to suggest for a single moment that for that reason the control of that body should be done away with. I certainly say that in large questions of policy the voice of this House should be supreme. That I am not going to dispute. But how a compromise is to be effected between the very healthy check which this House must exercise on the operations of any Statutory body and the day-to-day conduct of the administration of a large undertaking is a matter on which I for one have no clear-cut solution at the present moment. Sir, while I am sure in my own mind that political influences should be eliminated at all costs from the working of this statutory authority, I am equally certain that I would not like to place the whole administration of the railways in the uncontrolled hands of a body of experts. I distrust experts. (Hear, hear.) Sir, an expert is very often a man who tells you what to do with your affairs after you have done something else with them. While they may be very useful in their place, I would certainly not like the administration of the railways to be wholly entrusted to a body of so-called experts or, to give them

[Mr. H. P. Mody.]

another name, a body of doctrinaires. They are all right, as I said, in their place, but any small body of men when they are charged with important functions degenerate into little bureaucracies. I do not care whether it is a white bureaucracy or a brown bureaucracy, for bureaucracy all over the world, whatever its complexion, is tinged with the same prejudices and charged with the same disabilities. Take, for instance what the Railway Board has done in the past. When I talk of the Railway Board, I must be distinctly understood as confining my criticisms to the policy and actions of the Railway Board in the past. Thanks to a very vigilant Press, and even more vigilant Members of this House, the policy of the Railway Board and its actions are now more or less controlled, if I may say so, in the general interests. But all these years, when the Railway Board had no one to look after their operations, no one to control them, no one with a determining voice in the way they conducted the railways, what has been the record of the Railway Board? The record of the Railway Board shows an open defiance of popular opinion and a complete disregard of the general interests. In their treatment of third class passengers, in their treatment of the question of rates and freights, in their treatment of the interests of industries and commerce, I do not think, Sir, that it can be said that the Railway Board's administration was inspired by respect for the interests of those whom it was brought into existence to serve. To-day the Railway Board is animated by a different spirit, and my Honourable friends have taken the occasion of this discussion on the Railway Budget to congratulate Sir George Rainy on the admirable way in which he has conducted himself not merely as a Member of the Government of India but as a Member in charge of the Railways. I whole-heartedly join my friends in paying a tribute to the way in which my Honourable friend Sir George Rainy has discharged the responsibilities of his office. I can only say that we shall miss him very greatly and that we hope that his successor, whoever he may be, will be animated by the same high purpose and may have the same courage and determination for the purpose of carrying out the policies which his judgment has approved.

To return to my point, the record of the Railway Board does not inspire any confidence in the creation of any other similar organisation, uncontrolled by either the Legislature or by any section of the public. Therefore, I would strongly oppose any suggestion that any body which might be created should be entirely immune from any sort of check or control on the part of the representatives of the people.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): The Honourable Member has not stated yet what sort of people would be controlling.

Mr. H. P. Mody: I have stated this, that I am not prepared to leave the control altogether in the hands of third class passengers and the employees of railways.

Mr. N. M. Joshi: First class politicians.

Mr. H. P. Mody: First class passengers are there and they will continue to be there in spite of the socialistic theories of my Honourable friend Mr. Joshi

Mr. K. Ahmed: My friend Mr. Joshi said the interest of "first class politicians", but Mr. Mody seems to have got wedded to only 3rd class passengers, and has no direct answer.

Mr. H. P. Mody: I see a very formidable combination on that Bench. (Laughter.) I do not think that I would be entirely unequal to handling my Honourable friends over there, but I feel that I would be encroaching very greatly on the time of the House if I answered all their interruptions. Therefore, I would like to come back to the point from which I started. Let us enunciate general principles, but let us very carefully avoid getting into details. Let us press forward the suggestion that this is a matter which is primarily to be entrusted to a committee of people who know something about it, and that all that this House can do is to express a general opinion. I ask my Honourable friends not to fall into the error of making concrete suggestions as to how this Board should be constituted. I know the Honourable the Leader of the House well, and he can without mercy and with clear and incisive logic destroy every suggestion we have said. I am anxious that the motion of my Honourable friend Mr. Ranga Iyer should be very carefully considered by this House, and there should be some sort of unanimity about the general principles he has enunciated. Of course, we have each our own point of view but I think I am right in saying that so far as principles are concerned we are more or less in agreement. I should like to see the man here who will say that he will allow political considerations to influence the actions of the railway authority. I should also like to know what Honourable Member can get up in his place and say that he is prepared to leave the whole control in the hands of a small coterie of men who may or who may not prove responsive to public opinion. These are the two principles which emerge from the motion of my Honourable friend, and I hope attention will be solely directed to them, and that we shall avoid all temptation of getting into details which would land us on dangerous ground.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I would like to join my Honourable friend Mr. Mody in congratulating the Honourable the Mover of this motion for drawing attention of this House to a matter of very great importance. My Honourable friend Mr. Ranga Iyer in his very able speech has demonstrated fully that in dealing with questions of economics and business he can be as moderate as he is fierce when he deals with questions relating to politics.

Mr. N. M. Joshi: Is it a compliment?

Mr. R. K. Shanmukham Chetty: If I am intervening in this debate to-day, it is not with the idea of offering any constructive suggestion as to the composition and functions of this new statutory board which is contemplated but to draw the attention of the House to the very unsatisfactory way in which the whole question has so far been handled. The future administration of the Indian railways is a matter of very great importance, especially at a time of great constitutional change. Pointed attention was drawn to the importance of this question and the possibility of a solution was offered for the first time in the Despatch of the Government of India on constitutional reforms. If only the Government of India had carried out in the subsequent stages the plan of action as contemplated by them in that Despatch we would have been nearer a solution than we find ourselves actually to-day. With a great many of the general principles enunciated

[Mr. R. K. Shanmukham Chetty.]

