

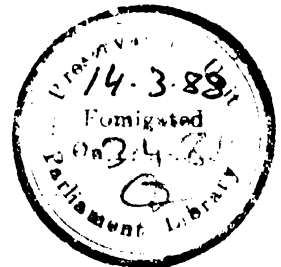
Friday, 23rd February, 1940

THE COUNCIL OF STATE DEBATES

VOLUME I, 1940

(16th February to 10th April, 1940)

SEVENTH SESSION OF THE FOURTH COUNCIL OF STATE, 1940



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COUNCIL OF STATE.

Friday, 23rd February, 1940.

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

QUESTIONS AND ANSWERS.

NUMBER OF COMMISSIONS GRANTED SINCE THE OUTBREAK OF WAR.

5. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) What is the total number of temporary commissions granted in the Indian section of the Army in India since the commencement of the war ?

(b) How many of the temporary officers are (i) pure Indians, (ii) Anglo-Indians and (iii) Britishers ?

THE HONOURABLE MR. A. DEC. WILLIAMS : It is contrary to the public interest to give publicity to the figures asked for by the Honourable Member.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I ask whether it is a fact that no secrecy is observed in regard to these matters in England ?

THE HONOURABLE MR. A. DEC. WILLIAMS : The Honourable Member must appreciate that in war time it is not usual to give actual figures in relation to the establishments of His Majesty's forces.

THE HONOURABLE THE PRESIDENT : You can furnish the figures privately to the Honourable Member if he comes to see you, I suppose ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I could tell the Honourable Member, Sir, a great deal more privately than I could tell him in public.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What advantage will the enemy gain if he comes to know the number of commissions granted in India during the last three months ? It is taking secrecy too far.

THE HONOURABLE MR. P. N. SAPRU : Will it not be a source of discouragement to the enemy to find a large number of commissions has been granted, and will the assumption not be that a number of commissions has not been granted to Indians if no reply is laid on the floor of the House ?

THE HONOURABLE THE PRESIDENT : It is for the Government Member to decide what is or what is not in the public interest. I cannot force the Government Member to reply.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : We cannot force the Government Member even to reply to a question, but surely he must make out a reasonable case in favour of his reply ?

THE HONOURABLE THE PRESIDENT : He says he can give you much more information in private.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But which part of this question does he think it will not be in the public interest to reply to, part (a) or (b) ? The Government have it in their power to refuse to reply to a question but their action is purely arbitrary. It is nothing but *zabardasti* pure and simple to refuse to reply to such a question.

THE HONOURABLE THE PRESIDENT : Does the Honourable Member know that no argument can be advanced at question time. That has been decided times out of number, that questions can only be put but no arguments can be advanced.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, my question is free from all argument. It asks for information which can be very easily supplied.

THE HONOURABLE MR. P. N. SAPRU : Is there an assurance on the part of the Honourable Member that he will supply the information asked for privately to the Honourable Mr. Kunzru or other such Members as may be interested in this question ?

THE HONOURABLE MR. A. DEC. WILLIAMS : No, Sir, I cannot give that assurance, but I would endeavour privately to provide proportional figures, not actual figures, if they would be of any assistance.

THE HONOURABLE MR. HOSSAIN IMAM : Is there a substantial or infinitesimal number of temporary commissions in relation to the permanent commissions ?

TOTAL STRENGTH OF TROOPS RAISED SINCE THE OUTBREAK OF WAR.

6. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) What is the total strength of the forces raised in India since the commencement of the war ?

(b) What are the countries to which Indian troops have been despatched in connection with the war ?

THE HONOURABLE MR. A. DEC. WILLIAMS : It is contrary to the public interest to supply the information asked for by the Honourable Member. That is as regards part (a). The reply to part (b) is, Egypt, Malaya, Aden and East Africa. There are also some transport units in France.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it correct that Reuter has in his messages mentioned the strength of the Indian forces sent to the theatres of war just now mentioned by the Honourable Member ?

THE HONOURABLE MR. A. DEC. WILLIAMS : If that is so, I can only say it is contrary to the public interest.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it a fact that Reuter messages must have been censored ?

THE HONOURABLE MR. P. N. SAPRU : What action do the Government propose to take against the Censor who allowed the Reuter messages to go out ?

THE HONOURABLE THE PRESIDENT : That is quite a different question. That does not arise out of the reply at all.

STATUS OF HEADMASTERS OF INDIAN HIGH SCHOOLS UNDER THE E.I.R.

7. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With reference to the answer given by Government to my question No. 39 on the 26th September, 1939, will Government state what steps have been taken by them to implement the assurance given by the Chief Commissioner for Railways on the 23rd March, 1939, that if the Indian schools were of the same size as Oak Grove School their headmasters would belong to the superior service like the Headmaster of Oak Grove School ?

THE HONOURABLE SIR GUTHRIE RUSSELL : In consultation with the General Manager, E.I.R., who, I understand, has also consulted the Directors of Public Instruction of the provinces concerned, it has been decided to grant the Headmaster of the Tundla A. V. High School and the Headmaster of the Dinapore H. E. School, E.I.R., honorary gazetted rank, thus placing them on the same footing as the Headmaster of the Boys' School, Oakgrove and the Headmaster, Asansol School.

GENERAL DISCUSSION OF THE RAILWAY BUDGET FOR 1940-41.

THE HONOURABLE THE PRESIDENT : The discussion will now start on the Railway Budget, Part I. I may point out to Honourable Members that I shall not lay down a time limit, but I hope Honourable Members will kindly see that they use their own sound discretion in the matter of occupying time, because I would like to give an opportunity to as many Members of this Council as want to speak on this Budget. If the debate is not concluded earlier, I will call upon the Communications Member to reply at 4 P.M.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner for Railways) : Sir, I have been asked by the Honourable Communications Member to apologise for his not being present at the commencement of this debate. He is actually occupied in the other House but he expects to be here in about half an hour.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham-madan) : Mr. President, the Budget which the Honourable Chief Commissioner presented to us dealt with three years. Of the accounts year of which he gave us the actual figures he presented to us a gloomy picture of hopes frustrated. But while his excuse about the reduction in income was quite valid, it does involve a lax control of budgeting that the expenditure should have increased by so much as Rs. 49 lakhs between the 15th of February, when the Budget was presented, and the 31st March. The Budget must have been faulty if in a month and a half there should have been such an enormous increase in expenditure. There was no rise in the takings or increase in traffic carried which could account for this increase in the working expenses of the concluding months. The only excuse that we had not foreseen the rise in price in coal and other things that he has explained does not do away with the fact that the budgeting of the revised figures was faulty.

[Mr. Hossain Imam.]

