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THE

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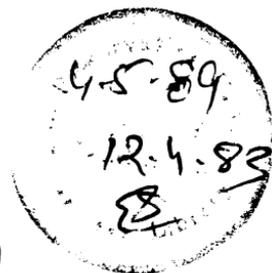
(6th February to 5th March, 1940)

ELEVENTH SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,

1940



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1940

M2LAD

Legislative Assembly.

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THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I.

Deputy President :

MR. AKHIL CHANDRA DATTA, M.L.A.

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Assistants of the Secretary :

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KHAN SAHIB S. G. HASNAIN.

Marshal :

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Petitions :

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

SYED GHULAM BHIK NAIRANG, M.L.A.

MR. N. M. JOSHI, M.L.A.

SIR ABDUL HALIM GHUZHNAVY, M.L.A.

CONTENTS.

VOLUME I.—6th February to 5th March, 1940.

	PAGES.		PAGES.
TUESDAY, 6TH FEBRUARY, 1940,—		TUESDAY, 6th FEBRUARY, 1940,—<i>contd.</i>	
Members Sworn	1—2	The Excess Profits Tax Bill— Introduced and discussion on the motions to refer to Select Committee and to circulate not concluded . . .	87—132
Starred Questions and Answers	2—9		
Unstarred Questions and Answers	9—15		
Statements laid on the Table	15—51		
Death of Mr. Sham Lal	52—53		
Motions for Adjournment <i>re</i> — Riots in Sind—Disallowed by the Governor General . . .	53	WEDNESDAY, 7TH FEBRUARY, 1940,—	
Haj Pilgrim Traffic—Permis- sion to move not granted . . .	53	Starred Questions and An- swers	133—143
Panel of Chairmen	54	The Press and Registration of Books (Amendment) Bill— Motion to circulate nega- tived	143—155
H. E. Governor General's assent to Bills	54	The Indian Penal Code (Amendment) Bill—Cir- culated	155—156
Home Department Declaration of Exemptions laid on the Table	54—57	The Aligarh Muslim Univer- sity (Amendment) Bill— Introduced	156
External Affairs Department Declaration of Exemption laid on the Table	57—58	The Transfer of Property (Amendment) Bill—Intro- duced	156—157
The Indian Arbitration Bill— Presentation of the Report of the Select Committee	58	THURSDAY, 8TH FEBRUARY, 1940,—	
The Registration of Trade Marks Bill—Presentation of the Report of the Select Committee	58	Starred Questions and Answers	159—73
Insurance Rules laid on the Table	58—84	Resolution <i>re</i> — Guiding principles in res- pect of catering contracts on Indian Railways—With- drawn	173—98
Election of Members to the Standing Committee for Roads	85	Air Defence of India— Adopted	198—220
The Drugs Bill—Introduced . .	85	FRIDAY, 9TH FEBRUARY, 1940,—	
The Offences on Ships and Air- craft Bill—Introduced	85	Members Sworn	221
The Indian Coinage (Amend- ment) Bill—Introduced	85—86	Starred Questions and An- swers	221—35
The Reserve Bank of India (Amendment) Bill—Intro- duced	86	Unstarred Questions and Answers	235—37
The Royal Indian Navy (Ex- tension of Service) Bill— Introduced	86	Messages from H. E. the Governor General	237
The Registration (Emergency Powers) Bill—Introduced . . .	86	Election of Members to the Standing Committee for Roads	238
The Foreigners Bill—Intro- duced	86—87	Committee on Petitions	238

PAGES.		PAGES.	
FRIDAY, 9TH FEBRUARY, 1940,—contd.		THURSDAY, 15TH FEBRUARY, 1940,—	
Home Department Declaration of Exemption laid on the Table	238—39	Starred Questions and Answers	399—427
The Excess Profits Tax Bill—Discussion on the motions to refer to Select Committee and to circulate not concluded	239—79	Unstarred Questions and Answers	427—29
MONDAY, 12TH FEBRUARY, 1940,—		Election of Members to the Public Accounts Committee	430
Member Sworn	281	The Reserve Bank of India (Closing of Annual Accounts) Bill—Introduced	430
Starred Questions and Answers	281—95	The Indian Arbitration Bill—Passed as amended	430—45
Statement laid on the Table	296	The Registration of Trade Marks Bill—Passed as amended	445—55
The Excess Profits Tax Bill—Referred to Select Committee	296—324	FRIDAY, 16TH FEBRUARY, 1940,—	
The Registration (Emergency Powers) Bill—Passed as amended	324—25	Starred Questions and Answers	457—66
The Foreigners Bill—Passed	326—27	Presentation of the Railway Budget for 1940-41	466—75
The Royal Indian Navy (Extension of Service) Bill—Passed	327—28	The Factories (Amendment) Bill—Introduced	476
Resolution <i>re</i> amendment of Rules governing the grant of Travelling and Other Allowances to Members of the Indian Legislature—Amendment of Mr. J. D. Boyle adopted	329—30	The Indian Emigration (Amendment) Bill—Introduced	476
The Drugs Bill—Referred to Select Committee	330	THURSDAY, 22ND FEBRUARY, 1940,—	
The Offences on Ships and Aircraft Bill—Passed	331	Starred Questions and Answers	477—82
WEDNESDAY, 14TH FEBRUARY, 1940,—		General discussion of the Railway Budget	483—537
Member Sworn	333	FRIDAY, 23RD FEBRUARY, 1940,—	
Starred Questions and Answers	333—49	Member Sworn	539
Unstarred Question and Answer	349	Starred Questions and Answers	539—59
Motion for Adjournment <i>re</i> Raid on the Punjab Town by Tribal Gang—Ruled out of Order	349—50	Unstarred Questions and Answers	559—61
The Indian Merchant Shipping (Amendment) Bill—Circulated	350—78	Message from the Council of State	561—62
The Aligarh Muslim University (Amendment) Bill—Circulated	379—97	Arrangement <i>re</i> discussion of the Railway Demands for Grants	562—63
		The Income-tax Law Amendment Bill—Introduced	563
		The Reserve Bank of India (Second Amendment) Bill—Introduced	563
		The Indian Coinage (Amendment) Bill—Passed	563—66
		The Factories (Amendment) Bill—Passed as amended	566—83

	PAGES.
FRIDAY, 23RD FEBRUARY, 1940,—contd.	
The Reserve Bank of India (Closing of Annual Accounts) Bill—Passed	583
The Indian Emigration (Amendment) Bill—Passed	583—85
The Reserve Bank of India (Amendment) Bill—Passed	585—86
SATURDAY, 24TH FEBRUARY, 1940,—	
Member Sworn	587
Starred Questions and Answers	587—600
Postponed Questions and Answers	600—03
Unstarred Questions and Answers	603—04
Election of Members to the Public Accounts Committee	604
The Railway Budget—List of Demands—	604—58
Demand No. 1—Railway Board—	605—58
Control of Capital Expenditure	605—23
Vagaries of the Grand Trunk Express running between Madras and Delhi—	624—29
Increase of Freights	630—49
Grievances of Railway Employees	650—58
MONDAY, 26TH FEBRUARY, 1940,—	
Starred Questions and Answers	659—69
Unstarred Questions and Answers	669—70
Statements laid on the Table	670—71
The Railway Budget—List of Demands	671—730
Demand No. 1—Railway Board	671—727
Grievances of Railway Employees	671—83
Muslim Grievances	683—720
Conditions of Service in Railways	721—27
Demand No. 2—Audit	727
Demand No. 3—Miscellaneous Expenditure	727
Demand No. 5—Payments to Indian States and Companies	728

	PAGES.
MONDAY, 26TH FEBRUARY, 1940,—contd.	
The Railway Budget—List of Demands—contd.	
Demand No. 6-A—Working Expenses—Maintenance of Structural Works	728
Demand No. 6-B—Working Expenses—Maintenance and Supply of Locomotive Power	728
Demand No. 6-C—Working Expenses—Maintenance of Carriage and Wagon Stock	728
Demand No. 6-D—Working Expenses—Maintenance and Working of Ferry Steamers and Harbours	728
Demand No. 6-E—Working Expenses—Expenses of Traffic Department	729
Demand No. 6-F—Working Expenses—Expenses of General Departments	729
Demand No. 6-G—Working Expenses—Miscellaneous Expenses	729
Demand No. 6-H—Working Expenses—Expenses of Electrical Departments	729
Demand No. 7—Working Expenses—Appropriation to Depreciation Fund	729
Demand No. 8—Interest Charges	730
Demand No. 10—Appropriation to Reserve	730
Demand No. 11—New Construction	730
Demand No. 12—Open Line Works	730
TUESDAY, 27TH FEBRUARY, 1940,—	
Starred Questions and Answers	731—49
Unstarred Questions and Answers	750—60
Central Government Appropriation Accounts and Finance Accounts	760
Demands for Supplementary Grants—Railways	760—81
WEDNESDAY, 28TH FEBRUARY, 1940,—	
Starred Questions and Answers	783—804

	PAGES.		PAGES.
WEDNESDAY, 28TH FEBRUARY, 1940,—contd.		FRIDAY, 1ST MARCH, 1940,—	
Resolution re—		Starred Questions and	
Constitution of the Simla		Answers	873—80
Town as a Centrally		Statement of Business	880—81
Administered Area—With-		The Coal Mines Safety (Stow-	
drawn	804—20	ing) Amendment Bill—Intro-	
Appointment of a Com-		duced	881
mittee to formulate a		The Agricultural Produce Cess	
Sound Policy for Deprecia-		Bill—Introduced	881
tion and Capital Expendi-		The Income-tax Law Amend-	
ture in respect of the Rail-		ment Bill—Passed	881—83
ways—Withdrawn	820—40	The Reserve Bank of India	
Picture Gallery for New		(Second Amendment) Bill—	
Delhi—Withdrawn	840—46	Passed	883—91
Enactment of Labour Legis-		TUESDAY, 5TH MARCH, 1940,—	
lation on certain lines—		Member Sworn	893
Discussion not concluded . .	847—48	Starred Questions and	
THURSDAY, 29TH FEBRUARY, 1940,—		Answers	893—900
Member Sworn	849	Transferred - Questions and	
Starred Questions and		Answers	901—09
Answers	849—50	Posts and Telegraphs Appro-	
Presentation of the General		priation Accounts	910
Budget for 1940-41	850—72	Bill passed by the Council of	
The Indian Finance Bill—		State	910
Introduced	872	General discussion of the	
		General Budget	910—55

LEGISLATIVE ASSEMBLY.

Saturday, 24th February, 1940.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

MEMBER SWORN.

Mr. John Hugh Francis Raper, M.L.A. (Government of India: Nominated Official):

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

CONSTRUCTION OF CERTAIN UNORTHODOX QUARTERS IN NEW DELHI.

160. *Sardar Sant Singh: (a) Is the Honourable the Labour Member aware that a large number of clerks are already on the waiting list of the allotment of 'C' and 'D' class of unorthodox quarters at New Delhi and have waited in vain for one to four years, while their fellow clerks applying for orthodox quarters have hardly to wait for more than a year?

(b) Is he prepared to consider the desirability of constructing more quarters of these types to meet the growing demand for such quarters? If no more quarters are to be constructed in the near future, does he propose to consider the desirability of effecting a change at an early date in the existing rules which debar men from changing their classifications from unorthodox to orthodox and *vice versa*? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) Yes.

(b) No. Unorthodox clerks quarters of the types mentioned are costly and it is not proposed to build any more of them for the present. Under existing orders persons eligible for clerks quarters can elect to be treated as orthodox or unorthodox for purposes of residential accommodation, but once a choice has been made no change is permissible until four years have elapsed. No alteration in these orders is considered necessary.

UNORTHODOX 'C' TYPE QUARTERS IN NEW DELHI.

161. *Sardar Sant Singh: Will the Honourable the Labour Member please state the total number of unorthodox 'C' type quarters separately in old area and Minto Road area of New Delhi? How many of these are occupied by the staff attached to the Central Public Works Department and what percentage does it form to the total number of quarters and the establishment of that class in the Central Public Works Department?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The total number of 'C' class unorthodox clerks' quarters in New Delhi is 96 (excluding two reserved quarters) out of which 64 are in the old area and the remaining 32 in the Minto Road area.

Fourteen 'C' class unorthodox clerks' quarters are occupied by the staff of the Central Public Works Department. This is equivalent to 14 per cent. of the total number of quarters and 56 per cent. of the total demand of the Department. The two reserved quarters have been removed from the pool and are occupied by the Caretaker, Council House, New Delhi, and the Assistant Superintendent, Horticultural Operations, Central Public Works Department, whose duties require that they should reside in close proximity to their work.

SYSTEM OF DISPOSAL OF LAND BY THE IMPROVEMENT TRUST IN KAROL BAGH, DELHI.

162. *Sardar Sant Singh: (a) Is the Education Secretary aware that the Delhi Improvement Trust have recently sold out many plots of land for building houses in Karol Bagh on a premium of Rs. 6 to 6/8/- per square yard, over and above which certain percentage of annual rent for the ground is to be paid by each of the lessees?

(b) Was the system of disposal of land ever examined by the Delhi Improvement Trust? If not, why not, and if so, with what results?

(c) Will he please have a comparative statement prepared and placed on the table, showing how the present system of disposing of land in Karol Bagh is going to be more economical than selling it in outright sale, and what would be the effect thereof at the end of every tenth year until the expiry of the lease in each system?

(d) Will he please have the question of selling the land in the whole of Karol Bagh area examined afresh to make the sales less expensive to the Delhi Improvement Trust and less troublesome to the public who are required to arrange for the payment of lease money every half year?

Sir Girja Shankar Bajpai: (a) Yes.

(b), (c) and (d). Government consider a system of long term leases preferable to a system of outright sales in important nazul areas as it enables the Trust to maintain a certain degree of control over building in these areas and to secure to the Trust any increment in land values that may be due to improvements effected by the Trust. In these circumstances a fresh examination of the present policy does not appear to be necessary.

Dr. Sir Ziauddin Ahmad: Will Government consider the desirability of appointing a Land Sales Control Officer in the same manner as they have appointed a Rent Control Officer?

Sir Girja Shankar Bajpai: There is a Land Development Officer already.

Dr. Sir Ziauddin Ahmad: Does he control the prices?

Sir Girja Shankar Bajpai: He cannot control the prices.

Dr. Sir Ziauddin Ahmad: I want an officer who can control the prices.

SUPERVISORY STAFF FOR BUILDINGS IN CERTAIN OFFICES IN DELHI.

163. *Sardar Sant Singh: (a) Will the Education Secretary please state the number and designations of the supervisory staff for buildings in each of the following offices, and the duties assigned to each of them :

- (i) Land and Development Office, New Delhi,
- (ii) Delhi Improvement Trust; and
- (iii) Delhi Municipal Committee?

(b) Is it not one of their duties to see to the construction of the buildings according to the plans sanctioned by the respective offices? If not, what are they supposed to be doing while going round each morning in the area in their respective charge on account of which they are allowed to attend the office at 2 P.M. daily?

Sir Girja Shankar Bajpai: I have made certain enquiries and shall furnish a reply to the House after I have got the information.

DEMAND FOR UNORTHODOX 'C' TYPE QUARTERS IN NEW DELHI.

164. *Mr. Muhammad Azhar Ali: (a) Will the Honourable Member for Labour please state the number of clerks awaiting allotment of 'C' type of unorthodox quarters in New Delhi in the migratory and non-migratory establishment, respectively? How many of them are awaiting for the last one, two, three and four years, respectively?

(b) How many of such type of quarters fell vacant during each of the last three years, and how many are likely to fall vacant for allotment in the year 1940-41?

(c) Is he aware that due to the great demand for 'C' type quarters, many clerks have to wait for years together before one is allotted?

(d) Is he also aware of the additional hardship that these persons would be subjected to by the recent amendment in the rules, under which a person going out of class would not be deprived of the quarter in his possession until a higher type of quarters is allotted to him?

(e) Is he also aware that by the location of the Secretariat offices at New Delhi, the staff which was till now migratory will have to undergo a great hardship for want of accommodation for twelve months in the year as against six months previously?

(f) Will he please state what he proposes to do to minimise the hardship in the case of those who are entitled to this type of quarters?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) The number of clerks awaiting allotment of 'C' type unorthodox quarters in New Delhi in the migratory and non-migratory establishment is 105 and 22, respectively. Out of these 57 migratory and seven non-migratory have been waiting for one year, 30 migratory and four non-migratory for the last two years, ten migratory and one non-migratory for the last three years and eight migratory and ten non-migratory for the last four years.

(b) three, twelve and seven 'C' class unorthodox clerks' quarters fell vacant during 1937-38, 1938-39 and 1939-40, respectively. Only one such quarter is likely to fall vacant in the year 1940-41.

(c) Yes.

(d) The majority of clerks will be benefited by the amendment referred to, as once quarters have been allotted to them, they will continue in unbroken occupation of those or other quarters of a higher class so long as they are employed at the Headquarters of the Government of India.

(e) Some of the staff affected will be able to secure quarters vacated by the migratory staff during the summer season.

(f) Government have not accepted the obligation to provide quarters for the entire staff, and under present conditions, it is, I am afraid, not possible to build more quarters of the 'C' class unorthodox type.

Mr. Muhammad Ashar Ali: How do Government propose to accommodate these clerks who have not got any quarters?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Government have never accepted the obligation to provide cent. per cent. quarters for all the staff. They have laid down, as their policy, that 80 per cent. of the requirements will be provided for by the Government. The rest of them will have to look out for themselves as indeed Government servants in any other place do.

Dr. Sir Ziauddin Ahmad: Did Government consider the question of shortage of housing accommodation when they decided not to have migration to Simla?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Yes, Sir; and additional accommodation for a lower type of quarters for clerks is being considered.

Mr. N. M. Joshi: Is it a fact, Sir, that on account of the permanent residence of the Government of India in New Delhi improvements are being made in the quarters for officers and the subordinate staff, but in the case of officers the improvements are large and costly, while, in the case of quarters for subordinate staff, the improvements are very meagre, and is it also a fact that the Government of India are providing air-conditioned roofs to the officers, and not to the subordinate staff?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Strictly speaking, this does not arise out of the main question, but I shall try to satisfy my friend. If he will please look up the answer I gave to Dr. Sir Ziauddin Ahmad at the beginning of this Session, he will find the answer there that it is not true or correct to say that Government are providing better facilities or amenities for officers' quarters while not giving the same facilities for clerks' quarters. Whatever facilities are required and to the extent that the Government can, have been provided for each kind of quarters and it is not correct to say that any special additional facilities have been provided for officers' quarters.

Mr. N. M. Joshi: May I know, Sir, whether air-conditioned roofs are not quite suitable for the subordinate staff, and whether the air-conditioned roofs which are provided for officers' quarters are not suitable for quarters of the subordinate staff also?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I do not know what the Honourable Member means by air-conditioned roof, but the Government of India have not considered any such thing and are not providing any air conditioned roofs for anybody at all.

Dr. Sir Ziauddin Ahmad: May I know, Sir, whether it is a fact or not that the Government of India are contemplating to build more houses of the "C" type?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Government are not contemplating to build more houses of the 'C' class unorthodox type.

LAY-OUT OF THE IMPROVEMENT TRUST PLOTS IN CERTAIN AREAS IN DELHI.

165. *Mr. Muhammad Ashar Ali: (a) Is the Education Secretary aware that the Delhi Improvement Trust is having all plots of land for building purposes in Karol Bagh, Subzi Mandi, Daryaganj demarcated in such a way that each of them is open on two sides at least?

(b) Is he also aware that the Trust is spending lacs of rupees to improve all such localities which are congested or have not been provided with all the modern amenities now available in the City or New Delhi?

(c) Is he also aware that, even before the establishment of the Delhi Improvement Trust, the lay-out of Karol Bagh and other areas was designed in such a way that each plot was kept, as at present, open on two sides at least?

(d) Will he please state if there are any houses in these localities which are not so open on two sides at least, and if so, where they are?

(e) Is he also aware that some of such houses are without any ventilation?

(f) Were such houses ever inspected by the Health Officer, or the Chief Health Officer and what was his opinion? If these have not been inspected, do Government propose to have it done now?

(g) Will he please state whether any amount has been or is proposed to be set apart to improve the lot of such houses and to bring them in line with the rest of the houses in the localities which open on two sides at least? If not, why not?

Sir Girja Shankar Bajpai: (a) and (b). Yes.

(c) The original lay-out of Karol Bagh, of over 25 years ago, and of other Nazul areas, probably contemplated construction which should have at least two sides opening on to a free air space. Owing to the transference of lease rights, however, and the sub-division of holdings, many plots in Karol Bagh and other areas no longer had two free sides when the Trust was set up.

(d) Such houses exist in Karol Bagh as well as in other Trust localities and throughout the city of Delhi. It is not possible to give a list of them.

(e) Some houses have inadequate ventilation.

(f) Many such houses have been inspected by the Chief Health Officer, whose opinion is that judged by modern standards of light and air they should not be inhabited.

(g) No amount has been set apart but the Trust have enforced the closure of many tenements in Karol Bagh as unfit for human habitation in their present condition and are considering what further measures can be taken to improve housing conditions in the area.

Mr. Muhammad Ashar Ali: Is it a fact or not that several applications are lying in the office of the Trust where improved houses could be built?

Sir Girja Shankar Bajpai: Strictly speaking, that does not arise out of this question, but I shall make inquiries and let my friend know.

INSANITARY CONDITION OF CERTAIN LANES AND ROADS IN KAROL BAGH, DELHI.

366. ***Mr. Muhammad Ashar Ali:** (a) Is the Education Secretary aware that even after the expenditure of lacs of rupees by the Delhi Improvement Trust on the improvement of Karol Bagh area, its sanitary condition is far from satisfactory and the lanes and roads in Naiwala and Beadonpura, etc., remain flooded with water, and are full of refuse and rubbish, making passage through them difficult?

(b) Is he also aware that the houses recently built in these localities have been required by the Delhi Improvement Trust to be fitted with sanitary fittings and connected with sewage, and that such houses are very few in each lane?

(c) Is he also aware that unless other house-owners in such lanes are in the same way required by the Delhi Improvement Trust to fit their houses with sanitary fittings and drains connected with the sewage at an early date, the sanitary conditions of these lanes in Naiwala, etc., can never improve? If so, what does he propose to do in the matter and when?

(d) Apart from the steps already taken by the Delhi Improvement Trust to improve the localities, what steps has the Municipal Health Office taken to see day to day removal of rubbish from the drains and have them properly washed?

(e) Will he please state what he proposes to do to improve the sanitation of the area and to safeguard the interests of the house-owners, mentioned in part (b) above?

Sir Girja Shankar Bajpai: (a) No. I am informed that sanitary conditions in the Karol Bagh area have improved out of all recognition as the result of the execution of the Trust's Western Extension Scheme. The works are nearing completion and action for connecting house sullage with the sewers is being taken. This will improve conditions further.

(b) and (c). It is a fact that in the old Karol Bagh *abadi* the number of new houses fitted with modern sanitation at the time of construction was relatively small. Action to enforce the connections of the waste water drains of every house to the sewers is, however, being taken throughout the entire area and the Trust is using every endeavour to encourage the installation of sanitary fittings in private houses.