in the Government of India Despatch, every impartially minded man would be in complete agreement. That the Indian railways are a very great asset to the country, that the commercial management of the railways must be entrusted in the hands of an impartial body freed from political control and that at the same time due provision ought to be made for control over policy are matters about which there cannot be two opinions. I do not think that my Honourable friend Mr. Joshi would get very much support for the strange dictum that he made this afternoon that the Indian railways are not to be considered as business propositions. Though Indian railways are a national proposition, though the railways are the greatest of the public utility concerns, yet the railways are primarily a business and commercial concern and unless they are run as commercial concerns on sound business principles, they will fail to achieve the very object of serving the national purpose which my Honourable friend Mr. Joshi has in view. If the Indian railways are to be really public utility concerns, if they are to serve the interests of the nation not merely to afford travelling facilities for the public but to promote and develop agriculture and industry, they must primarily and in the first instance be managed on sound business lines. It is therefore a matter of the deepest concern that we should devise some means to ensure that efficient management for the Indian railways which we are all contemplating. After the attention of the public was drawn to this aspect of the question by the Government of India Despatch, the next time I heard about this matter was in the report of the Federal Structure Sub-Committee of the Round Table Conference. I have been following very closely the history of this question and when I asked some of my friends who attended the Round Table Conference, they told me that the idea of a Statutory Railway Board for India was more or less smuggled into the Report of the Federal Structure Sub-Committee and there was really no discussion worth mentioning in the Sub-Committee itself. This afternoon three Honourable Members of this House who represented us in the Round Table Conference took part in this debate. I was very anxiously looking forward to hearing something from them definite as to what was done at the Round Table Conference on this question.

An Honourable Member: Nothing, precious little.

Mr. R. K. Shanmukham Chetty: My Honourable friend says that nothing was done. I find a reference to the statutory Board for the first time after the Government of India's Despatch in the report of the Federal Structure Sub-Committee. Later on I was told that Brigadier General Hammond was deputed to prepare a memorandum on the subject, and the last that I have heard of it is that it forms the subject of consideration in the Consultative Committee of the Round Table Conference.

An Honourable Member: They have finished with it.

Mr. R. K. Shanmukham Chetty: I would not be surprised if they have finished with it, leaving us no wiser than we were at the beginning. I said that the enunciation of general principles, as embodied in the Government of India Despatch, is one which will meet practically with unanimous approval. In paragraph 195 of the Despatch the Government of India observe:

"It is our desire to see the direction of railway policy placed in the hands of popular ministers, but it seems to us an indispensable preliminary that a system of administration should first be established which will provide for the efficient commercial management of the railways and will also to a large extent safeguard the purposes of Parliament and avoid the necessity of detailed control."

I am prepared to subscribe *in toto* to the enunciation of general principle as embodied there, though I must enter a mild protest against the over-emphasis laid on the safeguard for the purpose of ensuring Parliamentary control in certain matters. It may be that a great deal of the money invested in the Indian railways was raised under the authority of Parliament and on the responsibility of the Secretary of State. It may be argued that a logical corollary to this state of affairs is that Parliament must satisfy itself that the Indian railways are managed in such a way as not to endanger the capital which was raised under the authority of Parliament. While I am prepared to accept the force underlying this argument, I might be pardoned if I venture to state that the future well-being of the Indian railways is at least as much the concern of the Indian public and the Indian Ministers as it is the concern of the British Parliament. The money invested in the Indian railways was not raised on the security of the assets of the Indian railways; the money that we have borrowed and spent on railway enterprise has been raised on the security of the general revenues of India. If the railways of India are mismanaged, and if they are not in a position to pay either the whole or part of the Rs. 33½ crores of interest charges that they have to meet, the greatest embarrassment and difficulty will first be caused to the Indian minister of finance rather than to the British Parliament. Any mismanagement of the Indian railways most seriously upsets at least the ways and means position of any Finance Minister in India. It is, therefore, primarily the concern of an Indian Finance Minister and an Indian Parliament to ensure that the railways of India will not be mismanaged, that they will at least earn sufficient money to pay interest charges and not to put that burden on the general taxpayer. I therefore contend that it is not merely to safeguard the purposes of the British Parliament, but in the general financial interests of India as a whole, that the railway administration must be placed on a sound basis which will ensure freedom from political control in matters of day-to-day administration and which will also give to the legislature control in questions of general policy.

It is very easy to enunciate these doctrines again and again. But it is when we begin to apply this doctrine to the actual facts of the situation that we are faced with very serious difficulties. My complaint today is that the Government of India have not taken the necessary steps to bring us nearer a solution. When they drafted this report, they were fully alive to the needs of the situation and what ought to be done. In paragraph 195 they say:

"It will be obvious that it would be impossible to devise a satisfactory scheme of administration without a detailed inquiry by a committee or commission. Such an inquiry should, we think, be instituted as soon as possible."

The Government of India were on the right track for a solution of the problem when they drafted this paragraph; but then they drifted afterwards. After a cursory examination of this problem—if it can be called an examination at all—in the Federal Structure Committee of the Round Table Conference Brigadier General Hammond was appointed to prepare a memorandum. I do not know anything about the credentials of this distinguished gentleman. I am told that even this task was given to the Brigadier General, not at the instance of the Round Table Conference or any of its Committees, but at the instance of the Secretary of State himself. I do not know exactly what exactly are the credentials of this distinguished gentleman for preparing this memorandum

Mr. B. Das: Mr. Ranga Iyer said he is an authority.

Mr. R. K. Shanmukham Chetty: He may be a very great authority on railway policy; but he himself says that he has absolutely no experience of Indian railways. I know that in certain quarters ignorance of Indian conditions is supposed to be a qualification for handling Indian problems; but in dealing with a matter of such great and technical importance as the constitution of a statutory board for the management of the Indian railways, I contend that whatever might be the credentials of a particular officer he must know the Indian railway system thoroughly. Unfortunately, Brigadier General Hammond was not in the least acquainted with the Indian railway system, and yet he was asked to prepare a memorandum giving in a concise form the history of the various railway administrations all over the world, and to make his proposals for the constitution of a statutory body in India. With regard to the first part of his commission, I must confess he has done it very admirably indeed. No one could have done it better. He has in a very short space, in a very small book, brought together a beautiful summary of the system of railway administration that prevails in France, Germany, Belgium, the United States of America and the British Dominions; and he devotes about three pages for the recommendations that he makes in regard to the future constitution of the Indian railway system. I must be pardoned if I venture to remark that the Government of India made a great mistake in not carrying out their original intentions as mentioned in paragraph 195 of the Despatch. It is not possible for this House at this stage to offer any constructive suggestion as to the constitution and functions of this Board. With all deference to Brigadier General Hammond, I must say that he was not qualified to offer concrete suggestions in this respect. If only the Government of India had followed up their own idea and set up an independent commission or committee to go into the question in great detail and make a report to the Round Table Conference they would have helped considerably the solution of this problem.