Now, Sir, I come to the revised figures which he has given and there we find an increase of Rs. 1 crore and 21 lakhs in the ordinary working expenses against a substantial increase in the income. The increase in the income is no doubt due to the effects of the war and to a certain extent the rise in ordinary working expenses are also due to causes over which the Railway Board has no control. In the Explanatory Memorandum, Sir, a note has been given to account for this increase of Rs. 1 crore and 21 lakhs. While I appreciate this note in the Explanatory Memorandum, I cannot overlook the fact that this tendency of rising expenditure is a cumulative and accentuating tendency of the Railway Administration. If we were to compare the working expenses of four years—I mean, Sir, the year 1936-37 and the year for which the Budget has been presented, the year 1940-41—we find that there has been an increase of Rs. 582 lakhs in the working expenses. In the short period of four years a rise of 12 per cent. in the ordinary working expenses is somewhat staggering. If we would compare the income side, I mean the gross receipts as given in Appendix V A of the Explanatory Memorandum—gross receipts are given at page 31 and the working expenses at page 33—the rise has been from Rs. 48 crores and 16 lakhs to Rs. 53 crores and 93 lakhs. This increase of Rs. 5 crores and 82 lakhs has occurred in such a short period that if this process goes on only in about half a dozen years there would be no surplus left. Sir, I have taken the figure of income for these four years which I have cited. The gross receipt was Rs. 91 crores 79 lakhs in the year 1936-37 and I have the authority of the Chief Commissioner for Railways for stating that the estimated income for the year 1940-41 if additional taxation is not made would be Rs. 97 crores and 80 lakhs. In his speech in paragraph 11, page 13, he mentions that the estimated income for the year 1940-41 if additional taxation is not made would have been Rs. 97 crores and 80 lakhs. There would have been an increase of Rs. 6 crores and 1 lakh in these four years out of which Rs. 5 lakhs and Rs. 82 lakhs are to be additional expenditure. This picture is very gloomy and no amount of explanation can do away with this reality. I find that every increase of expenditure is regarded as abnormal in the year in which it is brought forward before us; but in the next year there is no mention that so much of the expenses were abnormal and they are not likely to occur in the year following. In the year following we only have the comparison of the figure of ordinary and normal expenses coupled with the abnormal expenses and they are taken as the normal expenditure. This rise, Sir, in expenditure is very illustrative in the case of one Railway which is the favourite of the Railway Board and very much near to it. I refer to the N.W.R., under whose jurisdiction we are at the present moment even in this city. I am taking its commercial part—I do not include the strategic lines—in that part we find that in three years for which we could get comparable figures, the year 1936-37, the year 1938-39 and 1939-40—I have not taken the year 1940-41 because the increase due to the rise in rates is not debited; we have not got comparable figures, the comparable figures are only the estimated income for the year 1939-40 and 1936-37—we find that a fall of Rs. 65 lakhs in income is counterbalanced not by the same expenditure, not by a reduction in expenditure, but a rise in expenditure by Rs. 62 lakhs. This is the model railway which is near enough to the Railway Board to be thoroughly examined every time. The gross receipts of this Railway were Rs. 15 crores and 62 lakhs in the year 1936-37 and they are expected to be in the revised estimate Rs. 14 crores and 97 lakhs, a reduction of Rs. 65 lakhs in income, whereas the expenditure side shows that the expenditure is to rise up from Rs. 7 crores 73 lakhs to Rs. 8 crores 35 lakhs, a rise of Rs. 62 lakhs, which means something like 0 per cent. rise for a fall of 7 per cent. This, Sir, is the

condition of the Railways. I do not say, Sir, it is mismanagement, but I do aver that it is lack of control and if this tendency is allowed to remain intact it will land us in a bankruptcy court or it will increase so much the burden on the users of the Railways that they will be compelled to take to other means and leave the Railways. It is that which is causing so much increase in the road competition, the lack of sympathy of the Railways and the higher rates.

Now, Sir, coming to the points mentioned in the Budget Speech of the Honourable Member, I appreciate the effort which he has made to have a more stringent and more comprehensive control of the general service wagon. The House may perhaps remember that last year on the 20th March I moved a Resolution on the subject asking that general service wagons should be pooled into one stock of I.S.R. That has not been done, but a substantial effort has been made to bring about all the advantages of having one pooled stock. An especially welcome feature of this change is that instead of remaining under the control of the Railway Conference Association the Railway Board has boldly come forward and taken the control entirely in its hands. I greatly appreciate this change. Mention has also been made of the Moody Committee which has been appointed to inquire into the better utilisation of the wagons and to expedite the turn-round. This step also, Sir, is a step in the right direction and I hope that when the Report is received it will receive the consideration which it deserves from the Railway Board. Sir, in dealing with the points I cannot overlook the fact that artificial respiration has been given to the B.N.R. and by a conjuring trick it has been made into a solvent institution at the end of 18 years of continuous losses and that has been done at the cost of my railway, the E.I.R. The Honourable the Chief Commissioner on page 5 of his speech has referred to the fact that coal traffic to the west of India was diverted, from its normal route by Agra East Bank, over the B.N.R. and G.I.P.R. *via* Katni. That is the artificial respiration, the oxygen, that has been given in the last stages to revive it. And when from 1924 onwards in not a single year has it been able to show a positive balance, it is going to show a positive balance this year and consequently the positive balance of the E.I.R. has fallen a little short of what it would have been otherwise. This policy is to be continued in the coming year too. That, Sir, will not mask the fact that it is the most inefficient railway it has been the misfortune of Indian taxpayers to bear the burden of.

Sir, as I live on the E.I.R. I should like to voice some of their troubles and some of their grievances. I am indebted, Sir, to the Honourable the Chief Commissioner for Railways for having given me information about third class passenger seating accommodation on the E.I.R. as well as on all Class I Railways. I am not interested so much in Class I Railways as in the E.I.R. I find, Sir, that, although the number of third class passengers carried has increased by 6.7 per cent., there has been a decrease in the seating accommodation of 5.9 per cent. That has been done, Sir, by reducing the stocks already in service without replacing it. By this means, the capital at charge is reduced and that reduction in capital at charge is eaten up by other favourites who come up for capital expenditure—like bridges, an example of which I shall cite later. My complaint, Sir, is that in season and out of season always there has been a consistent complaint that the third class accommodation is inadequate. The House will understand the implication of what I say when I state that for every first class seat in a year of 365 days we usually carry about 12 passengers in a year. For each second class seat we carry about 82 passengers in a year of 365 days or about one-fourth of it is occupied every day. In the intermediate class you find that there are 170 passengers for each seat available and in the third class there are 610 passengers carried for each seat

[Mr. Hossain Imam.]

that is available. That figure, Sir, is very chilling. If you consider that many of the trains which carry these passengers are through trains in which the turn round is not more than one in two days or one in three days even, then you can appreciate what huge overcrowding is indicated in these figures. I have also to complain, Sir, that Statements 10 and 12 which give us these figures do not give us the consolidated figures of all classes. We have to hunt up and add up many things and then we come up to this figure in a presentable form.