(d) In the Western Extension built-up areas, pending completion of all services by the Trust and the transfer of such services to the Delhi Municipal Committee, the drains are maintained and cleaned by the Central

Public Works Department on behalf of the Trust. Scavenging and conservancy are the responsibility of the Delhi Municipal Committee, whose routine arrangements are still in force.

(e) As stated under (a), (b) and (c) the Trust is taking appropriate action.

RECRUITMENTS TO THE IMPERIAL RECORDS DEPARTMENT.

167. *Mr. Muhammad Azhar Ali: (a) Is the Education Secretary aware if it is a fact that the Keeper of Records of the Government of India was permitted to recruit his First Grade personnel direct and not through the Federal Public Service Commission on the ground that he wanted technical and experienced men to be promoted to that grade from within the office?

(b) Are Government aware that some outsiders have either been recruited or earmarked for some vacancies in preference to the experienced and technical staff already employed?

(c) Is it also a fact that many of those who are already employed are graduates, and in spite of that, raw graduates from outside are being recruited direct to the First Grade? If so, what steps does he propose to take to safeguard the interests of those who are already working in the Imperial Records Department?

Sir Girja Shankar Bajpai: (a) It was never the intention of Government that all vacancies in the first grade of the Imperial Record Department should be filled by the Keeper of the Records of the Government of India only by promotion of persons already employed in that Department.

(b) Of the four vacancies one goes to a senior man of the permanent clerical staff and the other three to three assistants who have been on the temporary staff since 1937. No outsiders have been recruited.

(c) In view of the reply to part (b) it is clear that the Keeper of the Records of the Government of India gives due consideration to the claims of persons already employed in his office at the time of filling vacancies in the first grade.

Dr. Sir Ziauddin Ahmad: With reference to the answer to part (c) of the question, is it also a fact that many of those who are already employed are graduates, and in spite of that, raw graduates from outside were recruited direct to the first grade?

Sir Girja Shankar Bajpai: No. The position is that there was a competitive examination held by Khan Bahadur Abdul Ali in 1937. From 500 candidates 19 were selected and of those, four were recruited, and of the four recruited in 1937, three have been promoted.

Dr. Sir Ziauddin Ahmad: 1937 or 1837?

Sir Girja Shankar Bajpai: 1937.

Dr. Sir Ziauddin Ahmad: The examination was held three years ago. I thought 108 years ago. The result is the same.

Sir Girja Shankar Bajpai: If it had been held 108 years ago, those who took part in the examination would be under the earth by now.

DEMAND FOR UNORTHODOX 'C' TYPE QUARTERS IN NEW DELHI.

†168. ***Pandit Krishna Kant Malaviya:** (a) Is the Honourable Member for Labour aware that the allotment of Government quarters to the ministerial establishment is made in New Delhi according to seniority and in Simla according to juniority?

(b) Is he also aware that there is a large number of clerks awaiting allotment of quarters for many years particularly for the 'C' type of unorthodox quarters?

(c) Is he further aware that the chances of allotment of Government quarters to them have been minimised by the recent amendment of the rules whereby, until a higher type of quarter is not made available, an allottee would continue to occupy the quarter already in his possession?

(d) Is he further aware that this recent amendment has adversely affected the position of those clerks who had vacated their previous quarters and were left with no accommodation, many of whom have waited in vain for years together; if so, what he proposes to do to remove their difficulties?

(e) Is he further aware that many of these clerks are keen to have even a lower type of quarters until quarters of the proper type become available?

(f) Is he further aware that by permitting them to occupy the lower type of quarters, Government will gain by realizing at least the maximum rent of the quarters?

(g) Is he further aware that allotment of quarters is to be made by the Estate Office in March next?

(h) Is he prepared to consider the desirability of allotting accommodation to such of the clerks at this time who were ousted from Government quarters before the above mentioned amendment came into force and are now prepared to accept any type of quarters for the present? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) In both Delhi and Simla the allotment of quarters is made by seniority in the case of married clerks and by juniority in the case of single clerks.

(b), (c) and (d). The Honourable Member is referred to my replies to parts (c) and (d) of starred question No. 164.

(e) Yes, but no quarters of a lower type are available for allotment to them.

(f) Does not arise in view of my reply to part (e).

(g) Yes.

(h) No. As the number of entitled applicants in all classes exceeds the number of quarters, no quarters are available for out-of-class allotments.

CREATION OF NEW APPOINTMENTS OF ASSISTANT ENGINEERS IN THE CENTRAL PUBLIC WORKS DEPARTMENT.

169. ***Mr. Muhammad Ashar Ali:** (a) Will the Honourable the Labour Member kindly state how many new appointments of Assistant Engineers are being created in the Central Public Works Department?

(b) How is it proposed to fill up these posts?

† Answer to this question laid on the table, the questioner being absent.

(c) Is the recruitment being made through the Federal Public Service Commission? If not, why not?

(d) What is the present proportion of Europeans, Anglo-Indians, Muslims, Hindus, Sikhs, etc., in the gazetted staff under the Central Public Works Department—technical and non-technical sides—separately?

(e) Is it a fact that the proportion of Europeans and Anglo-Indians is already much more than their share according to Government orders?

(f) How many new appointments are being offered to Europeans and Anglo-Indians? What are their qualifications?

(g) Is it also a fact that numerous qualified engineers with English qualifications who are without employment, are available in India and the new posts are being offered to men already in service with poor or no qualifications? If so, why?

(h) Was the Honourable Member consulted in regard to the procedure to be adopted in filling the new posts? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) Ten posts of Assistant Executive Engineer are being created in the Central Public Works Department with effect from the 1st April, 1940.

(b) The posts will be filled by recruitment in accordance with the "Central Engineering Service (Class I) Recruitment Rules" published in Department of Labour Notification No. E33, dated the 20th May, 1939, which appeared on page 883 of Part I of the *Gazette of India* of the same date.

(c) The appointments will be made in consultation with the Federal Public Service Commission.

(d) A statement is placed on the table.

(e) The communal orders do not apply to Europeans of non-Asiatic domicile. As regards Anglo-Indians and Domiciled Europeans, the answer is in the affirmative.

(f) and (g). Until the Federal Public Service Commission have been consulted, I regret I can give no information on these points.

(h) The details of Secretariat procedure are confidential and cannot be disclosed.

Statement showing the present proportion of Europeans, Anglo-Indians, Muslims, Hindus, Sikhs, etc., in the Gazetted staff of the Central Public Works Department.

		<i>Technical.</i>	
Community.		No. of officers.	Percentage.
Europeans		9	22.5
Hindus		14	35
Muslims		7	17.5
Domiciled Europeans and Anglo-Indians		6	15
Sikhs		3	7.5
Indian Christians		1	2.5
Total		40	
		<i>Non-Technical.</i>	
Muslims		1	33.3
Domiciled Europeans and Anglo-Indians		2	66.7
Total		3	

Mr. Muhammad Azhar Ali: Is there any difference between an examination by the Federal Public Service Commission and consultation with the Federal Public Service Commission?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Oh, yes. If promotions are to be made from one class to another the Federal Public Service Commission has to be consulted, no question of examination arises in that case. If new recruitment has to be made, the Federal Public Service Commission may hold a competitive examination.

AMENDMENT OF THE CALCUTTA UNIVERSITY ACT AND ESTABLISHMENT OF A UNIVERSITY IN ASSAM.

170. *Dr. Sir Ziauddin Ahmad: (a) Will the Secretary for Education, Health and Lands please state if the Bengal Government have drafted any Bill to amend the Calcutta University Act?

(b) Have the Government of India received any communication from the Bengal Government about the amendment of the Calcutta University Act?

(c) Have the Government of Assam approached the Government of India about the establishment of a University in Assam?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state the manner of introducing the consequential amendment in the Calcutta University Act?

Sir Girja Shankar Bajpai: (a) The Government of India have no information.

(b) In 1938, the Bengal Government addressed a communication to the Government of India in which the question of amending the Calcutta University Act was raised. The matter was, however, held over as the question of the classification of multi-unit universities under the Government of India Act, 1935, was under consideration. The recent enactment of clause 7 of the India and Burma (Miscellaneous Amendments) Bill, a copy of which is in the Library, has produced a position in which the authority competent to amend the Calcutta University Act is the Bengal Legislature.

(c) No.

(d) If a University is established in Assam nothing will, I apprehend, be required beyond the cancellation of so much of the notification now in force under section 27 of the Indian Universities Act, 1904, as includes Assam in the territorial limits within which the powers conferred on the Calcutta University shall be exercisable.

Dr. Sir Ziauddin Ahmad: With reference to the answer to part (b) of the question, I want to know whether the permission of the Bengal Government is necessary in order to have legislation in the Assam Legislature for the creation of a University?

Sir Girja Shankar Bajpai: No. The permission of the Government of Bengal is not necessary.

Dr. Sir Ziauddin Ahmad: If legislation is enacted, then the Calcutta University Act will automatically be modified?

Sir Girja Shankar Bajpai: Obviously, if the Legislature in Assam undertakes legislation to establish a University of its own, automatically the Indian Universities Act in its application to the Calcutta University will be modified.

Dr. Sir Ziauddin Ahmad: May I know whether the permission of the Government of India or the Governor General is necessary for such enactment?

Sir Girja Shankar Bajpai: My Honourable friend will appreciate that I cannot here, without looking into the Act of which I have not a copy in front of me, attempt to interpret the different implications of the Act.

STAFF ON LEAVE AFTER THEIR TRANSFER TO THE DEPARTMENT OF SUPPLY.

171. ***Mr. H. M. Abdullah:** (a) Will the Honourable the Leader of the House be pleased to state the number of ministerial staff who have proceeded on leave after their transfer to the Department of Supply and the duration of such leave?

(b) Was the possibility of reversion to their permanent departments after they have consumed leave earned in this Department considered, as required under the rules?

(c) If the reply to part (b) be in the negative, what other considerations led to their retention when the department itself is temporary and the nature of work done therein most urgent?

The Honourable Sir Muhammad Zafrullah Khan: (a) One assistant only has been granted leave for two months and sixteen days, on medical grounds.

(b) There is no such rule.

(c) Does not arise.

STAFF RECRUITED IN CERTAIN OFFICES.

172. ***Mr. H. M. Abdullah:** Will the Honourable the Leader of the House be pleased to state the number of the staff recruited (chargeable against the Department of Supply) by the following offices and how many of them are Muslims:

Director of Contracts,

Indian Stores Department and its attached offices,

Controller of Supplies, Bengal Circle, and

Chief Timber Inspector?

The Honourable Sir Muhammad Zafrullah Khan: I lay on the table a statement giving the information asked for.

Statement showing the number of the staff recruited in certain Offices (Chargeable against the Department of Supply) and the number of Muslims.

Office.	Description of staff.	No. of staff recruited.	No. of Muslims.	Remarks.
Director of Contracts	Officers . . .	8	Nil	Promoted subordinates (Anglo-Indians) . . . 2 British Commissioned Officers . . . 5 British Civilian Purchase Officer . . . 1 9, of whom 2 are Muslims, are yet to join.
	Clerks (Lower Division of the I. A. C. C.)	105	27	
	Inferior servants	24	3	
Indian Stores Department and its attached Offices.	Officers . . .	7	1	A second post has been reserved for a Muslim and steps are being taken to recruit a suitable officer belonging to that community.
	Technical Subordinates.	8	1	3 Muslims under recruitment.
Headquarters Office	Superior staff .	123	34	16, of whom 5 are Muslims, have since left.
	Inferior staff .	37	12	5, of whom 3 are Muslims, have since left.
Subordinate Offices.	Superior staff .	57	15	4, of whom 1 is Muslim, have since left.
	Inferior staff .	23	3	3 non-Muslims have since left.
Controller of Supplies, Bengal Circle.	Superior staff .	7	1	..
	Inferior staff .	2	1	..
Chief Timber Inspector.	Superior staff .	3	Nil.	
	Inferior staff .	1	Nil.	

RECRUITMENTS IN THE DEPARTMENT OF SUPPLY.

173. *Mr. H. M. Abdullah: Will the Honourable the Leader of the House be pleased to enquire into the fact that most of the recruits from 1st October, 1939 to the Department of Supply belong to places within 50 miles radius of District Shahpur, Punjab, and does he propose to consider the possibility of drafting men from other Provinces?

The Honourable Sir Muhammad Zafrullah Khan: I have made enquiries and find that the allegation made in the first part of the question is not correct and the second part does not, therefore, arise, but I may add that no discrimination whatever is made either in favour of or against any particular district or province in the matter of recruitment.

OBSERVANCE OF COMMUNAL REPRESENTATION IN CASE OF SOLDIER CLERKS EMPLOYED BY THE CIVIL (SUPPLY) DEPARTMENTS.

†174. ***Mr. M. Ghiasuddin:** Will the Honourable the Leader of the House be pleased to state whether communal representation is observed in the case of soldier clerks employed by the Civil (Supply) Departments?

The Honourable Sir Muhammad Zafrullah Khan: I presume that the Honourable Member means to enquire whether soldier clerks are treated as part of the ordinary establishment when the rules for ensuring proper communal representation are under consideration. If that is his intention, the answer is in the affirmative.

LEAVE RULES FOR WAR ESTABLISHMENT EMPLOYED BY GOVERNMENT.

†175. ***Mr. M. Ghiasuddin:** (a) Will the Honourable the Leader of the House be pleased to state if war establishment engaged by the Government of India (including the Supply Department) are subject to the same rules in the matter of leave as the permanent establishment? If so, what leave, if any, has been enjoyed by such establishments?

(b) What measures, if any, have been taken to stop the grant of leave to such personnel in view of the emergency of war?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). This question should have been addressed to the Honourable the Home Member.

EXTENSIONS TO STAFF IN THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

176. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will the Secretary for Education, Health and Lands kindly state if his attention had been drawn to an article in the *Star of India*, dated the 2nd July, 1938, under the heading "Scandal of Extensions"?

(b) Is the allegation that Christian officers in the Department of Education, Health and Lands had been made to retire prematurely in order to give room for promotion to Hindus on extensions, correct? How many Christian officers retired prematurely, and is it a fact that in one such place so vacated (*vis.*, Assistant Secretary) a Hindu on extension of service was appointed?

(c) Is it a fact that even after the issue of this article, further extensions of services were given to some Hindus?

(d) Is it a fact that the Assistant Secretary referred to above was retired on pressure from the Finance Department? Is it a fact that he has been provided on retirement with another job—that of Assistant Secretary in the Research Fund Association?

(e) How many men are now on extensions? What are their ages and how many of them are Muslims? Does Secretary propose to grant them further extensions?

Sir Girja Shankar Bajpai: (a) Yes.

† Answer to this question laid on the table, the questioner being absent.

(b) The reply to the first part of the question is in the negative. One Christian Superintendent who was 54 years of age and had put in about 35 years' service was allowed to retire at his own request in 1937. The senior Assistant in the Department who was appointed to succeed him was a Hindu who was 51 years old at the time.

(c) Yes; the one referred to in part (e) of the answer. One other short extension was given because the relieving officer was not immediately available.

(d) The reply to the first part of the question is in the negative. As regards the second part, the Government of India are not concerned with appointments made by the Indian Research Fund Association nor is their approval required.

(e) One only, a Hindu, whose age is 57 years and 4 months. The question of the grant of further extension has not yet been considered.

Dr. Sir Ziauddin Ahmad: How many extensions were given to the Assistant Secretary?

Sir Girja Shankar Bajpai: My recollection is that he was given two extensions, one for one year and one for 1½ months.

Dr. Sir Ziauddin Ahmad: May I know how many extensions altogether were granted to different individuals in the Department of Education, Health and Lands?

Sir Girja Shankar Bajpai: I cannot possibly answer that question.

POSTPONED QUESTIONS AND ANSWERS.

PRICES OF PIG IRON, IRON INGOTS AND CORRUGATED IRON SHEETS.

66. *Dr. Sir Ziauddin Ahmad: (a) Will the Honourable the Commerce Member be pleased to state the present selling prices of (i) pig iron, (ii) iron ingots, and (iii) corrugated iron sheets?

(b) What are the fair selling prices of these articles determined by the Iron and Steel Tariff Board?

(c) Is it not a fact that protective duties were determined on the fair selling prices, fixed by the Tariff Board?

(d) Who gets the benefit of the rise of prices?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) and (b). I lay a statement on the table giving the information so far as it is available.

(c) Yes.

(d) It depends on the circumstances of the case.

Statement showing the present market prices and the fair selling prices estimated by the Tariff Board of Pig Iron, Steel ingots and Galvanized corrugated sheets.

Name of the article.	Present quotations. (as on 16th February 1940)		Fair selling price estimated by the Tariff Board.
	Rs.	A. P.	
Pig iron (Foundry No. 1).	94 0 0	per ton f. o. r. Calcutta.	Not estimated. The article is not protected.
Pig iron (Foundry No. 2).	92 0 0	Do.	
Pig iron (Foundry No. 3).	90 0 0	Do.	
Pig iron (Foundry No. 4).	88 0 0	Do.	
Pig iron (Basic)	61 8 0	Do.	
Steel Ingots	Not available.		Rs. 63 per ton f. o. r. port for billets inclusive of Excise duty.
	Tata commercial.	Others.	
	Rs. A. P.	Rs. A. P.	
Galvanized corrugated sheets :—			Rs. 176 per ton f. o. r. port inclusive of Excise duty.
(i) 24 Gauge (Tata I. S. D. Prime quality.)	15 0 0	16 4 0	
(ii) 22 Gauge (Tata I. S. D. Prime quality.)	15 8 0	16 4 0	
(iii) 24 Gauge (British Prime quality.)	} Not available.	16 0 0	
(iv) 22 Gauge (British Prime quality.)		16 8 0	

Dr. Sir Ziauddin Ahmad: Has the Honourable Member himself or his office ever calculated the amount of excess profit which this company is making over and above the profit allotted to them by the Tariff Board?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: It will be calculated very soon by my Honourable colleague, the Finance Member.

Dr. Sir Ziauddin Ahmad: I do not unfortunately possess the same amount of material which the Honourable Member has got, but I should like to know whether he has visualised in his mind as to the manner in which the recommendations of the Tariff Board are being carried out?

(No answer.)

Dr. Sir Ziauddin Ahmad: I want only this simple point to be explained whether the Honourable Member or his Department has ever worked out the manner in which the recommendations of the Tariff Board are being actually carried out, whether they are getting the profits allotted to them by the Tariff Board, whether they are getting more or less?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: From time to time we are watching the effect of the protective duties on certain commodities or certain manufactures which are benefitted by the scheme of protection.

Dr. Sir Ziauddin Ahmad: This particular commodity is one of those?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Yes, Sir.

POSTPONEMENT OF THE MEETING OF THE CENTRAL ADVISORY BOARD FOR EDUCATION.

69. *Dr. Sir Ziauddin Ahmad: (a) Will the Secretary for Education, Health and Lands state if it is not a fact that the meeting of the Central Advisory Board for Education was convened for 15th January, 1940, by the Educational Commissioner to the Government of India?

(b) Why was the meeting postponed?

(c) What are the reasons for not holding any meeting of the Central Advisory Board of Education in the year 1939-40?

(d) Is the Central Advisory Board discharging the functions contemplated at the time of its reconstitution?

(e) What were the reconsiderations of the Hartog Committee about the Central Advisory Board?

Sir Girja Shankar Bajpai: (a) The Honourable the Chairman of the Board did decide, in October last, that a meeting of the Board should take place on the 15th and 16th January, 1940.

(b) The meeting was postponed owing to the resignation of the Ministers in the majority of the Provinces. As the Honourable Member is aware, Provincial Governments are represented on the Board by their Education Ministers and for the annual meeting of the Board it has always been considered desirable to secure the attendance of as many Ministers as possible. It is intended, however, to hold a meeting now not later than the beginning of May.

(c) The last meeting of the Board was held in December, 1938, and it was decided to hold the next meeting in January, 1940, which was near enough in point of time to retain the annual character of the meeting. Although the Board has not met since December, 1938, its investigational activities, which are carried out through sub-committees, have been fully in progress.

(d) Yes.

(e) The recommendations of the Hartog Committee with regard to the Central Advisory Board of Education will be found in Chapter XV, section 1 on its Report, a copy of which is available in the Library of the House.

Dr. Sir Ziauddin Ahmad: Was not any meeting of the Central Advisory Board held in the calendar year 1939, or in the financial year 1939-40?

Sir Girja Shankar Bajpai: My Honourable friend is a very fine mathematician and from my answer he would have gathered already that none was held in the calendar year 1939 and as regards the financial year 1939-40, it is not over yet. I cannot say whether a meeting will be held or not.

Dr. Sir Ziauddin Ahmad: May I deduce from this that no meeting was held in the calendar year 1939? Does he contemplate any meeting before March 1940; if not, the answer will be nil.

Sir Girja Shankar Bajpai: I have already said that we contemplate a meeting not later than the beginning of May. It is not possible for me at this juncture to say whether it would be feasible to hold a meeting by the end of March next. It will depend upon the state of business.

Dr. Sir Ziauddin Ahmad: Then the reply is "No". The Honourable gentleman said that the meeting was postponed on account of the resignation of ministries. May I deduce from that that the meetings have been postponed indefinitely because we do not know when the Congress Ministry may come back to office.

Sir Girja Shankar Bajpai: I have already said that we are holding a meeting not later than the beginning of May, independently of whether the ministries come back or not.

UNSTARRED QUESTIONS AND ANSWERS.

WORKINGS OF THE PAYMENT OF WAGES ACT ON RAILWAYS.

33. Mr. Umar Aly Shah: Will the Honourable Member for Labour please lay a statement of the workings of the Payment of Wages Act on the Railways showing *inter alia* the legal actions taken against the employees for delay in payments since 1st April, 1937?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The question of publishing a Report on the working of the Payment of Wages Act on railways is under consideration. With regard to the latter part of the question, I would refer the Honourable Member to the answer given to Mr. N. M. Joshi's question No. 878, on the 9th September, 1938.

REDUCTION OF ELECTRICITY CHARGES AT DELHI-SHAHDARA.

34. Mr. Umar Aly Shah: Will the Honourable Member for Labour please state the reasons for not reducing the electricity charges for the supply to consumers at Delhi-Shahdara, to the level of the charges paid by the consumers at Delhi, when the area is under the control of the Central Electricity Board?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The Honourable Member apparently refers to the Delhi Central Electric Power Authority, Limited, and not to the Central Electricity Board which is concerned with the making of regulations and not with the supply of electricity. Electrical energy is supplied in Delhi-Shahdara by Messrs. Martin and Company, who at present take a bulk supply from the United

Provinces Hydro-Electric Project. The town is within the area of supply of the Delhi Central Electric Power Authority, Limited, and it is understood that the Authority will before long be in a position to give a bulk supply from Delhi. Up to the present, conditions in Delhi-Shahdara are the same as they were before the Authority was established.

IMPOSITION OF CIRCUMSTANCES AND PROPERTY TAX ON PERSONS SERVING UNDER THE CENTRAL GOVERNMENT BY DISTRICT BOARDS IN THE UNITED PROVINCES.

35. Mr. Umar Aly Shah: (a) Will the Secretary for Education, Health and Lands please state the particulars of the notification under which the Governor General in Council has given his previous sanction for the imposition of circumstances and property tax on persons serving under the Central Government by District Boards in the United Provinces for those persons residing in rural area of those Boards?