That is the position in which we find ourselves today. I do not know what the next step in the solution of this problem is going to be. I do not know whether the Consultative Committee of the Round Table Conference have already summarily disposed of this question . . .

An Honourable Member: They have.

Mr. R. K. Shanmukham Chetty: But with due deference to the very eminent men who constitute that Consultative Committee, I might be pardoned if I say that I cannot entrust a solution of a problem of this nature to those gentlemen, who certainly are eminent in other walks of life but not in railways. I think I will not say anything more on this question just now. The problem with which we are faced is one of extreme difficulty. As I stated, it is easy to enunciate a general principle, but when you come to define what exactly constitutes policy and where is the dividing line between policy and day-to-day administration, you are up against very serious difficulties. My friend Sir Henry Gidney entered a caveat against the dictum of my friend Mr. Ranga Iyer that capital expenditure would come under the question of policy and not of day-to-day administration. Brigadier General Hammond himself has conceded the proposition that the Legislature would have control in the matter of capital expenditure, and therefore that would come under the category of questions of policy and not of day-to-day administration.

Take again the question of rates which probably is the most fundamental question in railway management. Sir, I am prepared to join with my friend Mr. Ranga Iyer in the tribute that he paid for the railway administration in India, but I must say that on the most fundamental aspect of railway administration, that is, on the question of rates, the Railway Board have simply no policy at all, leave alone whether it is a right policy or wrong policy. If I am to ask my Honourable friend the Commerce Member to state what is their rates policy, he will come out with that specious phrase, "Our rates policy is what the traffic will bear". But, Sir, that will leave you no wiser than when you raised the question. So with regard to the question of rates, there again you are up against the question where exactly you ought to draw the dividing line between policy and day-to-day administration. In most of the railway systems of the world the question of rates is considered to be so fundamental and so important that it is placed in the hands of an impartial judicial rates tribunal, and that is the recommendation that Brigadier General Hammond also makes for the Indian railways. But if the future rates policy of India is to be handed over to an impartial rates tribunal, are they to launch upon an entirely new rates policy or are they to work within the maxima and the minima rates on which the Indian railway policy is based—that would be an important question. It would be easy to constitute the rates tribunal, but it will be a very difficult matter to say what exactly its functions should be. These, Sir, are all matters on which it would be foolish to venture giving haphazard and off-hand opinions, but I hope that in what I have stated I have made my position clear that the question is of such tremendous importance that a very detailed examination of the whole problem ought to be made by an independent Committee or Commission. Such a procedure was contemplated by the Government of India themselves, and what I would like to know, when my Honourable friend the Commerce Member gets up to reply, is, why it is that they abandoned the scheme that they themselves laid down and what programme they have in view for the future continuance of this work.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I am not a railway expert, nor have I got much acquaintance with commercial transactions to enable me to speak with authority upon a very important subject on which my friend Mr. Ranga Iyer spoke so eloquently and was supported equally eloquently by Mr. Chetty. If, Sir, in spite of all these drawbacks, I get up this afternoon to submit a few observations for the consideration of the House, it is because there is some difficulty in my understanding certain fundamental propositions laid down by previous speakers, and I hope somebody will elucidate them if not now at least a little later. It is stated that the question of railway administration should not be in the hands of politicians. Now, I do not understand who a politician is. So far as these learned speeches went, I could not understand exactly who a politician is. I have been carefully watching all the time that I was in this House, and I was anxious to find out who a politician is. Are the Government of India, or the Executive Councillors who administer this vast country, are they politicians or are they not? Is my friend Sir Henry Gidney a politician or not? Is my friend Mr. Chetty a politician or not? If you put the question in respect of each and every individual, can you find out anybody who will not come under the

[Raja Bahadur G. Krishnamachariar.]

category of a politician? In whose hands then are you going to place the railway administration? Sir, we have been accustomed to say things without definitely, clearly and unambiguously keeping before our eyes what it is exactly that we want. It is absolutely impossible, I very respectfully submit, to keep the railway administration in the hands of a man like that stated in the speech, because if he is not one already, he develops immediately into a politician the moment you give him power.

Now, my friend Mr. Ranga Iyer stated that in France there are 30 gentlemen out of 60 in a body who look after the railway administration. Were they elected by somebody or not? I suppose they were elected by some Senate or some such body in France, and are they not politicians? Take a commercial man himself. Are not my friends over there on the European Benches politicians? (*An Honourable Member*: "What about Mr. Mody?") I am coming to my friend Mr. Mody, and I shall deal with him separately later on. Are not my friends over there on the European Benches politicians? (*Some European Members*: "No, we are not.") That is just what I say. The whole thing is, either you are a politician or you are not. Now, what is a politician? Echo answers what? I don't understand these high politics. I am a very humble man, but here and there I have read some thing about politics, and if I have made a mistake I hope the House will excuse me. In England those who administer and guide the whole thing, are they politicians or not? Now, who carried out the war, the Armageddon? Who started this army organization? Are they not politicians? I am proud to say here that the man who first organised the Army on a war basis was a lawyer and I am proud to own I am a very humble follower of that noble profession. So that, laying myself open to the blame of repetition, I say the most important difficulty and the most important thing that you have got to do before you can decide the question is to find out and decide who is a politician.

Now, it is not an academic question that I am raising. My friend Mr. Ranga Iyer has enunciated a proposition which my friend Mr. Chetty has supported, but who is to regulate the policy underlying your administration? By whom is it to be regulated? By the Legislature. I thought that this Legislature was a political body. Very well, then, who is going to regulate your policy? I very respectfully submit that it is absolutely impossible to separate politics from any person who has got anything to do with any branch of administration under any Government in the world. (*An Honourable Member*: "Political influence.") I am coming to it now. My friend Mr. Mody confirms what my friend Mr. Ranga Iyer says, that you must not bring in political influence. That is only a paraphrase of the original proposition. Now you want the administration placed in the hands of a man who has no political influence. I am an old fashioned man, I cannot think of any ideals. Why am I an idol worshipper? Because I cannot think of things in the abstract. If you put an idol before me I know what to think of it. My friend says the administration must be in the hands of persons who have no political influence.