Sir, the Railways have enough money to spend on schemes which are approved by them or which are acceptable to them, but when it comes to the question of public convenience then they have no money to find. I refer, Sir, to the fact that on the E.I.R. the Government can find enough money to spend Rs. 82 lakhs in remodelling the existing Dufferin Bridge on the Ganges between Benares and Mogulserai. But when we ask for any over-bridge on the railway lines for the convenience of the passengers using the road, we are told that the Government has no money. I refer particularly, Sir, to my own home station, Gaya, where there is such a huge crush that at a distance of less than a furlong there is a very important route passing the railway and yet we have been complaining year in and year out that an over-bridge might be made which would not cost half a lakh of rupees but the Railways have always refused and turned it down because they have no money and this has been done on a railway that has been consistently giving surplus after surplus. And as a public utility service we demand as a matter of right that either its rate should be reduced or more amenities should be given. A public utility service is not a private corporation to be worked for profit and extensive profit amounting to nearly 6 per cent.

I would also, Sir, invite the attention of the Railway Member to the fact that in the E.I.R. there are no cheap return tickets like those the N.W.R. gives between Delhi and Meerut, for instance. A railway which is working at a loss can give more amenities to its passengers than a railway which is earning good money for the Government. I would also request the Honourable Member to consider the possibility of building more ladies' waiting rooms at the stations on the E.I.R. than are at present in existence, especially on the new line which has been acquired by the Government. I refer to the South Bihar Railway and the Hardwar-Dehra-Dun Railway which are the only two Company railways leased out to the E.I.R. They have both been acquired, so the E.I.R. at least is now free from the encumbrance of Company-owned railways. A complaint has been voiced by many of the Calcutta and mufassil people that there is no convenient fast train between Calcutta and Delhi by which a man can arrive in Delhi in the forenoon. This is a very general complaint, although there is a train by which one can arrive from Calcutta at Delhi in the morning, but it involves a journey of 36 hours. That is rather inconvenient in the present days of stress and strain—

THE HONOURABLE MR. P. N. SAPRU : And it is always late.

THE HONOURABLE MR. HOSSAIN IMAM : I would, therefore, request the Honourable the Railway Member to consider the possibility of so changing the timing of the 7-Up Delhi Express as to make it arrive at Delhi in the forenoon instead of the afternoon—

THE HONOURABLE THE PRESIDENT : These are all matters extraneous to the Railway Budget. Will you please confine yourself to the Railway Budget ?

THE HONOURABLE MR. HOSSAIN IMAM : This is not extraneous to the Railway Budget. It shows that passengers are desirous of certain changes and I have the authority of the Railway Board in its Administration Report where they say that certain changes have been made already in the timing of trains because a demand has been made for it. The particular instance is given of the Kathiawar Express of the B. B. & C. I. R., the timing of which has been changed due to the demand of the passengers using it.

In the Budget discussion in 1938, I had drawn attention to the fact that terminal taxes are levied by the Railways from its passengers whereas the bus users do not pay the terminal taxes. That fact has not yet been investigated and righted. It is anomalous that when there is enormous bus competition, the Railway should not use its power to impose the tax on bus users or to refuse to collect it for the authorities. If the authorities are not prepared to equalise the position of the Railways with the buses, the Railways can refuse to collect the tax and under the present Government of India Act, I doubt the legality of the Railways' collecting these terminal taxes, because they are provincial subjects and Railways are a central authority. That point ought to be looked into.

I would also request the Honourable the Railway Member to consider a special concession for Aligarh students. The present Vice-Chancellor of the Aligarh University, the Honourable Justice Sir Shah Sulaiman, has changed the holiday from Sunday to Friday, with the result that poor students are unable to use the week end concession tickets, because they are issued only on Fridays. If it will be possible for the Railway Board to consider the special case of Aligarh and allow the week end tickets to be issued from Thursday afternoon, it will greatly help the students of the Aligarh University.

I am rather at a disadvantage that I cannot understand fully the speech of the Honourable the Chief Commissioner in paragraph 7 where, in referring to the Locomotive Construction Committee, he says :—

"This has been our difficulty in the past. We have been unable to foresee a steady output, and it is of little use building a workshop which only works spasmodically. It can never be an economical proposition. This has been our experience with the Tetanagar Underframe Shops".

Do we take it that this is a statement of the conditions that were present in the past or is it the present feeling of the Railway Board? If it is the present feeling of the Railway Board, then I am afraid it means that the Committee's Report has to be dishd. If it refers to the past, then I think the Honourable Member should clarify the position and say that that is not the feeling of the Railway Board at the present moment.

Sir, in concluding my speech, I should like to mention one complaint of the service people. The medical graduates in the Railways have been relegated to the position of subordinates. The medical graduates in all the provinces and even in the Government of India are treated as gazetted officers, but it is only in the Railways that they have been relegated to a position analogous to that of sub-assistant surgeons—the medical under-graduates—and they are not treated as officers. I do not claim that they should get a higher pay. The pay is all right. But, by segregating them with the subordinates, they do not get study leave and such other concessions which are admissible to officers. There is no reason for this differentiation, because, now the medical graduates are recognised by the British Medical Council. They should be eligible for promotion to the grade of District Medical Officers. The Government of India have introduced an additional cadre between the D. M. O.—

THE HONOURABLE SIR GUTHRIE RUSSELL : I would like to point out that any sub-assistant surgeon or assistant surgeon is eligible for promotion to D. M. O. if he possesses the necessary qualifications.

THE HONOURABLE MR. HOSSAIN IMAM : You have got an intermediate stage of Assistant Medical Officer and that is eligible only for those possessing English qualifications. That is the practice. I have only referred to this point in passing so that this differentiation may be removed.

Now, Sir, coming to the Budget proposals, the *pièce de résistance* of this Budget, the increase in the rates and fares—

THE HONOURABLE THE PRESIDENT : You are now coming to the most important part of the Budget at the fag end of your speech and after having spoken already for 35 minutes. I cannot allow you to do that. There are many other speakers.

THE HONOURABLE MR. HOSSAIN IMAM : I am not going to dilate on it. I am going to conclude with it. I have only to say this much that the bus competition would have died if it had not been resurrected by means of these two changes which will involve a rise in freight and a rise in passenger fares and give new life to the bus competition.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadian) : Mr. President, it is natural that in a debate like this we should concentrate our attention on those aspects of the Budget that are open to criticism. This does not, however, mean that there is nothing in the Budget that we welcome. There are several features in it which deserve our commendation. Two of them have been referred to by my Honourable friend Mr. Hossain Imam. There is another feature of it to which he did not refer but which, I think, requires a little reference here. I am glad that the conventions relating to the hours of employment and weekly rest are going to be extended to all State Railways. I feel that this should have been done long ago, but this does not prevent me from recognising that Government have taken a step forward in this connection in the Budget for the next year. A cognate point is the further extension of the Provident Fund scheme to railway employees. The extension of the scheme to all railway employees would, according to the Communications Member, require the sum of Rs. 72 lakhs. The sum of Rs. 12 lakhs that has been provided in the Budget will, therefore, extend the scheme only to a small part of the workers. It is, nevertheless, a matter of pleasure that Government are moving forward in this matter also and that, should railway finances continue to be prosperous, the scheme will be extended before long to all railway employees.

