

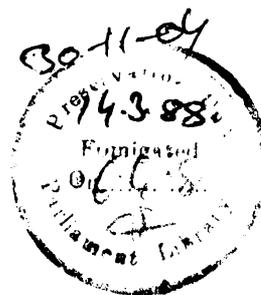
Tuesday, 20th February, 1934

THE
COUNCIL OF STATE DEBATES

VOLUME I, 1934

(8th February to 27th April, 1934)

SEVENTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1934



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COUNCIL OF STATE.

Tuesday, 20th February, 1934.

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

GENERAL DISCUSSION OF THE RAILWAY BUDGET FOR 1934-35.

THE HONOURABLE THE PRESIDENT: The discussion will now start on the Railway Budget for 1934-35. I do not propose to prescribe any time limit and I leave that matter to the sound judgment and discretion of Honourable Members.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, it is a matter of some satisfaction that the Honourable the Commerce Member and the Chief Commissioner of Railways have been able to present us with a better budget than what they presented to us last year. I congratulate the Honourable Sir Joseph Bhore and the Honourable Sir Guthrie Russell for the economy campaign which they have launched for reduction in expenditure on Railways. It was a matter of satisfaction that the services of Mr. Pope and some time back of Mr. Dickinson were loaned to go into this matter. I should like to know from the Honourable the Chief Commissioner of Railways how far their recommendations have been brought into operation. I am also grateful to the Honourable Sir Joseph Bhore for his making the Central Advisory Committee for Railways a lively body. That he has done by allowing the members to make suggestions for discussion. Hitherto the Central Advisory Committee only used to deal with subjects which were put before them by the Honourable Member for Railway and generally through a year there was not a single meeting of this Committee. Now, as this privilege has been given to its members, more useful results will come out of it.

I must also express my grateful thanks to the Honourable Member for Railways for selecting an Indian as Agent of the Eastern Bengal Railway. This is a departure in the right direction. We Indians have been awaiting it for long.

Sir, as far as my criticism and observations on the Railway Budget is concerned I shall try to be as brief as possible and I will not indulge in useless criticism. Sir, we find from the Report of the Standing Finance Committee for Railways regarding the Sara Bridge, which is given on page 25 of Vol. X, No. 6 of the Proceedings, that the Hardinge Bridge cost about Rs. 3½ crores to the Indian taxpayer. The bridge was finished in 1915. We find from the same report that in the year 1924 a severe attack on the Sara guide bank began and in 1930 the current swung round to the right bank. We find that a great deal of damage has been done to these bunds and from the papers before us we also find that no effective measures were taken to protect the disaster which has been facing this bridge during

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the last nine years. The Railway Board invited Sir Robert Gales only last year to give advice when the damage had actually been done. Why was he not invited in 1930-31? To save a bridge which had cost the country about Rs. 3½ crores was left entirely in the hands of the local officers who, I say, with due deference to them, wanted the advice of an expert. We find that Sir Robert Gales came out to India but no mention is made in this report about the report or criticisms which he offered to the Railway Board and the causes which have contributed to this serious damage. I would therefore suggest that as Sir Robert Gales estimates the cost of repairs to over a crore of rupees, in the public interest an independent committee should be appointed who should report as to who was responsible for this negligence and want of attention and who were the officers who did not take the right action at the right time and why against the established practice no one was present when the guide bank breached at odd hours of the night of the 26th September last. It may be said that in Bengal the river flowing under the bridge takes an abnormal course. That is not a new thing. That is always known. There were eminent engineers in India with whom consultation was readily available and even that consultation was not held. I therefore wish, Sir, and I request the Government to appoint an independent Commission of Enquiry to go into this serious matter and to report on it.

Sir, for some time past, the Accounts and Audit Departments have been separated. As far as is apparent, there has been no benefit from it. On the other hand expenditure has been increased by crores. I wish this question to be thoroughly examined and if no material advantage is derived from it these two departments should be re-amalgamated. For some time past there has been a hobby for decentralization without getting material benefit from it. On the North Western Railway the Carriage and Wagon Department was separated from the Loco. Department. I do not blame the officers. Perhaps their intentions were quite honest and sincere, but experience proved that separation was a failure. I did talk to one of the senior officers of those departments and asked him what advantage had been derived from separation? He said, "Look here; we went up for it to the Government of India, who in turn went up to the Secretary of State and we got this scheme sanctioned, and now it is very awkward for us to admit that we committed a blunder". However, Sir, good sense prevailed later on and the Railway Board amalgamated these two departments again. The case of the Clearing Office is similar. I consider that the Railway Clearing Office is a white elephant. It costs a great deal and we do not get the benefit from it which was anticipated. I know that officers can make a good case out of a weak case, but as we laymen have not got all the papers at our disposal we are not able to offer criticism which officials could not easily refute.

Sir, the divisional system on Railways has been introduced for some time. To us laymen it does not bring the advantages which were anticipated. As businessmen we find in practice that for changes in rates we go to the Commercial Officer and that officer sometimes agrees to our suggestions, but the supply of wagons and trucks is not in his hands; we have to go to another officer to get the trucks. Then if you send a letter today to the railway, it goes to the Central Registry Officer—a great ocean in which it dives—and generally the officer concerned gets it after the

lapse of some days. This unusual delay and unnecessary duplication of work is improper, and so far as the public is concerned the introduction of the divisional system on Railways has not been successful.

As regards the salaries of future entrants to the Railways, the Railway Board has already published the scales of salaries and allowances of officers. I do not know what they have yet done as regards revision of salaries and allowances of subordinates and other employees, but the time has come when that should be done and the House informed.

Sir, some time back there was a great scandal in regard to the procedure for dealing with and accepting tenders for timber sleepers. A committee of inquiry was appointed and it was proved that there was something really seriously wrong. The Railway Board as a matter of safeguard took over into their own hands the matter of tenders and contracts for sleepers. I wish that a similar thing should be done in the matter of coal contracts. There have been rumours and plenty of press criticism of the way in which coal contracts were being dealt with. I would request the Honourable the Commerce Member and the Chief Commissioner for Railways to consider my suggestion seriously and see their way to have the acceptances of tenders for coal in their own hands.

I find that the expert report as regards the better working of the workshops has been adopted to a certain extent. The job system, as far as my information goes, has proved a success. But still the overhead charges in workshops are very heavy. Even for gates there are senior and highly paid subordinates. Take the case of the North Western Railway. They have European sergeants at the gates as gatekeepers. Only recently there have been a lot of thefts and those thefts have taken place notwithstanding the plea of railway officials that a highly paid man is more likely to be honest as a gatekeeper. It is not an intellectual job at all. I need not go into the details of the thefts which have taken place, but I believe the Honourable the Chief Commissioner knows how frequent they have been and have not so far been checked. Therefore, Sir, I request that in all these directions a saving must be effected.

Sir, the public does not so far know what was the reference made to Mr. Pope as regards effecting reduction in railway expenditure. I should like to know whether the present establishment and its adequacy or inadequacy was referred to Mr. Pope. In this connection I might suggest that the commercial and transportation branches on each of the railways for which there is a senior officer in charge of each at present might well be reamalgamated under one senior officer with two deputies, one for each branch.

As far as Indianization of the workshops and the mechanical engineering side of the Railways are concerned, I find with regret that the admission of Indians into that branch of railway service has been very meagre. This year on the North Western Railway I understand only two students from the Maclagan College were taken. In the past two years, if I am not wrong, nobody was taken from the Maclagan College in the mechanical services. We were all very glad that the railway authorities introduced training of apprentices for the superior service in the mechanical engineering side of railways. Last year a good number of students qualified themselves from the Jamalpur Workshops where they had their training and out of ten who were there the Railway Board selected seven; but on account of the request from the public and from the Members of this

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Legislature the authorities were kind enough to send all ten of them to England for their training. At that time the Honourable Sir Joseph Blore, as far as I can understand, said that so far as the last three were concerned efforts will be made to find employment for them although that cannot be guaranteed. There was a time, Sir, when nobody offered himself for the mechanical line in India. A great deal of effort was made in this direction and as far as the Punjab is concerned it went out of its way to establish the Maclagan Engineering College on which a few millions were spent and in case the product of that College cannot be usefully employed, the maintenance of that College by the Punjab Government or similar colleges by other Provincial Governments will be reduced to a farce. I suggest that a large number of Indians be taken into the mechanical senior subordinate service.

I find, Sir, that the Railway Board intend to buy 2,000 odd wagons for the Railways this year. The unprecedented depression in railway receipts is quite manifest and I would suggest that as there are thousands of wagons lying idle on many State Railways this year, 2,000 wagons be loaned to those Railways which are short of wagons and thus an expenditure of about a crore of rupees be saved. Sir, on the North Western Railway there was a bigger demand for locomotives during the war and the Railway Board succeeded in getting the loan of some locomotives for the North Western Railway from other Indian Railways. A similar thing can now be done in the case of wagons.

I have been repeating from year to year, Sir, that the loss on strategic railways ought to be debited to the Army Department. Why should the Army Department have a contribution from railway funds by the back door? This unjust practice is being repeated from year to year. We show that as a loss to Indian Railways which are purely run as a commercial concern and there seems to be no legitimate reason why this annual loss should not be debited to the Army Department. The Army Department should really show what they are spending. To contribute to the Army Department by the back door is an anomaly which I cannot understand. It may be said that for Government it is simply a book transfer. All the same we must show real accounts to the public and not incomplete accounts which I cannot but call inaccurate and misleading.

Sir, notwithstanding the abnormal depression on Railways the concessions to the Army Department still continue. This House and the other House has been clamouring that those concessions should be withdrawn. When those concessions cannot be withdrawn in such abnormal times of depression, when will you withdraw them? There are concessions to the Army in coaching as well as in goods. We find that ordinarily British soldiers are allowed to travel second class on paying third class fares. Practically all sorts of military goods are booked at concessional rates. It may be said that the Military Department is a great customer of the Railways, but that argument is not a sound one and cannot stand public criticism. The time has now come when right action in the right direction is required and this loss should no more be borne by the Railways which are being run on commercial lines.

Last year, Sir, I advocated that the surcharge on freight of coal, particularly of the coal carried over long distances, ought to be withdrawn. This, if I may be permitted to say so, is a step to discourage industries

and the sooner it is remedied the better. No surcharge is made on soft coke which is used for domestic purposes, and so Railways cannot come forward and say that it is not a paying proposition to carry coal without the surcharge. When you can do it for soft coke you can do it for steam coal for industrial concerns

In every civilized country, railways are meant to develop the trade and commerce of the country and here I should say that the opposite is the case, anyhow as far as the carriage of steam coal is concerned. Sir, whenever Christmas and Easter comes, the Railways come forward with concessions in passenger fares, but whenever there is a big fair, say at Ajmer or Kumbh at Hardwar, or a big gathering at some other station, the Railways refuse to give such concession. Why?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: But they engage special trains.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: My friend says that they engage special trains. In case they do not engage special trains they lose the traffic, because it is essential for them in order to secure traffic to arrange for special trains. I had the pleasure of travelling on the Continent last year and at Rome there was a great religious festival. I found, Sir, to my astonishment that the reduction or concession of fares on the Italian Railways was reduced to 25 per cent. for the return journey; that is, that for the return journey there was a reduction of 75 per cent. in fare. Why cannot India do the same? We, on the other hand, cry that our traffic receipts are falling. I saw that even on British Railways owing to bad times reduced concession rates for travel all over England and Scotland during the summer. Here we try to increase fares and freights. We have done so in a number of cases. I understand that the Great Indian Peninsula Railway is considering the increase of second class fares and the reduction of first class fares. That is a wrong policy, Sir, to encourage first class traffic which is mostly confined to Government officials and to a few well-to-do people at the cost of second class is unsound. Most of the upper classes travel second class and in case you increase the second class fare you will certainly reduce your earnings. I simply put forward this for the serious consideration of the railway authorities.

On my Continental tour, Sir, I found that the Indian Railways are worked much better than the Continental Railways. As far as the upper classes are concerned we get more amenities and we get better accommodation and equally good services on Indian Railways and I congratulate the Honourable the Commerce Member and the Chief Commissioner for Railways that they are in no way inferior in running and in efficiency as compared with European railways. But, Sir, the lot of third class passengers cannot be compared. I admit that the fares there for third class passengers are higher than what prevail here but still, Sir, in these days of bus competition it is necessary to provide amenities. As far as the upper classes are concerned, one great amenity is the heating of carriages and making them dust proof. That can be done without much cost and without much difficulty here. It is a cheap measure. I have seen it all over the Continent and even in England that every passenger carriage there is heated by a water-heating installation. I wish, Sir, that in order to get more traffic this thing should be introduced on Indian Railways, if not in all classes, at least in the upper classes. Then, Sir,

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comes the question of cooling the coaches. On the Continent this is not necessary but in India it is and I consider that the time has now come when this question should be considered. Being a layman I cannot suggest how it should be done. There are carrier systems of cooling and air-conditioning systems, and many others. Being a layman I leave it to the authorities to decide which system to adopt.

Sir, as far as the question of communal representation on the Railways is concerned, there has been always a demand from the various communities for an increase of their numbers in the railway service. If I am not wrong, my information is that it has been decided that in the railway service 20 per cent. should be Europeans, 7 per cent. Anglo-Indians, 25 per cent. Moslems, and I do not know what percentage is allowed to Indian Christians, Parsis, or Sikhs leaving aside the Hindus who comprise the bulk of the population. I should like the authorities concerned to throw some light on this, whether the percentages which I have given are right or wrong and if they are wrong what are the accurate percentages?

Sir, we know that, as far as communal representation is concerned, the railway authorities only take the upper services into consideration, I mean the officers. What about the subordinates and other employees? Sir, it is only equitable and just that when considering this question of communal representation the whole service and all classes of employees, superior and inferior, should be taken into consideration. It is unjust to do otherwise. I, therefore, Sir, request the Honourable the Commerce Member to reply to my query and then to throw some light on this ticklish question of communal representation which to my mind ought not to have been applied to services on Railways which are run on commercial lines.

I find, Sir, that a number of serviceable locomotives are now lying scrapped at various centres painted white on portions which are liable to rust. They are quite serviceable but they were perhaps scrapped to find room for more economic locomotives. To effect that sort of waste at a time when we are hard up for money is I think unjustified and I should like some light to be thrown as to what use will be made of these engines which though serviceable have been scrapped. In case my information is correct, the new X-C class engines which are said to be up to date and which have been introduced on the State Railways, as far as the North Western Railway is concerned and as far as running on the Lahore-Karachi section is concerned, my information is that the new X-C class of engines have proved a failure. These are very expensive engines and very often get sick for repair and have to be replaced by S. P. engines. I cannot understand why such a type of engine was selected which has to go to the workshop every now and then. Sir, some time back in India a company was formed to make locomotives. Its works were called the Peninsular Locomotive Works. Its promoters were promised patronage from the Railways but when the time came that patronage was refused and I understand that those works had to go into liquidation. Sir, India ought to be made self-contained and even at a time when we have to pay a little more for the articles which are made in India we ought not to grudge that little extra expenditure. The refusal of patronage at that time to Indian made locomotives has resulted in discouragement to those who came forward with new industries.

Sir, vending contracts on the Railways are sometimes given to retired officials or retired subordinates of the Railways. That is in practice a great mistake because the influence that those officers or subordinates command makes them careless and the supplies generally are low and bad. On principle, Sir, I strongly object to that sort of patronage which affects the interests of the travelling public.

Sir, for some time past in the Railway Board a standardization section has been established and it tries to standardize all coaches and wagons. Some time back, Sir, they have introduced metal venetians in all passenger coaches and stopped the windows for upper berths. I mean they are being introduced whenever a carriage goes to the shops. Wooden venetians are replaced by metal ones and the result is that in provinces like the United Provinces, Rajputana, Sind, the North-West Frontier Province or the Punjab, those metal venetians get heated in the summer and in the cold weather they get bitterly cold with the result that the passengers travelling are inconvenienced a good deal. India, unlike England and other small countries, is a very vast country. It is a country of long distances, of various climates, and there cannot be any fixed standard of coach which will do for both the Punjab and the Madras Presidency. Therefore, so far as the component parts of the vehicles are concerned which are renewable from time to time, let there be standardization. Let there be standardization in axle boxes, springs, buffers, couplings, bolts, nuts and such like things. But do not have an equal standard for a province which gets extremes of heat and cold and a province which is comparatively temperate all the year round—

THE HONOURABLE THE PRESIDENT: May I remind the Honourable Member that he has already occupied 40 minutes and that there are several other speakers to follow him?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I thank you for the indulgence shown to me, and with these words I resume my seat.