(b) Do Government propose to instruct those Boards not to assess the pay of those persons for that tax? If not, why not?

Sir Girja Shankar Bajpai: (a) The imposition of a tax of the nature referred to by the Honourable Member does not require the previous sanction of the Governor General in Council.

(b) Does not arise.

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS COMMITTEE.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that up to 12 Noon on Thursday, the 22nd February, 1940, the time fixed for receiving nominations for the Committee on Public Accounts six nominations were received. Subsequently two Members withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare the following to be duly elected to the Committee, namely:

- (1) Mr. Muhammad Azhar Ali,
- (2) Mr. J. Ramsay Scott.
- (3) Mr. Suryya Kumar Som, and
- (4) Sir Syed Raza Ali.

THE RAILWAY BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Mr. President (The Honourable Sir Abdur Rahim): The House will now deal with the Railway Budget, Second Stage, that is, the Demands for Grants. In pursuance of the arrangement I announced yesterday, I understand that the European Group will move their cut motion No. 46. The Demand will have to be moved first.

DEMAND NO. 1—RAILWAY BOARD.

The Honourable Sir Andrew Clow (Member for Railways and Communications) : Sir, I move :

"That a sum not exceeding Rs. 9,02,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1941, in respect of 'Railway Board'."

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official) : May I ask you, Sir, whether, after this motion is disposed of, if there is any spare time left in the time allotted to the European Group, other Members of the Party may bring up small cut motions?

Mr. President (The Honourable Sir Abdur Rahim) : If there is time, then the Group may move any other motion they like.

Lieut.-Colonel Sir Henry Gidney : Thank you, Sir.

Mr. President (The Honourable Sir Abdur Rahim) : Motion moved :

"That a sum not exceeding Rs. 9,02,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1941, in respect of 'Railway Board'."

Control of Capital Expenditure.

Mr. T. Chapman-Mortimer (Bengal: European) : Sir, I move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

This question of the control of capital expenditure is for the Railways, as it must be for every great industrial concern, a matter of the utmost importance, and one in respect of which any lack of vigilance will be dearly bought. The problem raises large issues, and I have no doubt that as this debate progresses, some of these will be touched upon by other Honourable Members. I, for my part, shall confine myself only to two. The first of these relates to control of expenditure in the narrow sense, that is to say, the procedure under which and the machinery through which control is exercised by the Railway Board. As I understand the position, it is broadly as follows. In so far as expenditure is on, for example, schools or dispensaries and so forth, the General Managers and Railway Agents have little or no power to sanction capital expenditure of this kind other than expenditure which might almost fall within the category of renewals that are charged to capital account. The amount which the Railways may spend on this head is in fact limited to the trifling sum of Rs. 2,000. There is, however, another and of course very much larger class since it covers all types of capital expenditure other than the small class which I have just mentioned, and in respect of this other class the Railway Agents have authority to spend on any one scheme sums up to a lakh of rupees without requiring the sanction of the Railway Board to the detailed estimates of these schemes. On the face of it it would appear that this leads to a very considerable loophole where the control of the Railway Board is in fact withdrawn. It is, therefore, necessary that we should consider in some detail, so far as we can with the limited information at our disposal, how far this procedure is sound and how far the machinery of control may be said to provide an adequate check on any tendency towards excessive expenditure on capital account likely to arise as a result of this procedure.

[Mr. T. Chapman-Mortimer]

There are four main stages at which the machinery of control plays its part. The first of these naturally is the stage where the local Railway Accounts Officers satisfy themselves as to the nature of the schemes and are also in a position to satisfy themselves as to each detail put before them; that is to say, all these schemes that come within the sum of one lakh receive the close scrutiny of these local Accounts Officers. Next is the administrative supervision that I understand now exists, but which formerly did not exist, under which the Railway Agents have to submit to the Financial Commissioner for Railways a list of all schemes involving not less than Rs. 20,000 and not more than one lakh that they are contemplating on capital account. If the Financial Commissioner is generally satisfied that these schemes seem on the face of them sound, and if he is satisfied that they are reasonably necessary, he says, "you may go ahead with these schemes and I am prepared to sanction up to X number of lakhs, which you may allocate as you wish amongst the various schemes that you have submitted." The Railway Agents may, for example, have a number of schemes which in the total come to fifteen lakhs, and the Financial Commissioner may say, "I cannot give you fifteen, but I am prepared to give you ten lakhs."

Now, the Railway Agents in such circumstances have one of two alternatives,—either they can attempt to modify all their schemes or revise them in such a way as to bring them down from fifteen lakhs, say, to ten lakhs, or they can decide, "we will go forward with some schemes and leave others for the time being." I shall refer to this point in a moment. The third stage at which the machinery of control operates is the stage where all capital expenditure involving over a lakh of rupees has to receive the specific sanction of the Financial Commissioner and, naturally through him, of the Board themselves. In such cases the total expenditure under the various heads is subject to the supervision and examination of the Financial Commissioner. No doubt the Financial Commissioner later will explain to us to what extent this scrutiny in fact takes place, that is to say, how far he goes into detail and how far he considers that it is not necessary. Lastly, Sir, the machinery of control operates at the stage when the Standing Finance Committee for Railways receives the schemes that have been approved by the Railway Board and submitted to them for their examination and approval. The question that we have to consider is whether the machinery of control that I have very briefly outlined is in all respects adequate for the task that it has to perform. On former occasions we in this Group have stressed the great importance of adequate control of expenditure,—expenditure both on revenue account and expenditure on capital account. We have also emphasised how important a part is played in that control by an effective budgetary control,—more particularly in the case of working expenditure,—not only of expenditure on revenue account but also of course the control that must be exercised by the Government over schemes of capital expenditure. Now so far as the budgetary control of expenditure on revenue account is concerned, we in this Group are satisfied that a tremendous improvement has taken place during the last three or four years. That improvement was commented upon by our Leader in his speech on another occasion and I need not say more now than to repeat what he said then, that we are satisfied that the Government and the Railway Board are doing everything they reasonably can to secure an effective control over the working expenditure of the

Railways. At the same time I must frankly say that we are far from happy over the question of the control of capital expenditure. When, for example, the sums involved are less than one lakh, we feel that here is a case that calls for further examination so as to decide as to whether or not the present position is in fact satisfactory.

Now, we all know that there are times when the Finance Member may be so comfortably well off with funds that he may say to the Railway Financial Commissioner and to the Railway Board, "I am prepared to go easy so far as my Department is concerned, and we should be prepared to see you spend much more money both on capital account and on revenue account." Now, Sir, in such circumstances, if it again arises in the near future and it may do,—I do not say it will, but it may—in such circumstances it seems to us that the present system under which the capital expenditure of Railways is controlled may lead to excessive expenditure or in some cases perhaps to wasteful expenditure. Now, Sir, I have no doubt that my Honourable friend will reply that there is no danger of this happening at present nor, so far as he can see, in the near future. He will no doubt assure us that a very strict and careful control is now being exercised. He will also tell us, I have no doubt, that the estimates of any schemes put forward for expenditure on capital account on the sole authority of Railway Agents are closely vetted by his own officers and that he is satisfied that that control is effective. But I think he will be the first to admit that no man can bind his successor and we know perfectly well what happened in the past, and it is from that aspect that I feel that we ought to consider the matter now. We know what has happened in the past and we do not want that to happen in the future. Let us assume that the Financial Commissioner for Railways and the Railway Board are absolutely determined that for the present there should be a very strict control over capital expenditure. Let us assume also that every one of his accounts officers fully realises the importance of that control and watches with the eyes of a hawk over all the details of expenditure submitted to him. With such men, I have no doubt that the policy now in force will continue; but we want to be absolutely certain that Government fully appreciate the danger that it may again happen that capital expenditure may increase unreasonably. Unfortunately, as we all know and the Government of India themselves know, the present policy of strict control has not always been pursued by the Government. In the United Kingdom, I believe, all schemes involving a capital expenditure of more than £500 have to receive the sanction of the Boards of Railway Companies. The reason for this is obvious. However expert the technical men may be, however competent the expert accountants of the Company may be, when capital expenditure is involved, there is something much bigger that has to be decided, viz., the aspect of general financial policy; how that is going to be affected, for example, by the trade returns over a certain area or the trade returns over a period, and so on. All these considerations are matters which naturally and properly come before the Board of Directors who vet them, whereas at the stage when they come before the experts, be they technical experts or accountants, these men look at the scheme solely from the technical or accounting point of view.

Now, Sir, we in this Group feel that the present position in regard to procedure is not satisfactory. I am not one of those who believe that the efficiency of Railways in this country can be achieved by hampering

[Mr. T. Chapman-Mortimer]

Railway Agents and tying their hands in every direction. On the contrary, I think there are many ways in which Railway Agents might be freed to some extent from hampering restrictions. At the same time the consequences of wrongly conceived capital expenditure—and by “wrongly conceived” I do not mean that it is necessarily wrong in itself, but it is wrongly conceived in relation to the circumstances at that time—the consequences of wrongly conceived capital expenditure are so serious that, in common with my colleagues in this Group, I feel that the existing limit of one lakh below which the Agents have more or less unfettered control to spend as they like, is wrong in principle. We recognise that this system cannot perhaps immediately be changed and may not be susceptible to a complete change, but at least we should like to see some modification in it to the extent possibly of reducing the limit from a lakh to Rs. 50,000.

Now, Sir, the other aspect of the capital expenditure to which I should like to refer in this speech is the question of the spread of expenditure over a period. May I say at once that we in this Group perfectly recognise that in order to maintain the efficiency of the railways there are certain types of capital expenditure that must be incurred immediately the necessity arises, otherwise you allow the railways to go below the limit of efficiency that Government feel is the right limit. Naturally, therefore, in so far as that class of expenditure is concerned, we recognise that it is impossible in many cases to spread it over a period of years. At the same time, as the case of the rolling stock programme shows, it is possible to spend money over a period on a definite plan so as to even out the heights and the depths of the boom or depression.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Can you give any illustration as to what expenditure should be undertaken immediately?

Mr. T. Chapman-Mortimer: There may be a bridge which was swept away during floods and that may have to be replaced at once. Obviously, there are heaps of cases like that and my Honourable friend knows far better about them than I do. He is on the Committee which studies these matters. At the same time, we feel that this spread of expenditure can be brought about to some extent and I believe I am correct in saying that the Honourable the Financial Commissioner for Railways and the Railway Member themselves recognise this and are to some extent acting upon it now. In fact, they will probably be able to say they are now doing this to a very large extent; but what we do want to know now is that that is the accepted policy of the Government. We should like to be re-assured that there will be no repetition of what happened in 1924 to 1929 and that if, contrary to what my Honourable friend Sir Andrew Clow suggests, he is faced with large and growing surpluses in the coming years—I do not say for a moment that it will be so but it might be—I hope the Government of India will remember what happened on the last occasion when they had a succession of huge surpluses from the railways. I hope that they will give us their assurance that it is their policy to spread expenditure over a period in such a way as to mitigate the hardship that falls on industry and also to see that there is a curtailment of railway expenditure on the railways themselves in times of boom. Sir, I move.

Mr. President (The Honourable Sir Abdur Bahim): Gut motion moved:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

Dr. Sir Ziauddin Ahmad: Sir, I wish to discuss first the two points raised by my friend, Mr. Chapman-Mortimer, before I come to my own points. There is no doubt a standing rule that the Agents are authorised to sanction themselves an expenditure not exceeding a lakh of rupees and the Divisional Superintendents have also got similar powers of sanction delegated to them by the Agent. The thing that is missing, however, is that the maximum amount which they can spend in a year is not prescribed. It is quite possible that a very large contract may be split up into smaller contracts of less than one lakh each and in that way the sanction of the Railway Board may be avoided. Therefore, it is very desirable that rules ought to be framed by the Railway Board that, though up to a particular limit they can incur expenditure without their previous sanction, but the total amount so spent during the whole year should not exceed a certain amount. Therefore, the maximum limit ought to be prescribed. In that case, they will not be able to misuse their power of expenditure as they do now. The second point that is raised by my friend, Mr. Chapman-Mortimer, is a very important point and that relates to the supervision of the Standing Finance Committee for Railways which is under the supervision of the Legislature. We are all convinced that the supervision of the Legislature is absolutely nominal. We will have the guillotine on Monday and the time at our disposal is very limited. Formerly, we used to have four days, which has now been reduced to two, to express our grievances. After the guillotine, the whole budget will be taken as passed by this House. Therefore, our supervision is very nominal and I think there is something fundamentally wrong in it. We have got the Financial Commissioner for Railways. He, together with his colleagues of the Railway Board, discusses various matters with the Railway Agents and then he comes to certain conclusions.

The budget is prepared by the Financial Commissioner in consultation with his colleagues and the Agents and as soon as the budget is prepared, it is laid before the Standing Finance Committee for Railways. The manner in which the permission of this Committee is obtained is the same which was practised by the King of Zululand in the fourth century. Whenever he wanted the sanction of his Ministers, he invited them to a dinner in which he gave them plenty of champagne and at midnight he asked them to sanction items, which related to his luxuries. Of course, the items were sanctioned all right. Things are not so bad now as they were in the time of the King Zululand, but there is certainly some resemblance to the practices of those days. My Honourable friend gives a trip to the Members of the Standing Finance Committee for Railways to Karachi or Madras and holds the meetings of the Committee there, where they are well fed and well looked after. He pleases the members in this way and he also knows fully well that he has got the majority in his pockets. So, the sanction is given straightaway. In order to have proper supervision, we should follow the practice of the Standing Finance Committee which existed some time ago and I hope it will come into existence very soon. The meetings should be held in Delhi. All the Agents should be called before the Standing Finance Committee and they should be asked to lay their cases before them. They should prepare their own budget and place them before the Committee. Then, there is another thing which

[Dr. Sir Ziauddin Ahmad]:

is fundamentally wrong. At the present moment, the Standing Finance Committee is presided over by the Financial Commissioner. It ought to be presided over by the Member for Communications. The Financial Commissioner himself prepares the budget and it is very desirable that the Chairman of the Committee which scrutinises the budget ought to be a person different from the person who is responsible for the preparation of the budget. These are the two points which I wished to mention in connection with the speech of my friend, Mr. Chapman-Mortimer.

Now, I wish to raise two points of my own on this motion. I should like to begin them by reciting a small story. The story is about the accounts prepared by an undergraduate in Oxford. The father sent this undergraduate £100 for his pocket expenses and at the end of the term he asked him to submit the account. The account that he submitted was like this: Price of one tie, 1s.; price of one pair of socks, 2s. 6d.; Miscellaneous expenses, £99-16-6.

Sir, I am certain that every person who is an expert in finance will never agree to this kind of accountancy in the preparation of the budget. Of course, our accountants here are not so bad as the undergraduate of Oxford, but I think it is bad enough. Where comparative figures from *statistique internationale des chemins de Fer* all the railways in the world are given and I can present the same to my Honourable friend if he cares to have it. I have got before me the expenditure on different railways of the world divided under various heads, that is under general management, traffic, ways and works, rolling stock, traction, etc., and the last column is Miscellaneous. A good accountant can always verify that the item under miscellaneous expenditure should be as low as possible and not like that of the Oxford undergraduate. The expenditure under miscellaneous are :

	Percentage to total expenditure.
" Germany	Nz
Belgium Northern Railways	0.9
French State Railways	0.5 "
Coming to the British Railways,	
" Great Western Railway	5.1
London and N. E. Railway	3.1
London Midland and Scottish Railway	3.8
American Railways	1.1
South African Railways	2.5 "

Now what do you imagine the figures would be for Indian Railways?

An Honourable Member: Ten.

Dr. Sir Ziauddin Ahmad: Go on further: In "Indian Railways it is 25.2 per cent."

I know definitely how this 25.2 was calculated. I was rather surprised myself when I studied the figures of expenditure under Miscellaneous heading in this book on general Statistics. When I read it for the first time, I certainly thought that 25.2 under Miscellaneous should be

wrong. I thought there seemed to be some mistake somewhere. Then I went through very carefully and found that 25.2 was correct because they have included depreciation fund which does not exist anywhere in the world and for which there is no appropriate column. They have put this depreciation fund under 'Miscellaneous'. I, therefore, submit, that the Government should minimise expenditure under the head 'Miscellaneous' and they should not show all kinds of items under this head. If you open the budget you will find a large number of things like these, advisory committee for railways, coal purchase, timber purchase, inspection and so on—all these come under 'Miscellaneous' expenditure as if they have come in casually for which there is no regular provision possible in the budget.

The next point is about capital expenditure and the manner in which it is spent. But before I give my own arguments, I should like to read one passage from the Retrenchment Committee's report of 1931 about capital expenditure :

"As regards estimates, there are over a dozen instances when estimates have been exceeded by over 20 per cent.—we are showing these in italics in the statement in Appendix F. We would here draw special attention only to two projects: the Calcutta Chord Railway which was originally estimated to cost 180 lakhs and is now estimated to cost 320 lakhs, and the Kangra valley railway which was started on an estimate of 134 lakhs and is now expected to cost nearly three crores."

The total expenditure on new constructions from 1924-25 to 1930-31 is over 42 crores, and it is the interest charges on this capital and on the capital sunk on Open line works—which amounts to over 105 crores in the same period (exclusive of 15 crores for the purchase of existing lines) which have contributed to a great extent to the condition in which railways find themselves at present. We consider that this ought to be a lesson to the Railway Board for the future."

I don't know whether the Railway Board acted like a good boy, who always takes lessons from his masters or whether they acted, like a naughty boy or a naughty boy who thinks himself to be infallible, and never takes any advice from any person.

Now, coming to capital expenditure, I should like to say a few points. It is universally admitted that Indian railways are over-capitalised. The causes of over-capitalisation are many. Renewals and replacements which ought to have been paid out of the revenue account directly or through Depreciation Fund are now debited to the capital account and are paid by fresh borrowing. This system of accountancy reminds one of the story of a person who purchased a pair of shoes for 7s. 6d. and resoled it three times at a cost of 2s. 6d. each, claiming that the sole each time was better than the previous one. He then claimed 15s. as the capital value of the pair of shoes. When asked to determine the present value of his over-capitalised pair of shoes, he with a feeling of self-sacrifice expressed willingness to accept 11s. 6d. The same would happen to our Railways, if their present value is evaluated. The excess capital will be treated as bad debt and the interest will be paid by the general revenues of the country. Whether we write it off or not the burden will fall on the taxpayers of India. Whatever may have been the system of accountancy in the past, it is desirable that railways should not be saddled with unnecessary capital expenditure on which interest charges are paid. The principle in future should be that all fresh expenditures yielding income should be debited to capital account and the expenditure intended only for improvements but yielding no additional income should be paid out of the

[Dr. Sir Ziauddin Ahmad]

revenue account. This is the principle on which the future capital expenditure of the railways should be regulated.

There is no doubt that the question of capital expenditure has never been discussed on the floor of the House and this is the first time during the budget debate that the European Group has brought forward for discussion this particular item. I always insisted that it is rather unfair to pass the programme of capital expenditure by guillotine. Railway is really a commercial concern and whenever the Government borrow money for extending business, a definite Resolution ought to be tabled before the House and discussed. New expenditure to be met by fresh borrowing should be incurred after obtaining the approval of the Legislature in an explicit form. Now, Sir, this method of putting in quietly—I would use the word, stealthily—in the general budget at very end the borrowing scheme of capital expenditure and afterwards getting sanction indirectly by means of the guillotine is certainly unfair to the taxpayers and unfair to the Legislature. In the case of the general budget, I think they are at liberty to drop a programme and so on, but whenever the question of fresh borrowings comes in, whenever we want to saddle the future generations with interest charges, I think it is very desirable that the legislature and the taxpayers should know very definitely what the Government are doing. Therefore, I should like to add to the suggestion of my Honourable friend, Mr. Chapman-Mortimer, that in case of a capital programme, the sanction of the House should be obtained explicitly by means of a Resolution and it should not be included in the budget demand at all because that is not regular income and expenditure. Whenever the railways embark upon fresh borrowings for increasing their business, I think the shareholders—and in our case, shareholders mean the taxpayers—should be given the right to see whether these fresh borrowings are of legitimate character should be permitted or not.

There are a few more points, but I am afraid I have not got the time to develop those points. I should like to remind my Honourable friend who is responsible for the drawing up of the budget that he should not forget the simple arithmetic that after 1, 2 and 3, "four" comes in and that 'four' should not disappear. He will say that under item 4, there used to be 'refunds' some years ago. But 'refund' is really a casual item. It does not exist every year. It can find a place under 'miscellaneous' along with the other big items. I therefore suggest the number 4 also should find a place after item 3 and my Honourable friend should not skip over item 4 and pass on to items, 5, 6, 7 and so on. He can put in Inspection under this head which used to occupy a separate heading and which is now included in Miscellaneous. As I have no further time, I cannot develop other points. With these words, I resume my seat.

Mr. M. S. Anay (Berar : Non-Muhammadan) : Sir, I am one of those who, according to Sir Ziauddin are casually invited by the King of Zululand to a dinner and called upon to vote for the proposals which he places before us. Let me assure my Honourable friend that however much we may disagree with the present procedure, the members of the Standing Finance Committee take a good deal of pains to understand the proposals placed before them.

Dr. Sir Ziauddin Ahmad : I did not mean any reflection on the members of the Committee; I was only criticising the system.

Mr. M. S. Aney: I did not take it to be a serious reflection at all. But, as I said, they take great pains to understand the proposals and make various suggestions to improve the existing procedure which is surely unsatisfactory. The difficulty, as pointed out by Mr. Chapman-Mortimer, as regards capital expenditure, is really this that there is want of adequate control over it. The control at the initial stages to which he made reference is not, I believe, a matter to which this House can give any serious attention. The real point which concerns this House is the form in which the proposals are placed before the Standing Finance Committee. The point is that under the rules there is a limit below which the Railway Agent does not require permission to propose new schemes, that limit being one lakh of rupees. Now a salutary practice has been introduced, to call from him certain details about schemes that are above Rs. 20,000 and below a lakh of rupees. Now, we found that it was quite a common practice with Agents, even in regard to schemes costing more than one lakh, to split them into different sections and put the cost of each section as below one lakh so as not to require the sanction of the Committee and the Railway Board. By these manipulations the Standing Finance Committee and the Railway Board are not dealt with fairly, to use no stronger term, by the Agents. This practice should be stopped somehow and my personal view is that if a limit is to be placed as regards sanctioning of plans brought up by Agents, that limit should be very low and not as high as a lakh of rupees. It should not even be, as Mr. Chapman-Mortimer suggested, Rs. 50,000, but should be cut down still further. As he himself pointed out, the limit in England is £ 500. If in a country where the Agents are trained engineers and men with great experience the limit is only £ 500, I do not see why here it should be Rs. 50,000. This point should be considered seriously by the Railway Board.