Another point to which I should like to draw attention is the increased emphasis placed by the Railway Board on the need for better treatment of third class passengers. I am glad to notice that the subordinate railway employees are going to be impressed during their period of training and on other occasions that it is their bounden duty, especially in these days, to be civil to and look after the comforts of passengers of that class which furnishes the largest amount of revenue to the railway coffers.

And now, Sir, I pass on to those aspects of the Budget which in my opinion call for adverse criticism. I naturally turn first to the question of rates and fares. Both the Member for Communications and the Chief Commissioner for Railways in defending this increase have broadly said that they must, following the practice of private commercial concerns, try to make hay

while the sun shines. Now I do not know whether this is a principle that is applicable to a State concern, but even granting that it is desirable that in a commercial department like the Railways, even though it is owned by the State, a reserve should be built up against a rainy day, we have to consider what the state of the funds that we already maintain is. We had at one time two reserve funds, the Depreciation Reserve Fund and a general Reserve Fund. The latter was practically exhausted during the period of depression through which we have lately passed. The depression compelled the Railway Board to draw on the Depreciation Fund also. Nevertheless, what we have to bear in mind is that the Depreciation Fund is steadily rising. At the end of 1938-39 I think the Depreciation Fund amounted to about Rs. 24½ crores. At the end of 1940-41 it is expected to amount to about Rs. 36 crores. That is, in about two years it will have increased by nearly Rs. 11 crores. If we go back a year or two further, I think the same state of things will be seen to prevail. I think it would be correct to say that if we take the figures since the year 1937-38, we shall find that we have added to our Depreciation Fund at the rate of about Rs. 5½ crores a year. Now the Wedgwood Committee was quite dissatisfied with the state of our funds and suggested that we should have a balance of about Rs. 30 crores in the Depreciation Reserve Fund. To be more correct, what it said was that a normal balance of Rs. 30 crores would not be excessive. Well, we have passed that figure already. Now the rest of the money, that is the amount above Rs. 30 crores, I suppose can be looked upon either as part of a general reserve fund or as part of an amortisation fund. I am aware that the Wedgwood Committee was not content with laying down, roughly speaking, that the balance of the Depreciation Reserve Fund should not go below Rs. 30 crores. It further recommended that there should be a general reserve fund in the nature of an amortisation fund of about Rs. 50 crores. Well, that recommendation was severely criticised about two years ago, but even accepting it as desirable we see that the rate at which we are advancing, that is the rate at which we are adding to the Depreciation Fund, will enable us to get the Rs. 50 crores that we need in eight or nine years. Where is the need then for having a further depreciation fund, and especially for raising rates and fares in order to add Rs. 3 crores to the general Reserve Fund? It is true that the money that I have pointed out technically belongs to the Depreciation Fund, but technical questions apart, the fact remains that the Railway Board are laying by Rs. 5½ crores every year which are not needed for the purpose of renewals and replacements. It may be said that they might be needed at some future time. Well, the Depreciation Reserve Fund was constituted in the year 1924-25. Since then it has been going on increasing, and but for the depreciation it would have stood at about Rs. 66 crores. Again, the Company lines do not provide a depreciation fund according to the system that has found favour with Government. They just provide for their annual renewals and replacements. Therefore, Sir, my contention is that apart from other considerations and even allowing for the validity of the arguments advanced by the Communications Member and the Chief Commissioner for Railways, there is no justification for the enhancement which has been made in rates and fares. Whatever the state of the railway finances might have been during the period of depression—and not merely railway concerns but States as a whole are not immune from the effects of a general economic debacle—the present condition of the railway finances is certainly not one which should give cause for any anxiety.

THE HONOURABLE THE PRESIDENT: You do not expect depression after the war?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Well, Sir, all the State Railways are a part of the State. If the general State suffers naturally the railways will. But if what you have said, Sir, is correct, it means that we should deliberately maintain taxation at a high level in normal times in order that we might have a large reserve to draw upon in times of adversity. If this principle were followed in connection with the General Budget I am certain that no Finance Member would be able to hold his position for a day. My Honourable friend the Communications Member and the Chief Commissioner for Railways can enunciate such a principle and still maintain their position only because they can call the Railway Department a commercial department. What I understand, Sir, from the practice of the commercial concerns is that their turn over increases when there is a large demand for it or that the price of articles goes up when the quantity remains limited but the demand for it goes up. The Railway Board have not put their case on commercial grounds so far as these two aspects of the matter are concerned. But apart from that the Railways are a part of the State and the State can in times of adversity maintain its concerns only at a level of efficiency which the general economic situation allows.

Sir, while I am on this point, I should like to refer to the depreciation funds maintained in the name of the different Railways. I find, Sir, that although several Railways have been showing deficits for a series of years they are in accordance with the table given in Appendix VIII of the Explanatory Memorandum on the Railway Budget able to show substantial sums in their depreciation reserve funds. I should like to know on what principle the depreciation reserve funds for the separate Railways are maintained. In the pink book relating to the B.N.R. it has been specifically stated that the calculations with regard to the depreciation reserve fund do not affect the Company at all. They are for the purpose of the book entries made by Government. If that is so, while you may maintain such entries for accounting purposes in order to be able to see how one railway system compares with another, I do not see how you manage to credit a Railway which has been losing for five, six or ten years with several crores in its depreciation reserve fund? I know that this question has been discussed in the past, but so far as I remember no satisfactory explanation of it has yet been furnished.

Now, Sir, I will pass on to two or three other questions that I wish to deal with rapidly. I am glad, Sir, that the Committee appointed by Government at the instance of the Railway Finance Committee to consider the feasibility of constructing locomotives in India has reported in favour of its practicability. I do not want, Sir, on such an occasion to refer to the unpleasant past, but as Government have not yet made it clear that they are prepared to accept the recommendations of the Committee and to start the manufacture of locomotives forthwith, I am compelled to refer to the position taken up by Government on this question during the last three or four years. When this question was discussed about three or four years ago in the Assembly and it was pointed out that the manufacture of locomotives might become a necessity in a war, Sir Zafrullah Khan said that—

“a large proportion of the materials required for the manufacture of boilers and locomotives would have still to be imported from outside and if you had a factory for the manufacture of boilers and locomotives in India and the contingency to which he referred arose —(that is if a war broke out)—you will simply have to shut down the factory because you could not get your essential materials”.