THE HONOURABLE MR. E. MILLER (Bombay Chamber of Commerce): Sir, I listened with great interest to the speech of the Honourable Sir Guthrie Russell when presenting the Railway Budget in this House on Saturday last and have carefully studied the speech made at the same time in another place by the Honourable Sir Joseph Bhore. I congratulate both Honourable Members on the manner in which they have made out their case giving the best possible showing of the result of the past year's working and a reasonable view of the prospects for the coming year. I always think it must be a most difficult task to estimate receipts and expenses twelve months ahead for an undertaking of such magnitude as that controlled by the Railway Board and allowing for unforeseen circumstances, the estimate for the past year is extraordinarily accurate.

The net result for the year 1932-33 was a loss of Rs. 10½ crores which has been met by a temporary loan from the depreciation fund leaving a balance in that fund of something under Rs. 12 crores. It is satisfactory to remember that if there had not been such a fund, which has been subject to criticism in the past, the position would have been much worse and I am grateful that such a fund was created in more prosperous days as otherwise we should have been faced with the position of having no little nest

[Mr. E. Miller.]

egg from which to draw in order to balance the Budget. This shews very forcibly how necessary it is, if possible to effect still further economies in overheads and to increase traffic returns by every conceivable means. Speaking as a businessman, I cannot help but feel that much still can be done to seek after new business so that railway wagons may not lie idle but as far as possible be fully employed and also not travel empty on return journeys. This is not the place, neither is there time to discuss this matter in detail, but I would suggest that a still further careful enquiry should be made into the possibilities of improving present methods in this direction. I would like to say here that I think the economies effected by the Railways during the past couple of years are remarkably good, and I wish to associate myself with the Honourable Sir Guthrie Russell in his tribute to the agents, officers and staff of the railways who have made this possible, but that is no reason why still further economies should not be effected which I am sure is fully appreciated by all concerned. I am glad to see that it is proposed to spend a certain amount on improving passenger amenities which, if used wisely, will I am sure help to increase passenger traffic.

With regard to the proposed works programme for the coming year, I should like to make a few remarks in connection with the Bombay-Sind Connection Railway. When the abovementioned scheme was under consideration in 1922, the Bombay Chamber of Commerce which I represent, while they were on general grounds in favour of the extension, recorded their doubt as to whether the undertaking would be a profitable one from the goods traffic point of view and suggested that any advantage likely to be derived would be confined to the travelling public and the postal authorities, who would undoubtedly benefit by the reduction in transit time between Bombay and Karachi.

So far as mails are concerned, it is clear that the development of air services has already nullified this argument and it may be expected that before long the same will in some measure be true of passenger traffic. I am accordingly disposed to wonder whether the scheme, which it seems to be generally accepted should proceed, is one which really fulfils the financial conditions laid down by the Honourable the Finance Member of the Government of India who has declared that one of the essential criteria in Government's programme of capital expenditure is that Government must adhere to the policy of not regarding any schemes as suitable objects for capital expenditure which are not economically sound and productive. I understand that the project was surveyed through the agency of the North Western Railway and is at present being examined by that railway and by the Railway Board. The Board will thus be in possession of the most up-to-date information in regard to the goods and passenger traffic to be expected when the line is opened, and I would be grateful for any reassurance the Chief Commissioner may feel able to give in this regard.

A point that should be considered is that the opening of this connection may have the effect of encouraging still further the diversion of traffic to the Kathiawar State ports at the expense of Bombay, and even of Karachi. There may well be some reason to apprehend that a chord railway of this kind, meeting the Kathiawar connections about midway between Sind and Bombay, may be tapped at that point by the Railways of the Kathiawar States, and traffic, which might normally be expected

to come to Bombay, may seek the cheaper outlet from Bhavnagar and other ports. Similarly the consideration of low port charges may tend to attract trade southwards to Kathiawar which would otherwise be shipped from Karachi. It may be assumed that neither of these possible developments would be welcome to the Railways in British India any more than they would suit the ports of Bombay and Karachi, and I should appreciate the Government's views in regard to this matter.

The Honourable Sir Joseph Bore in his speech refers to other forms of transport having made inroads into railway traffic and, while this must be correct to some extent, the Honourable Sir Guthrie Russell at the Road-Rail Conference last year put it at not more than Rs. 1½ crores to Rs. 2 crores. Such things are bound to happen in these days of progress, but fortunately for India the matter has been tackled at an earlier stage than in any other part of the world, by the convening of a Road-Rail Conference last April. One of the resolutions then tabled was

"That this Conference considers that suitable machinery should be established at the centre and in the provinces to ensure adequate co-ordination between all forms of transport and their future development",

and this was adopted by the Conference. His Excellency the Viceroy referred to the importance of this matter at the annual meeting of the Associated Chambers of Commerce in Calcutta last month, and I would take this opportunity of urging upon Government, the necessity for establishing a Board of Communications or Ministry of Transport in order to give effect to the unanimous opinion of officials representing both the Central Government and provinces and representatives of other bodies who attended the Conference. The Honourable Sir Joseph Bore in his speech on Saturday stated that he felt sure that the representatives of Local Governments, who attended that Conference, appreciated how closely the prosperity of the country is bound up with its railway system; but while I agree with this, my impression is that at that Conference the provinces felt very strongly that it is also bound up with road development and the only thing that it is essential to ensure is that the two means of transport are developed in such a manner that they both help each other. If Honourable Members will study the Mitchell-Kirkness Report, they will find that the Railways themselves made considerable recommendations in regard to the need for the development of roads in order to feed the railways, and unless something is done quickly in this direction, the country will be unable to cope with and take full advantage of the return to times of prosperity towards which the Honourable Sir Guthrie Russell hinted that we were possibly turning in the near future.

In order to assist in this direction, the Honourable the Finance Member at the Conference offered to grant road loans to any province who put up road schemes which were sound and would satisfy the Government of India that they could provide for the service of the loans and the maintenance charges. This should be possible with the assistance of the petrol road tax, and I understand that several Provincial Governments are now working on such schemes.

With regard to the question of co-ordination between road and railway interests, I would ask the Railway Board to consider, when formulating schemes for new railway bridges or the reconstruction of old ones, to thoroughly investigate whether such bridges should not also carry a road, not only for pedestrians and motor traffic but for bullock cart traffic also.

[Mr. E. Miller.]

It might be said that this would be providing for what is generally objectionable, namely, a road running parallel to the railway, but in such cases as I suggest, it would only be for a short length and would assist in bringing feeder roads into a centre, thus assisting in providing increased railway traffic. There are many instances of where there is no station adjacent to a bridge and therefore the railway only secure a limited amount of such traffic owing to the road taking a long and circuitous route, thus the short-cut I am suggesting should and would encourage more traffic to the railway. I do not suggest that the provision of such a road by railways would always be desirable, but there are many cases where the road traffic across a river is made by an inadequate ferry service and, if the railway replaced such by a rail-road bridge, a toll might easily be charged although, speaking generally, I strongly object to road tolls.

There are many other matters connected with the Railway Budget to which I might refer, but no doubt these will be dealt with by other Honourable Members and I have therefore more or less confined my remarks to matters which might not otherwise be dealt with today. There remain only two points which I should like to mention briefly, and they are the desirability of giving railway receipts the legal status of negotiable instruments and also to enquire whether Government can give us any recent information in regard to their proposed action in connection with railway risk note form "A", which was the subject of a resolution at the Associated Chambers of Commerce meeting last month.

THE HONOURABLE SIR KURMA VENKATA REDDI (Madras: Nominated Non-Official): Sir, I have great pleasure in felicitating the Honourable the Commerce Member and the Honourable the Chief Commissioner on the very lucid speeches that they made and the splendid memorandum which they have placed in our hands. Though I happen to be one of the latest recruits to this Council and though I feel that I am quite unable to concentrate upon any particular item in this, I feel that I have learnt more from these three papers, the two speeches and the memorandum, than I could have expected to be able to learn. The Honourable Sir Joseph Bhore is the first Indian Member that has taken charge of this Railway Portfolio, and to us in Madras it is a matter of special gratification that he comes from the Madras service, though he is of the Indian Civil Service. (*As Honourable Member: "All India is proud of him."*) And that is all the more honour to Madras that it was Madras that sent him to this all-India service. We have long memories and long gratitudes. We do not forget our old friends and when they are able to render service to the motherland we feel that we ourselves have rendered it and are therefore proud of it. There is, however, an unfortunate thing in this matter that he should have come to take charge of this department at a time when the country is under the fatal grip of this vicious depression. If it had been at any other time he should certainly have been able to show much better results. He and his lieutenant the Chief Commissioner deserve to be congratulated on the very able manner in which they have managed to the extent which we find from these papers. It will be noticed that the receipts, from the statement made, would appear to range between Rs. 100 crores to Rs. 104 crores in the years previous to when he took over charge. Unfortunately from 1930-31 they have gone down to Rs. 95, Rs. 86 and Rs. 84 crores. Similarly in the matter of expenditure, which

I take it must have been based at the inception on the Rs. 100 crores receipts basis, that has been kept up and could not be reduced. We all know that once a certain scale of expenditure has been adopted it is very difficult indeed to reduce it. What I would submit to the Government, and I hope they will not take it as criticism but merely as a suggestion to be considered for what it is worth, is that as I think that the present rate of expenditure is based upon that Rs. 100 crores level, unless this depression passes away it would not perhaps be right to go on at the same rate of expenditure and I would suggest basing it on the Rs. 90 or Rs. 95 crores standard and not upon the Rs. 100 crores standard.

Sir, I am not unaware of the great savings effected recently, especially after the report of the Retrenchment Sub-Committee. In this connection I should like to meet one or two points raised by the Honourable the Leader of the Opposition. He told us that the Railway Clearing House is a white elephant. So long as the railway system is as it is today and there are State-managed and Company-managed Railways such a thing as a Clearing House seems to me to be a necessity. However the matter was considered fully by the Sub-Committee and I believe Mr. Sundaram, a well-known personage in matters connected with railways and finance, clearly pointed out that there would be no saving at all by the abolition of this department, the reason being that the work has got to be done by somebody, and if this establishment is taken away each railway will have to appoint its own officers to conduct this business and the result would be perhaps the loss of a lakh of rupees or so. The Honourable the Chief Commissioner might perhaps see the matter in a different light but I feel that no useful purpose would be served by the abolition of this department.

Then, Sir, something was also said about the concessions to the Army Department. I am afraid that that too does not seem to me to be a useful suggestion for the reason that if we do not give the concessions, the Army Department will have to incur the same expenditure from other sources, the general revenues, and I fail to see how any real advantage can be gained. What is taken away from the right hand will have to be given into the left. It will make no difference so far as national revenues are concerned.

Sir, several retrenchments have been effected and we are grateful to the Honourable the Chief Commissioner; but as regards the new scale of pay to the higher officers, of the grade of chief engineer, traffic manager, controller of stores, etc., may I ask if that would apply only to new entrants. I am not quite sure of the wording of the orders on the subject. But if it applies only to new entrants I should like to know when they actually expect it to come into force? By "new entrants" is it meant those who enter the service hereafter or those who have already entered the service but have not yet reached those higher posts? If the former, my submission is that it will take a very long time indeed and something different would have to be arranged for.

Again, Sir, several hundreds, perhaps thousands, have been turned out of the workshops as a matter of retrenchment. In regard to that policy opinions may differ. When these skilled and unskilled labourers, who draw very small salaries are turned out, their purchasing power is gone and naturally it is one more step towards continuing the prices of land produce and foodstuffs at their present low level. In fact, Sir, in the World Economic Conference, if I am not mistaken, one of the suggestions

[Sir Kurma Venkata Reddi.]

made was that Governments in various countries should take upon themselves the task of public construction, various works, in which they could employ more men, so that the money might pass into their hands and they might be able to purchase things, with the natural result that prices would rise. If thousands of people of the lower orders are taken away from employment, the trouble will be that they will be a burden upon society and upon the nation and I do not know whether that would be a real economy from the higher standpoint.

Then, Sir, as regards other things, I should be glad to know how many higher officers have been retrenched. I should be glad to be told that if not to the same extent—of course it would not be possible to do to the same extent as in the workshops—at least something has been reduced in the case of the higher officers also, for instance, deputies and the like. Speaking of retrenchment, I should like to add one more point in that connection. It is this. This report of the Railway Retrenchment Sub-Committee, I think, was limited to the headquarters more or less, to retrenchment in the head office and things like that. At the end of the report, Sir, I find a recommendation at page 17 to this effect:

“Apart from the present financial situation we have felt that a large organisation like Indian Railways would be all the better for a periodical overhaul by a small body of outsiders including persons new to Indian railway organisation but familiar with similar organisations elsewhere who will be able to bring to bear on the problem their experience of other organisations and look at the organisation in India from a new point of view”.

I know, Sir, that there was this Pope Enquiry last year and I believe that that enquiry will be continued this year, if the newspapers have reported correctly. That is a welcome step, but I thought that the Pope Enquiry was limited to more or less departmental and technical matters. This overhauling that is contemplated by the Retrenchment Sub-Committee seems to me to be entirely different and is more in the interests of the State finances, and if so I should be glad to know from the Honourable Member or from the Chief Commissioner whether the Government intend to take steps to see that this overhauling that is recommended here is carried out periodically.

The next thing that I should like to refer to is the depreciation fund. I find at page 54 of the Explanatory Memorandum, appropriation to the fund is given in column 3, and I find that the figures vary from time to time. I find it is Rs. 10½ crores in the first year, in 1932-33 it is Rs. 13½ crores, and in between we find that there is appropriation of Rs. 10 crores, Rs. 11 crores and Rs. 12 crores and so on and so forth. I should be glad to have some explanation as to these variations. I thought that when this appropriation fund was organised, a certain proportion to the capital invested would be taken and that though it may not be stationary, such variations as these might not occur. We should like to know what method is adopted. I may tell you that it is only for information that I am asking this and it is not meant to be a piece of criticism; but it will be interesting to the Members of this House to know what percentage and what method was adopted in order to arrive at these figures. The reason why I am keen about these figures is this. I find in column 6 of the same page that the withdrawals which became necessary to be taken from this fund for the purpose of meeting our deficits was Rs. 4½ crores, Rs. 10½ crores, Rs. 7½ crores and Rs. 5½ crores in the last four years.

They are said to be temporary withdrawals. From that I take it, Sir, that the idea is that when fortune favours us, when better times come, when our income increases, it is intended that this sum should be refunded to that fund. I see no objection to that, but what troubles me is this. Looking at page 8 of the same memorandum in column 8, "paid as contribution to general revenues" I find that a sum of Rs. 6.78 crores, Rs. 5.49 crores, Rs. 6 crores, Rs. 6.28 crores, Rs. 5.23 crores, Rs. 6.12 crores and Rs. 5.74 crores are given from the years 1924-25 to 1930-31. After that we do not find any contribution made. When there was the separation of railway finance from general finance, I thought the object was that there should be a contribution made to the general revenues. In fact in those days when railway receipts were so very large certainly they did make it as a matter of fact, but even there I do not find anything like any proportion to the capital expenditure. So far as the interest is concerned, the capitalized value seems based on Rs. 800 crores and at 4 per cent, the interest would come up to Rs. 92 crores. That we find consistently kept up from beginning to end. It has got to be paid. There is nothing wrong with it. What I do not understand is why these figures of contribution to the general revenues paid should vary? The second point is this. The average works out at the rate of 5.95 per year and during these four unpaid years it has come to nearly Rs. 24 crores. Just as they intend to return the money taken from the depreciation fund, would it not be possible, desirable and reasonable that they should refund also to the general revenues, provided of course the profits are forthcoming? Why should there be a difference made between the return to the general revenues and the return to the depreciation fund? No doubt the depreciation fund is necessary to supply the needs, renewals, replacements, and so on and so forth, but at the same time if they view the two funds equally I should think it would be more reasonable to return to the general revenues its overdues simultaneously with the refunding to the depreciation fund.