Mr. C. S. Ranga Iyer: In the hands of people who are free from political influence.

Raja Bahadur G. Krishnamachariar: Political influence. I thought in English it did not make much difference. However, that is another

matter. He says that it should be placed in the hands of people who are free from political influence. Is my friend Mr. Ranga Iyer free from political influence (Laughter)?

Mr. C. S. Ranga Iyer: The administration must be free from political influence.

Raja Bahadur G. Krishnamachariar: Trying to understand that and translating it into practice, we shall take it that administration consists of appointments as one of the most important thing. Nine questions out of ten in this House have been and are in respect of appointments, whether of Muslims, Hindus, Sikhs, or depressed classes, or whatever it may be. So that I take it that appointment of officials forms part of the administration of a great department. Who is going to make the appointments? The Public Service Commission? You have got four men there. Now, you have got in the Government of India department three or four gentlemen. I have nothing to say about their honesty, about their integrity, and about their conscientiousness, but there is a book called "The Study of Sociology" by Herbert Spencer, which deals with different kinds of bias. Political bias is often in the back of the mentalities of these gentlemen, and boiling down the whole thing, you will find the last residue consists of political bias and nothing else. I do not blame them. I have had something to do with administrative questions,—I hope I did not do it very, very badly,—and the question they always put when a question of favouritism arose at the hands of the bigger officials was this. "What is it that you want them to do?" Supposing there is a Muhammadan high official, if he appoints a Muhammadan there is prejudice. If he appoints a Hindu there is still prejudice because it will be said that he wants to take advantage of his position by appointing one Hindu so that he can appoint eight Muhammadans to-morrow. It is only arguing in a circle. Taking my Honourable friend Mr. Mody's position, I have had some experience of the way in which his mind works as far as taxation is concerned. I know he is so very tender to the interests of the agriculturist that the huge dividends that those gentlemen pocket in Bombay should not be touched by even a single pie, and when the Finance Member, or the Railway Member, or some other Member on the other side wants money, where is the money to come from? Take hold of the agriculturist and get it from him! He asks, is there any tax on agricultural income in India? No. Then that must be taxed because it is a scientific taxation, but not income-tax on the huge dividends which swell the pockets of these Bombay people! Similarly, when the most over-taxed country in the world wants a little money, Mr. Mody, with money bulging in both his pockets, would not really part with a single pie! He is not a politician! What, then, is he? Therefore, it is futile, it is absolutely impossible for you to make any good definition of politics, and politician and all that. And with regard to the railway politics, my Honourable friend Mr. Chetty has pointed out the difficulty about rates. There is a difference of opinion: Brigadier General Hammond and Colonel Gidney are at logger heads as to which is policy and which is not.

Sir, there is a little bit of trouble that I want to place before the House. When I was working in some corner of this country which is generally brushed aside as a backward portion in India, goods passed from Manmad to Bombay and from Bombay to Wadi—all those things

[Raja Bahadur G. Krishnamachariar.]

which left the Hyderabad Dominion. Later on, we thought of constructing a line which tapped the most fertile country in our dominions—the Hyderabad Godavari Valley Railway. It tapped the most fertile country, and as I said, the goods traffic went right up to Manmad and from Manmad they had to go by the Great Indian Peninsula in order to reach Bombay. That deprived the Great Indian Peninsula of the long lead that they used to have from Wadi, and they promptly raised the rate between Manmad and Bombay to the same level as it was between Wadi and Bombay. Is that a question of principle or policy? Was that politics, or was that “politically free”, or was that political bias? Then, we wanted to divert our traffic into the Mormugoa harbour where the harbour dues were very little. We in a way also wanted to revive one of those provisions in the treaty, of “most favoured nation treatment” for ships which flew the Nizam’s flag. Promptly came the Madras and Southern Mahratta Railway which raised the rate to such an extent that it was absolutely impossible to carry the goods beyond Dharwar. Is that politics? Is that commerce? Or whatever it may be! Therefore, Sir, on all these grounds I very respectfully ask this House not to commit itself to anything in advance but to wait, and nothing—I hope so—will be passed without our knowledge and our consent. Then, when you have a concrete proposal before you, riddle it if you like, or make counter proposals if you like, and come to some conclusion. But don’t be satisfied, and don’t say that you have discharged your duty for the day by taking up the time of this House by laying down ambiguous, and if I may say so respectfully, worthless propositions.

Mr. B. Das: Sir, last year, when my Honourable friend Mr. Neogy let the cat out of the bag on the last day of the Railway Budget debate and exposed the deep conspiracy that the European mercantile community and the Government of India and the British Government hatched behind the Round Table Conference and pointed out a particular passage which had been added behind the backs of my Honourable friends Mr. Mody, Mr. Jadhav and others, Honourable Members on the Treasury Benches put on a face of innocence and said it was a surprise which was sprung on them by Mr. Neogy and that they had never heard about it. But, now, my Honourable friend the Deputy President took us a little further into that deep conspiracy that is being hatched in the name of building up a new constitution for India. They wanted safeguards for the Swaraj of India. And what were they? They wanted safeguards over the defence, the foreign debts that India has incurred, and again, that there should be a reserve bank controlled under parliamentary statute. But one did not know why, after doing all this, they wanted that the railways also should be made into a statutory body, that it should be one of the safeguards—it was the most surprising thing of all. It was also pointed out last year—and Honourable Members who have read the debates will find—that the Anglo-Indian community in the railways wanted that they should be part of the safeguards. I can sympathise with my Honourable friend the gallant Colonel when he supported the idea—not definite, not crystallised, not consolidated—that my Honourable friend Mr. Ranga Iyer advanced. I can understand that. I can quite understand his point of view. He wants safeguards not under an Indian Legislature but under the British Parliament, so that the Anglo-Indian community may be brought in as part of the statutory safeguards. Further my friend Colonel Gidney

wanted his community to enjoy the privilege of getting the same number of posts in the railways and other services, such as the Postal Department, for 30 years more. He also wants other special safeguards for education of the Anglo-Indian community and also trial by jury for offenders of that community. Naturally my friend Colonel Gidney will gloat over the idea that the railways will be a statutory body. I want to ask my friend Mr. Ranga Iyer whether the railway administration today is influenced by the politicians of this House. For the last three days this House has been discussing the mismanagement of railways and my friend Mr. Ranga Iyer said that Indian railways have got the best management. Is it best managed with so many crores of deficit? How are the politicians influencing the action of the Railway Board today? My revered friend Raja Bahadur Krishnamachariar has exploded that theory. My friend said that when a member puts a question, the political aspect comes in. Sir, the whole thing is this.