Now I find that this Committee, to which I have referred, points out that it is essential that the construction of locomotives should be started while the

war is going on both in order to avert a serious shortage of locomotives and to save a considerable amount of public money. Later on, Sir, the subject was discussed again in the Assembly and Sir Thomas Stewart who was at that time Communications Member said :—

"I put it to the House that on the one hand you have the engineer's estimate of 52 locomotives as against the Honourable Member's estimate (i.e., the Mover's estimate) of 250. However impeccable his arithmetic may have been, I myself would come down on the side of the engineers".

And as regards the boilers he said :—

"I have done a certain amount of looking forward and looked forward as far as 1955. Our estimates of boilers in those years are 22 broad gauge and 29 metre gauge".

And what does this Locomotive Committee which sat only two years after Sir Thomas Stewart spoke in the Assembly say on this subject? It says that owing to the method of utilising locomotives that was adopted during the period of depression in accordance with the recommendations of the Wedgwood Committee and other Committees Government will be faced with the necessity of purchasing a large number of locomotives during the years 1940-41 to 1955-56. So large a number of locomotives will have to be replaced in the opinion of the Committee that the annual average for about 16 years will amount to 162. Now, I should like to know, Sir, how the discrepancy between the figures mentioned by Sir Thomas Stewart and the figures given by the Committee can be explained. I do not want to be unfair to the Railway Board. But reading the Report of the Committee and comparing their views with the statements of the representatives of Government in the Assembly during the last two or three years, I suspect that but for the war the manufacture of locomotives would not have been taken up by Government even now. The matter would have continued to be perfunctorily examined and the natural inclination of the Railway Board would have been to postpone the manufacture of locomotives in the country as long as possible. I attribute the discrepancy that I have pointed out to the unwillingness of the Railway Board to enable India to manufacture her own locomotives. I have a strong feeling that the Railway Board have never done what they could to help forward the industrial development of the country.

Sir, just one point more before I sit down. It will be within the recollection of Honourable Members that I discussed last 12 Noon. year the position of Indians in the subordinate grades of the railway services. I expressed the fear at the time that the Government of India were going to raise the minimum monthly remuneration for Anglo-Indians and events have proved it true. My Honourable friend the Chief Commissioner said that he knew nothing about the proposal and that if it were given effect to it would be on the responsibility not of the Railway Board but of the Government of India. Now, I should like to know, Sir, who is responsible for that proposal? I understood the Honourable Member to mean that the Railway Board themselves had not asked that the minimum remuneration for Anglo-Indians should be raised to Rs. 55 per mensem. Then did the Government of India take this action on their own responsibility? Sir, it is hardly conceivable that the Government of India should take action in regard to any particular Department without having a report from the Member in charge of it. It is difficult, therefore, for me to believe that the Government of India took the step that I have drawn attention to on their own responsibility and without any recommendation from the Railway Member. If, however, the record of the Railway Board in this matter is clear

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and they did not ask that any difference should be made between Anglo-Indian and Indian employees, they should say so plainly in this House so that we may know where the responsibility for the creation of this racial difference lies.

The Government of India stated in their Resolution that so far as the Telegraph Department was concerned no differentiation would be made between Anglo-Indian and Indian employees. Of course, the number of Indians involved was not large. But I am inclined to think, Sir, that the differentiation was not allowed there not merely because the number of Indians was not large but because the Director General of Posts and Telegraphs stood up for his Indian employees and took up a strong position with regard to the undesirability of following two policies in the Telegraph Department—one for Indian employees and the other for Anglo-Indian employees. The Railway Board can ask us to agree to the levy of extra taxation in order to add to their Reserve Fund but when the happiness and self-respect of a large number of railwaymen was involved and the railway revenues could not bear the increased expenditure they could not ask for increased revenues in order to do justice to their Indian employees.

Sir, the attitude of the Government in this connection is highly reprehensible. There is nothing that can justify it. But, Sir, apart from the unjustifiable racial differentiation in the scheme adopted by them, I should like to point out that the figures relating to the employment of Anglo-Indians show absolutely no justification for the step that has been taken. I know that the Government of India defend the action taken by them on the score of the special responsibility thrown upon them in connection with Anglo-Indian employees in certain Departments by section 242 of the Government of India Act. Well, the Government of India issued a Resolution in 1934 regarding the employment of Anglo-Indians in which it was laid down that Anglo-Indians should form 8 per cent. of the total employees in the subordinate services. Now, Sir, taking the total subordinate services into account, I find from the Railway Administration Report, Vol. I, page 172, that about 3,515 vacancies were filled by direct recruitment in the subordinate services. Of these 363 or 10·3 per cent. went to the Anglo-Indians. Similarly, Sir, if we take the subordinate employees excluding inferior servants and labourers, there was an increase of 187 posts and of these 23, or 12·3 per cent., were given to the Anglo-Indians. Where was the necessity then for increasing the salaries of the Anglo-Indians and creating a wholly undesirable and reprehensible distinction between the employees of Government according to their race and colour. I know, Sir, that the increase that has been made in the minimum salary would not afford a permanent advantage to Anglo-Indians. But that is quite a different matter. Government have maintained low rates of salaries for their subordinate services, thus perpetuating a low grade of living throughout a large body of Indian employees and they use that as an argument now in order to maintain the salaries applicable to Indians at the present rates and raise the remuneration for Anglo-Indians simply because having been more favoured in the past in getting better paid employment at the hands of Government, they have become accustomed to a higher standard of living than the poor Indians whose claims were never considered one-quarter as favourably by Government as those of Anglo-Indians.

Sir, these are the main points that I wished to bring forward today. But before I sit down, I should like to mention with regard to the last question

that when I drew the attention of my Honourable friend the Chief Commissioner for Railways to this matter both last year and the year before, he assured me that he would inquire into the matter and find out what reason there was for the disadvantage at which Indians were placed in the matter of employment in the subordinate services. He said last year, on the 23rd March, 1939, with reference to the employment of Anglo-Indians on the B. N. R. and M. & S. M. R. far in excess of the percentages laid down for those lines by Government :—

“ I am quite prepared to ask the B. N. R. and M. & S. M. R. why their percentages are so high. In fact, I had intended to do so privately ”.

I hope my Honourable friend has received adequate replies from the Agents of these lines and that he will be able to tell us today why there is a wide difference between the percentages laid down by Government and the percentage of Anglo-Indians annually recruited by these lines at the present time.

I dealt with another aspect of this matter the year before last. I put a question which referred to the virtual exclusion of Indians from the posts of foreman and assistant foreman in certain departments of the E.I.R. The Chief Commissioner for Railways replied to me as follows on the 1st April, 1938 :—

“ I am sending a copy of the question to the Agent, E.I.R., to examine the allegations of racial discrimination in the question and to take whatever steps may be necessary to give effect to the policy of Government in the matter ”.