Then, Sir, one thing that I should like to be told is about this "transfer to the railway reserve" on page 8 of the Memorandum, 9th column. I refer to the horizontal column, "transferred to revenues". I find that in the first five years payments were made to the extent of Rs. 18.81 crores. But in the next three years, Rs. 17.96 crores have been spent from it leaving only a balance of about Rs. 95 lakhs. I should like to know what it is. Sir, I am putting these questions—once again I wish to guard myself—not as a piece of criticism but being new to the Council I should like to know what exactly it is, because I do not know whether the depreciation fund is not also called the reserve fund. In some places I discovered the words "depreciation reserve funds" and if the "railway reserve" is something different, I should like to know if the object was to have also what may be called a sinking fund or reserve fund. If there is anything of that kind, we should like to know what exactly it is and in what condition it is today?

Now, Sir, having said that, I should like to make a reference to the motor competition which is just now prevailing in this country. If I may give some of my experiences in South Africa, I should like to tell the Honourable Member and the Railway Board that in South Africa there was in the years 1930-31 a similar trouble. Buses and char-a-bancs increased in very large numbers and competed with railways, carrying passengers and goods even at a very much lower rate than railways. Then the Minister for Railways, who came to this country also at the time

[Sir Kurma Venkata Reddi.]

of the inauguration here, set his foot upon it and said he would never allow this competition to go on with the result that in two or three years they made up their deficiencies. Sir, that these motor buses do serve a particular need and particular communities in various parts there is no denying. It may be too that there are certain routes which make it necessary for these buses to exist. But where these routes are almost parallel to the railway lines I think national needs require that their cut-throat competition must be put a stop to by any means within the power of the Government and I can assure the Honourable Member that this House at any rate will be glad to support him in any measure that he may bring forward to see that this cut-throat competition is not allowed and that the national revenues are not jeopardized in any way.

Sir, there are only two other matters to which I wish to refer. Generally speaking, I have no grievances to place before the Honourable Member but there are two matters which are very vital to us and I should like to place them before the Honourable Member. The first is that we have no return tickets in Madras. A concession is given so far as the Blue Mountain Express is concerned but that is all. I do not know, Sir, whether it is prudent to refuse these return tickets. I know in these hard times, many respectable people, who travel first or second class because of their status or something, have been foregoing their journeys simply because they find it impossible to bear the expense and waiting for X'mas or Easter. Now, thereby the Railways are certainly losing a certain amount of revenue. I hope, Sir, that the Madras and Southern Mahratta Railway and the South Indian Railway may be instructed to issue return tickets.

I have only one other matter, Sir, and that is a real grievance. Honourable Members will perhaps be thinking that I am obsessed with this oppression of the ryots and the agriculturists in my province. They may think whatever they like but I shall never be tired of bringing it to the notice of the Government as long as I sit in this House and unless these grievances are redressed and unless some steps are taken to increase their material prosperity I shall consider, Sir, that my existence here will be worthless and absolutely unnecessary. Now, Sir, the South Indian Railway have granted certain concessions to the grain producers of Tanjore. Tanjore is a big district. The Cauvery is a very big river. Similarly we in the Northern Sircars in the districts of Guntur, Kristnar, East and West Godavery have our lands watered by the two big rivers Kistna and Godavery. Sir, we cultivate as much as two million acres with paddy and we produce every year tons and tons of paddy, as much as three million tons of paddy. Owing unfortunately not only to the depression but to the additional cause of Japanese and Siamese rice being imported into Madras, owing also to the taxes placed by His Exalted Highness the Nizam's Government, so much per maund, owing also to taxes levied in far off Malaya where there are 600,000 Indians who eat only Madras rice, we find ourselves in such a bad plight that any concession made to us in improving our condition will be a blessing which will never be forgotten. The Madras and Southern Mahratta Railway gives no concession with regard to the conveyance of paddy. I am told (and I am sure my Honourable friend Mr. Souter who represents the Madras Government here will bear me out) that whereas people could send their paddy from Guntur to Coconada at a certain rate they could not send it to Masulipatam, at the

same rate, and today we find hundreds and thousands of tons, heaps of paddy lying in the central depots at Ellore with no purchasers to buy and with these heavy freights even for the small sales that our people have been able to effect. I hope, Sir, that my appeal will be viewed with favour. I know that the Government are considering this problem of rice and they have been devoting great attention to it, but this matter, Sir, is of immediate interest and unless immediate orders are sent (for this is the season when we have to send out paddy) I should think, Sir, that great harm will be done to my people. I know the Government of India are sympathetic and that my appeal will be heard with sympathy.

With these words, Sir, I congratulate the Honourable the Commerce Member and the Chief Commissioner on the service they have so far rendered to the country.

THE HONOURABLE RAI BAHADUR PROMODE CHANDRA DUTT (Assam : Non-Muhammadan): Sir, if I rise to speak, it is mainly with a view to bring to the notice of the Honourable the Railway Member one or two matters affecting the transport facilities in my province of Assam. Before I do so, I must however pause for a moment to congratulate him on the lucidity of his statement. No one need be in doubt as to what the financial position is. From the figures supplied and the explanations offered it can be seen at a glance. The position of a Railway Member who is faced with a succession of deficits is not an enviable one and it is difficult not to extend one's sympathy to him. As a very human man he has dressed up his arguments in such a way as to lessen the severity of the shock. He has told us that although the last three years have been years of deficit taking the eleven years from the separation of railway revenues from the general revenues together the railways will make a clear profit of Rs. 15 crores. This is hardly reassuring. The depreciation fund, appropriations to which, during those eleven years amounted to Rs. 195 crores now stands at Rs. 11½ crores. Out of the fund as much as Rs. 27½ crores has been borrowed towards working expenses. That means that if deficits continue for a couple of years more, there will be no depreciation fund to draw on and the administration will be compelled to borrow money from the outside. That would mean an addition to the interest charges which are mainly responsible for our deficits measured in crores. The Railway Member however gives us the comforting assurance that the tide has turned in our favour. We devoutly hope and pray that he may be right. But the trade conditions are so unstable, thanks to the tariff walls, currency manipulations, and a hundred other named and unnameable causes that it is difficult to believe that the corner has at all been turned. As laymen who lack expert and inside knowledge, there is very little that we can offer by way of suggestions. All that we can do is to emphasize what we have done several times before, namely, the need for drastic retrenchment of expenditure. We know committees have sat and retrenchments made but we are not prepared to believe that the limit has been reached. We would earnestly appeal to the Honourable the Railway Member to explore further avenues of retrenchment.

Coming to the matters to which I particularly desire to invite the attention of the Railway Member, the first is the fact that Assam is very ill-developed as regards transport facilities. We have indeed got the railway and steamer services and a road system, but they are altogether inadequate to the needs of a province which does not easily lend itself

[Rai Bahadur Promode Chandra Dutt.]

to transport development. Important centres are yet isolated and there are vast areas which can be usefully tapped. Water transport cannot, I am afraid, be further developed, for the province is mostly hilly and not a riverine one. For development we must look to the Railway and the Road Board. The Assam Bengal Railway is a very ambitious line and I would like it to tap as many areas as it can, for the Company has spent vast sums of money to construct the line, and all would wish that every bit of traffic should go to it. It has besides the advantage that Government guarantees 3 per cent. in the share-capital—an arrangement which is very advantageous to it in these days of cheap money. But it seems to be very halting in its construction scheme. Years ago it made a survey for the construction of a line to join the important sub-division of Maulnibazar to the main line. It is a matter of 12 miles or so. But the construction has not been undertaken yet. We wish the Railway to tell us whether it will take up this line or no, for in that case, we could approach the Road Development Board to take it up. Secondly, a bridge over the river Surma is very necessary. In my speech in 1931, I referred in detail to the disadvantages which the absence of the bridge entails and I will not repeat them here. There are, however, three very good reasons why the construction of the bridge should not be delayed. In the first place, the Assam Bengal Railway has decided not to extend the line on to the other side of the river. A less pretentious bridge will therefore do in view of this and it cannot cost more than a couple of lakhs. Secondly, the Government of Assam have built a pucca motor road from Shillong to the town of Sylhet—a matter of 87 miles—at a cost of nearly Rs. 30 lakhs, and it will not only add to the convenience of the travelling public but also to the profits of the Railway to link up the road with the line on the other side of the river, and thirdly, money is cheap at the present moment. I was told in 1931 that the idea had not yet been abandoned. I hope that it will not be abandoned both for the sake of the travelling public and the Railway itself. I am glad to hear that the Railways are anxious to provide passenger amenities as far as practicable. I am particularly glad that raised platforms will be provided where necessary. But the Assam Bengal Railway, I am sorry to have to repeat, is not very keen on providing a comfortable journey for its passengers. People have been crying for years for a through train or at least a couple of compartments from Sylhet Bazar Station to Chandpur. But the Company has consistently refused to listen to this request. Both the branch line and the main line have the same gauge and it is difficult to realize why the Company should be so reluctant to provide this amenity. Any one having to travel from the Sylhet Bazar Station, besides crossing the river, has to change four times before he reaches civilization. A through train will avoid two changes and the Company should not grudge us this facility.

The Assam Bengal Railway again charges higher rates and fares than either the Eastern Bengal Railway or the East Indian Railway. The reason alleged of course is the heavy cost of its construction. But if higher charges are to be a permanent feature of railway travelling in Assam it is a great disability against which we would like to protest. From Sylhet to Calcutta—a matter of 430 miles—the first class fare is Rs. 62 odd and the third class fare Rs. 8 odd; while from Howrah to Delhi, a matter of over 900 miles, the fares are Rs. 74 and Rs. 10, respectively. Thus both the higher class and the lower class passengers are being

far more heavily taxed by the Assam Bengal Railway. A share of the higher rate in the case of passengers to Calcutta from Sylhet is probably attributable to the India General Steam Navigation and the River Steam Navigation Companies who carry us from Chandpur to Goalundo, a journey of six hours or so. I respectfully invite the attention of the Railway Member to this. At any rate, as paying higher rates we have a right to expect better amenities. But they seem to be in inverse ratio to the charge.

In answer to a question from me in September last, the Honourable Mr. Brayshay said that the Government consider it desirable that where a railway line runs through a large tract of country there should be a fair number of natives of that area in railway services working in that tract of country as far as possible. It is a wholesome principle for recognising which we are grateful to the Railway Administration. But I challenged the statement made by Mr. Brayshay that—

“It is believed that this practice is followed generally on the Assam Bengal Railway.”

I called for figures, but they were not supplied on the ground that he had no information. Sir, the Railways have their establishment books and the information could easily be had. The fact that it was withheld only shows that it did not support his statement. May I ask the Honourable the Railway Member to kindly look into this and let the House know?

Sir, motor traffic is making a big hole into the Railway Budget. It is inevitable to a certain extent as the Honourable the Railway Member himself recognizes. But we agree with him that reduplication of transport services is a wasteful expenditure. We do hope however that while disclaiming any intention to maintain a monopolistic position, the Railways will not so put pressure on the authorities as to drive the motor service to a corner, which will mean the latter's ultimate extinction to the great disadvantage of the travelling public.

Before I conclude, I repeat that the bridge over the river Surma is a great necessity. The Honourable the Railway Member has held out hopes that under the present conditions of cheap money and low prices of material he would like to undertake projects which are likely to be remunerative and he would be prepared to ask the Assembly for the requisite additional grant. I believe, Sir, that the bridge will not only add to the advantages of the travelling public but also attract more passenger and goods traffic to the great benefit of the Assam Bengal Railway itself.

THE HONOURABLE MAJOR NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, from the figures quoted by the Honourable the Chief Commissioner of Railways in his speech while presenting the Railway Budget for the year 1934-35 in this House, it is indeed gratifying to note the constant decrease in deficits which has been the lot of the Railway Budget since the year 1930-31. In the words of the Honourable the Railway Member from his speech while introducing this very Budget in the other House,

“the crescendo of deficits began in 1930-31 with Rs. 5 crores, grew to Rs. 9½ crores in 1931-32 and reached its height in 1932-33 with a figure of Rs. 10½ crores. We hope that that constitutes the peak, for we expect our deficit to be Rs. 7½ crores in 1933-34 and about Rs. 5½ crores in 1934-35”.

To make up the deficiency of Rs. 5 crores within a short period of two years is no doubt a creditable achievement on the part of the Railway Department and as the Honourable the Chief Commissioner of Railways is

[Major Nawab Sir Mahomed Akbar Khan.]

representing that Department in this House, I must congratulate him for the result obtained by the joint efforts of the railway staff in India towards making up the deficits in the Railway Budget as best as they can. But at the same time I would further like to point out that to make up one's losses at the sacrifice of his deposits is not a good bargain at all. To take loans from the depreciation fund is not a good practice to which the Railway Department is resorting for over a couple of years, and unless this practice is completely abandoned I am afraid it will result in the entire consumption of this fund. I would therefore wish to impress upon the Honourable the Chief Commissioner of Railways that when it is creditable to him to make up the deficiency of Rs. 5 crores in the Railway Budget within a short period of two years, it will even be more creditable if this making up of deficiency is effected without touching the depreciation fund.

Reduction in fares of third class passengers up to the distance of 50 miles is a matter of pleasure for every one to note, and it is expected to be highly appreciated by the general public in consequence of which it must yield a higher income from this source as compared with the past. But I do not think that the majority of the population of the North-West Frontier Province would be in a position to take much advantage of this reduction. All the railway lines in the North-West Frontier Province, when taken separately, do not exceed the distance of 50 miles with only one or two exceptions and consequently the majority of frontier people do not chance to travel by rail over the stipulated distance of 50 miles. Reduction of half a pie per mile in case of journeys not less than 50 miles is of no avail to them and it will therefore be quite in the fitness of things that the restriction of a 50 mile journey is done away with so far as my province is concerned. It will surely help a good deal to popularize the railways in that part of the country and especially in these days of hard competition with the motor lorry and bus. At the same time may I ask the Honourable the Chief Commissioner of Railways whether it is uncalled for to give an advantage of such like reductions in fares to the higher class passengers. If reduction in fare of the third class passenger is expected to attract a greater number of passengers of this class and thus automatically yield greater earnings from them, it can also be expected so in the case of higher class passengers. I think the experiment of reduction in fares should also be tried in the case of higher class passengers.

To effect an increase in the earnings of Railways the construction of new projects should be taken in hand. So far as my province is concerned the railway line from Mardan to Charsadda and Swabi is a matter of great importance to the inhabitants of those places. The line to Swabi can be extended up to Haripore station on Taxila-Havilian branch through Pehur by constructing a bridge over the Indus, while the Taxila-Havilian branch can be extended up to Garhi-Habibullah. The railway line from Nowshera to Dargai may be extended to Chakdara, either from Dargai railway station through Malakand or from Parkho-Dehri to Thana, terminating at Chakdara. The Swat valley is very fertile and I do not see why there should be no railway extended to it. No doubt there will be some difficulty to construct it but it will be surely a paying railway. Apart from this a line from Peshawar to Kohat through the Durra, covering a distance of 40 miles with an additional distance of 60 miles between

Kohat and Mari-Indus, is a matter of imperative necessity now-a-days. As the bridge at Mari-Indus Kalabagh has proved the means of easy excess into the North-West Frontier Province from the Punjab, a bridge to cross the Swabi-Haripore line is very imperative, as the Indus river is very narrow at that place and the desired bridge can therefore be constructed without any difficulty. All these projects are urgently called for, as their construction, apart from it proving a source to promote peace, tranquillity and civilization, is of great importance from the strategical and military point of view.

From the approximate sum of Rs. 14 crores allotted for construction works, I note that over Rs. 3½ lakhs are reserved for the construction of raised platforms. Since it is a special item provision for which has been made in the next year's budget, I would like to bring it to the notice of the Honourable the Chief Commissioner of Railways that Mardan railway station, in spite of its being an important military station between Risalpur and Dargai and the Headquarters of the Guides cavalry and infantry is without a raised platform up to this day. May I hope that he will make it a point to write to the Agent, North Western Railway, to provide a raised platform at Mardan railway station out of the fund allotted to him for this purpose this year? It is desirable that telephonic connection should also be provided at that station, for at present in the absence of such connection much inconvenience is being experienced by passengers in the way of their enquiring about the timings of trains tabled for that end and the large consignment received by the local trader. Is it not strange that an important military station like Mardan should be without a telephone?