Mr. C. S. Ranga Iyer: I was talking of the future of Indian railways under a self-governing India.

Mr. B. Das: I find that my friend is very optimistic. I also have a similar cut. Otherwise I should not be speaking on this motion. If my friend thinks that he is getting complete self-government and that he is looking 15 months ahead, whether the railways should become a statutory body or not, I think he has been wasting the time of the House. When he got up, I thought he was going to expose the deep conspiracy that has been going on. In 1924, when the separation convention was passed, it was to have been examined after three years.

Sir Alan Parsons: The convention laid down that it would be worth while to have a periodical examination and that it should not occur in any case before three years.

Mr. B. Das: We gave them the power to bring up the railway administration policy as embodied in that convention before this House after three years and they never brought it up. When debates were raised, they said that they had no knowledge that this House wanted to examine the convention. Then after a year a committee was appointed. It was a huge committee of 17 or 19 members. The Committee met once or twice but was never asked to meet again. When questions were asked, we were told that the statutory Commission was coming and constitutional changes were going to take place. It was no use referring to this matter in the convention committee. The Honourable the Railway Member has said that an expert Committee would come next cold weather when it could examine the question of the mismanagement of Indian railways, and on the top of that there is another tall order from my friend the Deputy President and Mr. Mody, "Let us have another Committee to examine the question whether the railways can be under a statutory body". What is the necessity of this? I would have liked my friends to join with us and expose this deep conspiracy which is going on between the Government and the European mercantile community, to take away the control of the railways from the hands of the Indian Legislature. What was the necessity of bringing this subject in sliv into the Federal Structure Committee's Report? Let there be a self-governing India and let it have its own Parliament. Three years hence it can embody a statute to bring the

[Mr. B. Das.]

railways under a statutory body. If I understand the railway policy, railways exist for four purposes. The railways were built for transportation of the military in India. Then the British merchants wanted orders for railway materials. Railways were built to supply cheap transport for raw materials and cheap food stuff to Ports for transshipment to Great Britain. The Railway engineers never built up the railway engineering industry in India to manufacture railway appliances. Today in the name of the Round Table Conference and in the name of the self-governing India they want to take away the railways completely from the control of this Legislature, so that the Chief Engineer, as proposed by Brigadier General Hammond, will become the Managing Director and the Chairman of the Board of Directors of a statutory Board and do as he likes. My friend Mr. Ranga Iyer thinks that he cannot dream of Europeans not participating in the railway administration for years and years, so that all orders will go to England. Then what will happen to the stores purchase policy of the department over which my Honourable friend Sir Joseph Bhore presides? What will happen to the powers which the High Commissioner now enjoys? He buys railway materials from Germany, Belgium and other countries at cheap rates now. All these powers will be taken away by the statutory body which will pass all these orders to themselves, *i.e.*, Britain. Mr. Mody focussed attention on two points. This House at this juncture can only condemn these tactics, this subterfuge on the part of the India Office and the Secretary of State and the powers that persuaded the Secretary of State to appoint Brigadier General Hammond to inquire and report. It is by pure accident that we are discussing this subject today. If the Government were anxious to find out the views of the House, why did not my friend the Railway Member bring up a special motion to ascertain the views of this House? In this House the commercial communities are well represented—both the European and Indian mercantile communities. What is the use of referring the subject to the Consultative Committee which is sitting a furlong off from this place. I know that in that Consultative Committee there is not a single Indian financier or an Indian commercial man. Those who bring about these useless committees, whether it is the Consultative Committee or the Federal Finance Committee, exclude from them men who can give authoritative views on such subjects. What was the necessity of appointing such useless Committees? Sir, my Honourable friend, Mr. Ranga Iyer, waxed eloquent about agricultural development, and my friend, the Raja Bahadur, has exploded that theory as to who controls the rates and freights. So it is no use talking of theories or carrying out an academic discussion when our very bread is taken away from our hand, when, in the name of Swaraj, in the name of self-government, in the name of the new constitution, everything that secures the economic rights of the people is being taken away and placed in alien hands,—not for a day, not for 10 or 20 years, but for ever and ever. Well, I would not work such a constitution that produced that unhappy result, but I would say that if Government want our opinion, let the new constitution come, and let them come to this House for our opinion, and then we shall give our opinion as to how we should run our railways.

Mr. D. K. Lahiri Ohsudhury: Sir, I was really surprised to see that a great politician like my friend, Mr. Ranga Iyer, has turned to be a great