Then, there is another point. I agree with Sir Ziauddin that capital expenditure is a matter which should be dealt with by this House, but, unfortunately, under the existing system, the capital programme generally comes under the guillotine. Even if it does not come under the guillotine it is such a big programme that it is impossible for this House to consider it in detail at all. So there should be a committee to seriously watch the programme of capital expenditure for the year by regularly sitting for a number of days. Before some such arrangement is made I agree that there should be a definite sanction of this House for a big amount that is to be borrowed for carrying out that programme. After all, by the adoption of capital programmes, we make commitments not for ourselves only but for future generations who will have to bear the interest charges. And when such big commitments are to be made and we want to fasten a permanent liability upon the general revenues of the country for the interest charges, it is necessary that it should be sanctioned by the House after regular discussion of the question and the expenditure involved. Therefore, Sir Ziauddin's suggestion to the Railway Board to bring forward a proposal in the form of a Resolution in this House deserves careful consideration.

It is also, unfortunately, true, that we have notorious examples of miscalculation of estimates in regard to capital expenditure. In the boom years of 1924-30 there used to be a regular programme of sanctioning 30 crores for capital expenditure on New Construction, etc. The estimates

[Mr. M. S. Aney] presented to the Committee by the experts of the Railway Board showed that each project carried an interest of something like seven per cent. minimum and they said they would be able to pay so much for interest on the capital sunk and so much for contribution to general revenues and also something for the reserve fund, and so on. It was said that everything was carefully examined by these experts and ordinary members of the Standing Finance Committee had to accept their advice; but even before the depression years had set in it was found that the projects were not yielding the revenues which were expected of them and all our anticipations were frustrated. So I submit that at the initial stage a very careful examination from the financial point of view should be made, before matters are brought before the Standing Finance Committee for sanction. It involves technical knowledge of engineering and the costs to be incurred and the Railway Board ought to have a very expert staff to go into all these details minutely and make estimates. Of course, there is bound to be some difference between an estimate and the actual expenditure, but that should be within a reasonable margin and not like what was pointed out by the Inchcape Committee where the sanction was for 130 lakhs and the actual cost was 340 lakhs. So, instead of paying these experts for their mistakes for which we have to suffer I submit that the capital expenditure should be properly controlled and an adequate staff of financial experts should be available to the Financial Commissioner and the Railway Board. They must do their work properly. I do not want to disclose any details of our deliberations at the meetings of the Standing Finance Committee here but we found that certain mistakes were committed, which even we were able to detect, in the programmes, but which escaped the attention of certain officers who were entrusted with this work of scrutinising the estimates. I can understand that in the midst of big mass of papers things might escape their notice, but anyhow they are paid for looking into all these things. For instance, we found that a type of engine was shown in the estimates as costing one lakh by the Agent while the same type was shown by another Agent to cost $1\frac{1}{2}$ lakhs. I can understand human weakness and the possibility of error of all kinds, but there should be greater vigilance over these matters by the Railway Board itself. They cannot expect the members of the Standing Finance Committee, who are after all laymen, to exercise that kind of close financial control. The first thing required is an adequate staff of financial experts to allocate and examine all these matters from the technical and financial point of view. Secondly, the power of the Agents to sanction certain amounts themselves must be restricted.

I do not agree with Mr. Chapman-Mortimer that the limit should be Rs. 50,000; it ought to be much lower than that—I would like to suggest Rs. 20,000 for any individual scheme and the total amount for which this discretion can be used by the Agent should also be fixed for every financial year. Thirdly, there is the suggestion of my Honourable friend, Dr. Ziauddin Ahmad, that there should be some Resolution of this House sanctioning a loan for Capital expenditure before it is floated and before future generations are committed to the payment of interest thereon for a long time to come.

All these three points should be carefully considered by the Honourable Member. I whole-heartedly support the motion moved by my friend, Mr. Chapman-Mortimer.

Mr. B. M. Stalg (Financial Commissioner, Railways): Sir, this question of the control of capital expenditure can be considered from two standpoints, first, that of the financial rules regulating the allocation of expenditure between capital, depreciation fund and revenue, and second, the adequacy of the machinery laid down for the examination of proposals for capital expenditure prior to their sanction. If the rules regarding allocation are unsound, then the result is over-capitalization and unduly heavy interest charges; if the machinery for control is inadequate, then there may be not only over-capitalization but definitely nugatory expenditure and waste. I propose to deal with these two aspects of the question separately. My friend, Dr. Ziauddin Ahmad, has alluded to the former while Mr. Chapman-Mortimer has dwelt mainly on the latter.

In regard to the rules regarding allocation, those Members of this House who were members of the Standing Finance Committee and the Public Accounts Committee in 1936 will remember the thorough examination of the rules then in force made by my predecessor, Sir Raghavendra Rau, and the proposals he then framed. I do not propose to allude to these in great detail. The important change that was then made with a view to the avoidance of over-capitalization was in the allocation as between capital and revenue, either directly or through the depreciation fund, of the cost of the replacement of assets. Up to that time on State-managed Railways the rule was that if an asset was replaced, revenue either directly or through the depreciation fund was charged only with the original cost of the asset. If the cost of replacement exceeded the cost of the original asset, the excess was charged to capital even when the replacement was simply of like by like. To take an example, if the replacement of an asset costing originally Rs. 10,000 cost Rs. 15,000, then Rs. 10,000 was charged to revenue or the depreciation fund, and Rs. 5,000 to capital. As the rules now stand, the whole of Rs. 15,000 is charged to the depreciation fund—that is, assuming that the replacement is of like by like

Dr. Sir Ziauddin Ahmad: Will you give me the date of this Public Accounts Committee meeting?

Mr. B. M. Stalg: In the summer of 1936. If, however, the new asset represents a betterment, the assessed value of the extent of betterment only is charged to capital. That was the important change in allocation then effected as between capital and revenue. Had it been in force from 1924, it has been estimated that the capital now at charge of railways would have been less by some 20 crores.

Another change in the rules then discussed related to the raising of the limit of minor works chargeable to revenue and this was examined alternatively with a proposal to create, by allocation from revenue, a betterment fund from which expenditure on improvements which were not sufficiently remunerative could be met. It was admitted that it was impracticable in the financial conditions then obtaining to add to revenue charges, but the principle was accepted by the Standing Finance Committee and the Public Accounts Committee. As the House learned in the Honourable the Communications Member's budget speech, it has now been decided that some measure of reform in this direction should be no longer postponed and that revenue should make each year a more adequate contribution than hitherto to expenditure on minor improvements and

[Mr. B. M. Staig]

additions. We have, therefore, decided to raise on State-managed Railways with effect from the 1st April, 1940, the minor works limit from Rs. 2,000 to Rs. 10,000, and this is, we feel, as far as we can go at present.

In this connection, I should like to refer to certain remarks made by Mr. Aikman in his speech on the general discussion of the budget and of the Mover of this cut motion. They reminded us of the necessity for looking ahead to the slump that we anticipate will follow the present war and to the desirability of avoiding any serious curtailment then of our works programme both in the interests of the country as a whole and of railways. Government would always be anxious to avoid any unjustifiable addition to capital, but if railways prospered it might be possible,—and I mention it only as a possibility in regard to which no commitment can be made now—further to raise the minor works limit to, say, Rs. 25,000, so that, without adding unwisely to capital, works desirable, though unremunerative, could be charged to revenue on a somewhat more generous scale than in the past. Further, I need perhaps hardly say that if in the conditions then obtaining it was practicable to carry out remunerative works chargeable to capital economically every endeavour will be made to find the funds. It is, however, impossible to do more than generalize on this subject at present.

Allusion has also been made to the desirability, within the funds available, of an even distribution of expenditure over a series of years. There are, as has been recognised by my Honourable friend, the Mover, some genuinely practical difficulties in the way of this. In the last decade capital expenditure has been on such very modest lines as to render this issue hardly of any real significance. We have, however, paid regard to it, particularly in placing an order for wagons with Indian wagon supplying companies for three years. That was three years ago. We were only precluded from taking a similar course in regard to the last large order for wagons because of the uncertainties created by the international situation which prejudiced our chances of supply. I can assure the House that this question of the even spread of expenditure will not be lost sight of.

I now turn to the machinery laid down for the scrutiny of capital expenditure. For this purpose, as my Honourable friend the Mover explained, expenditure is roughly divided into two categories; (a) schemes inherent in and essential to railway working, relating to track, rolling stock, buildings, marshalling yards, etc., and (b) schemes not absolutely essential to railway operation but which it is desirable to provide, both in the interest of the railway administration and of its employees, e.g., schools, hospitals and dispensaries. In regard to the latter category, as Mr. Chapman-Mortimer has observed, powers are delegated to General Managers up to the limit of Rs. 2,000 only. In regard to rolling stock chargeable to capital and to the depreciation fund, there is no delegation of powers at all. All expenditure of that kind comes up to the Railway Board for sanction. The rolling stock programme for a particular year is submitted to the Board more than a year before the year to which it relates, and is discussed with General Managers prior to submission to the Standing Finance Committee in June of the preceding year. If further changes are made—and some changes are usually inevitable—they are

again referred to the Standing Finance Committee before the budget is presented to this House. In regard to works other than those I have already mentioned, all schemes above one lakh come up to the Railway Board for administrative approval. The programme of Civil Engineering works reaches the Board early in the financial year preceding that to which it relates, and after examination by the Board's experts is discussed with the Railway Administrations during the tour which the Chief Commissioner and I make ordinarily in the monsoon. Any points left unsettled are further discussed in correspondence with a view to finality being reached before the proposals are presented to the Standing Finance Committee at the time of framing the Budget.

In regard to schemes above five lakhs, not only is the administrative approval of the Board required, but abstract estimates have to be framed and sanctioned by the Board before work is begun. In regard to schemes above one lakh and not exceeding five, a rough estimate of cost and a justification for the work, administrative or financial, is submitted to the Board. In regard to schemes below one lakh, the Board after perusing an itemised list of works above Rs. 20,000, allot a lump sum to Railways for this purpose. The sum is invariably considerably less than the demand of the railway, and the Board satisfies itself generally that the works itemised are necessary or desirable. Residences for officers require the special sanction of the Board in every case.

In this connection, I would remind Honourable Members of the remarks made by the Railway Inquiry Committee in regard to Capital expenditure in paragraph 74 of their Report. As my friends have reminded me in the course of this debate, they alluded critically to the heavy capital expenditure incurred in the period 1924-29. It was after considering these remarks that the procedure alluded by the Honourable the Mover was instituted by which an itemised list of works above Rs. 20,000 is submitted to the Board. I should like, with your permission, Sir, to read to the House a portion of the further instructions we issued at that time. These were our instructions to General Managers of Railways:

"So far as works within your own financial powers are concerned, the Railway Board desire that in considering schemes the financial justification of which rests on the savings to be effected you should keep the return of ten per cent. suggested by the Committee prominently in view. They recognise, however, that neither in regard to such schemes nor in regard to schemes expected to earn additional revenue can any percentage figure of return be rigidly adopted as the sole criterion for sanction. Each scheme should receive careful examination on its merits, and the Board do not wish to fetter your discretion in the exercise of the powers delegated to you. Certain schemes, though essential or very desirable, cannot from their inherent nature show a direct return on the outlay. Where, however, this return is the predominant consideration in determining whether a scheme should be proceeded with or not, you should remember that a work which is expected to yield only a small margin of profit over and above the present rate of Government borrowing should not necessarily be regarded as remunerative. In the first place, although the present rate of Government borrowing is low, the rate at which the Railway Department has to pay interest to general revenues on capital expenditure is an average rate worked out on borrowings since 1916-17. (It amounts approximately at present to 4.75 per cent. though the effect of the reduction in the rate of Government borrowings in recent years will operate gradually to reduce it.) Secondly, there is the contingent liability to pay a contribution from Railways surplus to general revenues which under the existing convention is assessed at one per cent. of the capital-at-charge. Any addition to this capital, therefore, increases this contingent liability. Thirdly, experience has shown that partly owing to the optimism of the departments submitting the schemes and partly to unforeseen causes the realisation not infrequently falls substantially short of the estimated return. The Railway Board have little doubt that the last

[Mr. B. M. Staig]

consideration carried substantial weight with the Railway Enquiry Committee when they made their recommendation of ten per cent.

The Railway Board also desire in this connection to emphasise the position of the Chief Accounts Officer as your financial adviser. His work in this capacity is, needless to say, not the routine arithmetical check of estimates, nor the examination of the propriety of the allocation, nor the question of the authority competent to convey financial sanction (these points have, of course, also to be examined by him), but the careful scrutiny of the justification for the expenditure proposed. Even in cases where the return on the outlay is not the determining factor, it is incumbent on him to examine and offer his advice on the general merits in the spirit of a prudent individual spending his own money."

These were the instructions we issued

Pandit Lakshmi Kanta Maatra (Presidency Division: Non-Muham-
madan Rural): When was it done?

Mr. B. M. Staig: That was in February, 1938.

An Honourable Member: I suppose they are being carried out.

Mr. B. M. Staig: I trust they are being carried out.

From the last paragraph it will be seen that the position of the Chief Accounts Officer as financial adviser has been specially emphasised; he and his staff are expected at the Railway headquarters to discharge the functions of financial scrutiny which devolve on me and my staff in respect of schemes that come before the Railway Board. I have taken repeated opportunities in tour and by letter of laying stress upon the importance of this aspect of the duties of the Chief Accounts Officers. There need not, therefore, be any serious apprehension in the mind of Honourable Members that there is no adequate financial scrutiny of schemes in respect of which financial power is delegated to railway administrations. The Chief Accounts Officer is further authorised to represent to the Railway Board in his own language any case in regard to which he has been unable to concur with the views of the General Manager. While on this point I may refer to a remark made by Mr. Aney; he alluded to a device which he suggested was adopted on Railways, namely, of splitting up an estimate or rather splitting up a large work into small works, to avoid requiring the sanction of a superior authority. We have our watch dogs both in the Accounts Department and in the Audit Department, who are expected to bring to our notice any attempt to evade the sanction of the Board when under the rules that is required. I do not think such attempts are at all frequent; in fact I cannot remember any particular case having come to my notice.

Sir, the Honourable the Mover of this cut motion has advocated a reduction of the limit of one lakh above which schemes require the administrative approval of the Railway Board to Rs. 50,000

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has spoken for fifteen minutes. The Chair does not know if any other Member on the Government side is going to reply to the debate. If the Honourable Member's is the main reply, he has got only five minutes more.

The Honourable Sir Andrew Clow: If I speak, I shall speak within the quarter of an hour or less.

Mr. President (The Honourable Sir Abdur Rahim): All right.

Mr. B. M. Staig: The Honourable the Mover of this cut motion has advocated the reduction of the limit of 1 lakh above which schemes require the administrative approval of the Railway Board to Rs. 50,000. As the House is aware from a perusal of the proceedings of the Standing Finance Committee, this matter has been exercising our attention. There are not many large schemes now-a-days over one lakh to come under the special examination of the members of the Standing Finance Committee, and in regard to other schemes they can only concur or otherwise in the lump sums which are proposed to be placed at the disposal of the General Managers. They feel that they are virtually precluded from a detailed scrutiny of a large part of the expenditure proposals which it is their function to examine. It is this feeling, I think, Sir, which has given rise to the desire to reduce this limit from one lakh to Rs. 50,000.

Well, Sir, I have already explained the arrangements for financial scrutiny at the headquarters of the Railways for schemes below one lakh, and Government are somewhat apprehensive about curtailing the powers of the General Managers in this particular matter. It would be certainly a measure of centralisation, whereas the general policy is decentralisation. It might also give rise,—and I emphasised this in my remarks to the Standing Finance Committee,—to demands for additional staff the cost of which may be substantial, and it may tend to create undesirable delays. On the other hand it may prove financially advantageous in the additional scrutiny it will provide for new schemes between one lakh and Rs. 50,000. With a view to arriving at conclusions on these conflicting considerations, Government have decided that they will make an experiment on one Railway,—they have the East Indian Railway in mind,—and reduce this limit for one year, from one lakh to Rs. 50,000.

Sir, in the course of the debate an assurance has been sought that Government will not repeat the policy regarding capital expenditure pursued in the years 1924—1929. On this point, I should like to tell the House that the conditions of increased traffic now obtaining seem likely to demonstrate that much of the money then spent on open line works has been a sounder investment than it appeared to be during the years of depression and the very modest improvement in the year or two that followed them. However that may be, no Government can bind its successors in office, but we can reasonably hope that those who in due course come to fill the places now occupied by the Honourable Member for Communications and members of the Railway Board will, in embarking on new schemes, pay no less regard than we now do, to the experience gained in the last ten years and the weighty opinions recorded by the Railway Enquiry Committee regarding the cautious attitude to be adopted and the standards to be kept in view. I trust that these explanations will allay the apprehensions expressed by Honourable Members in the course of this debate.

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa: Muhammadan): In supporting the motion before the House, I have same feelings as I had in Simla when I was speaking on the reports of the Public Accounts Committee in September of 1939 and I stated that the control of the Railway Board is neither efficient nor sufficient. This has been brought out in the speech which the Honourable the Mover of the

[Mr. Muhammad Nauman.]

motion has delivered, and he pointed out that in the United Kingdom a limit of £500 is in vogue whereas in India it has been one lakh of rupees. Then my Honourable friend, Mr. Aney, has expressed what the feelings of the members of the Standing Finance Committee have been on this, namely, that the limit of one lakh of rupees has been abused, and that the General Managers cleverly divide the programmes and schemes in a manner that even when they involve expenditure of two or three lakhs of rupees, they separate them only to come within the limit. We have just heard and we appreciate the explanation which my Honourable friend, Mr. Staig, has given on the floor of the House as Financial Commissioner. He has certainly tried to justify the actions of the General Managers and he has read out a letter purporting to have been sent by the Railway Board to the Agents in 1938 giving instructions on the point and he feels that the General Managers have been acting according to the letter of instructions issued. We have very grave doubts as to whether the agents have complied with the instructions as desired. In the concluding portion of his speech Mr. Staig has told us that he is prepared to make an experiment by reducing the limit from one lakh to Rs. 50,000 on the East Indian Railway. I want to impress on the House that the real purpose of this motion is not only to reduce the limit from one lakh of rupees to Rs. 50,000 but actually to prescribe the limit for each General Manager for the whole year—I mean the maximum limit for capital expenditure, although the wording of the motion is not that and it may not appear to be the intention of the Honourable the Mover but all the same the House must realise that this is the feeling on the part of the elected section of the House. For every item I would go so far as to say that the limit should be the same as in the United Kingdom, or say £500 which will amount to Rs. 6,500 at the exchange rate of 1s. 6d.

The Honourable Sir Andrew Olow: Is that the limit of the total amount to be placed at the disposal of the General Manager for the whole year?

Mr. Muhammad Nauman: I mean that for each item the limit should be about £500, but the total for the year may be prescribed by the Honourable Member and the Railway Board as they think best, it may be five or six lakhs or something like that a year. I have been a member of the Standing Finance Committee for Railways for a long time and what I have noticed in the Committee is that each General Manager has been spending Rs. 80 or 70 lakhs, by dividing the items cleverly so that each item does not go to more than one lakh of rupees. My Honourable friend, Mr. Staig, said that in every case the scheme has to be prepared and a demand has to be made by the General Managers and then the Financial Commissioner gives the sanction. Supposing the General Manager makes a demand of Rs. 15 lakhs, the Financial Commissioner may, after scrutiny, sanction only Rs. 10 lakhs, but our doubt is that even when making the original demand the General Managers know only too well that it will be cut down by about one-third and so they always add an excess of one-third in the original estimate for demand. That is the point which I want to impress on the House. All these considerations have got to be borne in mind. What we have noticed is that the General Managers are behaving as autocratic kings in all matters, and they do not consider themselves to be responsible at all to any person whoever he may be. They think that they can behave in any way they like. I do not want

to describe all the facts in regard to their behaviour, most of them may not be relevant on this occasion, but in this particular matter I would refer to what I said in Simla, when speaking on the reports of the Public Accounts Committee, namely, that the Auditor General himself found lot of discrepancies in Railway Audit and said that the accounts were not satisfactory, and that the control of the Railway Board was not efficient and was not sufficient. That is the impression which this side of the House as well has got. Therefore, we want to say that the powers of the General Managers in respect of each item should be reduced to somewhere between Rs. 6,000 to 10,000 at the highest, and that in a year they cannot exceed five or eight lakhs of total expenses. I am not a financial expert for Railways to offer concrete suggestions as to what should be the limit for a year but the Railway Board, in consultation with the Standing Finance Committee of the House, can decide what limit should be imposed for a year. As my Honourable friend, Dr. Sir Ziauddin Ahmad, has very rightly pointed out, that in matters of borrowing the sanction of this House must be taken by a resolution. The sanction of this House means the sanction of the people who are the real shareholders of this company. It has been said times out of number that this is a national asset worth Rs. 750 crores. What are the shareholders getting out of it except further taxation, by way of increased fare and freight, diminishing returns on their capital outlay and practically no returns, and, further, attempts are being made to sink more money without any return on that? That is the position. Who are the shareholders to whom reference should be made? It is this House alone which is competent to tell you whether you should spend this money or not, nobody else can really be responsible for that. If the members of the Railway Board have any sense of responsibility functioning as they do as board of directors they should make reference to their shareholders and then we ought to be consulted regarding the financial position, regarding everything else, because it is our finances, it tells on us, and on the finances of our future generations. I do not want to go further into the subject, but I have tried to give expression to the only thing that I wanted to place before the House and it is this that Railway Board should always act on the instructions of this House. With these remarks I take my seat.

A few Honourable Members: Let the question be now put.

Sir Abdul Halim Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): I will not take more than three minutes. After the speech of my Honourable friend, the Financial Commissioner, I had thought that there would be no other speech at all in this House and that the Honourable the Mover would withdraw his motion. But it appears that his speech has not satisfied some of us and we have heard my Honourable friend, Mr. Nauman. My experience of 14 years in the Standing Finance Committee for Railways entitles me to express what I have gathered during that experience of mine. The conditions that existed in 1924 did not exist in 1934, 1936 or 1938 or 1939. Things have completely changed. The Honourable the Mover's complaint was that there was no adequate control of the capital expenditure or other expenditure and his next complaint was, if I remember aright, that the lump sum grant of one lakh given to the Agents or General Managers is too big a sum and that it ought to be reduced. My friend, Mr. James, will bear me out that the Standing Finance Committee scrutinises every bit of expenditure and Mr. James who does it very conscientiously would not pass a single expenditure

[Sir Abdul Halim Ghuznavi.]

without his being satisfied, and I must give the same credit to my Congress colleagues who have been on the Standing Finance Committee. The House can be assured that the Standing Finance Committee takes a good deal of care to see that the money is spent well and is not abused. There has been one complaint in the mind of the members of the Standing Finance Committee for a very long time and that is this. Before I mention that, I would like to make it clear here that no large expenditure is allowed to be incurred by the Agents or General Managers without the sanction of the Standing Finance Committee for Railways

An Honourable Member: What do you mean by "large"?

Sir Abdul Halim Ghuznavi: For any expenditure which is within a lakh the grant is there. The Financial Commissioner asks for an account which he submits to the Standing Finance Committee for scrutiny, so that the Finance Committee may be able to find out whether that money was spent well or not. I believe, it was in 1937, that the Financial Commissioner was requested to find out from the Agents or General Managers the money they spent within that limit of one lakh and how they spent it and to bring those matters before the Standing Finance Committee at their next meeting. My Honourable friend emphasized that when a large amount is required for capital expenditure there should be a Resolution in this House and this House is the proper authority to sanction the amount. Now, no amount can be taken by the Railway Board or the Railways without the sanction of this House.