From the last paragraph of the speech of the Honourable the Chief Commissioner of Railways, it might have been noted by Honourable Members that the Railway Department is particularly anxious to avoid further mass reduction of its staff. No doubt there has already been sufficient reduction both in the wages and in the staff, but as it is, it is the manual labourers who have been largely retrenched and not the supervising and other high staff that has monopolized the largest share of the Railway Budget. Since retrenchment in expenditure is the urgent necessity of the time, I hope the department concerned will not allow its present-day decision to stand in their way of effecting reasonable reduction in order to balance this budget.

In the light of these remarks I hope the Honourable the Chief Commissioner of Railways will do some thing for that mute, neglected and voiceless province of the Frontier, whose people do not ventilate their grievances very often. They do require better treatment and they are entitled to receive it from the railway authorities as they are much handicapped by not having railway communication between important stations. I hope the Honourable the Chief Commissioner will see his way, whenever his finances permit, to construct the new lines I have enumerated above.

THE HONOURABLE MR. J. A. HUBBACK (Bihar and Orissa: Nominated Official): Sir, I have only one contribution to make to this discussion and in making it I feel sure that I can speak not only for myself but for the other Honourable Members of this House who come, like myself, from Bihar. I wish to express thanks to the Railway Board and to the railway administrations for the very prompt and generous assistance which has been rendered to meet the grievous situation caused by the earthquake in

[Mr. J. A. Hubback.]

Bihar. This has taken two main forms. Firstly, provision has been made for special rates and special facilities for the despatch of necessary material to the affected area, and this made the relief in that affected area very much easier and will make the relief, that will be necessary for many months to come, easier. In the second place, provision has been made for similar facilities for the movement of sugarcane from the affected area to the mills outside that area. This will probably enable some 40 lakhs of maunds of cane, which would otherwise have been left to be used only for such purposes as fuel, to get a certain price at any rate and will put money into the pockets of the cultivators of the affected area, and, what is more, put heart into the rural population of the grievously afflicted districts of Muzaffarpur, Darbhanga and Champaran.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan): Sir, I feel called upon to make a few observations on the Railway Budget which was duly presented by the Honourable Sir Guthrie Russell, the Chief Commissioner of Railways on Saturday last.

No. 1. In the first place, Sir Guthrie Russell's optimism that they have turned round the corner is not justified. Though there has been a rise in the earnings of goods traffic and freight, yet passenger earning is distinctly going down and this cannot be attributed to trade depression alone. I think the progressive motor road competition is the real cause. And unless there be proper co-ordination between the railways and road traffic, there is no future for Indian Railways. My Honourable friend, Sir Guthrie Russell, said that even in the present conditions they will be able to pay 3 per cent. dividend; but, Sir, he has forgotten that if he is to calculate properly he should not forget that several crores of rupees have been spent by the Government in acquiring land over which railway trains pass. For honest accountancy all relevant expenditure should be taken into consideration.

No. 2. The Indian Railways must be made popular if it is to be run on a sound basis. If expert advice is to be taken it should not be confined to British experts only. England, after all, is a small country and experience obtained there is not suitable to Indian conditions. I cannot understand why experts are not obtained from a big country like the United States of America and other countries. So far as I know Japan is the only country that is getting a dividend for their railways even in these hard days for they run their railways economically. Why not get an expert from Japan?

THE HONOURABLE MR. HOSSAIN IMAM: Is it a big country?

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: It is no doubt a small country, like England, but it is the only country where railways are run economically. That is my criticism and the Honourable Member may speak for himself.

No. 3. The third class passengers' lot should be thoroughly improved.

(At this stage the Honourable Mr. Miller took the Chair, which was vacated by the Honourable the President.)

Why should they not be provided with electric fans? Sir, I do not claim one fan for two or three passengers as in higher classes, but one or two fans for every 60 or 70 passengers. I understand, Sir, that electric power is generated due to the motion of the train and that expenditure for supplying fans will be comparatively insignificant. Again, Sir, I have noticed that in the servants' compartments of the Indian Railways there is no accommodation for latrines. I draw the attention of the railway authorities to remedy this long felt want in this country as soon as possible. Sir, so long as the people of the country are to be huddled together like cattle in third class compartments of Indian Railways and denied the most modest amenities of civilization and comforts, it matters not whether you reduce half a pie in the mileage or a pie. I think there is no future of increased revenue for Indian Railways. Give them back their prestige, give them back their honour, and their comfort and let them live and move like human beings and not like human cattle and that is what is wanted.

With these remarks I congratulate the Honourable Sir Joseph Bore and his lieutenant Sir Guthrie Russell and resume my seat with the hope of a prosperous budget next year.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I would have hesitated to intervene in this debate but for a fresh misfortune which is about to befall the City of Bombay. It appears that Bombay's cup of misfortune is not yet full. The latest blow which has been threatened is by the Railway Department in connection with the export of cotton from Bombay. The Bombay Municipal Corporation and the Local Government are likely to be hit hard by the proposal of the diversion of the trade through the opening of a depot by the Great Indian Peninsula Railway at Mumbra about 20 miles north of Bombay, from where cotton will be conveyed in country crafts into the harbour and shipped by the steamers in the stream. Thus a grievous loss will be inflicted upon the Government, the Corporation and the Port Trust. Sir, during the time of prosperity the Government of Bombay allowed a duty of Re. 1 to be charged upon every bale of cotton that was imported into Bombay; the revenue was divided between the two bodies in the proportion of four-sevenths and three-sevenths, respectively. The Port Trust also profited from the storage of cotton in its godowns and port dues. The Government of Bombay have just been able to produce a balanced budget for 1934-35, with a small surplus of Rs. 70,000. That will also be affected to the extent of several lakhs. The Corporation's budget for 1933-34 was framed upon the income of Rs. 12 lakhs, subsequently reduced to Rs. 8½ lakhs. The budget for 1934-35 will now require to be adjusted to meet the loss entailed by the transfer of the export trade to Mumbra. As it is, this House is fully conversant with the depression in the City of Bombay, thirty mills have closed down and 60,000 workers are without employment. The Honourable Sir Homi Mehta described the condition of the mill industry only yesterday. I do not therefore desire to labour the point. Bombay has thus a legitimate and serious grievance. I thought the Honourable the Chief Commissioner for Railways would have a soft corner for Bombay, but it appears that he has a much softer corner for the Great Indian Peninsula Railway. Thus a deliberate injustice is being done to the City and unless Government and the Honourable the Commerce

[Khan Bahadur Dr. Sir Nasarvanji Choksy.]

Member intervene in the matter, I maintain that the city will be deprived of a good sum of its income, almost equivalent to the revenue from the enhanced house-tax. As it is, there is serious competition with the Kathiawar ports; Bombay has been losing for some time its export trade. At the present rate, if the proposal becomes effective its trade will become practically extinct. I therefore appeal to the Honourable the Commerce Member to save Bombay from a further loss in its vital resources.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEH-ROTRA (United Provinces Central: Non-Muhammadan): Sir, as I have been pressing the claim of this House to have more attention of the Members of the Executive Council, I think it to be my duty to express my sense of gratitude to the Honourable the Commerce Member who has made his annual visit to this House. Sir, a deficit budget for the Railways has become the order of the day. From year to year we find that deficit budgets are placed before us (since 1930-31). So both my friends the Honourable the Commerce Member and the Chief Commissioner as well as we, the non-officials here, have become accustomed to it. I congratulate them on the courage with which they have faced the Government as well as both Chambers and the way in which they have marshalled facts to make the best of a bad job. The Honourable the Commerce Member himself has admitted it on page 5 of his Budget speech where he said as follows:

“Taking the period of eleven years beginning from 1924-25 and ending 1934-35 we find that the first six years were a period of prosperity and the following five years have been otherwise. The crescendo of deficit began in 1930-31 with Rs. 5 crores, grew to Rs. 9½ crores in 1931-32 and reached its height in 1932-33 with a figure of Rs. 10½ crores. We hope that that constitutes the peak, for we expect our deficit to be Rs. 7½ crores in 1933-34 and about Rs. 5½ crores in 1934-35”.

So, Sir, what we find is this that during the last five years the total loss which the Railways have suffered comes to about Rs. 37½ crores. Sir, we admit that the 1933-34 Budget has been effected by an unexpected loss on account of the earthquake and damages to the Hardinge Bridge. The amount that the Government expects to spend over these unforeseen items is about Rs. 2½ crores. If there had been a deficit of that amount I would have accepted it in the usual course but we find, Sir, that the deficit is not one of Rs. 2½ crores but of Rs. 7½ crores. Both the Honourable the Commerce Member and the Chief Commissioner are very sanguine over the improvements they are expecting in the next budget but, Sir, they were equally sanguine over the 1932-33 and the 1933-34 Budgets but their hopes were not fulfilled in these years and I do not know if their hopes will be fulfilled in the coming year 1934-35. Sir, so far as the year 1932-33 is concerned, the Honourable the Commerce Member has himself said:

“When I presented the Railway Budget last year, I anticipated a deficit during 1932-33 of Rs. 9½ crores. The actual loss due entirely to a fall in traffic receipts was unfortunately larger. The total loss of Rs. 10½ crores was met by a temporary loan from the depreciation fund which, after this transaction, was left with an actual balance of just over Rs. 12 crores”.

'So, Sir, what I find is that they expected a loss of Rs. 9½ crores in 1932-33 but it turned out to be Rs. 10½ crores. Now, as far as 1933-34 is concerned, he says:

"We budgeted for an income during the current year from all sources of Rs. 89½ crores and for a total expenditure including depreciation, of just over Rs. 64 crores, which would have brought our net revenue to nearly Rs. 25½ crores. We now anticipate that our receipts will bring us in Rs. 88½ crores instead of Rs. 89½ crores, while our expenditure will remain at about the anticipated figure, thus bringing our net traffic receipts to Rs. 24½ crores".

That is they expected in the current year a net profit of Rs. 25½ crores but now they find they will not have more than Rs. 24½ crores. So, Sir, during the last two years their hopes have not been fulfilled. On the same presumption I submit that it is very difficult and he will be a bold prophet who can prophesy that the next year the result will be what they expect. Sir, the Railway Department is a commercial department and what is required is that we should make our utmost effort not only to make both ends meet but to have a profit every year. This cannot be achieved, I submit, without cutting our coat according to our cloth. Thus, Sir, the result is that unless we decrease our expenses as we find that our revenues are decreasing we cannot make both ends meet. What I find, Sir, is that no appreciable decrease has been made in the items of expenditure. This object can be met if the attention of the Government is concentrated on the Indianization of the Services. By Indianization of the Services I refer to the higher and not to the lower services. I admit, Sir, that some improvements have been made but they are not sufficient and progress should be made at a more rapid rate than has been done. It is no use turning a few labourers and coolies and clerks out of their jobs by way of retrenchment. It is the higher services in which you can effect a saving of a substantial character. Sir, I am not sure if there is going to be any vacancy in the Railway Board in future, but I would submit that the Government may see its way to have the claims of Indians considered and appoint some prominent Indian on that Board. Already we have got one and I hope it will be in the fitness of the times if more Indians will be appointed there.

'Sir, I fail to understand why expenses on the strategic lines are included in this department which is run on commercial lines. My friend Sir Kurma Reddi was of opinion that it is no use transferring items from this to the military department but I would submit, Sir, that it makes a lot of difference. When we discuss these matters under the General Budget and press on the Government that we are expending much more on the military department and expenses should be curtailed the facts and figures are placed before us that they have reduced so much on the department and they are spending so much but from these figures we find that there are many other departments from which the Army Department is getting a lion's share by the back door and which we do not find in that budget and therefore at that time we cannot say what are the actual military expenses. They are getting their share of about Rs. 2 crores in the Railway Budget. They are getting I cannot say for certain how much from the Public Works Department and so many other departments. All the military expenses should be exclusively placed under the Army budget so that we may get correct figures and may be in a position to say that we are spending so much on the Army Department.

Then, Sir, I find that even during the years when the Railways are meeting a deficit budget the same concessions are being given to the

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

soldiers of the Army Department, that is, they can travel second class on third class fares, much to the inconvenience of the travelling public. And the goods of the Army Department are also transported at concessional rates. I think, Sir, it is time now that these concessions were withdrawn as we are getting a deficit budget and all expenses should be met by the Army Department if they want to show these concessions to the soldiers.

Sir, I find that there has been a little improvement in the goods traffic but the revenue on passenger traffic has fallen. This is what the Honourable the Commerce Member says at page 3 of his speech:

"The traffic in 1933-34 has been well above the previous year, though we may not be able to reach our original estimates. But though our revised estimate of receipts is half a crore below our original anticipations, it is over Rs. 2 crores or 2½ per cent. higher than the figure of last year. It is noteworthy that our goods earnings during the current year are now expected to be nearly Rs. 3½ crores, or about 6 per cent. above our earnings in 1932-33".

Sir, if more attention is paid to both goods and passenger traffic, I am sure that our revenues will increase. With your permission, Sir, I will make some observations for the consideration of the Honourable the Commerce Member. So far as the passenger traffic is concerned, I quite admit that there is competition from the bus service at certain places. Why is this competition being offered by the bus owners? Because the passengers travelling by the trains are not given as much convenience as are given by these buses. If you reduce the rates of the third class passengers, and give them the benefit of return tickets and week-end tickets as is being done on the East Indian Railway, there is no reason why people should prefer travelling by buses instead of the railways. I find that at several places the time tables are so arranged that people have to wait for hours at crossings. If a little more attention is paid in drawing up the time tables, I am sure that people will not be inconvenienced and will like to travel on railways more than on buses.

Sir, I find from the speech of the Honourable the Commerce Member that Government have reduced half a pie per mile up to 650 miles on the North Western Railway for the sake of experiment. I would submit that they should reduce it on all the Railways. Why they have selected the North Western Railway only, I do not find any explanation in the Budget speech.

THE HONOURABLE NAWAB MALIK MOHAMMAD HAYAT KHAN:
NOON: Because they had to select one.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Why select one? Why not make the reduction all round and see whether the income increases or not?

THE HONOURABLE MR. BIJAY KUMAR BASU: If it was done, the loss would be colossal.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: So far as the goods traffic is concerned, I am glad to find that it has shown a little improvement. But what is required, as the

Leader of the Opposition has said, is this. If more concessions are given so far as coal is concerned, there will be greater income to the Railways. Coal is a basic commodity so far as the factories are concerned and it should be carried from the collieries to these factories at concessional rates.

Then, Sir, I would place here the claims of my own province where so many sugar factories have sprung up that sugar from the United Provinces to the port towns of Karachi, Bombay, Calcutta and Madras as well as to the Punjab should be carried at concessional rates. The same concession in freight should be given for sugar as has been given in the case of wheat from the Punjab to Karachi and other parts of India. If this is done, I am sure the Railways will be in a position to earn more revenue on that account.

THE HONOURABLE MR. BIJAY KUMAR BASU: Sugar is already enjoying a very big protection.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: My friend says that sugar is already enjoying protection. I admit that it is enjoying protection from sugar imported from foreign countries. But what about the facilities of transport in India? It has not got any concessions in this respect and if there are facilities of transport in India they will be able to beat the Java sugar at the ports where they are imported. I am therefore urging the claims of my province so far as sugar is concerned.

THE HONOURABLE MR. BIJAY KUMAR BASU: You want more protection in the shape of railway concession?

THE HONOURABLE THE CHAIRMAN: Order, order.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I have not been able to find figures about the amount of stores that have been purchased from the Stores Purchase Department and from outside. I would request the Honourable the Commerce Member, when he replies, to give us the figures about the purchase of railway materials from the Stores Purchase Department. I think it would be advisable to make more purchases through that Department instead of placing orders directly.

Sir, I find that more inroads are being made on the depreciation fund every year. If the object of the depreciation fund is to meet emergencies such as the earthquake or the Ganges floods, the inroads that have been made on this fund should not have been made. I admit that the money has been drawn in the shape of loans only; I hope that it will be returned as soon as possible.

Sir, as regards the manufacture of locomotives, the Leader of the Opposition has already drawn attention to this matter, and you, Sir, have also mentioned it in your speech. I entirely agree with you, Sir, and the Leader of the Opposition that every effort should be made to make India self-contained and therefore an early opportunity should be sought to get locomotives manufactured in India.