commercial man and turned the debate to a different line. He spoke highly of commercial efficiency to be put in to the railway administration and strongly opposed political intervention into the day to day administration of railways. Now, Sir, I remember I interrogated him, just to remind him as to what happens in England; and he said that in England there is no State-managed railway. Quite right! What however I meant to say is this, that, in spite of the existence of these Company-managed railways, Parliament has got control over those bodies. That was my contention, and that is what I wanted to point out. My Honourable friend did not deny that, but I found that Mr. Ranga Iyer, when he was concluding his speech, was perfectly justified in supporting this contention at least, and now I come to the policy of the administrations of these railways. Sir, it has been just stated on the floor of the House by different Members in most able speeches that we should not mix up politics with business, especially in commerce and industries. Sir, I perfectly remember my Honourable friend, the Deputy President, on some other occasion when the Reserve Bank Bill came before this House, it was he who supported with great emphasis the utility of a State Bank; and there also, from the commercial sides a voice was raised against politicians mixing up politics with business, but then, Sir, the Honourable the Deputy President, with his usual eloquence, supported the State Bank scheme because he thought there would be some danger in a shareholders' bank. Now, Sir, I think and verily believe that this Assembly requires more and not less power of control, because the Honourable Members are well aware of the fact that the rates and freights policy is conducted in such a manner that no Indian can support it. Sir, it is an open, naked uncontroversial fact that the Railway Board by maintaining the policy of station to station rates are naturally increasing the rates and freights of industries and commerce of this country. Now it is evidently a fact that some of our politicians in this House are nevertheless better experts in the commercial line than many others. If those Honourable Members who, though they are politicians, could have had the opportunity and facility of performing the executive duties of the Railway Board, I am certain that their administration would not have led the whole railway system to such a disaster if I may say so. I thoroughly agree with my Honourable friend Mr. Ranga Iyer when he said that there must be a commercial and industrial expert in the railway executive body, but at the same time I do not find any justification why the legislature should be deprived of any control in that executive body. What I want to say is this. This Assembly ought to have sufficient powers of control over the executive body of the Railway Board; otherwise I maintain that the country will be running the risk of serious loss, as they are already suffering a loss of crores and crores of rupees. What is all that for? I say most emphatically that the administration of the Railway Board is such that they require considerable changes after every seventh year. Does that show the efficiency with which they are conducting their own business? I think the Railway Board have carried out a policy which is not at all good for the country, but is rather ruinous to the country. Now, Sir, it may be said that due to the trade depression there have been so much deficit, but what about the permanent deficit in Railways? Who is going to pay for it, and who is responsible for that? Is not the Railway Board responsible for this permanent deficit? Will the members of the Railway Board pay their huge deficits from their own pocket, I say "No", the whole amount of deficit will have to be met by

[Mr. D. K. Lahiri Chaudhury.]

the poor tax-payer. If so, is it not necessary for the Legislature to have control over them? Sir, there may be a thousand committees appointed, but can those committees solve India's problem without the consent of the Indian nation? And who represents the Indian nation in this House? It is the politicians amongst whom there are also commercial people. Now my Honourable friend Mr. Mody—I do not find him here now—is both a politician and a commercial man and he is here to represent not only the political but also the commercial interests of his constituency. Of course a discussion at this juncture no doubt is an important one, but to pass an opinion at this stage is not only misleading but extremely dangerous.

Mr. B. V. Jadhav (Bombay Central Division: Non-Munummadan Rural). Sir, English politicians are Britishers in their own country and are divided into three big parties—the Conservatives, the Liberals and the Labourites. But in India, as far as I know, they are known only under one category; that is, they are capitalists who supply capital to India and to other countries and in that capacity they generally exploit this country and also other countries. The railway policy up to this time has been worked in the interests of capital only. As for any other interests, they were not very much cared for. It was the solicitude of the Government and of the Railway Board to secure as much revenue as possible from their railways and they did not care very much whether they advanced the interests of agriculture or of commerce. But now they have been caught in a slump, and they find that the policy that they have pursued up to this time has recoiled upon them, and however they may try, whatever rates they may impose, they are getting less and less revenue from the railways.

Now the constitutional question raised by my Honourable friend, Mr. Ranga Iyer, is for the establishment of a statutory body. The question, so far as my knowledge goes, was not discussed at the Round Table Conference, and I expect that it will come before that body in a properly cooked form on some other occasion. (Laughter.) (Mr. S. C. Mitra: "In an improperly cooked form.") Whatever that may be, I have to raise my voice in this House for the protection of one big interest which I have the honour to represent. My Honourable friend, Mr. Joshi, has put forth the claim of labour to be represented on that body. I have to put forth the claims of the agricultural community of India. (Hear, hear.) The agricultural community, Sir, is a very important community, as agriculture is the principal occupation or trade in this country. And whatever the merchant may do, and he is no doubt doing very great service to move agricultural produce, he is also an exploitor. He looks to his interests first and the interests of the agriculturist come afterwards. When he is very anxious about the interests of agriculture, his solicitude will be just like the solicitude of the owner of a cow. He feeds the cow simply because that cow gives him milk and therefore the care for the cow is a selfish care. It is very laudable but all the same it is for his own gain. So the solicitude of the merchant generally for the prosperity of the ryot or the agriculturist has got a selfish motive behind it. Therefore, the interests of the agriculturist ought not to be left to the care or the mercy of the trader. Therefore when the trade interests are represented in a statutory body or any body that might be set up, I claim direct representation of the agricultural interests on that body. They are contributors to the revenue of the railways to an extent which has been estimated at

about 40 per cent. The agriculturist is also a great patron of the railways in the form of a third class passenger. Therefore in any future constitution that might be drafted, his interests ought to be properly safeguarded by his own representatives and not by those who pose to be his protectors or his trustees or whatever other name they may choose to go by. These trustees and these protectors will look to their own interests first and may at times be tempted from very high motives to sacrifice the interests of the agriculturist for other interests. Therefore, I claim that whatever body may be set up in future and whatever committees and bodies might be created, the interests of the agriculturist ought to be safeguarded by fair representation from their own community. In this way alone agriculture, the railways and others can protect their own interests and thereby further the cause of this country.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadian): Sir, it is curious how under the Demand of my Learned friend Mr. Ranga Iyer from this side of the House, this debate has taken this extraordinary turn. It is apparent from the way the debate has run that my Honourable friend has more allies on the other side of the House than on this side. My Honourable friend's motion was to cut off Rs. 100 from the Demand of the Railway Board because of its future and its constitutional aspect. Well, Sir, the Railway Board is an expert body at present and if my friend wanted to develop it into a still more expert body, the Railway Board Member should have jumped up from his seat and pressed Mr. Ranga Iyer and said: Yes, he agreed to Rs. 100 cut or even Rs. 200 cut if he be given an expert body. Then I could have expected that Mr. Ranga Iyer would have exchanged his seat for one on the other side. But the difficulty is that Mr. Ranga Iyer hails from this side of the House and when he finished his speech and the way he was cheered for the other side we were wondering whether the debate was initiated from this side or the other side. My suspicions were aroused, Sir, when he was speaking with interruptions from my right and left. My suspicions were amply confirmed when Sir Henry Gidney closely followed him in the debate and gave him his blessing with a caveat here and there because he said (I do not know whether he actually used these words) that Mr. Ranga Iyer is in the habit of performing mental somersaults. He gave certain examples of that. But, Sir, when he gave his blessing to the proposal, I was fully alarmed, and so was my friend Mr. Ranga Iyer, because it is not usual for Sir Henry Gidney to give support to my friend Mr. Ranga Iyer. I had not forgotten the reference which Mr. Ranga Iyer made yesterday about this hour of the day as to the demand which Sir Henry Gidney had put forward about services in commercial departments, and particularly in the railways, for his community. The demand of Sir Henry Gidney was, as was read out to the House yesterday, the fundamental favouritism clause as my friend Mr. Ranga Iyer called it. Sir, on page 78 of the second Round Table Conference Report it is put down in the memorandum submitted by Sir Henry Gidney for incorporation in the new constitution as a fundamental safeguard:

"That the same number of Anglo-Indians and domiciled Europeans per centum of the total number of persons employed in such services are employed on the day on which the new constitution comes into force shall continue for 30 years after the operation of the new constitution subject only to the condition that a sufficient number of Anglo-Indians possessing the requisite qualifications is available."