An Honourable Member: There is the guillotine on the last day.

Sir Abdul Halim Ghuznavi: Then why do you talk for hours? Then why don't you shorten your speech to the point?

An Honourable Member: What about yourself?

Sir Abdul Halim Ghuznavi: Yesterday you could have finished in half an hour but you went on with your stories after stories. You took away all the 15 minutes. Sir, I would not take more time because my friend, Sir Henry Gidney, is anxious to move his cut. I want to impress upon this House that the Honourable Members should take care whom they elect to the Standing Finance Committee. They must elect Members to the Standing Finance Committee on whom they have confidence. Elect such Members as will be able to exercise complete control. Send them to the Finance Committee as your watch dogs, so that they will be responsible to this House and they will take account of the money spent and advise as to how the money should not be spent. I hope the Honourable Member will withdraw his cut motion.

The Honourable Sir Andrew Clow: I will only add a very few words to what the Financial Commissioner has said. I will first deal with a suggestion made by Sir Ziauddin Ahmad. He suggested that the Standing Finance Committee would like to see the Railway Managers with a view to helping them with their work. Well, Sir, Railway Managers are busy men. They are going to be busier if the concession that Mr. Staig has announced is to become general and I shall be extremely reluctant to

take them away from their work. They have already as much as they can manage. He paid me the compliment of suggesting that I should be Chairman of the Standing Finance Committee. I would remind him that the Standing Finance Committee is part of the machinery of financial check. When the other Standing Finance Committee met, it was the Finance Member who presided over it and not the Member asking for the money, and in presiding over this Committee the Honourable the Financial Commissioner is responsible to the Finance Member and not to me. I think he will agree on reflection that that is a salutary arrangement. There is only one reason why I should like to be Chairman of the Committee and that is to find out what Mr. Nauman is doing during its proceedings, because he seems to be quite oblivious of the fact

Mr. Muhammad Nauman: In the Finance Committee I have always pressed that the amount should be cut down to Rs. 10,000 or Rs. 15,000.

The Honourable Sir Andrew Olow: As regards the limit of Rs. 15,000, let me say it that I believe it would make administration almost impossible. Whatever Mr. Chapman-Mortimer put forward as a ground for cutting down this limit—and I admit there are arguments in favour of that—I think he would agree that the fault of administration in this country generally is to centralise too much rather than to decentralise and that if you put men in responsible positions you must trust them until you find them unworthy of the trust, in which case you can replace them.

Mr. Muhammad Nauman: What about the practice in the United Kingdom?

The Honourable Sir Andrew Olow: There you are dealing with a very small area. The people are on the spot at headquarters. You have not got the machinery of the Financial Commissioner there. There is, no Standing Finance Committee and there is not the detailed scrutiny that takes place in the Assembly—as to whether they appoint a Muslim Station Master or a Hindu Station Master at such and such a station. The reason why I wanted to be Chairman of the Standing Finance Committee is this. Mr. Nauman seemed to be quite oblivious of the fact that a maximum limit is fixed as to what Managers can spend. That limit is put before the Standing Finance Committee. He will find these limits in the pink books and these limits are fixed by the Financial Commissioner after considering the demands from the various Railways. I hope that the experiment we are going to make, and I view it with considerable misgiving, will satisfy the Honourable the Mover of this motion.

Mr. T. Chapman-Mortimer: Sir, I beg leave of the House to withdraw my motion.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member got the leave of the House to withdraw his motion?

Honourable Members: Yes, yes.

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

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that Mr. James is going to move his cut motion No. 89.

Vagaries of the Grand Trunk Express running between Madras and Delhi.

Mr. F. E. James (Madras: European): I move:

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

I am sorry to descend from the sublime to the ridiculous, but in case Honourable Members of the House want to know exactly which train I am referring to, I will tell them. It is the train leaving Madras and coming north to Bezwada at a speed of 28½ miles an hour. Then, it turns rather to the West and between Bezwada and Nagpur it travels at the reckless speed of 25½ miles an hour. On the way to Nagpur it reaches Wardha where it stops for 46 minutes, which, I am credibly informed, enable the engine driver and his cleaner to visit the Sage. Leaving Wardha it takes a short turn to the right, which is understandable after having left Segacon. Then it pursues its non-violent course to Nagpur, where it pauses for breakfast, not for forty-six minutes but for about nineteen minutes, which is bound to give every European passenger taking refreshments a colic. Then between Nagpur and Itarsi it slows down by half a mile an hour and only travels at the rate of twenty-five miles an hour. At Itarsi, which it reaches in the evening, something happens.

An Honourable Member: What is that?

Mr. F. E. James: I think the engine must have an epileptic fit,—for after Itarsi, it travels to Delhi at thirty-four miles an hour. Thus it takes forty-nine hours to do the trip between the two most important cities in India! If lucky, it comes in at nine o'clock in the morning. Unfortunately, luck has been out for several years past. Sometimes it is an hour late, and sometimes it is several hours late. I myself have been held up between Muttra and Delhi for hour upon hour, and have seen trains come out of Delhi,—first of all, the Great Indian Peninsula Express, then the Frontier Mail, and so on. The result is that South Indian residents get their mail usually in the evening and occasionally even on the following day. I understand that even when the train does arrive, there is the most unconscionable delay between the arrival of the train and the delivery of the mail. I have spoken about this point to Sir Gurunath Bewoor—I am sorry he is not here—more forcibly than I can possibly speak in the House. Sir, this is called “the Grand Trunk Express”. It is not “grand”; it is hardly a “trunk”—if the House saw the rolling stock that they put on it, they would be surprised;—Sir, I think I have said enough to show that it is not an “express”. Now, Sir, let me just say a word

Sir Abdul Halim Ghuznavi: You may hear something about the Toofan Express!

Mr. F. E. James: I am now talking about the “express” between the two most important cities of India.

Sir Abdul Halim Ghuznavi: Calcutta is the most important city.

Mr. F. E. James: Calcutta is not India. Sir, the accommodation on this train is the worst possible that any Railway can imagine. The last time I travelled on it on the way up to Delhi I was travelling in a carriage—mind you, in a first-class carriage, and I am very glad to see that someone else in another place is standing up on behalf of the first-class

passengers, for they are the Harijans of the Railways now-a-days—I was travelling in a first-class carriage neither door of which could I close. On the return journey I travelled in a first-class carriage neither door of which could I open.

An Honourable Member: How did you get in?

Mr. F. E. James: Well, I had to get in and out through the windows. It took the guard, several inspectors and two of the cleaners from the engine to open the carriage door. When I got to Delhi I could not open it at all. It seems to me that every Railway Administration through which this train passes treats this train as a Cinderella; nobody wants it.

The Honourable Sir Andrew Clew: What about the passengers?

Mr. F. E. James: We did ask for a direct train between Madras and Delhi but not for what the Germans call a "Bummelzug"—not this kind of truncated, slow, meandering, extravagant eccentricity they call "the Grand Trunk Express".

Then, Sir, let me say a word also about the fares,—and here I am not speaking for myself, I am speaking for a very large South Indian community which lives in Delhi, and amongst whom are some of the most efficient and loyal servants of the Central Administration. There is no means of getting a cheap ticket between Madras and Delhi and there is no return ticket at all; they won't trust you even if you are willing to pay both fares. My experience of Delhi is, speaking as a South Indian, that we always do want to go back to Madras now and again, but it is very hard that while men from Calcutta, from Bombay, from Lahore and even from Karachi get a return ticket at a reasonable concession for a month, someone living in Madras cannot get back without paying two full fares. This is a matter which has been represented before to the Railway Administration and, of course, the usual reply received is that they much regret they are unable to do anything in the matter. Sir, why, what on earth is the use of the Railway Board if it is not able to do something in a matter which affects three railway administrations? I would like to remind the Honourable Member for Communications of the speed at which certain other trains go. Of course, there is the finest of all trains—the Frontier Mail whose speed I believe is forty-one miles an hour, but that is a luxury train, because it carries mostly persons coming up in connection with the Excess Profits Tax Bill. But take some of the more modest trains,—the Great Indian Peninsula for example. That travels the distance between Delhi and Bombay at an average speed of thirty-six miles per hour. Take some of our Madras trains. After all, we are a comparatively agricultural province, so we do not expect the luxuries and the speed which the Bombay capitalists are used to; but even our Bombay Express from Madras to Bombay can do twenty-nine and a half miles an hour.

Mr. N. M. Joshi (Nominated Non-Official): It comes to Bombay,—therefore, it has more speed.

Mr. F. E. James: Yes, but I may inform the Honourable Member that it takes less time to go back. Then take that amusing train which they call "the Blue Mountain Express". Sir, Railway Administrations are

[Mr. F. E. James.]

very fond of these high-sounding titles; but they mean nothing at all. If I were to speak to you about recent accommodation on that train, I should shock some of you. Last time I travelled, I fell out of my bed in the middle of the night because it sloped the wrong way. That was a minor point. When I mentioned it to the guard, he suggested that I should sleep on the floor. But the Blue Mountain Express does its journey at an average speed of twenty-nine miles an hour and that has to climb two ghats in the course of its peregrinations. Sir, I really think the Railway Board ought to do something about the Grand Trunk Express. It is not fair to those who go about their business between Madras and Delhi and have to travel on that train. It is a disgrace to any Railway Administration in the country. Sir, what is the trouble? It cannot be with H. E. H. the Nizam through whose dominions it passes. What is the trouble? Is it jealousy on the part of the Great Indian Peninsula or reluctance on the part of the Madras and Southern Mahratta Railway to spend any money or to use anything but XB engines? I hope, Sir, that at least in this matter the Railway Board will consider the needs of the people of the oldest and most important presidency in India and the needs of the large, loyal and efficient community of South Indians in Delhi who are forced to spend, more than they ought to spend whenever they go home, but who have nothing between them and their homes but this travesty of a train.

Mr. President (The Honourable Sir Abdur Rahim): Cut motion moved:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

Rao Sahib N. Sivraj (Nominated Non-Official): Sir, I rise to support

1 P. M. this motion. In doing so, I want to point out that Mr. James

is not alone in condemning this Grand Trunk Express. In assigning reasons for its condemnation, I do not think I can improve upon the strong case that he has made against the running of this train except to point out that this train is one which does not deserve the name which has been given to it. Almost on every point Mr. James has anticipated every other speaker from Madras and I wish merely to add the strength of the feeling that exists about the running of this train that arises from its speed. I am sure every passenger from Madras, irrespective of the class by which he travels or the race to which he belongs including even the running staff themselves, have condemned this train. Once a driver from Delhi was complaining as to how this train had the misfortune of being detained at a particular station for the purpose of allowing two other trains, the Frontier Mail and the Punjab Mail, to come up to Delhi. Perhaps that is one of the reasons that will explain the delay which Mr. James has pointed out. It is common knowledge that when the train reaches Itarsi, it looks as though there is no one to look after the train. I do not know what is wrong with it. In fact, it is a train which runs in the wilderness and gets down to Madras at any time it likes. The same is the case with its arrival in Delhi. We, from Madras, feel that the matter ought to be set right so far as the running of this train is concerned. As a matter of fact, most of us are obliged to come round the other way, namely, *via* Bombay.

The other point that I wish to refer to is the provision of amenities so far as this train is concerned. Even on a branch train there are more and better amenities available. For instance, every person connected with

the running of this train ought to be dissatisfied with it except probably the one lucky man, namely, the Indian refreshment room contractor, who seems to have the monopoly of the refreshments from Wardha onwards right up to Delhi. At no other place can any passenger hope to get any refreshment in time, for instance, between Bezwada and Balarsha; we cannot even get a decent bottle of aerated water. That is the position with regard to this train. I, personally, think, that the timings of the train ought to be changed. This train ought to leave Delhi some time in the morning like the Frontier Mail and reach Madras earlier and from Madras it ought to leave in the afternoon and reach here in the afternoon. With these words, I support the motion of my Honourable friend, Mr. James.

Mr. J. H. F. Raper (Government of India: Nominated Official): Sir, this train has been a difficulty to the three Railways who operate it, right from its inception. It started with what the Railways hoped a good omen of being able to cater for a supposed heavy through traffic between Madras and Delhi and beyond, but those hopes have not been fulfilled. The amount of through traffic is very small indeed and that has caused—and I would say quite rightly—all the Railways not all of which are State-Railways to endeavour to run the train to suit the various sections over which it passes and to serve relatively short distance passengers. That has necessitated the train running at possibly slow timings, but I do not think the times are quite so slow as Mr. James suggests. The average time that he has given is, I think, 28.7 miles per hour on the Madras and Southern Mahratta. That, actually, is not really a bad time as a through average time, including halts. On the Great Indian Peninsula he gave, I think, between Itarsi and Delhi 32.2 miles per hour. Both those times do entitle the trains to call themselves Express trains. But the slow through time, as I have said, is due to some extent to the two Railways, the Madras and Southern Mahratta and the Nizam's Railways, desiring, as far as they can, to enable this train to serve the needs of their sections of the through run. Then, on account of the poor patronage of the trains, the Railways have found it necessary to improve its earning capacity by carrying as much perishable traffic as possible on it. That, to some extent, is responsible for the rather long delay at Wardha station to which my Honourable friend referred.

Mr. F. E. James: The passengers are also perishable.

Mr. J. H. F. Raper: That is true, but some of them do not perish quite so quickly as fruit. Then, again, at Wardha we have to change the engine from one end of the train to the other for the train enters and leaves in the same direction. These are some of the difficulties regarding the timings and of the halts.

The complaint regarding stock is rather a difficult one to meet. The train, as Mr. James said, is really nobody's baby. The stock belongs to the Great Indian Peninsula and the Great Indian Peninsula has no terminal station on that run.

Mr. F. E. James: It is not of the Great Indian Peninsula.

Mr. J. H. F. Raper: The main stock is of the Great Indian Peninsula. I think I am correct in saying that. There are, of course, other vehicles attached to it by other railways. This stock is cleaned at Delhi and at

[Mr. J. H. F. Raper.]

Madras and the Great Indian Peninsula Railway renews it or replaces it when it appears to be necessary. Some time ago, complaints were received but I believe none has been received of late except the one just made, and the condition of the stock, I can assure this Honourable House, will receive attention.

Regarding the fares, the fact is that there is no concession and I gather that Mr. James desires a return fare on reduced rates.

Mr. F. E. James: Like the one from here to Bombay and other places.

Mr. J. H. F. Raper: There are, unfortunately, three Railways concerned and it is a matter of difficulty to get all of them to agree to one particular thing, especially when two of them or at least one, namely, His Exalted Highness the Nizam's Guaranteed Railway, may not introduce a system of this sort generally and may decide not to do it in this case. As the suggestion has been made, it will be put to the Railways, but I cannot give any undertaking that it will be adopted.

Then, mention was made of the late arrivals in Delhi. It must be admitted that they have been extremely bad during the last two months and action is being taken promptly by the Railways to improve matters. I can only express regret that the train should have been running so badly. Unfortunately, there is not a very big gap between the arrival of the train and the postal delivery of the mails in Delhi which arrive by it. But we do hope to bring in the train punctually in future to enable the mails to be delivered regularly by the twelve o'clock delivery.

Mr. H. A. Sathar H. Essak Salt (West Coast and Nilgiris: Muhammadan): Speed up the train and bring the mails early.

Mr. J. H. F. Raper: This train must arrive in Delhi at a fixed time. The time of arrival cannot easily be changed. The convenience of Delhi main station has to be considered. There are a number of other trains arriving in the early morning. There is limited platform accommodation and there are limited numbers of reception lines and this train must fit in with the many other trains. I am afraid I cannot give much hope that the train can be brought in earlier than it is at present.

Complaint was made that there was no aerated water supply between Wardha and Balarshah. There is actually a buffet car running between Delhi and Balarshah, and the information that I have is that aerated water supply is obtainable. Now that all these points have been raised, we will endeavour to meet them and try to improve the running of the train so as to bring it in more punctually. But I cannot guarantee that its through run will be faster.

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): Sir, the Honourable the Mover of this cut motion has brought to the notice of the House some of the grievances and some of the bad conditions of the travelling public on the Grand Trunk Express. I want to add one more grievance so far as catering arrangements are concerned. Those, who take meals in the restaurant car and are accustomed to meat are not supplied with *halal* meat. I understand that there is provision to supply only *jatka* meat which is forbidden for the Muslims.

An Honourable Member: Why not become vegetarians?

Maulvi Muhammad Abdul Ghani: My friend wants the Muslims to become vegetarians because we cannot get proper meat on the railways. In order to travel on the Grand Trunk Express, we do not want to give up our life long requirement and reduce our convenience. I hope the Railway Board will take this point into consideration and cater to the convenience of the Muslim passengers.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

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

The Assembly divided:

AYES 34.

Abdul Ghani, Maulvi Muhammad.
Abdullah, Mr. H. M.
Abdur Rasheed Chaudhury, Maulvi.
Aikman, Mr. A.
Aney, Mr. M. S.
Azhar Ali, Mr. Muhammad.
Bhutto, Mr. Nabi Baksh Illahi
Baksh.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chapman-Mortimer, Mr. T.
Chettiar, Dr. Rajah Sir S. R. M.
Annamalai.
DeSouza, Dr. F. X.
Essak Sait, Mr. H. A. Sathar H.
Fazl-i-Haq Piracha, Khan Bahadur
Shaikh.
Ghulam Bhik Nairang, Syed.
Gidney, Lieut.-Colonel Sir Henry.
Griffiths, Mr. P. J.

Habibur Rahman, Dr.
James, Mr. F. E.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Miller, Mr. C. C.
Muazzam Sahib Bahadur, Mr.
Muhammad.
Nauman, Mr. Muhammad.
Parma Nand, Bhai.
Rasa Ali, Sir Syed.
Sant Singh, Sardar.
Scott, Mr. J. Ramsay.
Siddique Ali Khan, Khan Bahadur
Nawab.
Sivaraaj, Rao Sahib N.
Umar Aly Shah, Mr.
Zafar Ali Khan, Maulana.
Ziauddin Ahmad, Dr. Sir.

NOES 32.

Abdul Hamid, Khan Bahadur Sir.
Abdul Hamid, Khan Sahib Shaikh.
Ahmad Nawaz Khan, Major Nawab
Sir.
Bajpai, Sir Girja Shankar.
Caroe, Mr. O. K.
Chambers, Mr. S. P.
Clow, The Honourable Sir Andrew.
Dalal, Dr. R. D.
Dalpat Singh, Sardar Bahadur
Captain.
Dumasia, Mr. N. M.
Ghusnavi, Sir Abdul Halim.
Ismail Ali Khan, Kunwar Hajee.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Ulema.
Khan, Mr. N. M.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.

Mackeown, Mr. J. A.
Maxwell, The Honourable Sir
Reginald.
Mudaliar, The Honourable Diwan
Bahadur Sir A. Ramaswami.
Oulsnam, Mr. S. H. Y.
Pillay, Mr. T. S. S.
Rahman, Lieut.-Col. M. A.
Rajaman, The Honourable Sir
Jeremy.
Raper, Mr. J. H. F.
Seh, Rai Bahadur G. C.
Shahban, Mian Ghulam Kadir
Muhammad.
Sheehy, Mr. J. F.
Sher Muhammad Khan, Captain
Sardar Sir.
Singh, Raja Devaki Nandan Prasad.
Spence, Sir George.
Staig, Mr. B. M.

The motion was adopted.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Dr. Sir Ziauddin Ahmad, one of the Panel of Chairmen, in the Chair.

Increase of Freights.

Mr. M. S. Aney: Sir, I move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

I may here have your permission to discuss the question of freights and fares together, although my cut specially refers to freights; the arguments I shall advance are to some extent applicable to rates also, and so the other cut motion standing in my name, No. 7, will not be moved by me separately.

We have to some extent discussed this question during the general discussion of the Railway Budget because that was the most important part of the proposals placed before us. My object in bringing this motion now particularly is this: in the case of the Railway Budget there is one difficulty. We have here generally the items of expenditure placed for our vote in the form of Demands for Grants, but if there are any taxation proposals they come along with the receipts side, and so a separate vote on these taxation proposals cannot be given at all. So, the only way in which we can raise that question and call upon this House to record its definite verdict on them is by moving some kind of token cut like this. Therefore, Sir, although an indication of the views of those Members who participated in the general discussion of the Railway Budget is known to this House, the opinion of this House as a whole on the proposed enhanced taxation could not be properly expressed unless some such motion is brought before the House. My object in bringing this motion is to give an opportunity to this House to express its definite opinion upon the very drastic proposals of taxation which have been placed before us, and on which the Railway Budget estimates are based.

The Honourable Member for Communications, Sir Andrew Clow, when he was categorically interrogated by some Members of this House that he had failed to give any reasons for these proposals, repeatedly drew the attention of the House to certain paragraphs of his speech and said that he had given the reasons there. It is true his reasons are there; but what the Members on this side want to convey to the Honourable Member is that those reasons do not seem to them very sound or convincing. After all, what are the reasons he has given us for the sake of having these additional proposals for enhanced taxation? They are two mainly: one is that he wants to make a little saving which he calls by the name of building up a reserve fund: he says these are days of prosperity and, therefore, 'let me save something'. This saving is described by him as an attempt to build up a reserve fund. The second reason is that he wants to help his friend, the Finance Member. He says he wants to pay off his obligations arising out of the Convention to the tune of four crores odd, as has been mentioned there. These are his two reasons. I submit that at no time has any Member ever come before this House seriously asking the Members of this House to pay more because he wants to make a little saving—not that he really wants money because he cannot carry on the business—he admits that if he relies on the normal expansion of traffic on account of war conditions now prevailing, he can make something like three crores more than his ordinary needs

The Honourable Sir Andrew Clow: No, no. I do not admit anything of the kind.

Mr. M. S. Aney: This is what I understand from his statement. He says in this paragraph:

"If the railway rates were to remain at their present level, we anticipate that the surplus in 1940-41 would amount to about three crores."

That is exactly what I wanted to convey by the observations I have made. If he can rely upon the normal expansion of traffic, he is likely to get something like a surplus of three crores more, but in order

The Honourable Sir Andrew Clow: Not three crores more: 75 lakhs more than the estimates.