With these observations, Sir, I close my remarks.

THE HONOURABLE MR. J. B. GLASS (Burma Chamber of Commerce): Sir, I would first join in the congratulations to Sir Guthrie Russell on the case he has made out for the Railways which makes more cheerful reading than the Budget of last year as traffic is now on the upgrade and the Railways can usually be regarded as a reliable barometer of trade. Set-backs such as referred to by Sir Guthrie are inevitable in any process of recovery, the wave may recede but the next wave comes in with greater impetus. Railway returns in the papers this morning are again encouraging.

In his optimism in the framing of the estimates, which I share, it has to be remembered however that this modern world is so interdependent, one country with another, that changes for the worse elsewhere, apparently entirely divorced from conditions in India, may at any time upset the wisest calculations and prognostications.

I am not altogether at one with Sir Guthrie Russell, without further information, over his claim regarding the profit which would have been earned by the Railways had they been owned by a private company. But I found his comparisons with earnings of other railway systems elsewhere most interesting.

In regard to railway earnings it is noticeable that the increase in the year's workings has been entirely under goods, an increase of 6 per cent. being recorded, whereas passenger earnings show a drop of a crore, or 4 per cent. less than the figures for last year. It is, however, understandable that in times such as we have been going through with prices for agricultural produce at levels below the relative fall in prices for manufactured goods, and consequently general depression, third class passengers, who naturally form the backbone of such traffic, are unable to utilise the railways for pilgrimages and purposes apart from business as was their wont in more prosperous times but are instead compelled by force of circumstances to confine their travelling in the main to journeys of definite necessity. In the same way the ordinary tourist traffic must have suffered severely.

I regard it as a wise move by the administration that, despite present conditions, the railways, looking ahead, are budgeting to spend a total of more than Rs. 38 lakhs on passenger amenities which I consider, particularly so far as third class travelling is concerned, probably an even more important factor in increasing earnings than the reduction of fares.

It is interesting from the point of view of my province to notice the reductions on grain carrying charges by the Bombay, Baroda and Central India, Bengal Nagpur, Madras and Southern Mahratta and South Indian Railways which I trust will have the effect desired but I am afraid may possibly lead to repercussions in other directions. There appears to me to be a tendency in India today towards a policy of self-supporting isolation which will not I consider work in this world of today and already I sense indications that unless curbed this outlook will incline to spread under the coming reforms to similar provincial aspirations.

I have read with considerable interest of Mr. Pope's activities and am glad his services have been secured for a further year. The cost of his investigations is given as Rs. 23,000 which I take, although this is not quite clear to me, from the proceedings of the Standing Finance Committee

for Railways, dated the 6th December, to be for the coming year, but in any case results from his last visit indicate that the money will be well spent.

It must not be forgotten, however, that economy can at times be carried too far and it is admitted that many of the economies which have been effected by the Railways have been of the nature of a postponement of expenditure and the time when this expenditure has to be undertaken comes ever nearer and has in certain cases already come. One of these directions I gather is in the case of maintenance of carriage and wagon stocks, on which Rs. 5,63,75,000 are to be expended in the coming year. While on this subject I consider it might have been desirable had the Explanatory Note on page 40 of the Demand for Grants been more explanatory in regard to the writing-off of Rs. 5½ lakhs of timber scrap on the Great Indian Peninsula Railway.

In regard to my general criticism I think, Sir, Honourable Members, since they have read throughout Volume X, No. 5 of the Standing Finance Committee on Railways, in which the condition of rolling stock is frequently referred to, will agree with me that with cheap money, cheap material, idle workshops, and consequent unemployment, combined with indications of the upward trend of trade, it should be the subject of further consideration by the authorities concerned as to whether a still more ambitious programme would not be both wise and courageous. The increase in the period set between repairs from 27 months to 36 months I note has actually resulted in increase in the cost of each individual repair and it seems indicated that a plank or bolt in time saves nine.

Another direction in which economy has probably been overdone is in regard to replacement of rails and sleepers where the need for repairs and renewals appear to be a matter of moment. Some Rs. 476 lakhs have I note been provided for this purpose, say, Rs. 57½ lakhs more than last year, in the endeavour to pull up some of the admitted arrears. In this connection, Sir, I put forward the suggestion for the very serious consideration of the Railway Board and Government whether it is not more advisable to rely for the latter on wood from our forests? This would give revenue to Government in royalty and perhaps more important, considerable employment for labour in the forests, now either closed or partially closed down since last year due to curtailment of sleeper replacements and the use of steel.

Sir, in another place I note that it is indicated our views would be welcome on what must be regarded as a matter of primary importance, *viz.*, the administration of the Railways under the constitution proposed in the White Paper.

I agree with the proposal that a Statutory Railway Board should be constituted for the management of the Railways and my views as expressed are shared by my Chamber.

I consider that the Constitution Act should not only stipulate the establishment of the Board but should also clearly lay down its powers.

The control of policy should rest with the Government, responsible through the Legislature to the people, but the Legislatures should not be permitted to interfere in details of administration. The Board should be of the nature of a Board of Directors. It would be required to carry

[Mr. J. B. Glass.]

out the policy laid down by the Legislature, but apart from this it should manage the Railways on business lines free from political interference. A Statutory Board of Management should be provided and railway finance should be separated from general finance as at present.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable Mr. Miller in the Chair.

THE HONOURABLE THE CHAIRMAN: The Council will now resume discussion on the Railway Budget.

***THE HONOURABLE SARDAR BUTA SINGH (Punjab: Sikh):** Sir, this is the fourth deficit Budget with which we are dealing today. The day seems yet distant when the railways will be able to launch constructive programmes and show surpluses as they did before the year 1929-30.

The Honourable the Commerce Member and the Honourable Sir Guthrie Russell deserve congratulation for the able manner in which they have worked out details of the present Budget and reduced the unwelcome run on the depreciation fund by Rs. 2½ crores as compared with the current year and Rs. 5 crores as compared with the last year.

It is a matter for gratification that the important question of locomotives being manufactured in India is being examined by the Honourable the Commerce Member and I hope immediate steps will be taken to give employment to a large number of our countrymen in this way.

The Chief Commissioner of Railways is optimistic about the general trade revival in the coming year which will considerably increase earnings of the railways. I should like to point out to him that now is the right time to help the agriculturists of the Punjab whose pitiable condition is no better than what it was last year. A lot can be done to raise prices of agricultural produce by lowering freight on the Punjab and the United Provinces wheat so that it could compete with foreign wheat at the ports of Bombay and Calcutta. I was glad to note in his speech the other day that the East Indian and Bombay, Baroda and Central India Railways have reduced their rates for Punjab wheat, but this reduction has not stopped its carriage by sea *via* Karachi to Bombay and Calcutta. We are thankful for the reduction made on agricultural produce, but we expect reduction to a still larger extent.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTI (Madras: Non-Muhammadan): Mr. Chairman,

"Happily we may with some justification hope that the clouds are at last beginning to exhibit signs of lifting. The steady enlargement of our goods traffic is an indication that trade and confidence are beginning to revive. We can at least face the coming year with renewed hope and lighter hearts".

"Not only are the results of this year likely to be considered better than last year but the prospects for next year are such as to encourage at least a spirit of restrained optimism".

*Speech not corrected by the Honourable Member.

These quotations from Sir Joseph Bhore's speech on the Railway Budget in the Assembly and Sir Guthrie Russell's in the Council of State make explicit the financial position of Railways in India. "Better times ahead" such is the theme of both the speeches which prove to be a patent mixture of optimism administered to those suffering from the unfounded pessimistic fever that the day of railways is over. Though the era of deficits, which began in 1930-31 with Rs. 5 crores grew to Rs. 9½ crores in 1931-32 and reached its height in 1932-33 with a figure of Rs. 10½ crores, has not yet ended, yet Sir Joseph Bhore is justified in assuming from the trend of trade movement that the peak of depression has been passed and is looking forward to the coming year with a certain degree of optimism in spite of

"the distress of unparalleled magnitude caused by the terrible earthquake and the breach of one of the protective works on the Hardinge Bridge by the vagaries of the Ganges".

We understand from the comparative statement of Sir Guthrie Russell that Indian Railways are not only financially sound but are efficiently managed as those in other parts of the world. The general public will undoubtedly welcome the intention of the railway authorities of attracting traffic by cheap fares and improved service. I would like to draw the attention of the House and the railway authorities to the plain truth that if there is need for reduction in passenger fares greater is the need for reduction in freight. I am fully aware that

"the barometer of railway earnings is not yet set fair",

and that their passenger receipts have fallen off with an increase in goods earnings, and as the attention of this House was already drawn last year, I would only urge on the railway authorities the necessity of devising methods to bring the freight rates to a normal state. I must in this connection also point out that the South Indian Railway did something to reduce their freight on the export of paddy from the southern districts last year and I hope still further concession in freight will be granted.

Labour will certainly welcome the news that the Railway Board does not look with favour upon any block reduction of staff as Sir Guthrie Russell himself very emphatically points out

"there is one thing that I am particularly anxious to avoid and that is the further block retrenchment".

Last year I drew the attention of this House to the ineffectiveness of the Advisory Committees in view of their not having a separate allotment to meet the needs of the public and hope fervently this year that the railway authorities will address themselves to this dire need and make the Committees more useful links in the railway administration.

Before I conclude, Sir, I should like to say that I join with my friend the Honourable Mr. Suhrawardy in pointing out that in the servants' compartments attached to the bogies of first and second class compartments latrine arrangements should be made. I noticed this morning that the compartment occupied by my servants had no latrine arrangement. I hope it will be possible to attend to this as early as possible. I must say that so far as third class passengers are concerned their comforts are being attended to now and I do not think that we could say that nothing has been done in that direction. The only thing I feel is that more

[Diwan Bahadur G. Narayanaswami Chetti.]

facilities might be given for the compartments occupied by servants. The question of improvements to the third class might be taken up later on when the financial position improves. I am quite content with the present position.

Let me in conclusion point out that if railways are to prosper they must improve their services, cheapen their rates both for passengers and for goods and curtail their expenses as per the suggestions of the Pope Committee, and the speeches of Sir Joseph Bhore and Sir Guthrie Russell clearly indicate the striving of the authorities concerned towards this end. I would like to join hands with my other colleagues in congratulating Sir Joseph Bhore on the efficient administration of the railways and I would also like to commend the work of the other officers concerned who under limitations were able to administer the railways during the year under report to the entire satisfaction of the public.

THE HONOURABLE NAWAB MALIK MOHAMMAD HAYAT KHAN NOON. (Punjab: Nominated Non-Official): Sir, I will just say a few words. My Honourable friend Rai Bahadur Lala Ram Saran Das made certain remarks regarding communal representation. If I remember correctly, they were to the effect that when dealing with this question of communal representation all the posts and all the cadres and classes of services should be taken into consideration. I hope, Sir, that my Honourable friend did not mean that if a particular community held a very large number of posts in the officer class than their due share it should be considered justifiable and fair if the other communities had similarly a large number of posts of gate-keepers, pointsmen and ticket collectors. Sir, it is only fair that the representation should be in all the different classes of services respectively. Communal representation, Sir, may not be a desirable principle, but in the present circumstances of India it is unavoidable. If this principle is totally ignored, the apprehensions are that dissatisfaction will be spread amongst certain sections of the population and serious consequences might follow.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: On a point of personal explanation, Sir. What I said was that as the Government have adopted the principle of communal representation, that should apply to the total of all the employees. Let there be two cadres; one separately for officers and the other for subordinates and other employees taken together including workshop establishment.

THE HONOURABLE NAWAB MALIK MOHAMMAD HAYAT KHAN NOON: I am quite satisfied.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Sir, the Honourable the Commerce Member has had a shower of congratulations yesterday in the other place and today in this House. But I am not going to join in the chorus of praise. This does not mean that I do not appreciate the great services which the Department as a whole and he as the officer in charge of it have rendered to make this a more successful undertaking. Sir, the general discussion of the Budget is usually utilized as an occasion to ventilate all the grievances of Members and such a huge number of subjects are brought forward that it is difficult, if not impossible, for the Honourable Member to reply to

each and every item that is suggested in the speeches of the Members. Sir, this happens in both the Houses, but with this difference that in the other place they have a chance of moving token cuts and thereby bringing particular grievances to the notice of the Railway Board and getting such satisfaction as they can get, while this House has not the opportunity of bringing particular items to the notice of the Commerce Department and the Railway Board. I would therefore suggest, Sir, that it would be a good innovation if points from the speeches of my Honourable colleagues were collected by some of the officers of the Railway Board, tabulated, referred to the people concerned for their opinion and then forwarded to the Railway Board and the Commerce Member in due course and afterwards when the report of the Railway Board is being prepared those points and suggestions which are found to be useful and practicable could be incorporated in the Railway Board report, just as at present the system in the Railway Board that if a Resolution is brought forward in regard to any matter concerning railways then it finds a place in the Railway Board's report. But all the suggestions which we make in this House seem, for 364 days in the year, to lie in the waste paper basket. Still all of a sudden once in a year we again rise up and make an outcry but with the same result. That is why I make this suggestion; because I quite appreciate that it is impossible for the Honourable Member to reply to the points made by us and I do not wish that our suggestions should be relegated to the waste paper basket.

Sir, a Department so large as the Railway Board which has to look into the affairs of the whole of India, cannot be expected to exercise the same amount of care and the same amount of direct control as a small concern. There is bound to be some decentralization and the authority who is going to have the final word cannot be the Railway Board. They have to delegate their powers to people on the spot. Well, it is good for the management of the Railways no doubt that this should be so. But there are also disadvantages in the system. Too much work is done without the authority or the knowledge of the central executive. This results sometimes, Sir, in different policies being followed at different times and in different places. For instance, the control of the divisional system type prevails in our part of the country on the East Indian Railway while in other parts we have the District Traffic Superintendents controlling all three departments of traffic, coaching and commercial. Here are two kinds of control. We cannot understand, Sir, why if one system is better than another it is not adopted throughout the Railways of India. This means that there is no authority to look into the different merits of the different kinds of systems that are prevailing on Indian Railways. It is co-ordination which is required and as they have got a sort of standardization for their material, I hope they will have a standard form of control also.

Sir, the Railways in India are in the peculiar position of being a sort of State property. Railways are also under State control in Germany, for instance, but there they have only one form of control. Here we have company-owned and company-managed railways, State-owned but company-managed railways, State-owned and State-managed railways, and even railways where the property is owned by a company but the management is in the hands of the State. All these things contribute to friction and there are times when the drawbacks of one system as compared with another are so great that it is difficult for the central authority to exercise the control which it should.

[Mr. Hossain Imam.]

While I am on this subject, Sir, I should like to call the attention of the Commerce Member to a subject closely connected with it. In his speech in another place he made some reference to the Statutory Railway Board which is going to be constituted. I think, Sir, that is a subject of such vast importance and one in which people are so greatly interested that it is not right that we should discuss that subject now when we can only make a passing reference to it. I would therefore request the Honourable Member as well as, in the absence of the Leader of the House, the Deputy Leader, to give us a day when we can discuss the Statutory Railway Board. Its effect on the whole system of railway management will be so great and the change will be of such magnitude that it deserves a day to itself. Therefore, Sir, I am not going to discuss that subject now.