I hope that he has received a satisfactory reply from the Agent of the E. I. R. and that he will be able to assure us that however deplorable the state of things on the E. I. R. may have been in the past, no discrimination will be made against Indians in future and that they would not be passed over in favour of Anglo-Indians, and would be freely employed in all grades, particularly the higher grades of the subordinate services.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, it is very gratifying that the speeches of the Honourable the Railway Member and the Honourable the Chief Commissioner for Railways deal with the railway financial problems with great sympathy and consideration. There are some features of their speeches which require discussion and comment. The first feature of these speeches, which I note, is the opening statement of the Honourable Member that the immediate financial position of the Railways is better than it has been for several years. This has to be noted when we have to discuss and deal with the problem of taxation later on. The revised estimates indicate also that while they budgeted for a surplus of Rs. 213 lakhs, they now anticipate that there will be a surplus of Rs. 361 lakhs. The Honourable Member stated that if this figure is realised, as anticipated, it will be the highest surplus for a decade. It is further to be observed that if the railway rates were to remain at the present level, they anticipate a surplus in 1940-41, of about Rs. 3 crores. This is no doubt sound budgeting. But at the same time the Honourable Member suggested that the railway finances would not be able to meet the other demands that would be made on them and therefore the inference drawn and the second feature suggested is an increase in the rates and freight charges of 6½ per cent. and 12½ per cent. The third feature of the Budget indicated in their speeches is, a hope expressed that India may be self-supporting in the matter of heavy locomotive building.

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Now, Sir, it is no doubt an accepted principle that in times of war, Government should have the freedom to raise taxation to meet extraordinary charges and meet emergent conditions. The public ought not to place any difficulties or obstacles in the way of the Government meeting the emergent situation by raising taxation. But the question is, is there such an emergency or necessity as to raise the rates or is there need for such an extraordinary expenditure? Honourable Members will remember that the principle of the Excess Profits Tax is supported on the ground that it is needed to meet the extraordinary expenditure. That does not, however, apply to railway finances. New taxes of all sorts are imposed on the people. The people are already burdened with taxes in the provinces. The several new taxes imposed in the provinces act as a great hardship upon the people—the consumer, the agriculturist and the purchaser. In the districts, taluks and villages, people already suffer from the heavy taxation imposed in the provinces. This addition, as the Chief Commissioner points out, may be very insignificant in comparison with the rise in prices. He therefore thinks that it is only a fleabite and that it does not at all affect the economic condition of the people of the towns. But that is no argument. It should be remembered that prices of commodities have risen. People have to pay a very heavy price for the various commodities. The fact that there is rise in prices and therefore people will be able to bear this small addition in taxation is no justification at all. What is the necessity of raising nearly Rs. 829 lakhs in one year by increase of freights and rates? I observe that there are three reasons given in the speeches of the Honourable Members and I will deal with them and show that they could not make out any good case for fresh taxation in the shape of raising of the rates. In the first place, it is stated that the increased cost of the improvement of stores and materials would necessitate a larger expenditure and therefore we want greater savings and greater revenue. The second reason suggested is that further maintenance provision should be made at any rate to avoid deterioration in maintenance standard and the third reason suggested is that it is necessary to look ahead and if possible to make some provision for the unavoidable slump that follows a great war. I am afraid none of these reasons are sound or economical. The first ground may be justified in the case of unavoidable deficits in the Budget. But, as I pointed out in my opening remarks, there is no deficit in the Budget. On the other hand, the Budget closes with a surplus. Therefore, there is no justification on that ground to raise taxes at present. The second ground is, "Make hay while the sun shines". It is said, "There is a temporary rise in prices; therefore, impose greater burdens on the people with a view to see that this amount is raised". But it is wrong to presume that there will be a slump and depression immediately after the war. I would refer to the experience of the last war. After the last great war what happened in 1923 to 1931? The Railways were worked generally at a profit of about Rs. 5 crores. The depression did not follow immediately. It occurred in 1931 to 1933, and rates and freights were then raised. That depression was not on account of the war, it came long afterwards on account of other economic conditions which intervened in the years between. There was then a necessity to raise the rates but what is the necessity today? Is it the idea that rates should be stable in lean years as well as in fat years? Therefore increase of freights will have an adverse effect on articles to be exported from India in competition with foreign goods. Secondly, it is argued that internal trade also would be considerably affected in the case of commodities which have to travel long distances over the railways from north to south and to the west of India. That there is bound to be a slump

after the war is a presumption which is not based on experience. It is contrary to what happened after the last war. Again, it is suggested that the increase in rates is very small compared with the larger increase in the prices of commodities, and so can easily be borne by the people. This argument I submit does not bear examination for a moment. The addition of a few pices to the price of salt, sugar, vegetables and fruit may seem nothing, but it is forgotten that it is eventually carried on down to the ultimate consumer, the ryot and cultivator, and bears heavily upon him, and it is the effect on this village consumer which has to be considered. Then again, it is forgotten that rise in prices generally may be only temporary. They may come down next month, or, if control is established, rise in prices can be regulated and if they tend to rise abnormally they can be brought down through suitable Government action. Therefore that argument in support of an increase in taxation is not at all sound. It is not contended that it is an economic proposition that a rise in one commodity item should be accompanied with a proportionate increase in another. It must also not be forgotten what the Simon Commission said in this connection. After comparing the rates prevailing in other countries the Simon Commission has strongly recommended the reduction of freight rates in this country. Nothing has been done since. And only the other day in the House of Commons, the Minister for Transport in taking over control of the Railways assured the House that that control would not be utilised for the purpose of increasing the rates. What has happened in India? In 1931—1933, in order to meet the budget deficits, railway rates were increased. They remained at that level after the deficits had been met. And here, once taxation is raised to a certain level the tendency is for it to remain there. Similarly, I understand in 1936 the rates were raised on certain specified commodities, and those have never come down. What is the justification for this? The only thing I find relevant is the statement of the Honourable Member in the concluding paragraph of his speech at page 33 :—

“It is a melancholy fact that the Reserve Fund of this, the largest railway system under one ownership in the world, stands at Rs. 48 lakhs”.

That is admittedly less than one per cent. of the capital at charge. Of course it is a very laudable desire that the Reserve Fund should be made up, but it cannot be made up in one year. To raise it from Rs. 48 lakhs to Rs. 346 lakhs in one year is an extraordinary step. I do not think this is a case where you should make hay while the sun shines. Just because it is a prosperous year and there is a rise in prices. That is no justification for this increase at all, and I submit that the reasons which have been advanced for increasing the rates are not at all sound and economic. They have not made out a case in support of that increase.