Mr. M. S. Aney: I am not talking of how much it is more than last year. I am only saying that you are likely to have a surplus of three crores with you. That is what you say. But you really want a bigger surplus than that: you want a surplus of eight crores and, therefore, for the sake of getting five crores more, you are putting forward these proposals. That is the position here. It cannot mean anything else. This is what he plainly means. He wants five crores more to cover the extra burden to fulfil his obligations to pay one per cent. of the capital-at-charge as well as to build up his reserve fund. Now, let us see exactly what this burden amounts to really. The magnitude of the taxation that is going to be imposed upon us cannot be properly visualised when things are put before us in this insipid manner, but when we look at them in a comparative way and compare the revenue he wants to make this year with the averages for the past 15 years, we shall be able to realise what it is he is going to do and what a crushing burden it is likely to impose upon us on account of his new proposals. For that reason I propose to draw the attention of the House to certain figures which I have collected from the Explanatory Memorandum and the Railway Report which has been supplied to us. I am only placing the figures of gross receipts, earnings both from passenger and goods traffic, before this House, so that Honourable Members may know where exactly we stand. The first quinquennium after the separation Convention was introduced will begin with the year 1924-25 and end with the year 1929-30. Now, the average total earnings in that quinquennium comes to 101 crores 22 lakhs, but this evidently includes earnings from Burma Railways also. If 478 lakhs are excluded, the average earnings will come to 96 crores 44 lakhs. That will be the average for the first quinquennium. Remember, this is the period which contained the peak years for the Railways. During this period they made the largest earnings which amounted to 108 crores and several lakhs, in the years 1928-29 and 1929-30. If we exclude the Burma Railways, the average for that quinquennium comes to 96.44 crores. Now, let us take the second quinquennium which begins from 1930-31 and ends with 1934-35. Here the average will come to about 88.60 crores including the earnings from the Burma Railways. If we deduct from this figure the Burma Railway receipts, the average will come to 84.87 crores. This refers to the second quinquennium. Evidently this was a period of depression; we know that. Now, we come to the third period. The third quinquennium has begun from 1935-36 and will end in 1939-40, but as 1939-40 is not yet a complete year, I will take figures for four years for which we have a complete account, that is to say, 1935-36 to 1938-39. When I make a calculation I see that 92.5 crores is the average for these

[Mr. M. S. Aney.]

four years, but if we include the figure of the revised estimates for the year 1939-40 and make a calculation to find out the average for the whole quinquennium, it will come to 98.4 crores average for the past five years. I am giving these figures in averages for this reason; that when you are thinking of imposing additional taxation, it is better that you do not take a view of what we have gained immediately in the preceding year but you should take a general view of the financial position for certain years in the past, in a comparative way to make a guess for an estimate for some years to come. It is better that you should have some general idea of that kind.

Now, what is the Honourable Member aiming at? What he is aiming at is to get 103 crores. It means a rise of something like ten crores on the average of the last five years. If we go by the averages instead of going by the figures of the revised estimates which he has given for past year, if we go by the average we have for the quinquennium, it means the Honourable Member is trying to get ten crores more from Railway Receipts. The estimated receipts rise to 103 crores from 93 crores, the average for the last five years, which is nearly ten crores more, and this, I say, amounts to more than 11 per cent. rise. That is what he is trying to get. Naturally, he gets so much because in the goods traffic he has really imposed an enhancement which, according to him, comes to about 12½ per cent. over the prevailing level of freights. That is what he is imposing, and he will actually get an increase of 11 per cent. over the average of the last quinquennium. In no year during the last 15 years did the Railway receipts come to 103 crores. Even in the years 1927-28 and 1928-29 the gross earnings excluding receipts from Burma lines were only 98.40 and 98.78 crores. Sir, I submit this is a very crushing taxation which is being imposed on the people of this country. It cannot be supposed that the burden of five crores can be lightly borne by the people or that it will not have any adverse effects at all. The estimates for the year 1940-41 break all previous record of railway earnings by five crores. That is a matter which this House should seriously consider before giving its assent to the drastic proposals made by the Honourable Member.

Now, Sir, another point which I want this House to consider seriously is this. What will be the effect of proposals like that upon the income of the Railways. I believe my friends are well aware of the strain under which the Railway Administrations are carrying on their work in order to counteract the evil effects produced by motor competition. Chapter IV of this Report devotes considerable attention in a number of pages to giving detailed information as to the steps which different Railway Administrations have been taking in the year 1938-39, and the manner in which reference has been made to these steps indicates that the Railway Agents and officers in charge of the different Railway Administrations are feeling that they have to make a strenuous effort to prevent the diversion of their traffic to motor-lorries and to keep their earnings safe and to be free from the evil effects of the motor competition. It is in paragraph 60, at page 61 of this Report, under the Heading, Road motor competition. There are many details of the steps taken by different Railway Administrations given; but I shall refer only to a few passages here and there:

"The railways continued to make efforts to combat road competition. Brief particulars of the measures taken in this respect by some of the principal railways are given below."

Then come the name of each railway and the detailed steps taken by them. I will not take the time of the House by reading out each of the steps which they have taken, but I am sure that they have devoted a considerable number of pages for a detailed description of it because they realised the importance of the subject and the difficulties to which they are put on account of this competition:

"Competition for goods traffic showed signs of increase during the year particularly in the United Provinces and Bengal and in respect of long distance through traffic to and from the Punjab. The introduction of reduced rates between various centres and improvement of transport facilities, where possible, was actively resorted to, with varying results."

These steps that they have taken in various places are showing results about which they are not yet certain as to whether by those measures they will certainly be able to put a check to those evils. I will now refer to the North Western Railway:

"Special rates based on 20 per cent. less than the ordinary 4th class rates have been introduced for cotton (raw), full-pressed, from certain stations on this railway to Delhi, Delhi-Kishanganj, Subzimandi, Ujhani . . . A number of special rates from and to certain stations on this railway have also been quoted in competition with road transport, for flour, grain, pulse and seeds common, tobacco, tea, earthenware, fruits dried, vegetable ghee or vegetable oil solidified, etc."

I am not reading the whole of these things. There are many references here which indicate that the competition is not merely confined to passenger traffic. It has also extended to goods traffic in many cases and they are finding it difficult to be free from the effects of that competition and strenuous efforts are being made. One of the ways in which they are making those efforts is by trying to reduce the freight which they have been charging upon goods for long distance. Now, the administrations in their own places are making every effort to reduce the rates and somehow control the traffic and keep it to themselves, but here the Honourable the Communications Member today is coming forward with proposals which mean an increase of a flat rate of two annas in the rupee in the freight that he is charging upon the goods. I really feel that he is not introducing these proposals under auspicious conditions. On the other hand, they will give a filip to the motor competition in carrying goods also over long distances. That is a point the net result of which the Honourable Member has not been able to comprehend.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): The Honourable Member has one minute more.

Mr. M. S. Aney: I will bring to the notice of the House the nature of the criticism which has been made by those who are competent to know about these matters of trade and commerce:

"The increase in railway freight will greatly affect the cotton merchants of this province as the cotton crop moves from November to May-June. During this period the entire crop is sold and nearly half of the crop is still lying undelivered . . ."

This is the complaint that has been made by the Indian Chamber of Commerce, Lahore, and it shows that they at least feel certain that it is bound to affect the cotton merchants very seriously. That opinion is shared by other chambers also.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): The Honourable Member's time is up.

Mr. M. S. Aney: I shall draw the attention of the House to a very strong article that has appeared today in the *Statesman* and there is at least one small paragraph to which I shall invite the attention of the Honourable Member for Railways categorically. It is a very important point which is raised in this article:

"Does any one suppose that such a vicious lead from the Government can fail to be followed? If the vast State railway enterprise puts up its prices inevitably the price of goods transported will be raised to the consumer. (*That is a very important point from the moral point of view.*) The cost of living will receive an impetus to a general rise. It may not be a very large rise to begin with but the movement will not stop, every one will soon feel a grievance and there will be a general demand for increases in salaries and wages.

If the railways were losing money they would have to increase their charges and the public would have to accept the fact. But no such valid reason is or can be offered. The railways are doing well and expect to do better. It is sheer gratuitous inflation. The public is told that the Railway Board means to make hay while the sun is shining and not content with additional war prosperity is out, as Sir Henry Gidney unanswerably argues, to profiteer and set aside reserves for some future date when a slump may be encountered."

What does an enhancement really mean? They find that there are war conditions, the traffic is increasing, and the railway administration thinks, why should they also not make a little more profit like any man in the street who wants to make it. A direct incentive to profiteering, encouragement to profiteering is being given by the State whose business it is to see that undue profiteering is not resorted to in the country at a time like this. This is the most important aspect of the taxation which the Honourable Member should bear in mind.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): The Honourable Member's time is up.

Mr. M. S. Aney: As my time is up I must wind up my remarks. I say that railways are considered as a national asset. We are told that we should feel proud of it, but if this national asset does not look to the national requirements, but on the other hand, in defiance of these urgent national requirements goes on increasing its demands on the people in the form of increased rates and fares, there will be greater discontent and nothing else is a greater calamity to the Government than the increase in the volume of discontent at a time when it is fighting a big enemy outside and when it will have to rely sooner or later upon the active support of this country. These measures are bound to increase the volume of discontent and I am very sorry that the Honourable Member is not taking into account the political consequences of a measure like this. I would have developed that point at some length but my time is up. This political aspect of the question ought not to have been lost sight of in the greed for taking a few crores more. With these observations I move my motion for the approval of the House.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): Cut motion moved:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

Sir Abdul Halim Ghuznavi: Mr. Chairman, the large volume of opposition to raising the rates and fares is due to the fact that we have found that whenever the rates have been increased they have come to stay. The

rates were raised in 1933, but even when good times came,—as the Honourable the Communications Member has said that he had been making a profit of 3·6 per cent. for ten years and over four per cent. for the last three years—the rates were where they were before. That is the main grievance. Then, as my Honourable friend, the Leader of the Congress Nationalist Party, has pointed out, there are the political grounds, and on political grounds this increase is objectionable. You are setting an example to others to profiteer, to take advantage of the position. I will only deal with one matter, and that is the raising of the freight on coal. The Chief Commissioner for Railways has said :

“Two annas in the rupee on the total freight, including terminals and other such charges, on all consignments of goods traffic, excluding coal, coke, patent fuel, . . .”

I am taking only coal. Then he goes on to say :

“The existing surcharge on coal, coke and patent fuel to be increased from 12½ per cent. with a maximum of Re. 1 per ton to 15 per cent. without a maximum—the rates prevailing in April, 1935.”

Sir, what does this mean? I will read the two speeches first and then I will begin commenting. This is what the Chief Commissioner 3 P.M. has said and then the Railway Member said :

“In respect of coal we propose to raise from 1st March the existing surcharge from 12½ per cent. to 15 per cent. and to remove the maximum at present imposed on this surcharge and from 1st November next to raise the surcharge to 20 per cent.”

This means that although the price of coal has not gone up owing to the war, which I shall show here on the floor of the House, very clearly, they are adding a cost of 12½ per cent. that is, two annas per ton, and they are going to raise it to 15 per cent. and from October to 20 per cent. The privilege that the coal in Bengal and Bihar was enjoying, namely, the maximum of one rupee, is to be removed. Therefore, the Bengal and Bihar collieries will suffer much more than the other collieries. The maximum is removed. You have to pay 15 per cent. and then later on 20 per cent. What does that amount to—at least three annas per ton. On top of that the colliery owners have got to pay another two annas per ton under the Stowing Act. I doubt very much if the colliery owners will make even five annas profit on the sale of their coal per ton and this happens at a time when the coal trade has not yet recovered from the depression. Before I take up what the Indian Mining Federation has said about this increase, I would place before this House what the Honourable the Communications Member said about the Government's purchase of coal this year. He says :

“The increase in the total figure is mainly due to the higher prices which we are likely to pay for materials”

He then goes on to say :

“To take one item in which the House is generally interested, the contracts for State-managed lines placed with private colliery owners for next year's supplies are for a sum of Rs. 104½ lakhs which is 14 lakhs more than the contracts for the current year and represent an increase in quantity of nearly 400,000 tons.”

The Honourable Sir Andrew Olow: I do not think the Honourable Member has read the sentence completely. In the first sentence I said the increase is mainly due to the higher prices we are likely to pay for materials

Sir Abdul Halim Ghuznavi: I will read it again to make my point clear. The Railway Member said this: To take one item. First of all he mentioned that the general increase was due to higher prices.

The Honourable Sir Andrew Olow: Quite right.

Sir Abdul Halim Ghuznavi: Then he says: To take one item. Am I correct now?

The Honourable Sir Andrew Olow: I think there is a passage in between which the Honourable Member is omitting, which alters the sense. What I said in the middle was this "but the increased traffic for which we have budgeted finds, of course, a reflection in expenditure in various directions". Then I said: "To take one item".

Sir Abdul Halim Ghuznavi: Let me make my point clear. You are taking this as one instance. Am I correct now?

The Honourable Sir Andrew Olow: An instance of increased expenditure but not one item arising out of the prices of materials.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): You do not want a certificate from the Honourable Member. You had better address the Chair.

Sir Abdul Halim Ghuznavi: Sir, the Railway Member said:

"To take one item in which the House is generally interested, the contracts for State-managed lines placed with private colliery owners for next year's supplies are for a sum of Rs. 104½ lakhs which is 14 lakhs more than the contracts for the current year and represent an increase in quantity of nearly 400,000 tons. The figure of 2,800,000 tons to be purchased from the market is the largest for 17 years.

We contemplate," etc., etc.

When one reads this without knowing fully, one feels how generous the Railways have been to the private colliery owners. A very wrong impression is given to this House. They have not at all been generous. I will tell you what they have done. They have been taking advantage of the low prices of coal. That is what they have done—28 lakhs of tons to be purchased, which is the largest for 17 years. Yes. Because they got the cheap coal this year they had to buy more and keep in stock. They will not get it cheap later on and their own raising will not give them coal at that price. They will have to pay higher prices for their own raising. They have got these poor colliery owners to give them at cheap rate and on top of that they now put on a surcharge, *plus* the charges on account of the Stowing Act,—the additional surcharge by removing the maximum. That is the treatment they are according to the colliery owners for their kindness in giving them cheap coal. Now, Sir, the Mining Federation says that their committee deeply deplore that the burden on the coal trade has been increased from a temporary surcharge of 12½ per cent. to a permanent surcharge of 20 per cent. The other day when I was addressing this House I pointed out the advantage that the Honourable the Communications Member has offered to those who want to buy coal for industries—they can take the advantage of 15 per cent. surcharge and save the five per cent. for the stock of coal that they buy in the slack season. My answer to that was that the small industries do not know what their requirements will be in the next six months or one year or next year, that they have not got sufficient capital to pay for the coal for one year ahead and they have not

got the space to store the coal in their yards. Railways can do it. With State money they can buy for years ahead and pay for it. Others who can afford can buy and store it for the year, but what about the small industries? You are handicapping them. You are forcing them to lose money because they have to pay a higher price for the coal which they may require.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): The Honourable Member has only one minute more.

Sir Abdul Halim Ghuznavi: Sir, I shall take only two minutes to read out the sentence:

"My Committee are of the opinion that extremely unmerited hardship will be caused to the coal trade and industry as a result of the proposed increase in railway freight which will inevitably be passed on to the shoulders of this trade by consumers as has practically happened in almost every instance whenever any addition has been made to the railway freight in any shape or form. The Government are aware of the fact that the coal industry, unlike any other industry, has borne the surcharge of 15 per cent. (reduced to 12½ per cent. from April 1, 1935) since 1932, and this industry has had to pass through a prolonged slump ever since 1925 and recovered from it for a short period in 1937 immediately after which it relapsed into the same precarious position as before. It may be assumed by those who have no inside knowledge of the coal trade that its conditions have improved as a result of the war. But such assumption is far from correct. The slight increase has been more than counterbalanced by additions to the cost of production. Incidentally—the Committee point out—"by far the biggest consumers of coal, namely, the Railways, have not in their recent purchases, paid this year any higher price for their coal than last year; on the contrary, the Committee understand that the average price paid has been lower than that of last year."

Sir, I appeal to the Honourable the Communications Member to reconsider his decision so far, at any rate, as coal is concerned.

Mr. Muhammad Nauman: Sir, speaking on this motion relating to the increase in freight I would be failing in my duty if I did not mention or reiterate the views which have already been expressed on the floor of this House and on the floor of the Council of State during general discussion on the Railway Budget. Sir, the feeling of discontent which has been created in the minds of the people concerned, from Cape Comorin to Peshawar, from the humblest man in the street to the biggest financier in the country, does not require probably any further elucidation or reiteration of those facts. The Government, I believe, are aware of the agitation, of the concern which people feel at the proposal which the Government of India have made. The whole country seems to be agitated and has received the proposal with a feeling of surprise and regret. Honourable Members must have noticed this feeling in the speeches of my Honourable friends in this House and also of the Council of State. Even a nominated Member like the Honourable Sir A. P. Patro, whose speech has appeared in the papers today, criticised the Government's attitude in very strong terms, and then we have all seen the opinions of the different trade organisations and Chambers of Commerce which have appeared in the papers and I believe the Honourable Member for Railways, Sir Andrew Clow, must be in possession of hundreds of telegrams from different organisations protesting against this particular proposal of his. I hold here at least a few of them in my hands and I will first read out a telegram from Rohtak:

"Freight rates enhancement will adversely affect Muslim traders. Muslim Cattle Dealers Association."

[Mr. Muhammad Nauman.]

Then I shall read out another telegram from Calcutta from the Skins and Hides Traders Association of which I am the president:

"Skins and Hides Traders Association members feel very much concerned at proposal of increase of twelve and a half per cent. freight will very much adversely affect Muslim merchants and tanners all over India."

Then, Sir, I have also telegrams from Muslim Chambers of Commerce, from Patna, Calcutta and from many other Associations and I have seen certain telegrams which have appeared in the press which are addressed to the Government of India from the Sugar Syndicate and Syndicates of other industrialists and I think they must have convinced the Government of India that the feelings of the people are certainly very much against it. As I stated that from the humblest man in the street to the biggest financier there is a feeling of protest and opposition I think the tax-payers do not feel that it is at all the right time when any such additional burden should have been imposed on them. This is one instance in which I have seen that even in the case of a surplus Railway Budget the Government want to build up a reserve and have come out with a proposal for increased taxation on the people. I do not know whether any other instance can be quoted. I think if that was the method of improving the budget, then it was more necessary in the years past and the predecessor of the Honourable Member in charge of Railways would have had probably better justification of bringing in that sort of proposal at that time, but they thought that this would not be in keeping with the real spirit of nationalisation of Railways and did not suit the real conditions of this country. The argument put forward in defence by Government that a surplus has to be built up when traffic is on the increase can hardly appeal to anybody. Even when the Railway Budget was a deficit one as I have stated this was not considered to be a feasible proposition, and now, when it is a surplus Budget, to try to bring it up from three crores to eight crores and odds is something which probably I should not think have been at all considered equitable. We find, Sir, that no effort is made to use economy. On the expenses side, the expenses have increased. That may be consequent on war conditions or it may be for other reasons, but we find that the total expenditure is about 582 lakhs. No substantial effort has been made to decrease that amount. No effort has been made to use economy in the general working of the Railways but every effort is made to see that the so-called shareholders of a national company of 750 crores do not get anything out of it; rather the so-called shareholders feel that the managing agents, the Railway Board, are anxious to rob the shareholders of the same company of which we are considered to be the shareholders. Sir, the Railways are said to be our national assets worth about 750 crores of rupees and the shareholders, who in this case are the Indian taxpayers, instead of getting any dividends, are being penalized by a sort of forfeiture of their share money and over and above that there are further calls being made upon them on behalf of a bankrupt company whose liabilities are probably unlimited.

Sir, the Honourable Member in his speech stated that we can express satisfaction that we are getting about a four per cent. dividend. Of course, he thinks so but he is not considering what amounts the general Budget had to provide for in the previous years. If these figures are taken into consideration, I should hardly think that this statement is based on as good mathematics as it should have been expected. What I feel is that we, by buying this Railway company for such a huge amount of 750 crores, should not stand to be penalized for it. We feel that although the Railways have

to be run on commercial lines, yet they have to be run on first of all the real consideration of national lines,—as this is called our national asset, and the chief consideration is to be given to the capacity of the country itself. I do not know whether the Honourable Member has at all examined the position how adversely it will affect the industries of this country. In a country like India which is so large in area and where trade centres and ports are so distantly distributed, unless the railway freight is comparatively low, probably we cannot expect to improve our industry and compete with other parts of the world in our export trade or even in our inland trade.

This is the time when we can expect that our finished goods will be able to compete with other countries of the world, such as Japan and those other countries which are not involved in this war, particularly because it gives us certain advantages of preparing our finished goods. With this increase in the freight rates, however, we will probably not be in the same position as we would otherwise have been for competition with those few countries which may be left out of the war and with whom we will have to compete. This is the position which I want to impress upon the House. I think the Honourable Member is fully aware of the situation and knows the feelings of the people and would probably be prepared to revise his proposals and accept the views of this House which voices the feelings of the people of this country. We strongly protest against any increase in the freight policy of the Government of India as he proposes to do from the 1st of March, 1940. Of course, when I speak of the freight I also naturally mean the fares of the passengers as well, as I have used the word humblest man in the street, in the opening part of my speech.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): On a point of order, Sir. I find that the cut under discussion refers to freights and the expression used by the Honourable Member for Communications throughout his Budget speech is 'rates and fares'. I would like to know whether both the words come under the category of 'freight'. The practice on the Railways is that by the word 'freight' is meant the money that is paid for the carriage of goods and the money that is paid for the purchase of tickets is called 'fares'. Are we to understand that the word 'freight' includes both? I would very much wish that it was so.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): In technical terms, the transport charges on goods are called "rates" and the transport charges on passengers are called "fares", but in popular language the word "freight" includes both.

Mr. Muhammad Nauman: So, the ruling of the Chair is that for purposes of debate we can also include 'fares' in freights. Up to now I have been referring to freight chiefly. With regard to the fares also we feel that it will be really very hard for a third class passenger, particularly, to have to pay one anna extra on every one rupee. The reason why the Honourable Member has made a concession to those passengers whose fares will come to less than one rupee is due to the fact that he is afraid that the traffic may be diverted to motor transport. So, no favour is being shown even to those people. As soon as the Motor Vehicles Act comes into force in 1943, we might expect even worse things. We might expect that the fares will be increased to any extent. At the moment, we do

[Mr. Muhammad Nauman.]

not know what is the real idea behind it. Probably, the Government feel a sense of security at the moment and think that the transport will not change its line because, on the one hand, the petrol prices are increasing and, therefore, the motor traffic will not be so cheap as the railways, or, probably, they think that in some parts of India the Motor Vehicles Act has already been in force, and, therefore, the motor lorries will not be in a very much better position to take the traffic from the Railways. But I want to impress this on the House that we passed the Motor Vehicles Act in order that it will do good to the country and not with the idea that it will give a chance to the Railway Member to increase the rates of freights and fares and eliminate all competition by legislation. That was not the idea when we passed that Act. I do not want to lay more emphasis on this point but I feel that the Government were not justified in making a proposal of this kind at a time when this country feels that this increase in freights and fares will very adversely affect the entire industry and trade of this country. In view of the fact that we have already got heavy taxation both in the provinces and also at the Centre and also because no relief is to be expected by the new budget which the Honourable the Finance Member, Sir J. Raisman, will place before this House in a few days, I think the Government can hardly be justified in bringing this new taxation proposal from the 1st of March.

There is one thing more which I would like to impress on the House, and the Honourable the Railway Member is aware of it. He is fully conscious of the fact that there is a genuine agitation and that the industries will be crippled down to some extent. When I say 'crippled down', I do not mean that they will immediately go bankrupt by this particular increase in the freight. What I mean to say is that their chances of advancement will decrease considerably and their present prospects will be marred by this particular proposal which has been placed before this House and which will probably be given effect to even without our sanction. That is what I want to impress upon the Honourable the Railway Member and I do hope that he will reconsider the situation and will accept the cut motion of the elected Members of the House and will abandon the idea of levying this taxation of increased rates of freights and fares. With these few remarks, I resume my seat.