Mr. Chairman, looking at the financial aspect of the Railways, I am rather troubled to see that, with the first turn—though not to prosperity but to adversity being reduced—relaxation seems to be apparent in the stringent control which was being exercised formerly. I am very glad that for a year or two the Railway Board exercised a great amount of control. They were really in earnest to reduce expenses as far as possible but even with a deficit of Rs. 7½ crores or, as I should rather say, a deficit of Rs. 12½ crores—if we take into account the contribution which the Railways ought to make and are not paying—it becomes a huge deficit, even then there appears a relaxation of control. The Railways in India have been under the present kind of management from 1924-25 when we had a separation of the Railway Budget from the General Budget. At the time of the separation, we had 27,324 miles of combined railways. At the end of 1932-33 we had 31,892 miles. So that within this period 4,568 miles have been added to the combined mileage of the Railways. But I find from a note on page 17 of the Railway Board's report that Rs. 100 crores have been spent on improvement of open line facilities. This addition to the capital charge which cost us nearly Rs. 5 crores was made not to increase the earning capacity of the Railways which is the primary concern of a business, but, as the words imply, it has been more or less in anticipation of improvements which have never been realized. I will give an example. Recently, only two or three years back, there was doubling of the Tundla-Etawa section. There is a continuous decrease in the goods and passenger traffic and yet doublings and strengthening of bridges are going on, and coaches and wagons are being added to the present stock. Why? Because it was thought at the moment that it was cheaper to get money and that therefore you can get things at a cheaper price. No doubt it is perfectly true that in days of falling prices you can get things cheaper. But if you add up the loss of interest, it will more than equal the amount of money which you would have spent if you had undertaken it in a rising market. Purchase in a falling market is a thing which business men usually do not enter into unless they are sure of their facts and figures justifying immediate return. Any expenditure which is not directly remunerative can very well be postponed during the time of falling prices. I will quote one instance more which I have been able to gather from the Report of the Railway Board. I find that the wagon mile per wagon day of goods wagons has decreased consistently from 87·9 in 1929-30 to 80·5 in 1932-33, which means a reduction of something like 19 per cent. in the utility of the wagons.

(At this stage the Honourable the President resumed the Chair.)

This means that we have got wagons which we cannot utilize and that wagons are lying idle. We could have used these wagons more often. It might be said that some of the wagons are unusable and therefore the wagon mileage has fallen. That is refuted by the facts and figures in the Railway Board Report which says that the actual expenditure on the repairs of the wagons has considerably fallen from 1931-32 to 1932-33. There is a palpable difference of about 10 per cent. in the cost of repairs of these two years. It may be said that it is due to the efficiency of the Railway Board that the cost has fallen, but that does not show that the wagons are used more. Last year, when the Honourable Member placed before us a programme for purchasing 2,500 more wagons, we protested, and this year too I should like to enter my emphatic protest against the policy of purchasing these goods wagons and passenger bogies because they also are in excess of requirements and are not being utilized fully. I find that the Pope Committee has also recommended something on these lines.

Here I wish to reiterate that it has been my misfortune to complain
 3-5 P.M. always that Government are anxious to appoint Committees but they are slow in acting up to their recommendations. The Pope Committee was appointed with a flourish of trumpets, but in the whole of the report and in the speech of the Honourable Sir Guthrie Russell I could not find what action has been taken on their report with the exception of job analysis which is going on. This was not the direct contribution of the Pope Committee alone, but this had already been recommended by other Committees. Six or seven recommendations of the Pope Committee are tabulated in the Railway Board Report but there is no mention of what action has been taken on them. One of these is better use of locomotives. The cost of repairs to the locomotives, I find, has fallen from Rs. 12,050 to Rs. 10,700. The steam engine mileage per engine per day also has fallen in the year 1932-33. This shows that engines are not being utilized. Additional engines are bought and, as the Honourable the Leader of the Opposition has pointed out, the engines are lying in the sheds because no use can be found for them. We are purchasing more engines than we require. Naturally the older engines will be the first to be scrapped. Some of the Members will remember that I asked some questions last year about the way in which these scraps are being utilized. We were told that it would entail too much labour to find out exactly what money could be realized from these scrapings. This means that they cannot say how much money is realized from the scrapping of an engine. The Pope Committee has recommended something on these lines. They recommend improved workshops practice and use of scraps, compilation of costs data, etc. There is no doubt that the economy campaign that was carried out has exhausted the avenues as far as it could go. But all this only on the fringe. Now we have to deal with the technical side. You have to work at it on scientific lines, as I said yesterday. Every item of expenditure of the Railways has got to be looked into and a saving has to be effected. If we were to save even one anna per mile per day, that would yield us about Rs. 8 or Rs. 9 lakhs. That shows the immensity of the task before the Railways. Every pie that is being wasted costs us not hundreds and thousands but lakhs. It is therefore necessary that the recommendation of the Pope Committee which has suggested careful looking into all the details of the Engineering Department should be very thoroughly looked into. Here I should like to make one suggestion which may not be very palatable to the Railway Board and that is that non-officials—and by non-officials I do not mean Members of the Assembly and Council of State only

[Mr. Hossain Imam.]

but also people outside who know this job and who are not connected with the Railways—should also be connected with the enquiries that they make.

In the case of the Sara Bridge affair, it would have been better if local talent had been consulted before it was too late and we found ourselves face to face with this catastrophe which requires Rs. 1½ crores to repair.

The other suggestion of the Pope Committee was about more careful listing of surplus stores, equipment and accommodation. This also calls for a great amount of care. The renewal programme, for instance, costs Rs. 60, 70 or 80 lakhs and sometimes Rs. 2 crores. It is a very costly affair. But how do we deal with surplus stock? It has actually been sold in the market at rates cheaper than iron—good mild steel which could be turned out again if it were sent to the milling shops. It is sold at an uneconomic price simply because there is no centralization of control and disposal of stocks.

As far as accommodation is concerned, we find that the number of first class passengers is decreasing, and that is also the case as regards second class passengers. The tables in the Report of the Railway Board illustrate the position very graphically. But still the construction of first class compartments is going on. If you compare the seating accommodation in the carriages already in use with the number of passengers carried, you will find, at least for the first class, four to five times the number of seats to passengers carried.

Better use of railway lands is another suggestion of the Pope Committee. That suggestion also in a country of such vast dimensions as India is worth looking into. If a programme of development of these lands could be made it would surely give us a good return in our economic campaign. Sir, it is as necessary to increase income as to decrease outgoings. By both means you can balance the Budget. Then, economy through amalgamation of railway systems was suggested as one of the means of curtailing expenditure. This has been shelved by the authorities to a time which will come after a generation when other railways are bought over by the Government and become controlled railways. We know that the earliest option in this regard will not arise till 1950. We have no option till then except for the small Bengal North-Western metre-gauge system. Options on the bigger railways will not arise earlier than 1950. To defer this urgent question of amalgamation shows the change in the mentality of the authorities; there is not the same anxiety to curtail expenditure as ought to exist. Apart from the question of amalgamation, there is the technical aspect. Even if we continue to have different systems of railway administration, there are departments which can easily be amalgamated, for instance, the medical departments and others. There is also the possibility of the Commerce Department and the Industries and Labour Department co-operating in this way that both can take over parts of the telegraph engineering branch. One section can be controlled by the one authority, or they may have a joint board to control this sort of thing. These are some of the ways by which overhead expenses can be reduced, and it is only in these directions that we can find room for economy. All spectacular ways have been exhausted. Last year some of us made an appeal for the abolition of the Railway Clearing Accounts Office and this year also my Leader has suggested abolishing it. As he said, it is a white elephant which does not add a single penny to the income of all the railways taken together. It

is simply a department whereby you distribute what has already been acquired to different tills, the Government being the owner of the majority of these. It is really a sheer waste of good money, just to find out what money I owe to my friend and my friend owes to me, while both of us have to pay the *mahajan*. It would be quite feasible to make an equitable arrangement, say, for three years, under which a certain proportion of goods traffic could be transferred from one railway to another, and the position could be examined at the end of three years. Rs. 16 or Rs. 18 lakhs are being spent on a department which pays us nothing—a sheer waste of public money.

Sir, it was suggested that coal contracts should be looked into by the Railway Board and they should not be given as they have been. It is really a very good suggestion which has the support of the country. May I also suggest to the Chief Commissioner for Railways that he should consider the claim of the provinces in which his works are situated, so that the people of the province concerned may get the contracts in their area for raisings, construction works, and materials of all kinds required by the railways. That would greatly contribute towards a better understanding between provincial interests and the centre. One of the reasons why there is so much rail-road competition is because the people look upon the railway system as a thing apart; it does not concern them; they find no place in its economic scheme; the Railway Board might as well be a Board of Directors in England, because in Delhi they are just as remote and imperious to the concerns of the local populations. I therefore wish the Railway Board to identify the railways more closely with the interests of the people in the provinces. That would have a very good effect and bring the provinces and the centre into a closer relationship.

Then I come to a thing which is a little staggering. I refer to the Hardinge Bridge. I was going to refer to it as the scandal of the Hardinge Bridge, but I am not going to use that word. Sir, the Hardinge Bridge was constructed in 1915. In 1924 danger first threatened and in 1930 we had the first serious warning that something must be done. But nothing effective was done. The second warning too was unheeded, and then came the great calamity. On the 26th September, 1933 the forces of nature, uncontrolled and unstoppped by human agency, proved too great for this handiwork. It is surprising that in the Finance Committee Report we find the words:

“Although no one witnessed the first breach which occurred in the early hours of the morning, there were a number of witnesses who saw the manner in which breaches in the embankment behind it were rapidly enlarged during the course of the day”.

It is surprising that after being twice warned that this bridge was in danger, that the guide banks are in danger, no arrangements should have been made to safeguard against erosion. It is the usual custom in regard to bridges of this kind which are liable to damage, where the river is likely to change its course suddenly, that gangs are maintained, stones are heaped up and a subordinate or Executive Engineer is deputed to be on the spot, and especially so during the rainy season when the river is likely to be flooded. We find that the Ganges is simply trying to revert to its old channel of 1868. It was expected that there should have been some sort of emergency arrangement to stop the gap developing further. In the centralization of work, as I said, too much work is left to the tender mercies of the men on the spot and it is for this reason,

[Mr. Hossain Imam.]

Sir, I suggest that there should be a thorough enquiry into the question of the bank, the negligence of which is causing us a loss of Rs. 140 lakhs. Rs. 104 lakhs is the immediate estimate and in addition to that the Railway Board has very kindly told us that Rs. 35 lakhs more will be required for filling up the gap; not immediately but in the future. I find it strange that even after spending Rs. 104 lakhs and with a probable cost of Rs. 35 lakhs more we are told that even then it is not safe. They have given us a third estimate of Rs. 20 lakhs which will be required for the ferry service. I admire their courage in having frankly stated that after all these steps which we are going to take we are not sure of the position. But may I ask, if they are not sure even after spending Rs. 140 lakhs that the thing will be safe, why ask us to throw good money after bad? Either we should be sure of our position and know for certain that we—

THE HONOURABLE THE PRESIDENT: The Honourable Member must give some credit to the Engineers that they will not spend the money unless they know that it is absolutely necessary.

THE HONOURABLE MR. HOSSAIN IMAM: That is my complaint. I will read out from the Report of the Standing Finance Committee:

"Although it is expected that the repairs to the damaged guide bank and the additions and alterations to other portions of the protection and training works of Hardinge Bridge will stand any 'ordinary' attack, which the river might make during the flood season. . . . It is considered essential that the Railway Administration should be prepared to deal with the emergency which may arise if expectations are not fulfilled, and the river makes another abnormal attack, such as it made last September, resulting in further serious damage to the repaired guide bank followed by damage to the bridge itself or its approach, . . ."

They want to have the ferry service also prepared. The reason is the forces of nature are too powerful—just as no one could stop the ravages of an earthquake. It is almost impossible to say what the Ganges will do. It is too mighty a river to be controlled by puny human beings. I think it would have been better if instead of spending all this money in unremunerative works of construction if a better alternative arrangement could be made. It may be possible to divert part of the Ganges water above the Sara Bridge to the old Western Bengal rivers which are dying. We would then be doing a real service to the country and we would also get a contribution from the Provincial Government. That would have been a real treatment or a better treatment than the present one. There is no co-ordination between the Provincial Government and the Railways. That is one of the reasons. It is too big a river for the Railway to take up alone and it is too big a river for the Bengal Government to take up alone. While I am on this subject I should like to say one word more about the development of the lines lying on the railway sides. One of the things is that the land should be fenced. In most of the railways I find the land is fenced, but there are little portions on main lines where fencing has not been put up, entailing danger to life as well as loss to the Company.

Indianization is a question which crops up every year and in regard to which we always get a stereotyped answer. So is the fate which meets with communal representation of the different communities. These are, as a Member very graphically pointed out during the general debate on

the General Budget, hardy annuals, which always crop up. Out of ten officers who have been appointed this year, only four are native Indians. By native Indians I exclude statutory Indians. Especially in the traffic and transportation branch the Indians are very rare. It would be in keeping with the spirit of the times if the Government could look into the question of Indianization more seriously. I also wish to say a few words about the controversy which arose between my Leader and the nominated non-official Member from the Punjab. Sir, it is idle to expect that in the present mentality of India we can think in terms of Indians alone. Our interests have become so divergent on account of place-hunters and people who have got their own sectional interests that it is difficult to ignore them. It may be an evil, but it must be looked into and cured. As my Honourable Leader very pertinently pointed out he never meant that the services should be taken except by classes. But the real question he put was whether the rumour that 20 per cent. of the officers' rank is going to be given to Europeans and 7 per cent. to Anglo-Indians is correct. That was the gist of the question. He did not want to deal a blow in the back to the Muslims.

THE HONOURABLE NAWAB MALIK MOHAMMAD HAYAT KHAN NOON: I am glad to know that.

THE HONOURABLE MR. HOSSAIN IMAM: There was the system of coupons ticket, Sir, given to commercial travellers. This was a very good innovation and wherever it has been adopted it has done a very great service to the industries of the country. As I said the other day, industries must be supported in each and every sphere where they can be supported if we wish them to prosper.

Then there is a suggestion, Sir,—though I am not sure of my facts here—but there are places where railway tickets and tram tickets are given together. It would be a good thing if such things could be started in other parts also.

In conclusion, Sir, I would like to appeal to my Honourable friends not to be elated at the prospects of this closing year but to remain as vigilant as they have been formerly if they wish that Railways should be working as a sound concern.

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR (Central Provinces: General): Sir, I congratulate the Honourable the Railway Member and the Honourable the Chief Commissioner for presenting us with a dark picture in bright colours. I say a dark picture in bright colours because since he took up office as Railway Member he has been faced with the difficulty of presenting us with a deficit Budget. Another thing is he has not been able to contribute to general revenues from the earnings of the Railways so that if he had contributed the general taxpayer would have been relieved of the burden of over-taxation. However, Sir, circumstanced as we are, we have to take it and we have really to congratulate him for the efforts he has been making for the curtailment of expenditure in the Railway Administration and the running of the Railway Administration on commercial lines. I would further suggest to him, Sir, as suggested by the Leader of my Party and Rai Bahadur Lala Mathura Prasad Mehrotra, that he might seriously consider the question of deducting from the Railway Budget the amount that is spent for the running of strategic lines. If I understand the position rightly, Sir, the strategic lines are

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being run in the interests of the Army Department and if that is so, if that amount had been debited to the Army Department the Railway Budget would have been relieved of, say, Rs. 2 crores of the deficit which the Honourable the Railway Member had to face in presenting his 1934-35 Budget. I do not agree with my friend, Sir Kurma Reddi, that it is merely a transfer of a book entry. The Honourable the Railway Member, Sir, in his speech in the other House has informed us about the changes that he has made in the procedure of framing the Budget of this year and those changes according to him are made on the authority of Sir Arthur Dickinson. I submit, Sir, that if the Railway Member takes into his mind and seriously considers this point about relieving the Railway Budget of expenditure on the strategic lines he will be able to find some authority and he will thereby be able to relieve this Railway Budget of the deficit to that extent.

Then, Sir, we find that the retrenchment that has taken place and the measures that are being adopted for curtailing the expenditure in the Railway Administration do to some extent inflict suffering on certain employees in the Railway Administration. My suggestion is this, Sir, that if retrenchment is at all necessary I would suggest that instead of curtailing staff and dismissing men, economies might be effected by a cut in pay. I make an appeal on behalf of the railway employees that in these days of depression if their services are dispensed with, it is very hard for them to find employment and to maintain their families. I agree with him that retrenchment is necessary but if there is necessity, Sir, it is better to have a cut in the salary instead of totally depriving them of their jobs.

Then, Sir, my Honourable friend, the Chief Commissioner, has told us that there has been a stimulus in goods traffic but passenger traffic is not as hopeful as they anticipated. I submit, Sir, that if the system of giving concessions and reducing fares that prevails on the North Western Railway is also introduced on other Railways, I am sure that they will see that the passenger traffic will be stimulated. It all depends, Sir, on the purchasing power of the population of the country as a whole. It is admitted that the purchasing power has gone down. So if that experiment is also tried on other lines I hope their anticipations will prove correct and they will get more passenger traffic.