Then the second point I would refer to is the prospect held out of India becoming self-supporting in the matter of locomotive building. The prospect to me does not seem very rosy. This demand has been pressed by the Indian public from time to time and it never received any response from Government, who have regarded it as uneconomic in view of the cost of supply in proportion to the demand. But the Report says these difficulties could no longer be pleaded and that the requirements of the Railways for a considerable number of years to come will be sufficient. The Honourable the Chief Commissioner said that judicious spreading of the orders would ensure a steady output for reasonably sized workshops. The observations of the Chief Commissioner are very cautious, rather too cautious, to be encouraging. In fact they are not reassuring to me. The Report, he said, is under the consideration of Government. The proposals made involve the redistribution of our locomotive

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repairs ; the facilities for this is under investigation. All he can say at the moment is that the recommendation will be examined by the Government in the most sympathetic spirit and should they disclose a sound project steps will promptly be taken for the promotion of funds. I hope this is an assurance. It will be no comfort to India if the hope is deferred or defeated. It may add another cause for the grave unrest and suspicion that is now prevailing in India.

Now, Sir, from these higher subjects I come to a smaller and a provincial one. The Honourable Mr. Hossain Imam has pleaded for Bihar and for his E. I. R. I come, Sir, from the Vizagapatam district. We are in between two Railways ; the M. & S. M. R. terminates at Waltair and the B.N.R. begins at Waltair and goes up to Calcutta. Waltair is a very important station and what happens there ? The two Express trains come at odd hours, one in the night and the other in the early morning and we have to catch the mail going either to the north or to the south. We have to wait several hours before we can catch the mail. Vizagapatam harbour attracts many people. Jaipur people and Agency people and merchants come from long distances there, and, as I have said, Waltair is an important station. Nevertheless the B.N.R. has not thought fit till now to improve the station and provide amenities for the upper class passengers either at Waltair or at Chicacole Road. Chicacole Road is also an important terminus station from which people go to the interior. All the various products come from Agencies to Chicacole Road station. On account of the difficulties created by the railway, people are taking goods by lorries and by carts to Kalingapatam and ship their goods from there. What is happening in Waltair ? There is competition there also. Two years ago people wrote to the Agent of the B.N.R. asking for improvements to be provided at the station for the stay of upper and higher class passengers. In such a big station you have got one upper class waiting room, a little hole, dark, dirty, stinking and smelling—a most abominable place that can be provided by any Railway Administration. I would say it is a shame on the B. N. R. that any such waiting room should be provided for upper class passengers in such an important station as that. Two years ago representations have been made and yet no action has been taken by the B. N. R., except that one or two broken chairs have been replaced. Beyond that no attention has been paid at all to the representation made by the public. What is the B. N. R. for ? Is it only to provide facilities and amenities for its own officers and to provide saloons for people to carry on at the expense of the public ? We pay for them ; they are our servants and yet they do not provide any amenities to us. That is the B. N. R. Administration. Waltair station can easily be improved by providing decent accommodation for first and second class passengers and also two retiring rooms. All that would not cost as estimated by their subordinates more than Rs. 10,000 or Rs. 20,000.

THE HONOURABLE MR. P. N. SAPRU : Is there any third class waiting room ?

THE HONOURABLE SIR A. P. PATRO : That is several yards away from the station ; that has been provided after considerable agitation about it. A third class shed has been built there.

THE HONOURABLE MR. P. N. SAPRU : And inter ?

THE HONOURABLE SIR A. P. PATRO : There is one in the verandah for inter class. A few benches have been placed in the verandah of the station and inter class passengers have to sit on the verandah.

Two retiring rooms could be provided. The refreshment room could be taken up. It was said to me personally that the matter might be considered when the station yard is taken up for readjustment. The station yard was taken up and the thing was done, and a place for a few hours stay between trains, has not been provided, and this is the B.N.R. Administration.

One other matter, Sir, I have to draw attention to is this, namely, the Grand Trunk Express from Madras to Delhi. Honourable Members agree with me about the great inconvenience that upper class passengers are put to. There is one first class coupe and one first class compartment, four seats, two upper berths and two lower berths. This was built perhaps when the Railway was constructed.

THE HONOURABLE SIR DAVID DEVADOSS : Old carriages are put on.

THE HONOURABLE SIR A. P. PATRO : I am corrected by my Honourable friend who says that old carriages are put on this line. Why does this line exist at all if it is not for the facility of passengers and travellers. The other day what happened was this. There was a married couple who occupied the coupe compartment and there was only one compartment available, two lower and two upper berths. Five first class passengers were put into that compartment. I wish high railway officials were put in, six of them into one compartment, and they travel for some hours. Then they will know the difficulties which first class passengers experience. It is scandal that after Rs. 150 have been levied from the passengers that five or six people should be put into that compartment.

THE HONOURABLE MR. P. N. SAPRU : Was there seating accommodation ?

THE HONOURABLE SIR A. P. PATRO : I was there ; luggage which was paid for—

THE HONOURABLE THE PRESIDENT : Was it day time or night time ?

THE HONOURABLE SIR A. P. PATRO : It was day. At night there were four passengers. The berths were very narrow and the space very limited—three to sit on each seat—they had to jostle against each other. First class passengers have to pay Rs. 150 from Madras to Delhi. This is the convenience ; these are the amenities provided for for upper class passengers from Madras to Delhi. Why is this Trunk Express existing for ? I say it is really a scandal. Whichever Railway Administration is responsible, either the M. & S.M.R. or the G.I.P.R., whichever is responsible, they must certainly set this matter right ; otherwise let five or six of their officials travel in this. To add to this insult what happened was this. There were two saloons put on the train, there were two railway officials, one officer was coming for an audit conference ; two saloons were attached to it. We asked for additional accommodation to be put in and we were told " There are two saloons running ; railway officials are going and we could not do it ". This is the reply we get when we appeal to the officials on the spot to provide more accommodation because there are more passengers. Such is the attention paid by the railway authorities to the upper class passengers. We have all been complaining hitherto about third class passengers. Now the Railway Board Report, this bulky

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volume, in Chapter IX gives an account of accommodation provided for third class passengers. I do not want to go into details. What I do say is this. Absolutely no convenience is provided for upper class passengers in the Grand Trunk Express. We had five passengers starting from Madras, two of them dropped half way and one came in again in the night. The whole compartment was full. This is the first class arrangement made in the Grand Trunk Express. If any Railway Board Member goes to Waltair, he would at once see what steps should be taken. I think there should be more itinerary on the part of the Railway Board Members to see how things are going on under the various Company-managed railways. Therefore, Sir, in the first place, as I said, no case has been made out for increasing the railway rates. Secondly, the hope that heavy locomotives would be manufactured in India should be given effect to as early as possible. If you delay it and it is deferred and delayed or if any other obstacles are thrown in the way, it will lead to very serious agitation in the country. And thirdly, these railway companies may be advised by the Railway Board to see that proper facilities are provided at the Waltair station and at the Chicacole Road station on the B. N. R. and that improvements of accommodation should be provided on the G.I.P.R. and the Grand Trunk Express.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce) : Sir, before I refer to the details of the Budget before us I would like to start by glancing back over the last ten or twenty years for a moment or two, and if we compare the attitude adopted by the Government of India and those responsible for the Railways in those days with their attitude now, we come to the conclusion that there has been a very great improvement. Honourable Members have been criticising Government for raising fares at this stage and they suggested that it was far better that Government raised the fares and rates in 1931-32 at the time of the slump. Now, I must say that this is very unfair and very unsound criticism. There is no question at all that economically speaking the proper time to raise rates and fares is when there is traffic moving and the worst time possible was the time when it was done on the last occasion.