Maulvi Muhammad Abdul Ghani: Sir, I do not want to take up the valuable time of the House more than I can help. I was all along under the impression that everything here was copied from the British Parliament, but I regret to say that in connection with the increase in rates and freights the Government of India have forgotten to copy what has happened in the House of Commons already. The other day the Minister of Transport assured the Members of the House of Commons that he was not going to allow the railways to impose any increase in tax on the public. Rather, he went so far as to give them further assurance that even if there was some justification for an increase because of the war difficulty, it will have to be justified to the Parliament. Here, the case is quite the reverse. They have already introduced this increase not only in the Budget but they have issued orders to the various railway administrations to commence charging the increased rates and fares from the 1st March, 1940. What a regrettable thing this is. What is the use of this House? It is all mere farce. It is simply a ceremonial thing to place the Railway Budget

before us and to ask us to elect the members of the Standing Finance Committee for Railways. It is all very well to impress on the world as to how India is being dealt with in the matter of legislation and how much liberty she enjoys to discuss all these things. We have been given a Standing Finance Committee but has this Committee got any control over the railway finance? These very things very clearly show how the railway administration is run.

The Honourable Member for Communications is very fond of strengthening the railway reserve fund. He is not satisfied with one golden egg a day. He is expecting a surplus of 361 lakhs. Rather he wants to have all the 829 eggs together and for that purpose he would like to kill the goose which lays the golden egg. This surplus of 361 lakhs is over and above the increase in expenditure of 110 lakhs. If the new expenditure of 110 lakhs had not been incurred then the surplus would have come to 471 lakhs. I do not grudge his desire to strengthen the reserve. But I should point out that this is not the only way of dealing with things. There are hundred and one ways. I may point out some. I pointed out in Simla Session that during 1937-38, the Railway Board had issued 708,886 free passes to the railway employees of State-managed Railways. If for every free pass a sum of Rs. 5 is charged on the average, it would have brought nearly 40 lakhs to the railway exchequer. There are only about three lakhs of people working on the State Railways and this works out to about two passes free for every person. The servants of other departments of Government are not getting these free passes. The railway servants are getting, besides free railway passes, provident fund and gratuity. Provident fund is a thing which can be paid even after the employees' death to their heirs, whereas pension lapses with the death of a Government servant. It cannot be paid after death to the heir of the Government servant. So, in this way also the railway servants are at a great advantage.

Mr. Chairman (Dr. Sir Ziauddin Ahmad) : We are not now discussing the system of free passes.

Maulvi Muhammad Abdul Ghani : I was going to point out that the Government could stop these free passes to the railway employees and save money thereby.

Mr. Chairman (Dr. Sir Ziauddin Ahmad) : The Honourable Member can bring out this point on the occasion of the next cut which comes off on Monday next.

Maulvi Muhammad Abdul Ghani : The next point that I wish to urge is that a temporary cut in salaries can be imposed in the higher grade salaries. I have given notice of this cut, but I hardly think there will be any opportunity to discuss it. The other point is that the Government should control expenditure in the various branches of the Railway. So far as the engineering side is concerned, I see there is very little control. You will find from the budget that about 5½ crores have been allotted for the renewal of the track. In Simla I pointed out that under the head track renewal there is huge wastage. The Engineering department ordered indent for iron sleepers and just after a year, that very department declared

[Maulvi Muhammad Abdul Ghani.]

them unsuitable. On one item of iron sleepers in 1937-38, there was a wastage of nearly seven lakhs. If such waste is allowed to continue, how can the administration be run on economic lines? It is desirable that the Railway Board should control this expenditure. There are similar items of expenditure which can all be classed as waste and which can be avoided. The Railway Board do not talk in thousands, but in lakhs. They do not know anything less than lakh.

Now, taking into consideration the earnings of the various railways, the State-managed railways are the worst. In the case of the Eastern Bengal Railway and the Great Indian Peninsula, there is very little control. Compare the earnings of the Company-managed Railways with those of the State-managed Railways. Bengal and North Western Railway gives about nine per cent. net dividend. The Nizam's railway gives a dividend of 8 per cent. In the case of the Eastern Bengal Railway, it is 1.9 per cent. and in the case of the Great Indian Peninsula, it is 3.74 per cent. So, I submit great care and effort is required on the part of the Railway Board to control expenditure. If only the Railway Board had taken care of the purse, they would not now stand in need of increasing the rates and freights. Rather they would be compelled to decrease the rates and freights. It has already been pointed out truly that the so-called exemption for third class passengers up to 50 miles limit and also for food grain is not at all in the interest of the rate payers, but it is in their own interest. With these words, I urge that there is no case made out for any increase in rates and fares.

Pandit Lakshmi Kanta Maitra: Mr. Chairman, the motion before the House seeks to give expression to the feeling of extreme dissatisfaction of the elected Members at the proposed enhancement of rates and freights in connection with the Railway Budget. Sir, to the debate, at this stage, I feel that I cannot make any contribution. If I participate, at this stage, it is only to join in the chorus of disapproval which has greeted the proposal of my Honourable friend, Sir Andrew Clow. Personally speaking, I am indeed happy that the Honourable Member for Communications made the speech he did the other day. It is simple, noted for its clarity and honesty, and, if I may say so, it has been able to expose the character of the administration of this land in its true colours which very few of its predecessors had been able to do. There is no platitude, there is no cant about amenities to third class passengers, there is no hypocrisy about any feeling for bleeding the people of this country who would be compelled to make these contributions to the railway finances. It is all a straight clear-cut speech: "Yes, we are earning, but that is due to war". There is not even an acknowledgment for the people of this land, for, after all, whatever may be the adventitious circumstances, it is the people of the land who contribute a major portion of the revenue, be it in the Railway Department or elsewhere: Well,—

"it is a dearly bought windfall and no matter whether there is any deficit or not and no matter whether we want any money immediately for improving the railways or not, we must have some money for the purpose of building up a strong reserve immediately."

This seems of the position of the Railway Member.

Sir, this year's move on the part of Government has completely upset all natural calculations which used to be made hitherto in connection with the annual fiscal programme of the Central Government. We heard, before the introduction of the Railway Budget, that the railways were making decent profits; no one could even imagine that Government, which were not faced with any deficit in the administration of railways, would enhance the rates and freights or take similar other measures. But, with the presentation of the budget the country received the rudest possible shock as the proposal of enhancement came at a time when, according to the admission of the Honourable Member himself, the prosperity of the Railways has been simply phenomenal

The Honourable Sir Andrew Olow: I made no such admission.

Pandit Lakshmi Kanta Maitra: You may not have said that in so many words, but is tantamount to it when it is said that if your anticipations as disclosed by the revised estimates materialised that would be the best year in the last decade and that the income earned by the Indian railways even during this period of depression would compare favourably with that of any other railway system in the world. If that is not prosperity I have yet to know what is your idea of prosperity unless, of course, you want to take away everything and leave nothing to us. But for all practical purposes, for all commercial purposes, a dividend of five per cent. or four per cent. is more than what one can legitimately look for in the field of Railway enterprises. Sir, I do not know if this bureaucratic Government is in its last gasp, but even then I believe this period will remain a landmark in the history of the administration of these decaying bureaucrats. Between August, 1939, and before this year runs out, this Government will leave a record in the sphere of legislation and legislation of reactionary character and of far-reaching importance. God knows what will become of the War but I know that as a result of this war between us and this Government, the country will be reduced to such a condition that it will take years before she may be able to stand on her legs again. There has been the Defence of India Act of the operations of which we have already had the most bitter experience. There has been the Excess Profits Bill which greeted this House on the very first day of its sitting; it is now continuing its mischief elsewhere and will soon come up again to work havoc, in full vigour. And now the Railway Budget has come and we have seen what it has meant for us. We cannot imagine what more is in store for us in the General Budget.

Sir, I congratulate the Honourable Member because, for the first time, he is the man who has not indulged in any kind of hypocrisy. There is not a word in the whole budget speech as delivered here and in the other House about amenities for railway passengers or increased railway facilities for the public. Yet, by this measure, Government want to earn a surplus of 8-29 crores and build up a reserve of five crores and odd in a couple of years.

The Honourable Sir Andrew Olow: No Sir, I am only estimating that we might have a reserve of 2,98 lakhs.

Pandit Lakshmi Kanta Maitra: A reserve of 48 lakhs only has accumulated so far and in one single year it is sought to raise it to 2,98 lakhs. Is

[Pandit Lakshmi Kanta Maitra.]

it a joke? In another place the matter was represented in a very nice way. There the justification pleaded for the increase was that the incidence would be of an absolutely trivial nature as compared to the all round increase in the price of commodities that had already taken place. For people drawing meagre salaries of four or five thousand rupees per month, or drawing four thousand but raised to six thousand by transfer to some other department owing to the war, this may be a trivial matter. But when these things will filter down through the intermediate strata to the man behind the plough, to the man in the cottage or to the man in the street,—have you calculated what it will mean? And is there any indication in the whole speech that it is only a war measure and that the reserve is really intended to be built up in this way for three or four years only? After all, once it is introduced it will go on for ever. Where is the indication given that it is a temporary measure? You cannot do that because you are not faced with a deficit and because you do not make it your case that you cannot meet your ordinary expenses except by this taxation. The argument of making hay while the sun shines does not appeal to me. I feel that you will not be enjoying the genial sunshine but this measure will generate a heat that will set your hay on fire. I, therefore, submit, Sir, that while we may not be able to do anything in this thin House we will be failing in our duty as elected representatives of the people if we do not tell Government outright that it is an outrage and cannot be justified on any canons of morality. It cannot be justified on grounds of political expediency or on grounds of sound economy. It is an absurd measure and I am sorry that such a decent gentleman as Sir Andrew Clow should have been called upon to do this dirty piece of work for Government.

Reference was made by my Leader to the editorial in the *Statesman*. Sir, it is a treat to read *Statesman* of today. It is commonly believed that the *Statesman* stands in the same relation to this Government as the *London Times* does in relation to the Conservative Government in England and that what the *Statesman* thinks today the Government of India thinks the day after. Sir, there have been very few occasions on which nationalist India could congratulate that paper and today we have got an occasion to convey our appreciation to that paper. Indeed the paper says that if a measure like this is certified, Government itself deserves to be certified. But this Government know that entrenched as they are today they cannot be certified or removed. Therefore, secure in their position they will go on piling up legislation after legislation and measure after measure till the last ounce of blood is drained out of the people. I do not understand how they expect to carry the people with them. They are said to have made certain exemptions in the case of commodities which would affect the ordinary poor people. That is an eye-wash which will deceive no one. They are making an exemption for third-class passengers, travelling not more than 50 miles, really because they are afraid of motor competition. If they wanted to exempt the ordinary passengers they should have thought of the middle class people who would be hard hit by this measure. To big cities like Calcutta, Madras, Bombay, Karachi, etc., lots of middle class poor men come from a distance of 60 or 70 miles to attend their offices, or for their daily business, and if Government had any solicitude for them they should have fixed the

exemption limit at 70 or 75 miles. This they have not done. The fact is, they know that they have the Motor Vehicles Act: the Provincial Governments—practically all of them are under their control now. The regional authorities will be in the hollow of their palms: they can make them issue any kind of license they like and, therefore, they can effectively throttle motor competition by limiting its service to 50 miles or so or by imposing other conditions. That is why they have put this fifty-mile limit. As regards exemption in respect of foodstuffs and things of that kind, they fully understand that it is necessary as they want to drain away the provisions of my country for the purpose of the war. We see that and we understand that and we are not fools. They may take these away in anyway they like, but let them not think that they have been successful in befooling us or that we have not been able to understand their real motive behind these.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): The Honourable Member's time is up.

Pandit Lakshmi Kanta Maitra: With these words, Sir, I support the motion.

Some Honourable Members: The question may now be put.

Mr. T. Chapman-Mortimer: Sir, the Mover of this motion and all the previous speakers in this debate have criticised the Government for increasing rates and fares at this time. But in spite of the fiery speech of my Honourable colleague from Bengal, I could not help but reflect on what the Honourable the Communications Member said a day or two ago that the criticism of this budget might be likened to the cooing of a dove. I think that is a correct statement of the case, because as I listened to speaker after speaker this afternoon I listened and waited in vain to hear any one really stress the point when he came to this question of discussing why the rates and fares had to be increased. That point is the quite simple one which the Honourable the Communications Member made in his original speech, namely, that somehow or other the railways have got to meet their contribution of one per cent. of the capital at charge and produce revenue for the Central Government at least to that extent. To my mind, that is the overriding consideration in passing any judgment on this decision of the Railway Board. They need, in respect of last year, 90 lakhs, which they failed to pay, and in respect of this year a contribution of 441 lakhs; and in order to do that it has been suggested that they should raise the rates. It has been said that instead of raising the rates Government might have found money by juggling in some way with their estimates in other directions. It was suggested, for example, that if Government had not been so conservative in their estimate of returns from increased traffic, they would have got all the money they wanted.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

I noticed from the Honourable Member's speech that he budgeted for no less than 75 lakhs from increased traffic in the coming year, and I suggest that so far from being a conservative estimate he is perfectly right in saying that that is a figure that may not be reached in fact. Government have also to consider the fact that with increasing traffic on the railways

[Mr. T. Chapman-Mortimer.]

they get higher working costs; and though their receipts might go up, so also would their expenditure go up. Further, the Communications Member stressed, and quite rightly stressed, the very great uncertainty in regard to the coming year. Nobody knows how this country's trade is going to be affected in the coming year; and, in consequence, it must have been extremely difficult for the Honourable Member to arrive at an estimate of his revenue from railways which will be anything like correct. He, therefore, very wisely proposed that in spite of the hardship that must be caused (and obviously increased rates will be some burden)—in spite of that he decided on this grave step and I believe he was right in doing so.

So I have referred to the burden which increased rates will cause. Undoubtedly there are cases where as a result of rates going up business may be affected; but the Honourable Member has made a very clear promise, that if that was the case and if traffic suffers as a result, these new rates would be carefully revised and reductions made where it seemed necessary. I believe the right attitude for this House to adopt at this stage is to remember that promise and to watch progress and see whether it is necessary to make representations at a later stage to the Honourable Member.

Then, in regard to one very large and important class of traffic, they are to be exempted entirely—I refer, of course, to the exemption accorded to agricultural products. These are to be exempt and I think we ought to congratulate the Honourable Member on that decision. If Honourable Members will turn to the speech of the Honourable the Communications Member on that point, they will find he said with regard to this exemption that he could not promise that it would continue, if for any reason railway working costs rose, or, alternatively, if their revenue were to fall. At the same time I feel sure that it must be present in my Honourable friend's mind that railway traffic with these increased rates may be affected by road competition. I have no doubt at all, after the part he played in piloting through this House the recent Act legislating for motor vehicles, that he has had this before him. I hope that he will, wherever he sees that railway traffic is affected by road competition, at once give effect to what he promised to do in paragraph 20 of his Budget speech.

There is one class of commodities which I should like to refer to particularly—I refer to coal. Coal affects every industry in this country and naturally it also enters very largely into the cost of production. For people who are upcountry and at a long distance from the ports, if they have to pay more for their coal than they could reasonably afford to pay, it is perfectly obvious that they will suffer; and in South India, particularly at this time where owing to shipping difficulties the cost of conveying coal there makes a particularly large item in their costs, it is practically certain that traders will suffer. I hope therefore that the remarks of my Honourable friend, Sir Abdul Halim Ghuznavi, will receive the attention that I feel they deserve. In this connection also we have to remember that the original proposal to fix a maximum rate for traffic going over fifty miles has now been abolished and that that privilege has been withdrawn.

From a general point of view, however, I cannot but feel that the Honourable the Communications Member has done the only thing he could, unpleasant as that decision must have been. He knows perfectly well that to increase rates, as to increase the price of any commodity, must affect those who have to pay the price. The United Kingdom case is no

parallel whatsoever as the railways there are private organisations and do not pass on their surplus revenues to the State.

In conclusion, I should like very briefly to say a word about the *Statesman's* leading article today, since that leader has already been quoted with approval by the Honourable the Mover. The more I reflected upon it the more I thought what a remarkably appropriate title it had: that title is "The Wrong Angle". If ever I read an article that got the subject from the wrong angle, that was the *Statesman's* article of this morning. It was one of the most unsound pieces of reasoning that I have ever read anywhere and I take this opportunity to say that I entirely disagree with it. Sir, I oppose the motion.

A few Honourable Members: Let the question be now put.

The Honourable Sir Andrew Clow: Sir, I hardly needed the fiery eloquence of my Honourable friend, Mr. Nauman, and my Honourable friend, Pandit Lakshmi Kanta Maitra, to convince me that nobody likes paying more either in the way of fares or in the way of freights and that, in particular, the poor man who has to travel by train will in some cases feel this burden. Nobody likes putting burdens on anybody and there is nothing that I should like better than to stand up and say that I am in a position to make glorious concessions all along the line. I would ask the House to believe that if we in Government have to take what is undoubtedly an unpopular line on this occasion it is only because we feel that it is fully justified.

My Honourable friend, Sir Abdul Halim Ghuznavi, with his usual solicitude for the coal industry has put the case for that particular commodity. I recognise frankly that coal stands in a slightly different position from most other commodities, it is precisely for that reason that we have treated it with tenderness. Actually, for the next eight months, the freights will be no higher than they were, they will be exactly the same as they were prior to 1935. And if my memory serves me rightly, first class coal which is now selling at Rs. 5 then fell below Rs. 3 a ton at the pit's mouth. Then, there have been several references to what I can only describe as an extraordinary article in one of our leading dailies. I entirely agree with my Honourable friend, Mr. Chapman-Mortimer, in fact, the article made me blink and I began to wonder if all the economics that I had been taught were completely wrong and I rushed round this morning to various persons more skilled in the art than myself. They assured me that I had not gone mad but the article had gone astray. I am warned that this is the "beginning of inflation". The word "beginning" was sufficiently surprising. When I had given the House the other day particulars of the comparison between the rates we are imposing and the rise in prices which has accrued, when I had pointed out that on most commodities the rise in prices is perhaps 30 to 40 times more than any rise that can take place as a result of this increase, when on cotton it was perhaps more than 100 times and on jute perhaps more than 200 times—the word "beginning" rather struck me as a curious word. But the word that really staggered me was the word "inflation". I have always thought that when you take away the purchasing power from the people you are deflating. If we had been increasing the purchasing power of the people I think it might really have been described as inflation. Those who in my experience feel most bitterly on the subject of these increased rates are precisely the people who hoped that inflation was coming and are accusing me of having deflated the market to some extent.

Mr. F. E. James: Perhaps it was a misprint.

The Honourable Sir Andrew Glow: However, if the newspaper in question is so afraid of inflation, it will doubtless recognize that the efforts of my Honourable friend, the Finance Member, and his Excess Profits Duty give a turn in the opposite direction.

To come to the more fundamental question, I suggest seriously that those who attack the increase in freights have got three questions to answer and that no serious attempt has really been made to answer any. I would say that the first question is this. Shall we once more default on our obligations to the taxpayer? I am told all over the place for the last ten years the railways have been making money, and I admit by using the term surplus we have possibly been conveying a misleading impression. As this House knows, it is its own decision that by way of recognising that the State which owns the railway should derive some advantage therefrom we should pay one per cent. on our capital less the loss on strategic railways. In no recent year have we managed to do that. In every recent year there has been not a surplus but a deficit when you allowed for that charge. In every recent year we have been adding to the debt that is accumulating against the railways, a debt which by the kindness of this House we have been excused from paying for the time being. Is it seriously suggested that at this juncture when the need of the taxpayer is great we should once more default, that I should go once more to the Finance Member and say, "I am very sorry. I cannot pay my debt this year. Would you just mind letting me off and adding it to the amount that is rising against me?" I have seen nowhere any attempt to answer that.

Then, the next question which arises is, if we are to make a real surplus, in other words, if we are to meet our obligation, can we raise the money otherwise? I have seen only one attempt to answer that and it is an extraordinary letter issued by the Federation of Indian Chambers to the press and I think to a number of Members of this House. They answer the question apparently in the affirmative. I will explain why I say 'apparently' later. They say:

"The Committee, therefore, hold that the expected surplus for 1940-41 put forward by the Railway Member on the basis of existing railway charges does not appear to be a fair estimate, and it can safely be put at a figure higher than Rs. 3 crores. The Railway Member admits that in view of the prospects of an enormous increase in the goods traffic, the railways can look forward to a prosperous period during the duration of the war."

I admitted nothing of the kind and nothing resembling that. But when I noticed that after I made a denial in this House it was repeated in a prominent paper in a leading article next morning. They go on:

"It is, therefore, reasonable to assume that the existing rates and fares would yield a larger revenue as a result of the expected increase in the total turnover of business and thus enable the railways to fulfil their obligations in respect of their contribution to the general revenue and contribution to the railway reserve fund."

That, Sir, is optimism in excelsis. I am expected to get four to five crores more by extra traffic than the estimate I have framed in the budget, and, of course, extra traffic means extra expenditure, so that the estimate is even more optimistic than it seems. The only reason I used the word "apparently" earlier was because on the next page the Federation went on to say.

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan): You are strangling the export trade of India by enhancing the rates.

The Honourable Sir Andrew Clow: On the very next page the Committee goes on to say:

"The Committee feel that the decision of the Government to impose this additional burden is based upon an unduly optimistic view of the present situation."

I must leave the Federation to answer their own dilemma, but I suggest that the only effort I have seen to answer the second question in the affirmative is a complete failure.

Then, the third question remains, and that is, if I do not provide the Finance Member with this money, if I do not provide the taxpayer with this money, are there better means by which it can be provided? If there are, the House will doubtless tell the Finance Member the alternatives after he has introduced his own budget.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That the demand under the head 'Railway Board' be reduced by Rs. 100." The Assembly divided:

AYES 19

Abdul Ghani, Maulvi Muhammad.
Abdur Rasheed Chaudhury, Maulvi.
Aney, Mr. M. S.
Azhar Ali, Mr. Muhammad.
Bhutto, Mr. Nabi Baksh Illahi
Baksh.
Essak Sait, Mr. H. A. Sathar H.
Ghiasuddin, Mr. M.
Ghuznavi, Sir Abdul Halim.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.

Malaviya, Pandit Krishna Kant.
Nauman, Mr. Muhammad.
Parma Nand, Bhai.
Raza Ali, Sir Syed.
Sant Singh, Sardar.
Siddique Ali Khan, Khan Bahadur
Nawab.
Umar Aly Shah, Mr.
Zafar Ali Khan, Maulana.
Ziauddin Ahmad, Dr. Sir.

NOES 45

Abdul Hamid, Khan Bahadur Sir.
Abdul Hamid, Khan Sahib Shaikh.
Ahmad Nawaz Khan, Major Nawab
Sir.
Aikman, Mr. A.
Bajpai, Sir Girja Shankar.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Caroe, Mr. O. K.
Chambers, Mr. S. P.
Chapman-Mortimer, Mr. T.
Chettiar, Dr. Rajah Sir S. R. M.
Annamalai.
Clow, the Honourable Sir Andrew.
Dalal, Dr. R. D.
Dalpat Singh, Sardar Bahadur
Captain.
DeSouza, Dr. F. X.
Dumasia, Mr. N. M.
Griffiths, Mr. P. J.
Ismail Ali Khan, Kunwar Hajee.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Usama.
Khan, Mr. N. M.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.