Now, Sir, about the surcharge of coal. My friend the Honourable the Chief Commissioner of Railways stated that he could not find his way to remove that surcharge. I submit, Sir, that had you been with us to discuss this point you would have enlightened him on this question. Fortunately or unfortunately, Sir, you have taken a different rôle and therefore it has fallen on a layman like myself to ventilate that grievance. In the Central Provinces, Sir, there are so many collieries. The complaints of the colliery owners are that on account of this surcharge they have to pay more and thereby not only are their earnings less but they do not gain sufficient profit.

THE HONOURABLE THE PRESIDENT: It affects Bengal much more hardly.

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR: It affects Bengal, Sir. It also affects the Central Provinces people.

THE HONOURABLE MR. BIJAY KUMAR BASU: Very slightly.

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR: That is the complaint that I have come to know of. If it really affects Bengal, I shall be glad if that surcharge is removed and the Bengal people also are relieved. My point is that if this surcharge is removed, you will be able to help the industries and trade of the country to some extent.

I also join in the demand made by several Honourable Members about giving more amenities to third class passengers. I do not want to bring to the notice of the House individual complaints but I really appeal to the Honourable the Commerce Member to come to the rescue of third class passengers because he gets more income from third class passengers than from higher class passengers. I have myself seen third class passengers drenched with rain in third class compartments. I have myself seen third class passengers being huddled together like cattle in compartments. These things deserve careful consideration at the hands of the Railway authorities and I hope that the appeal made by Honourable Members here will receive favourable consideration.

One more point, Sir, and I have finished. I appeal to the Honourable the Railway Member to try his utmost and purchase the materials for the Railways as far as possible through the Indian Stores Department and also to purchase materials manufactured in India. I make this appeal in the interests of India as a whole. I may tell him that according to his wishes we passed only yesterday a Bill wherein he wanted to give more protection to certain Indian industries. It is now my turn to remind him of it and request him to see that the materials used in the Railways are purchased through the Indian Stores Department and that the materials purchased are those which are manufactured in India.

With these few words, Sir, I resume my seat.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): Sir, I think the House is too tired to listen to any long-winded speech and I do not propose to make any. The only thing that I want to say about this Railway Budget is that the shower of congratulations which the Honourable the Railway Member and the Chief Commissioner of Railways have received from the various Members of various Parties was very well deserved. Although the Budget as presented is a deficit Budget, yet the hope expressed and the optimism displayed certainly give us a stout heart. If I may say so, Sir, the publication in this morning's paper about the railway earnings certainly lends colour to the optimism that has been displayed by the Honourable Sir Joseph Bore and my friend the Honourable Sir Guthrie Russell. But on the other hand, who can take account of the acts of God or the convulsions of nature? We had rather a good Budget, if I may say so, but for the fact that the vagaries of the sacred river Ganges and the convulsions of the earthquake have reduced our anticipated profits. Much has been said about the Hardinge Bridge by both the Leader and the Deputy Leader of the Opposition. I think, Sir, that no one need tell them that it is beyond human power, beyond the calculation of engineers and beyond the calculation of the Railway Department or the Railway Member whether the Ganges would change its course and whether that change will be severe on the Hardinge Bridge or whether it will be soft.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: This danger arose as far back as 1924, and has been since then on the increase.

THE HONOURABLE MR. BIJAY KUMAR BASU: Whether it was in 1924 that it began, whether they knew that this change would happen, whether, if they spent the money which the railway authorities wanted to spend, be it big or small, the expectations will be fulfilled or not, these are on the knees of the Gods and I do not think any useful purpose will be served in suggesting that the railway authorities should take much more care. I think you can give them credit to this extent that they did take all possible care. But even that possible care may not be enough.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Not in this case.

THE HONOURABLE MR. BIJAY KUMAR BASU: Then, there is another thing. I must say that I was a bit surprised when Member after Member addressing this House today had all sorts of suggestions to make, handicapped as they were and without particularly knowing the inside administration of an office concern such as the Railway. I should say that every one of us feels handicapped in making suggestions off-hand. It is no wonder if either the Railway Member or the Chief Commissioner, whoever the authority might be, cannot possibly carry out all the suggestions that we make off-hand at this place. But we are allowed, Sir, under the constitution to go on airing our grievances, and air our grievances till we are sad and sick at heart. It reminds me of a story I heard and that was that a crowd of people found that a very big, burly navvy, about 6 feet 6 inches in height, was being beaten by a puny little wife. They all said, "Why are you allowing yourself to be beaten?" and the navvy replied: "It does not hurt me; it pleases the missus". It is just like that. I am not surprised at the attitude of the Government in this matter.

Coming to the Budget itself, Sir, there is one point which struck me when I read through the speech of the Railway Member in the Assembly, namely, the change in the basis of the accounts. Sir, there have been frequent changes and although this has been done on the recommendation of Sir Arthur Dickinson, I should have thought that it really hampers us in having a comparative study of the figures. It becomes almost impossible for us to follow the comparative study of the figures if the basis of the accounts is changed. But of course, if this is continued for a long time, I think we shall be able to have the comparative study later on.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: But at what cost?

THE HONOURABLE MR. BIJAY KUMAR BASU: Well, it would be a very big cost indeed. That is my complaint. The second thing I find is that an analogy has been sought to be drawn between the Railway Administration and a private company. This is not a new analogy. If I remember rightly, it was Sir Charles Innes who when introducing his Railway Budget in the Assembly years ago said that he was in the position of a Directorate presenting the annual general report to a body of shareholders, namely, the Assembly. So the analogy is perfectly all right. But

I find that Sir Guthrie Russell thinks that he could have declared a dividend of $8\frac{1}{2}$ per cent. on the capital, forgetting all the time that the whole of the capital was borrowed capital and interest at a very high rate, higher than $8\frac{1}{2}$ per cent., has to be paid. No Company could have declared a dividend of $8\frac{1}{2}$ per cent. with all that borrowed capital. Secondly, I think the imagery is only possible and that $8\frac{1}{2}$ per cent. even can be calculated at the utmost computation because the money that has been raised for the carrying on of the Railways is not exactly on the Railway properties alone. It is on the assets of the whole of the Government of India. If the capital had been raised only on the property of the Railways surely you would have to pay a much higher rate of interest than you do at present.

Then, Sir, as regards the depreciation fund, I do not think I can improve on the remarks that fell from my Honourable friend Sir Kurina Reddi. I feel as well as he that the handling of the depreciation fund in the way that is being done is not desirable. But at the same time I feel that that is the only possible way to balance the Budget. Whether it is possible for the Railway Administration to pay back the money to the depreciation fund at the rate of Rs. 15 lakhs is more than I can say. As we have seen, there are natural forces over which human beings have very little control. Expenditure might go up and revenue might fall down, and the expected contribution back to the depreciation fund may not materialize.

Then, Sir, before the depression began, as we all know, large sums were spent on capital expenditure because at that time we had a series of prosperous years. And whenever a new project was floated we always calculated what that particular project would bring in by way of a return. That was I think done in all cases. But now we find it is not possible to distinguish the particular items on which those big capital sums were incurred or to find out whether those particular lines or extensions or works have or have not really paid what we expected them to pay.

Then the question of Indianization of the services was raised by Mr. Hossain Imam. In regard to that I think Mr. Hossain Imam wanted to exclude Anglo-Indians who are called euphemistically statutory natives of India, and he meant by the term Indianization to include only those who are—I do not know how to describe it—natives of India minus the Anglo-Indians. I do not really understand why that attitude should be taken up. They are as much the children of the soil as we are. If they are better fitted for posts, why should they not get them? If they are not, they ought not to get them. The whole idea of employment should be based on efficiency and efficiency alone. It does not matter whether a man is brown, black or white. The whole thing is that you have to see whether a man is efficient or not. After all a railway company or any other company is not a philanthropic concern. They have got to see that they get their money's worth. If you get your money's worth by employing a Muhammadan, then do it. If you get your money's worth by employing an Anglo-Indian, do it. All that you are concerned with is to see that you get full value for your money.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Do away with communal representation then.

THE HONOURABLE MR. BIJAY KUMAR BASU: I wish we could do it. But at the present time, if I may say so, we have fallen on evil times and this communal representation has got a grip on us. It is not for me or you, the Leader of the Opposition, to drive it out of the land. I wish we could and there would then emerge that Indian nationality which knows no communalism or difference in race or creed.

THE HONOURABLE RAJA CHARANJIT SINGH (Punjab: Nominated Non-Official): Sir, though our hopes for a balanced Budget have not been realized as yet, still it is very satisfactory to find that our anticipation of an increase in goods earnings have been to a large extent justified. Last year the deficit was about Rs. 10½ crores. This year, in spite of the damage done by earthquake and flood, it has been reduced to Rs. 7½ crores, and in 1934-35 a further reduction of nearly Rs. 2½ crores is promised. I hope, Sir, that this era of declining deficits will continue and that it will not be long before the Honourable the Railway Member is able to present not only a balanced Budget but a surplus Budget. Under the present circumstances it is not possible to expect any increase in passenger earnings. Due to economic depression and road competition the natural tendency is to choose the least expensive mode of travel. I am glad to find that the Railway Board is alive to this aspect of the question and has made a beginning by reducing certain fares on the North Western Railway. I congratulate my Honourable friend Sir Joseph Blore, whom I am glad to see here today and Sir Guthrie Russell on this wise decision. I hope the response will be encouraging enough to justify the same policy being adopted by other Railways.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras: Non-Muhammadan): Mr. President, I want to say a few words and would like information on just a few points from Government. I shall not take up much of the time of the House at this late hour. Much has been said about the unemployment problem on the Railways. Sir, I have some personal knowledge of workmen who have served the Railways for a very long time and who have been put out of employment in hundreds in the Coimbatore district where the workshops have been re-modelled. We can imagine the feelings of such people, with big families to support, who thought that their position was quite secure because they were employed in a Government concern—railway service being like that of a Government department—when they have been suddenly thrown out of employment. Unfortunately those people are running over the whole province from place to place without jobs. How much these people suffer God alone knows. Experienced people with training in technical lines have been thrown out of employment in this way. I heard the same thing in the Railway workshops at Perambur in Madras where people had to suffer a lot on account of unemployment. No doubt necessity has forced Railway Companies to reduce staff, but in such cases could they not give some relief? Could not some arrangement be devised whereby such long service men could be absorbed?

In comparing the railway position the Honourable Member in charge
4.5 P.M. gave us certain figures with regard to foreign railways. No doubt it is an encouraging statement which we are asked to believe, but in comparing this with the Railway Budget we ought to take note of the other factors as well, such as economic conditions, the position

of industries, commerce, etc. These conditions should be the same in our country when figures are taken for comparison. Here our position is quite different. We come here just for a day in the year to express our grievances and nothing more. We have our Industries and Commerce Department, the Agricultural Department and so many other departments, but every department is doing its business in water-tight compartments and with diminishing grants. A lot can be done with the help of Railways. The question of the reorganization of the Railways has been tackled by the Pope Committee recently. Economic conditions in the Railways can no doubt be improved through its suggested improvements. But I submit much depends on how the Government in their new Railway policy takes non-official advice and suggestions.

Sir, I wish to say a few words about the transport charges of cotton from Madras to Bombay, which is the only market we can think of. The rates which are adopted by some shipping companies are very favourable when compared to railway rates. Unfortunately those people who buy cotton have got a monopoly of these shipping facilities. This limited number of people take their cotton through ships through the West Coast; but all other merchants, exporters, and other sellers of cotton send it by rail to Bombay. The railway rate works very unfavourably to all these purchasers of cotton, and this ultimately affects the grower. This point we have placed before the Government of Madras some years ago, bringing to their notice the difficulties we are labouring under. Sir, as I said about the railway benefiting other industries, as an instance I would quote the enormous amount of railway freight we have to pay for coal which really goes to help the industry in the southern corner of this vast country. I was told by some of my friends that the Railway Companies in the south are making much more profits than Railway Companies in the north of India which in spite of that give concessions to the passenger traffic and agricultural produce. But it is regrettable to find that the South Indian Railway and the Madras and Southern Mahratta Railway are not giving similar concessions in comparison with the other northern railways, although these companies are earning very good dividends.

THE HONOURABLE SIR KURMA VENKATA REDDI: 8 per cent.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: I am much obliged to my Honourable friend for the information.

Sir, with regard to fencing of railway lands, I have got a personal experience to tell the House. In many places traversed by the Grand Trunk Express we find there is no fencing at all. We had a terrible experience one day. A very big buffalo got under the train and then we had a very big jerk. We did not know what was happening. Then within a furlong the train was brought to a standstill under very great pressure. We got down from the train and found the flesh and bones of a big buffalo scattered all over the place. If one or more of such buffaloes came in, it would be dangerous for a train running at a good speed.

THE HONOURABLE THE PRESIDENT: Do you think the Chief Commissioner is responsible for all this?

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: As regards the development of the land, which formed one of the subjects of economy proposals by the Pope Committee I submit that large areas of the land have been kept water-logged, with thick growth of trees, bushes and grass along a large tract of country on both sides of the railway line which we pass beyond the Central Provinces. These areas can very well be developed to yield something to the Railway Department and at the same time the water-logging nature which is certainly not good for the neighbouring cultivated land and for the health of the locality could also be improved.

Another small point with regard to the railway feeder roads. It is only a small experience which I have come to know personally in this matter. Before then, I have known that in olden days of railway construction the feeder roads and the cross village paths are generally done by the Railway Companies. Now, Sir, the Local Boards are asked to undertake the acquisition of land and then do the railway feeder roads by themselves. I do not know how far a demand of this nature can justifiably be made of the Local Boards, which in my province are suffering very much for want of money. And in village cross roads and village pathways so much inconvenience is caused to the villager. These roads at the crossing point will be passing below the ground level or about 10 feet above the ground level. The Railway Company gives facilities for levelling the road just a few feet on either side only. By that the village people who are using this suffer very much in these level crossing pathways. These are some of the difficulties, Sir, which I want to place before the Government and I make my earnest appeal to the Honourable Government Member and the Honourable the Chief Commissioner of Railways to see that these small difficulties are kindly attended to.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, speaking at this late hour I do not propose to make any very elaborate speech, but before I express my own views I would like to deal with one of the observations made by my Honourable friend, Mr. Basu, and that was with reference to efficiency. Sir, I deprecate, and deprecate with all the emphasis at my command, any suggestion that efficiency is likely to suffer if there is any attempt made to adjust communal inequalities. Sir, there are a sufficient number of efficient men in every community, in every class and community in our vast country, who would be quite enough to take up all the places of responsibility in the administration of the country.

THE HONOURABLE THE PRESIDENT: Please confine your observations as far as possible to communal representation in the Railway Department and in connection with railway matters.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: The observations that I have made now, Sir, for securing sufficient and fair communal representation for every class and community in India applies with special force to the Railways which more than any other service has got to do with the public. Sir, in view of the fact that Railways are utilized by all classes and communities and this is a branch of service which caters for the needs of all classes and communities in the country, it is highly necessary that in the Railway Administration we should take care

that all important communities and classes are duly represented. Sir, to secure this kind of representation in this particular kind of service cannot but appeal to every just-minded person. No person who claims to be a nationalist who fights for any popular institutions and demands that the rights of the people be secured to them, could take any reasonable objection to the demand of any community to have its fair share in the railway administration of the country. Sir, India is a vast country where we have a heterogeneous mass of population. Every class and community has got its own interest which requires to be quite as much protected and safeguarded as the interests of the nation at large. Sir, any accretion to the strength of the component parts which go to make up the nation is bound to result in additional strength to the whole body politic.