[Mr. Jagan Nath Aggarwal.]

It comes to this that the number that is already there—and Mr. Hassan's Report tells us that their number is 50 to 70 per cent. in the higher services and the lower services are not worth their taking—shall continue for 30 years, subject only to the condition that the Anglo-Indian youths only take to literacy and to reading and writing. That was one suggestion of Sir Henry Gidney, and my attention was drawn to it by Mr. Ranga Iyer yesterday. To-day I find these two gentlemen have joined together. What is the reason for it? The demand for a statutory body was surreptitiously introduced into the Round Table Conference Report and my friend's suspicions had been aroused. That was one of the safeguards that Sir Henry Gidney wanted for this purpose. My friend Mr. Ranga Iyer somehow walks into the trap of those who are championing the cause of a statutory body. I say we do not want it for one reason that it has been hatched in that out of the way place without even telling the Round Table Conference people. Sir, the Round Table Conference did not represent this House or the people of this country. It was a nominee of the Government and represented the Government. Very well. Then this scheme was not even brought before the Round Table Conference. It was hatched in secret and was surreptitiously introduced into the deliberations of that day. The Deputy President said that the Government of India have been contemplating an inquiry into the matter. This statutory body was neither the child of the Round Table Conference nor of the Government of India. It is an illegitimate child and has been foisted upon us. I do not know whether Mr. Ranga Iyer will be prepared to follow the Round Table Conference. (*A Voice*: "It is the child of the Secretary of State.") No, he is not prepared to take it. One Secretary of State has departed and I do not know whether the new Secretary of State has taken it over. Various objections have been taken as to how this statutory body comes into the show. It comes in this irregular way. The moment you begin framing your constitution and you have the idea of placing responsibility on to the shoulders of the people of this country, people from other countries begin to take the trouble of lightening this burden. An attempt is made that railways, other commercial bodies and Posts and Telegraphs must be so arranged that a statutory body free from the control of the Legislature and of the politicians shall work it. Banks and banking shall be with the Reserve Bank, various other things shall go to the provinces or other places and this Legislative body which will deal with federal subjects shall be a body which will have nothing to do. Members will travel to Delhi, come and sit for 15 minutes in the Chamber and then disperse for want of a quorum or of a subject to discuss. If that is the way of having this statutory body or this new constitution, then I say that we would very much like to be without it. We will go on merrily with the present statutory body in our own way with just pinpricks occasionally from this side.

Now, Sir, the question is what is the fundamental objection to the creation of a statutory body for the management of railways? Let us examine the history of these railways, whether there is anything in the origin of these railways to justify the demand for a statutory body. Railways, I submit, are not a separate water tight concern as has been pointed out by previous speakers. Let me inform the House that these railways were started at huge expenditure to the Indian tax-payer in the early fifties. I have not got the figures for all the years up to 1900, but just looking up the figures, I find that under the guaranteed system from the

years 1849 to 1858, over two million pounds had been paid out of the Indian exchequer as guaranteed interest to the companies. This state of affairs continued right up to the year 1900, barring the year 1877-78 when there was no loss on the Indian railways. However, from that time for over 50 years, we went on paying out of the revenues of India guaranteed interest to the companies. If the revenues of India were practically mortgaged for over half a century for the payment of interest on these guaranteed loans for the development of railways, with what face can any person, Mr. Ranga Iyer from this side or any other person from any other side, come forward and say now, that these railways are expected to become paying concerns, to the Indian people whom we represent in this House. "Now, gentlemen, now that you are going to have some power, you are going to be allowed to manage your own affairs, this costly business for which you are liable to the extent of 750 crores or so should be handed over to a body of experts". This is part of that much used formula "safeguards". If my Honourable friend had accepted the safeguards, such as he referred to yesterday, namely, thirty years of continued service for Anglo-Indians, and if my Honourable friend Mr. Ranga Iyer had said, "Yes, this handing over of the railways is also part of the safeguards", then I could have understood him. What right has anybody to tell us that this huge figure of 750 crores is to be borne by the Indian tax-payers, but the whole concern, i.e., Railways, is to be presented to a statutory body, and they may do whatever they like with the same and how they manage it is not our concern? The liability for the payment of that huge sum of 750 crores is to be laid on the shoulders of the Indian people. After having paid such a huge amount, the Indian tax-payer is to have no voice or a very meagre voice in the administration of the railways. It is a part of that funny proposition that the burden of that huge bill is to be on Indian shoulders, but the management of it is to be in the hands of a body to be appointed by some outside authority. This is as I said on a par with "safeguards". In this connection, I am reminded of a recommendation cautiously let fall by Lord Peel at a sub-committee of the Round Table Conference and this is found at page 36 of the second Round Table Conference Report. The vision is very alarming and I beg your leave to read to the House a few lines from that recommendation headed, "Commercial Departments":

"Some of us are of the opinion that the railways and possibly other departments, such as the Posts and Telegraphs, should be conducted on such a basis as to secure a more complete separation from federal revenues than is at present the case and that after paying interest and other charges at present incurred by the Government of India in respect of reduction of railway debt, they should keep their own profits and should work on a basis which in the long run would yield neither profit nor loss."