Mackeown, Mr. J. A.
Maxwell, The Honourable Sir
Reginald.
Miller, Mr. C. C.
Muazzam Sahib Bahadur, Mr.
Muhammad.
Mudaliar, The Honourable Diwan
Bahadur Sir A. Ramaswami.
Ogilvie, Mr. C. M. G.
Oulsnam, Mr. S. H. Y.
Pillay, Mr. T. S. S.
Rahman, Lieut.-Col. M. A.
Raisman, The Honourable Sir
Jeremy.
Raper, Mr. J. H. F.
Scott, Mr. J. Ramsay.
Sen, Rai Bahadur G. C.
Shahban, Mian Ghulam Kadir
Muhammad.
Sheehy, Mr. J. F.
Sher Muhammad Khan, Captain
Sardar Sir.
Singh, Raja Devaki Nandan Prasad.
Sivaraj, Rao Sahib N.
Spence, Sir George.
Staig, Mr. B. M.
Zafrullah Khan, The Honourable Sir
Muhammad.

The motion was negatived.

Grievances of Railway Employees.

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

"That the demand under the head 'Railway Board' . . ."

Sir Abdul Halim Ghuznavi: Sir, he has to move this at half-past four.

Mr. N. M. Joshi: No, no, I have to move this at a quarter past four. I have already lost five minutes.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can go on.

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

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

As I have stated in the list of motions, my object in making this motion is to draw the attention of the Honourable the Communications Member to the grievances of the railway employees. In dealing with these grievances, I shall first mention a few grievances of some particular classes of railway servants in order to show to the Honourable Member in charge that there is need for watchfulness on his part and also on the part of the House if we are to protect the interests of all railway men in India. Later on I shall deal with certain general grievances of railway men and also the policy of the Government of India in treating their employees. In dealing with particular grievances, I should like to point out to the Honourable Member for Communications that on the Great Indian Peninsula Railway, the railway administration is proposing that there should be central control of some of the power stations between Kalyan and Igatpuri and Kalyan and Poona. This centralisation is resulting in retrenchment of about twenty people. I do not know the exact number, but the Honourable Member may be able to find it out. This scheme of centralising power control between Kalyan and Igatpuri and Kalyan and Poona by converting existing substations as centrally controlled is doubtful of success, but I am not an electrical engineer and I cannot say with certainty whether it will fail in its object or not. But what I am certain about is that this scheme is going to result in some of the workers employed in this department losing their jobs. The Government of India, I am told, are trying to find employment for the men who are going to lose their jobs. Unfortunately, what they are proposing is that people who are now getting between Rs. 150 and Rs. 215 are going to be provided with jobs on Rs. 60 rising to Rs. 90. I think, Sir, it is not right that the Government of India should deprive these people of their jobs. They should try to find out suitable jobs for these people. I am told that most of these people, or perhaps all of them have served the Railway for more than ten years. They are all well qualified people, some of them have passed through the Victoria Jubilee Technical Institute, and some have passed through the engineering college. It is very wrong on the part of the Government either to send them away or even to offer them much smaller jobs. I want, Sir, the Honourable Member to make an inquiry into the grievance of these people and see that justice is done and that these people are not deprived of their maintenance, and

when suitable jobs are found for them, they should be provided with suitable jobs and not jobs which these men may find it difficult to take or even if they take them in despair, they should be provided very soon with suitable jobs where they will not be asked to make any sacrifices.

There is another grievance which really arises out of this grievance which I would like to place before the Honourable Member for Communications. That grievance is this, that when Government makes retrenchment in the personnel of the Railway Administrations, they either discharge people or sometimes offer them smaller jobs, or to use the technical language, they demote men. The Railway Board have followed certain policy in dealing with demoted men whenever retrenchment is effected. They have laid down that when a man is demoted he should be put at the top of the grade to which he is demoted, so that when there is an opportunity of promotion, he should get it. I think that is the policy of the Railway Board which has been laid down in a communique. They say that the demoted employees will—

“rank in seniority above men holding similar posts drawing the same rate of substantive pay as that allowed to them on reversion and will, subject to continued efficiency be considered, when a suitable opportunity offers, for promotion to the class of grade in which he was formerly employed or to a post of equivalent or lower rank.” . . .

I do not wish to refer to all the rules regarding the demoted men which the Railway Board have made. I am not suggesting that these rules are generous. But the rules are there. My complaint is that on the Great Indian Peninsula Railway these rules are not observed. There are some retrenched men who are demoted, but they are not treated even according to the rules made by the Railway Board. I am told that some men belonging to the Crew Department were demoted and the demoted men were not treated according to the rules.

Then, Sir, men were also retrenched and demoted,—people who were Painters in the Traction or the Overhead Equipment department. I don't wish to go into the details of these cases, but I will only mention cases where unfairness and injustice have happened. Then, there are the other men in the Traction department about whom I have already spoken. They are offered jobs in the grade of Rs. 60 to Rs. 90, and I am told they are not promised to be treated according to the rules laid down by the Railway Board. There were two schoolmasters at Bhusaval who were demoted, one of whom was treated unfairly. I don't wish to add to these examples of unfair treatment of demoted men. I want, Sir, the Honourable Member for Communications to inquire and find out whether the rules made by the Railway Board as regards the treatment of demoted men are being properly observed on the Great Indian Peninsula Railway or not. I have no doubt that if he makes an inquiry the injustice will be removed.

Then, Sir, there is a third class of people about whom I want to speak. Some educated men, or if you like, say, some literate men, were taken on the North Western Railway on the Loco. staff as cleaners and firemen. Their case was placed before this House once or twice. The Agent took these people and gave them some positions in the Loco. Department. Afterwards, he ceased to take literate men and people who were already taken on had some expectations of promotions, but those expectations were not fulfilled. Somehow, the Agent came to the conclusion that these literate men were not needed and they need not be treated differently. I would like the Honourable Member to also inquire into this case.

The Honourable Sir Andrew Clow: What is the precise hardship?

Mr. N. M. Joshi: The hardship is, they are not getting promotions which they had expected.

Sir, another grievance which I want to place before the Honourable the Member for Communications is that at Kharagpur on the Bengal Nagpur Railway there has been short-working in the workshop for a long time. The workshop does not work for the number of hours which it is expected to work in a week. The men generally do not get work at these railway workshops for a half day on Saturday and sometimes the factory also does not work on some other day in the week. Well, Sir, the men feel that on account of this short working they lose in their wages. Unfortunately, Government do not pay them by the week, they pay them by the day, and, therefore, the men lose when the short-working begins. Personally, if I had a grievance about the short-working on workshops, I would not have made it a grievance that I was asked to work for a shorter number of hours; I would have asked for an increase in salaries and wages. Unfortunately, I cannot convince these men at Kharagpur that their best course was to strike for higher wages and not to ask for fuller working in the workshops. This grievance has been going on for a long time and I would like the Communications Member to inquire and find out whether full working cannot now be introduced. Sir, the times have changed, railway traffic is going up and, therefore, it is quite possible that full working may be begun. Sir, I do not wish now to speak about the smaller grievances. I would like now to come to larger questions.

Sir, I have already thanked the Communications Member for agreeing to make some provision for providing a provident fund for the low-paid employees of Indian Railways. I am very grateful to the Honourable Member for what he is doing but I am not quite satisfied with what he has done. We do not know, in the first place, what amount of money he is going to provide for this reform. He has told us that the reform will require seventy-two lakhs of rupees. As I have said in my speech during the general discussion, I thought he could easily get 72 lakhs of rupees even this year, and even if Rs. 72 lakhs are to be spent every year, I admit that these 72 lakhs will have to be spent every year. I think the Indian Railways can afford to spend this amount without feeling any inconvenience. After all, the Indian Railways are finding money for so many things and this provision of a provident fund for the low-paid employees is an urgent matter and is only the removal of a great injustice. You are providing a fund for people who do not need a provident fund,—people who are getting, say, Rs. 1,000, Rs. 2,000 up to Rs. 5,000 and more. Why do they need a provident fund? It is the lowest-paid men who need a provident fund but if you provide such a provident fund for the better paid people but have not done so for the lowest class of your employees, then you have done an injustice. You have continued that injustice far too long, and therefore, even if you require Rs. 72 lakhs by way of an increase of your annual expenditure. Sir, I would do it and I would like the Communications Member to do it. Then I would like to ask the Honourable Member for Communications, if he is not willing to spend 72 lakhs, then what is his programme for completing this reform of the establishment of a provident fund for the lower class of railway employees? He must tell us how many lakhs of rupees he is going to

spend. Then, if he is not spending Rs. 72 lakhs, how is he proceeding? Is he going to take up one Railway after another, or to take up some categories of employees of Railways and give them some concession? I would like the Honourable Member for Communications to give me some information

• Then, there is the question of the passes. The House has discussed this question of passes so many times. Now, what I have to say about passes today is this, that let us have at least an equalization of this concession. Officers, I am told, get eight or ten sets of passes. The subordinate grades get a smaller number of passes, and the inferior servants get the least number of passes. They are not given passes on what are called foreign lines, and they are only given one or two sets of passes, I do not know exactly, but they get the smallest number. The subordinates are given a limited number, but the officers get eight or ten sets of passes. I do not know why a larger number of sets of passes should be given to them; their families are not necessarily larger than the families of the subordinate staff or larger than the families of the inferior staff, and why should they be given a larger number of sets of passes I cannot understand. And, although they have to travel sometimes on their own, generally they do not travel on their own; and if they have to travel on their own, well they have sufficient money to spend for tickets. I would, therefore, suggest to the Government of India that there is no need for making a discrimination as regards the number of sets of passes between officers, subordinates and the inferior servants. I would suggest to them to have an equal number of sets of passes provided for all railway employees.

Sir, then there is the question of the daily-rated men in the workshops. The practice of the Government of India has been to treat workshop employees as daily-rated men. I have read in a report published by the Government of India regarding the recommendations of the Royal Commission that in some of the workshops they now treat these daily-rated men after three years' continuous service as permanent men. Sir, the Royal Commission had recommended that daily-rated men should be treated as permanent after only one year's continuous service. I would like the Government of India to accept the recommendation of the Royal Commission. Then I would like the Government of India to take all steps possible to give immediate effect to the recommendation of the Royal Commission on the other Railways also,—on the Railways which have not yet given effect to this reform. I hope the Honourable Member will give attention to these daily-rated men. He himself has signed the report of the Royal Commission on Indian Labour and I have no doubt that he has sympathy for the people who are affected by this recommendation. Then there is the question of the war bonuses. I have already spoken on this subject during my speech on the general debate. Sir, I am not quite satisfied with the attitude of the Government. They say that the railway men were not asked to make any sacrifice when the prices went down, that their wages and salaries were not reduced.

Lieut.-Colonel Sir Henry Gidney: They were in 1931.

Mr. N. M. Joshi: But, afterwards, that cut was restored—and that, therefore, when the prices have gone up, wages should not go up. Sir,

[Mr. N. M. Joshi.]

I feel that that argument at any rate cannot apply to people whose standard of life today is not adequate and was never adequate. We have not yet established whether the railwaymen who were getting Rs. 80 sometime ago were really living a proper standard of life.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is exhausted.

Mr. N. M. Joshi: I have got five minutes more, Sir?

Mr. President (The Honourable Sir Abdur Rahim): No, no.

Mr. N. M. Joshi: I shall finish within five minutes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): No, no. The Honourable Member has only twenty minutes and he has exhausted that; he must finish now.

Mr. N. M. Joshi: I shall not take even five minutes

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow him any more time.

Mr. N. M. Joshi: Very well, Sir, I shall then finish with a sentence or two in half a minute. I want the Honourable Member to look into this question of war bonuses very sympathetically. Railwaymen are not given a proper standard of life and it is wrong to ask them to make a sacrifice and to lower their standard of life. My last request is this, that the grievances of the railwaymen are numerous and what I would suggest to the Honourable Member is that he should institute an inquiry into the question of works, Hours of Work and other condition of work of all the railwaymen. I hope the Honourable the Communications Member will accept my suggestion that there should be an inquiry into the conditions of wages and hours and other things of the railwaymen in India.

Mr. President (The Honourable Sir Abdur Rahim): Cut motion moved:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."

Sardar Sant Singh (West Punjab: Sikh): Sir, I am thankful to my friend, Mr. Joshi, for moving this cut motion. I had given notice of a similar cut motion which stands in my name at number 18 to discuss the block of promotion of the guards and members of the commercial staff on the North Western Railway. This gives me an opportunity to make a few observations on that subject. Before I deal with their grievances, I want to draw the attention of the Honourable the Communications Member to certain aspects of the administration of the North Western Railway with regard to the expression and the subsequent attention which is paid to those grievances by their employees. In the case of the North Western Railway, the attitude of the General Manager has not been what one would wish it to be. The result has been that on that particular

railway, sectional associations are coming into existence and two of them, namely, the Guards Association and the Commercial Staff Association, have already been formed to protect their interests. I have had the privilege of listening to their grievances and giving vent to them in my presidential address when I presided over their annual Conferences. The difficulty in presenting these grievances to the administration of the North Western Railway is that that the latter always take shelter behind the plea that these Associations are not recognised under the Trade Unions Act. So, steps were taken to fulfil those conditions. It is now about a year since when all the conditions have been complied with and an application was sent to the General Manager to extend recognition, yet no reply has been vouchsafed so far. I do not know how far the Honourable the Communications Member will justify the conduct of an important administration like the North Western Railway. When the conditions pre-requisite to the recognition have been satisfied, there should be no delay in extending the recognition to these Associations. Not only no reply has been vouchsafed but the administration lacks the courtesy of sending an acknowledgment to the Association.

The Honourable Sir Andrew Olow: When was the application sent?

Sardar Sant Singh: The application was sent some time in the middle of 1939. It was regularly registered. Afterwards, I think some reminders were also sent.

Then, Sir, there is another point which I have failed to understand and I wish the Communications Member were to throw some light on it. When I wrote to the General Manager in pursuance of the Resolution of the conference that a deputation should wait upon him to discuss the grievances so that there may be a mutual exchange of views on such matters, he refused to discuss on the plea that the Association was not a recognised body. It may be a valid plea and I do not dispute it. But when I wrote to him as a Member of the Assembly to seek an interview with him, he still declined to see me, which refusal I regard as not in good taste. Is it not the privilege of the Members of this House to see the Members of the Viceroy's Executive Council? If we have that right to interview such high officials and dignitaries, surely the General Manager does not occupy a higher position that he may refuse to see us and discuss matters with us. I think it is a commonsense view that when grievances are discussed in an interview, most of the misunderstanding between the employees and the employer are removed. But this was not done. Then, I wrote to the Railway Board drawing their attention to this aspect of the case and asked them what was their view on this subject, whether the Members of the Assembly have or have not a right to interview the General Manager. I have not been favoured with a reply because it seems to me that the question is rather difficult for decision. I do not know whether we have got the privilege or not but, at any rate, from the point of view of expediency I hope the Communications Member will issue instructions to the General Managers that such interviews are profitable both to the administration as well as the persons concerned.

Bhai Parma Nand (West Punjab: Non-Muhammadan): The General Manager is too big a man.

Sardar Sant Singh: I quite agree with my Honourable friend, Bhai Parma Nand, that the General Manager of the North Western Railway thinks himself to be too big a man. In this connection I would like to recall the question which my Honourable friend, Dr. Sir Ziauddin Ahmad, put the other day when the General Manager is alleged to have remarked that the Members of the Assembly should not be allowed to ask stupid questions. I hope the Railway Board must have gone through the question and would have discovered whether there was such a remark or not. If there was, it showed a very bad taste on the part of the General Manager.

Now, I come to the grievances. The grievances of the guards and the commercial staff are mainly under the head that their promotion has been blocked for over 15 years. Persons who have reached the grade of Rs. 60 or of Rs. 68 have no chance of promotion to a higher grade. The amusing part of the whole story is that our friends in power in the North Western Railway forget what promises they held out to their employees at one time. When the same question is reagitated, they take up a line just opposite to that which they took up in the first instance. In a memorial which was addressed by the guards of grades II and III in 1935, the General Manager was then pleased to say this. I am now reading from his Circular letter No. 522-E./199, dated the 12th August, 1935. He said:

"With reference to your letter forwarding memorials from grade II and III guards, I beg to state that it has never been the policy to keep vacant posts of grade III and IV guards as alleged by the memorialists. It has, however, been decided (as per this office letter No. 757-E./1-IV, dated the 8th November, 1935) to abolish the posts of guards grade IV with a corresponding increase in the number of grade III posts and this does not affect the promotion of grade II guards.

Due, however, to certain surpluses in grade III, promotion of grade II guards has been retarded but this will right itself very shortly as surpluses are being absorbed in their own grades against vacancies in grade IV."

After this reply, another memorial was submitted in 1937 to reconsider the position. In reply to that memorial the North Western Railway administration stated this: *vide* Agents letter No. 522-E./199, dated 6th January, 1938:

"This administration has no intention of amalgamating grades II and III."

So far it may be right.

"Recruitment and promotion to grade IV has been discontinued as it is considered that grades for guards, namely, III and II, are sufficient (grade I being but a second guard's post). As senior guards, grade II with pay and allowances, including mileage, draw emoluments in the vicinity of Rs. 100, often more, it is considered that they are more than adequately paid. The revision of scales of pay for new entrants and discontinuance of grade IV should convince them that such is the case and it is therefore difficult to understand the justification for such demand."

May I ask the Honourable Member how he can reconcile the one reply with the other? In the first reply the promise was held out clearly that as soon as certain surpluses were absorbed, promotion of grade II guards will automatically begin and they will go up. But in the latter letter of 1936, the administration just turns round and says, "you are getting enough. You have no right to complain. You cannot get promotion and no promotion shall be given to you". Practically there is block of promotion. The same is the case with the commercial staff. May I ask the Honourable Member whether it is fair for the Railway Board, under any

circumstances, to block promotion for over twelve years and then hold out absolutely no hope for these men to earn grade III.

Now, Sir, what steps were taken. I put certain questions in this House. In reply to these questions, I was told that there will be no shortage of upper grades and the time will come when second grade guards will get promotion to grade III. The Government gave certain figures about the various grades. There were 250 guards of grade IV in 1926 when this was abolished. There were 388 guards of grade III in the same year which were reduced to 219 by 1938-39. There were 638 posts in the year 1926-27 when grade IV was abolished. The General Manager of the North Western Railway by his letter No. 757-E./I/IV, dated the 8th November, 1935, abolished grade No. IV.

The Honourable Sir Andrew Clow: Will the Honourable Member kindly give reference to what he is reading from?

Sardar Sant Singh: This was in reply to question No. 1576 asked on the 29th November, 1938, and the reply was laid on the table some time in February, 1939. Now, according to this reply, it would be clear that the posts in grade III have been reduced considerably.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has one minute more.

Sardar Sant Singh: I shall finish, Sir. May I ask the Honourable Member whether it is consistent with the conditions of service on which these guards and members of the commercial staff were taken that their promotions should be blocked in that way, that they will get no promotion even after reaching 60 or 68 in this case. I hope the Honourable Member for Communications will look into the matter and if he is satisfied that there is real and genuine grievance on the part of guards and members of the commercial staff, he will do something in the near future to remove those hardships which are working on grade II people. I, therefore, support the motion.

Lieut.-Colonel Sir Henry Gidney: Sir, I have just a few minutes before we adjourn within which I desire briefly to refer to certain grievances which I have enumerated in certain cut motions and which I will not move now, but will discuss as part of the general grievances of railwaymen. My first observation is that, in the main, I entirely agree with my Honourable friend, Mr. Joshi. He has placed before this House certain grievances which have been long overdue for redress. He has dealt with them very fully and I have no desire to repeat his arguments. Within the little time at my disposal, let me refer to some of my special points. Sir, it has become the habit of the railway administration of late to interpret rules issued by the Railway Board in multifarious ways. Many matters are brought to the notice of the Railway Administration by the Railway Board. In most railways some of the Agents powers are delegated to the Divisional Officers and the Divisional Officers and their District Officers are sometimes inclined to interpret them as they choose. I can give one instance: Allowances, particularly Sunday allowances. There are several points that I can enumerate, such as, appeals, communal recruitment and so on. With reference to communal recruitment I desire to touch on a matter that refers to the community I represent in this House. No two Divisions and no two Railways interpret the communal recruitment rules as adumbrated in the Government of India, Home Department, Circular

[Lieut.-Colonel Sir Henry Gidney.]

of July, 1934, as correctly as they should do. For instance there are some railways who wrongly call some of the loco. apprentice staff as "menial staff", others call them "cleaners", other railways call them "apprentice-fireman", other railways call them "inferior staff" and so on. The salaries of these apprentices vary in different divisions of the railways: This is the case in the East Indian Railway in the present day. Sir, it leads not only to discontent, but it leads to want of a lack of understanding and this is mainly due to the greater power Divisional officers have delegated to them with power to act in this matter as they choose best. I would ask the Honourable Member for Communications to look into this matter, because this is a question which requires uniformity of application, if not on all railways at least on State Railways. The Anglo-Indian cleaners—apprentice firemen—menial staff—call them what you like start on Rs. 10 per mensem and are members of the Indian Auxilliary Force and yet are denied the minimum initial salary of Rs. 55 per mensem. Later on I shall have more to say on Anglo-Indian Railway recruitment.

The next thing I want to talk about is a hackneyed complaint often ventilated in this House—I refer to the Leave Reserve of subordinate staff. I ask the Honourable Member for Communications to make a statement if he can on the floor of the House that the leave reserve of the railways is of such a nature that he can stand up and say that he is practising safety first and that the leave reserve is ample. The leave reserve of the subordinate staff on some railways is appallingly inadequate, an after-thought and the net result is that on some Railways men cannot get the leave to which they are entitled. I am not one of those who supports railway employees demanding leave during the busy season. It will be very foolish for any railway administration to give their subordinates leave during the busy seasons, but when a man is really wanting leave for a serious reason, great difficulties are placed in his way to get the leave, because, there is not an adequate leave reserve in the subordinate Departmental sections. This is a very serious matter to which I desire to call the Honourable Member's attention. If the Honourable Member wants me to prove it for any individual railway, I would not be able to do so. But, as a general statement, I have asked the Honourable Member to deny it. If it is true, I think, it calls for an immediate examination and remedy and that general Managers of all railways, when submitting their estimates of employees, should clearly state whether or not their leave reserve is adequate, giving figures.

The other complaint which I want to make is also a hackneyed one—the question of Railway passes to subordinates. Sir, last year we were encouraged to entertain great hopes from the Railway Member that he would so enquire into the matter as, at least, to appease this House in some measure. But what has been decided is—indeed—a very small measure of appeasement and the men are very dissatisfied. I have with me the latest pass rules of the Great Indian Peninsula Railway as announced in their weekly gazette, No. 52 of 29th December, 1939. Let me first refer very briefly to retired employees, officials and subordinates:

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can continue his speech on Monday.

The Assembly then adjourned till Eleven of the Clock on Monday, the 26th February, 1940.