Sir, I join my Honourable friends in congratulating the Honourable the Railway Member and the Chief Commissioner of Railways on the great ability which they have displayed in managing the finances of the Railways. Sir, if the press of the country is any index of public opinion, we see that the people fully appreciate the efforts made by the railway authorities in trying to make the best of a bad bargain. Sir, time was when Railway Budgets brought in large surpluses and contributions from them went to reinforce general revenues. But, Sir, the position has now altogether changed. During recent years the position of railway finance has been far from satisfactory. Not only has the reserve fund been completely exhausted but even the contributions to the general revenues have stopped altogether. And after all, the Railway Department is in a position to carry on only with the help of the large amounts of money which it keeps borrowing from the depreciation fund. Sir, every year the same tale of frustrated hopes is repeated. The income falls short of expectation and the expenditure increases. Sir, it is high time that we tried to find out what the real cause is. We see that the passenger traffic has of late been on the decline. The motor buses are taking away a large part of this traffic and the reason is not far to seek. Sir, the reason for this lies in cheapness, in expedition, in the degree of comfort that is offered to the passenger. Railway fares in India are notoriously high so that if you travel third class on the Railways you have to pay much more than if you performed the same journey by motor bus. There is such a vast deal of difference in the comforts also. It is notorious that more often than not the third class passenger fails to find even standing room in the railway carriages. Sir, such being the circumstances, such being the failure of the Railways to provide even the poorest of amenities to the passengers, is it any wonder that the passenger traffic has been steadily declining?

Sir, there is another point to which I should like to draw the attention of the House, and that is the way in which railway fares have been allowed to continue to get increased. Sir, in spite of the fact that every increase in rates and fares has brought in lesser revenue, the railway authorities could not realize the effect of the law of diminishing returns. They could not realize that the very object with which they introduced enhanced rates and fares resulted in producing consequences which were the reverse of what was anticipated. However, it is refreshing to find that now the railway authorities have realized their error and have effected some reductions in some instances. I wish that they go boldly forward, having launched on this policy, and effect reductions all over the country as they have done in the case of one Railway, so that they could regain their lost prosperity. But, Sir, I am afraid they may not be able to do this, since there are already signs of nervousness visible. We feel that they are

[Saiyed Mohamed Padshah Sahib Bahadur.]

already computing the amount of loss on the North Western Railway as a result of the experiment which they have launched on that Railway. To my mind it looks as if all these apprehensions are totally unfounded. During the brief space during which these rates and fares have been in force, there has already been an increase in passenger traffic. If only the railway authorities are not alarmed at the boldness of the step which they have taken—a step which they should have taken long ago—if only they give this a fair trial, they are sure to set matters right. Now that measures are being taken to stimulate traffic. I would suggest that the system of return tickets may be reintroduced. I would suggest that the concessions which were until recently allowed to merchants may also be revived. I would also suggest that similar concessions may be extended to professional men like lawyers. I would suggest that movement might be encouraged by allowing concessions to excursion parties. Besides these, I do not want to dwell at any length on any other aspect of this question. I would like to say that side by side with the measures for increasing income, it is highly necessary that measures should be adopted to try and reduce expenditure. While I am on this point I cannot help expressing my regret at the extravagances which were indulged in in days of prosperity. I cannot but condemn the sinful waste of money which was involved in re-modelling railway stations, railway yards and sheds.

THE HONOURABLE Mr. HOSSAIN IMAM: Hubli is going to be re-modelled this year.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Except for the few waiting rooms that were put up, all this re-modelling was almost unnecessary and more often than not resulted in making it less convenient for passengers, especially ladies and children, to change from one train to another. Sir, one way of effecting this much needed reform in the reduction of expenditure is speedy Indianization. I have merely referred to this point. I do not want to say anything more about it. It is not so much the world depression as the policy in pursuance of which the Railways have been administered that has converted our surpluses into deficits and brought in adversity in place of prosperity. Sir, it is high time that a determined effort is made to improve the present state of affairs. We cannot afford to wait until the depression passes away. It is high time that the Railways began to set their house in order and to effect savings so that a number of new lines might be started in places where the country needs to be opened up.

THE HONOURABLE SIR JOSEPH BHOORE (Member for Commerce and Railways): Sir, may I begin by expressing the thanks of the Department which I represent and of myself for the appreciatory remarks which have fallen from Honourable Members? I can assure them that such appreciation is greatly valued by the staff and it is a great assistance and help in enabling them to face with courage and confidence the difficulties of the future. May I also say how much we value what my Honourable friend Mr. Hubback was good enough to say about the Railway Administration and the assistance which it had given in the terrible Bihar earthquake?

Honourable Members who have been long in this House will, I think, have come to realise the inevitability of some measure of repetition during the course of our Railway Budget debates. Unless Providence in its

mercy opens out some new avenue for discussion, we naturally have to fall back upon what my Honourable friend opposite described as the hardy annuals which bloom from year to year in the gardens of the Legislature. I, Sir, have an additional difficulty to face. I am called upon to reply to two debates on almost exactly similar points in two Houses, often on successive days, and here again, Sir, a measure of repetition is inevitable. I am sure that Honourable Members will sympathise with one who is not gifted with loquacity and who is called upon to face two critical audiences in the course of 24 hours under circumstances such as these. I submit, Sir, that it is evident that the criticism which was levelled against our estimates for the current year, namely, that they had been based on too optimistic a foundation, was without force. True we had no definite grounds on which we could base a confident forecast of a general economic recovery. But indications were not wanting that the ebb of the tide had at last reached its limit and it was upon those indications that we based our estimates for the current year. There was every prospect, Sir, that our receipts would have very nearly come up to our expectations if fortune had not, during almost the last lap, dealt us a blow from which we will probably not recover sufficiently to enable us to make up lost ground before the end of the Budget year. Our railway receipts had begun to show a steady, continued and substantial improvement when the terrible calamity which overwhelmed Bihar not merely stopped that improvement but imposed upon us a set-back which was of considerable severity in the initial stage. Apart entirely from the very heavy capital expenditure which we shall have to incur for reconstruction and rehabilitation, the interruption in traffic will I fear affect our receipts generally for some time to come, though I hope not to any very large or material extent. There is, however, Sir, I venture to think ground for hope. If our traffic is any barometer of economic conditions then the steady and continued rise week after week of our goods traffic may I think legitimately be held to imply that the tide has perhaps turned. Of course it may be yet a considerable time before the flow gathers sufficient strength to be reflected in any very material change in the general economic position. But if we are correct in the interpretation which we have read into our traffic figures, then I submit that those figures carry a message of hope to a sorely tried country which has borne with remarkable fortitude and patience a burden none the less oppressive because of the universality of its incidence. The continued tale of our deficits is often allowed to hide what I have held to be the real strength of the financial position which lies behind it. This is a matter of such importance that I think it will bear reiteration and I hope the House will bear with me if I venture to present the budget figures from a point of view from which they are not normally examined and if I to some extent repeat what I said in another place.

Take the years 1933-34 and 1934-35. We anticipate net receipts in these two years from all sources of 25½ and 27½ crores, respectively. Now, Sir, if instead of allocating to the depreciation reserve the large amounts which we are doing, we only paid in what was necessary to meet our requirements in these two years, we should be able to meet all our interest charges on commercial lines and we should have a balance of 1½ crores into the bargain. That surely is a satisfactory position.

Honourable Members have often in this House expressed very strong views in regard to rates and freights, especially freights for the carriage of agricultural produce. I would like, if I may, here again to repeat

[Sir Joseph Bhoze.]

what I said in another place because it is a matter of some importance. The position of the Railway Department is that so long as they are expected to work on a commercial basis, so long must they charge full commercial rates. If Government decide to give assistance to agriculture or to an industry, they hold that that assistance should not be indirect, concealed, vicarious, as it would be if rates were reduced for the carriage of their products, but that it should be direct and open, so that the principle of giving assistance and the measure of the assistance to be given might from time to time be examined and controlled by the Government and the Legislatures concerned. I may say, and I think Honourable Members will remember, that not so very long ago the Punjab Government acted somewhat on these lines. They agreed to make good to the Railway Department any loss that they might incur from the carriage of wheat at certain lower rates. Notwithstanding our general position, Sir, we have as a matter of fact done what we could to help agriculture in the hard circumstances of the day. Honourable Members are aware that on more than one railway lower freights have been quoted for certain food staples like rice and wheat, and I may say that we are examining the question of charging lower rates for certain oil seeds. But from the general policy and the principle which I have enunciated the Railway Department has never resiled.

Now, Sir, let me turn specifically to what has fallen from Honourable Members. My Honourable friend Rai Bahadur Lala Ram Saran Das, whom I am sure we are all glad to see back again safe and sound from his adventures abroad, indulged in a very comprehensive survey in which he covered the world from China to Peru. May I suggest that when a multitude of minor points are raised by a single speaker it is impossible to give him complete satisfaction without neglecting other Members who have also raised points in the course of the debate. However, as my Honourable friend is the Leader of the Opposition, I shall endeavour as far as possible to deal with the major points which have been raised in his speech. Now, I do not follow my Honourable friend in his suggestion that a Committee should be appointed to go into the question of the responsibility for the threat to the Sara Bridge. Far be it from us, Sir, to appoint a Commission to sit in judgment on Providence for action which it has taken in this matter. I think that he will realize that it was really the sudden and unexpected action of the river Ganges in flood—it was attempting to go back to the old bed of 1868—which first raised our difficulties. It is quite wrong to say that when we got the first warning we sat back with folded hands and did nothing. The warning came in 1930-31 and immediate steps were taken. Our consulting engineers were referred to and I think work was immediately started and done to the extent of some Rs. 30 lakhs. I speak subject to correction but that figure is in my mind at the moment.

Then my Honourable friend Rai Bahadur Lala Ram Saran Das and I think Mr. Hossain Imam also were very much concerned on the question of coal tenders. They suggested that the acceptance of these tenders was left to some subordinate. I can assure them that that is not the case. The Railway Board go into all these tenders and no tender is accepted without my express orders. I hope, Sir, that that will meet the point raised by my Honourable friend. My Honourable friend, Rai Bahadur Lala Ram Saran Das, further raised, as I knew he would, the question

of the charges to the Military Department. I can tell him that this matter has now been most carefully and exhaustively considered by the departments concerned and that I am the person who is now responsible for the delay in settling this question. The papers reached me at the beginning of this session and I have had no time to look into them as yet, but I think I have said sufficient to raise the hope that when my Honourable friend raises this question next year I shall be in a position to give him some more definite reply. (Applause.)

Now, Sir, I come to my Honourable friend Mr. Miller and I would like to assure him that we will not come to any conclusion lightly in regard to the Bombay-Sind connection. We recognize the validity of the arguments which he has advanced and I can assure him that the most careful consideration will be paid to those arguments before we come to any decision in the matter. My Honourable friend also raised the question of railway receipts being given the status of negotiable instruments. In order that I may not take up the time of the House unnecessarily, may I refer him to what I said yesterday in another place, in reply to a similar question put by the Leader of the European Group. Sir, I have been sufficiently long associated with my Honourable friend Sir Guthrie Russell to be imbued with a large amount of Scotch caution and therefore, Sir, I will not follow my Honourable friend Mr. Miller further in his suggestion about utilising railway bridges as road bridges for motor traffic.

My Honourable friend, Sir Kurma Venkata Reddi, whom I should like to congratulate on his very eloquent speech, asked when the revised scales of pay are likely to be brought into force and also whether they would apply to new entrants only. I can relieve him on that point at once. They will certainly only be applied to new entrants and they will be applied immediately. Then, Sir, he had some difficulty in understanding how allocations to the depreciation fund are made. Allocations are governed by specific rules and if my Honourable friend is really interested in the matter, I will see that a copy of those rules is sent to him for his information. Then, my Honourable friend desired certain information in regard to contributions to general revenues and to the railway reserve fund. I would draw his attention to Appendix D which appears in this volume, a copy of which I think is already in his hands. If it is not, Sir Guthrie Russell would be very happy to send him another copy. That, Sir, gives details of the Resolution adopted on the 20th September, 1924, which I think will afford him a certain amount of information on both these matters.

It is very evident that my Honourable friend Rai Bahadur Lala Mathura Prasad Mehrotra is not a business man or he would not have made the suggestion that the experiment we are trying on the North Western Railway should be simultaneously tried on every railway. Obviously, Sir, we are not gamblers and we cannot risk the finances of the railways in what may possibly be a gamble. We are carrying out a large experiment on one line and we hope that that experiment may give us data which may enable us possibly to recast our policy in the future—a policy which would be applicable to all lines.

My Honourable friend Mr. Hossain Imam made a complaint—I think in fact he exonerated me from any blame in the matter—he made the complaint that it was not possible for the Member replying to the debate to cover all the points raised in the course of it. May I assure him on one point, *viz.*, that it is the practice of the Railway Department to go

[Sir Joseph Bhore.]

through the debates of both Houses and to tabulate for examination and investigation all important points that have been made. I can assure him, therefore, Sir, that if I do not reply to any specific matter it does not mean necessarily that it is put into the waste paper basket. Far from it. My Honourable friend quoted as an instance of lack of control which my Honourable friend Sir Guthrie Russell was exhibiting, the duplication of the Cawnpore-Tundla section. May I point out that there is very adequate and sufficient reasons for proceeding with the work. It was found that a single line could not possibly deal with the traffic on that section and it was decided therefore to double it. The fact that apparently there has been a temporary fall in traffic does not, I think, justify my Honourable friend in charging Sir Guthrie Russell with lack of control over expenditure.

As regards locomotives, I would merely say this, that in the year 1932-33 we only bought seven broad gauge locomotives and in the year 1933-34 we bought none, and if my Honourable friend sees on the North Western Railway system certain locomotives laid up, the reason for that is simply the fall in traffic and a reduction in the number of running trains.

Now, Sir, as far as my notes will carry me, I think I have dealt with practically most of the points that have been raised. The last speaker but one suggested that we should fence more of our railway lines. I understand that statistics seem to show that more cattle are killed on fenced than on unfenced lines. Buffaloes being sporting creatures evidently find no sport in trespassing upon unfenced lines but they break in where there are fences to keep them out.

Sir, we are now in sight of the end of one budget year and the beginning of another. We have passed through many weary years of depression and we have some hope that things are about to change. Adversity, Sir, however, has its uses and the lean years through which we have passed may have had their use if they have taught us the necessity of putting our own house in order. We on the Railways are being faced with competition in many forms and from many quarters. It is essential for us to apply our minds to meet that situation and perhaps, Sir, I might appropriately close with an extract from my speech at the last Railway Conference which will give the House some indication of the attitude of the Railway Department towards this question. I then said:

"I believe that co-ordination of transport services is absolutely essential, especially in a poor country like India, if development is not to be unduly or improperly delayed. I am myself by no means pessimistic and hope that, despite the admitted obstacles to co-ordination, it will in some substantial measure be eventually secured. But it is not on co-ordination alone that Railways must rely. I do believe that there is only one sure way in which the Railways can hope to meet the competition which unforeseen transport developments of the future may have in store for them. What these developments will be it is impossible to prophecy today, but for such developments they must be prepared. It is only on the one hand by increasing the efficiency of Railways on the technical and administrative side combined with the utmost economy in working and on the other hand by straining every nerve to increase their utility to the public, that Railways will be able to face a competition that must inevitably grow with the years. Railways can ultimately only ward off the competitive challenge of their rivals if they realise, as I know they do realise, that they must offer something more attractive to the public than that which their rivals can give".

THE HONOURABLE THE PRESIDENT: This concludes the debate on the Railway Budget.

**ELECTION OF FOUR NON-OFFICIAL MEMBERS TO THE
STANDING COMMITTEE ON EMIGRATION.**

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THE HONOURABLE THE PRESIDENT: I have to announce the names of Members nominated for election to the Standing Committee on Emigration. They are:

The Honourable Mr. Mahmood Suhrawardy.

The Honourable Mr. Bijay Kumar Basu.

The Honourable Sir Kurma Venkata Reddi.

The Honourable Rai Bahadur Lala Mathura Prasad Mehrotra.

As there are four vacancies and only four candidates I declare them duly elected.

**ELECTION OF TWO NON-OFFICIAL MEMBERS TO THE STANDING
COMMITTEE TO ADVISE ON SUBJECTS OTHER THAN
"INDIANS OVERSEAS—EMIGRATION" AND "HAJ PILGRIM-
AGE" DEALT WITH IN THE DEPARTMENT OF EDUCATION,
HEALTH AND LANDS.**

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THE HONOURABLE THE PRESIDENT: I have also to announce the nominations for election to the Standing Committee for the Department of Education, Health and Lands. They are:

The Honourable Sir David Devadoss, and

The Honourable Sardar Buta Singh.

As there are two seats and only two candidates, I declare these Honourable Members duly elected.

The Council then adjourned till Eleven of the Clock on Monday, the 26th February, 1934.