Sir, it is a curious irony of fate that for half a century we should have paid the loss, and when the time comes to have a profit, you are suddenly asked to hold up your hands and ordered that you shall not have any interest in the profits in future. What is this curious argument? He goes on:

"From our standpoint it is to be noticed that such a plan would involve an important change in the basis of the security for the existing debt but the proposal is closely connected with that made at the last session of the Conference that a statutory body should be established."

[Mr. Jagan Nath Aggarwal.]

How it was carried, a Member of the Round Table Conference and perhaps others also have told us, that is that nobody discussed it. The Report further goes on :

"It thus raises very important constitutional issues which are beyond the province of this Sub-Committee and must be fully examined elsewhere."

Where they are to be fully examined, it is not for me to say. At any rate, they have not been examined by any authoritative body or committee.

Mr. B. V. Jadhav: Brigadier General Hammond examined it.

Mr. Jagan Nath Aggarwal: Beyond the Report of that gentleman, we know of nobody, of no other authority having examined it. As I was saying, it was surreptitiously brought into the discussion and made the subject of controversy without any rhyme or reason. Looking to the history of the recent management of Railways, I would submit that this proposal runs counter to the whole trend of Indian public opinion. The management of railways entrusted to companies was objected to in the past for the simple reason that all profits that are accruing from these concerns are the concern of the nation and they should go to the national exchequer and that no private company or undertaking should have the right to pocket these profits. Acting on that policy and further on the principle that such a large number of people are engaged in these companies, a great many people get a living out of these companies, acting on those principles, no public utility concern like the railways should be handed over to any statutory body uncontrolled by the people and their representatives, and these concerns should be managed only in such a manner as is approved by the House. That is the reason why, after buying all these railways, practically every railway whose contract fell due during the last few years has been taken over by the State, they have all come under State management. The Company-managed railways had experts while the railways were under their control, but yet we took them over on questions of fundamental principles, and after doing that, what justification is there for reverting to the old practice of handing the railways over to a statutory body without any popular control? Persons like my Honourable friend Sir Henry Gidney can very well and very logically say, "I dislike the whole lot of State-managed railways; I want all these lines to be in the hands of Company-management". From a logical point of view, that is a way of looking at it. But you want to hand over the railways to a still more powerful statutory body to enable them to operate the railways to serve certain interests only. It is good from the point of view of my friend Sir Henry Gidney, but what right has my Honourable friend Mr. Ranga Iyer to come forward with a proposal of that kind and to say that this thing should be perpetuated.

Mr. C. S. Ranga Iyer: I never said this thing should be perpetuated. The Honourable Member is simply concocting and attributing motives to me.

Mr. Jagan Nath Aggarwal: I had absolutely no intention of attributing motives. I say it was logical for Sir Henry Gidney to have said that all the railways should be handed over to a statutory body, but it is not logical for my Honourable friend Mr. Ranga Iyer, who has been a Member

of this Assembly for several years past, and who doubtless must have taken part in several of these resolutions which were passed in the Assembly recommending to the Government to take over all the Company-managed railways.

Lieut.-Colonel Sir Henry Gidney: On a point of personal explanation. I made no demand that all railways should be controlled by Companies. I simply said I dated railway financial decadence from the time railways were transferred from Company to State control.

Mr. C. S. Ranga Iyer: The Honourable Member has been repeatedly arguing that I am a supporter of some so-called "statutory Railway Board". I have never used that expression, but I have confined my speech to my token cut, namely, "The future of the Railway Board and the constitutional aspect". I hope he will not also accuse me of being a strange bed-fellow with Sir Henry Gidney. I entirely repudiate that.

Mr. Jagan Nath Aggarwal: I was waiting for the correction, and I am glad Mr. Ranga Iyer is not in the same bed with Sir Henry Gidney. Sir, if what I said has led to the correction being made by my Honourable friend Mr. Ranga Iyer, I am not sorry.

Now, I was saying that the whole policy underlying the creation of an outside authority for the management of railways runs counter to the policy pursued by the House and by Indian opinion. The justification for their handing over the railways to a statutory Body is, "These politicians will blunder, will make a mess of the railways and will do all sorts of things with regard to the railways". If this is their justification, all I can say is this is the old formula of the expert always being called into the show. If the expert is such a good person, why are we talking of the establishment of popular institutions, these democracies and so on? All these are bound to invade various departments. Will you not make a mess of the Foreign Department, will you not make a mess of the Army Department, the Industries and Labour Department? Will you not make a mess of every department of government? Why are you having politicians and non-experts in these things? If the railways are a big concern and therefore should be put under expert hands, I can see the next department to come will be the Posts and Telegraphs, and very soon all departments will have to be reserved and you may remain with no department at all! It is folly to pretend that the expert is the only person who can run a Government department. If the experts' claim were to be admitted, the British Parliament would be the first thing to be scrapped, for the simple reason that it is not a body of experts: it is a body of the representatives of the people who have a right to make mistakes and to run their country in the best way that they can. Times of emergency arise, and then these experts are taken in: they are not manufactured in Great Britain. It is not an official ridden people, but experts are manufactured in Germany and elsewhere: they have trained officials; but they say "When the time comes we struggle through somehow: we will manage during emergencies". It is best to make your laws and to have them administered by experts and to get on according to the will of the people. That is the way that Government are running their own concerns elsewhere; and it reminds one of a person who, having been long in this country, returned after thirty years to London, looked at the Palace of Westminster and inquired what it was. Somebody told him that it was the Houses of Parliament,

[Mr. Jagan Nath Aggarwal.]

and he said, "Oh, Yes. I thought the old women had ceased to function. We do all these things so well elsewhere that we thought it was no good for the people here and that they had discarded it during the past so many years." Therefore this expert body of which so much has been made, and the danger that politicians will introduce trouble into the constitution, are things based upon a lurking suspicion that comes into the show unnecessarily. They are not based upon any experience at all because no popular Government in this country had any chance of bungling or mismanaging a railway. At present they have been managed by experts, and it is just as well to give the other party a chance to see whether they bungle it or manage it well. From their professions and the way they have criticised the administration of the present experts, I can take it that it will be long before they themselves make as bad mistakes as the bodies whom they accuse now. I therefore submit that there is no justification for pledging in advance the opinion of this House to the creation of any statutory or other outside body for the management of the railways.

The Assembly then adjourned till Eleven of the Clock on Friday, the 4th March, 1932.