I look at this Budget through very different-coloured spectacles from those of the Honourable Pandit Kunzru. He even suggested that we were living in normal times. Well now I regard the time as completely abnormal and for that reason I think the programme placed for consideration before us is an extremely sound one. The result of the policy in the early years or the first, say, ten years after the last war was that we ultimately found ourselves without any railway reserves and under the necessity of obtaining more railway revenue at all cost. Now the present position is that we have the prospect of obtaining more revenue and being able to pay our debts and, we hope, of being able to create reserves which we really ought to have been able to create in the past, and it is the lack of these reserves that has caused such tremendous anxiety, of which Mr. Kunzru says we have none.

Then, the Honourable Pandit Kunzru referred to a number of points in connection with the Depreciation Fund. He suggested that it was sufficient to provide each year for your replacements in that year. Well, there are in practice a number of very serious objections to that. I will only mention one in particular and it is that it results so often in very heavy expenditure in one year and very small expenditure in another and that is bad both from the point of view of the railway and from the point of view of general industry and trade. The Honourable Pandit Kunzru also overlooked the very important fact that depreciation is in fact a charge against profits in any year,

regardless of whether that results in a loss or a profit as the final result.' He also drew attention to the Wedgwood Committee's suggestion that the Depreciation Fund might be regarded as adequate when it reached about Rs. 30 crores. Well, that may be a sensible statement in a general sort of way but it certainly cannot be a sensible statement permanently, for ever. For instance, your capital employed may go up a lot and the life of your assets might conceivably become a differently estimated period and you certainly cannot regard that as a static figure. And I would also like to impress upon Honourable Members who perhaps have not had to consider these matters in very great detail, the importance of not confusing the actual specific reserve for depreciation with the general reserve. Unless you have started out by making erroneous calculations as to the amount which ought to be put into the Depreciation Fund, there can be no reason to say that there is too much or too little in it and the amount in it is not available for purposes other than that for which the amounts have been provided.

Then I would like to refer to this report about the building of locomotives in India. I find it an extremely interesting and I think constructive document. It appeals to me very much for this particular reason that the writers seem to have taken the attitude—what is the worst that can happen on this issue or on that issue and so on throughout and having taken the worst point against them all through they come to the conclusion that there is a real case for building locomotives in India. Some Members think the fact that there is a real case now is a good reason for saying that Government was wrong in the past. Well, that is not my experience of these things. I find in dealing with matters of this sort that you have continually to watch when to start making things for yourself. There is a time when it pays you to buy over a long series of years, and there is a time when it pays you to make. And my view is that the time has now arrived and I only hope that the Railway Board may come to the same conclusion after a thorough scrutiny.

There is one final point about that Report that I want to make and I think it is very important, though it has been omitted from the report, and it is this, that if you are starting an important industry, perhaps the most important thing is to have the right staff. There should be no question of reasons for appointing the superior staff except efficiency. Nothing else should intervene at all in my opinion, and I hope that as the writers of the report have formed a definite opinion that locomotives can be economically and satisfactorily built in this country they will be consulted as to who should be put in charge of these works.

On the general question of the increased charges proposed, anything I say and I think anything any of us say, must naturally be dependent in the first place upon the General Budget, the figures as disclosed in that. But assuming that the moneys which will be forthcoming on these estimates are required, then I ask myself what is the alternative method of providing them? And I must say that I am driven to the conclusion that any alternative that I could suggest would from my point of view be infinitely worse. I frankly regard these proposals as a statesmanlike way of raising the revenues required in the present very abnormal circumstances. I appreciate the promise made by the Honourable Member to watch the effect of these increases and I think that is a very important thing because sometimes all parties may be losing by an increase, both those who pay and those who receive.

There is only one other point that I want to mention, and that is, the Honourable Member's reference to the question of war allowance and increase in wages in connection with the rise in the cost of living. I have naturally had to

[Mr. R. H. Parker.]

examine this subject myself and the whole of the information which I have had and the whole of the circumstances which I have examined have led me to exactly the same conclusion.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan) : Sir, it is customary during the general discussion of the Railway Budget to point out such things which one considers are omissions and ought to be looked into, and as my Honourable friends Mr. Hossain Imam and Pandit Kunzru have said, those criticisms do not mean that there is defect in the Budget on other things. There are many points in the Budget which have to be appreciated, but there are others to which one feels that the attention of the House should be drawn.

There is one thing which it is difficult for a layman like me to understand about railway policy and that is, why in certain matters of common interest, which affect the public at large, there is no uniformity of policy in connection with the passenger traffic among the State Railways. Take, for instance, the E.I.R. and the N.W.R. They have return tickets at concessional rates. Why can't the G.I.P.R. have the same ? When the principle, whether right or wrong, is followed on certain railways ? Does it mean that the people served by the G.I.P.R. are fond of travelling or do not want this amenity ? It is really difficult to understand why there should not be uniformity of policy in these matters. On the other hand, the G. I. P. R. have got a system of zone tickets or travel-as-you-like tickets, which we have not got on the E.I.R. Apart from this, even in the matter of providing accommodation on the trains, we find that a uniform policy is not adopted on all the railways. For instance, on the G.I.P.R., B.B.&C.I.R., and N.W.R., you have in the second class compartments pull-out berths. Why they have not these on the E.I.R. it is very difficult to understand. In spite of repeated attention being drawn to it, why can't they provide these ? It does no credit to the person who is in charge of the construction of the coaches. Not only are there no seats which could be drawn, but they have put in a sort of pillow-like thing which takes about six inches of the width of the seat, and for a person like me, who may have to sleep at night in one of those compartments, at every jolting there is a fear of rolling down on the floor. There are other things in which they could have a uniform policy in the matter of amenities, but they pay no attention to it. There may be some good reasons for it, but I would like very much that these things should be examined and a uniform policy followed.

As regards the increase in rates and fares, the Honourable Members who have just spoken have said a good deal about it and I entirely agree with them. When Government are taking steps in these abnormal times to put a limit to the rise in prices, I cannot see why an increase in railway rates and fares should be advocated by the Railways. I do not wish to repeat the arguments already adduced against the rise in the rates and fares. The Budget is as sound as it could be. The prices of everything are as high as they could be under the circumstances of today. The burden always falls on the poor who have to pay higher prices in other respects also. Probably 70 per cent. of our recommendations and protests go unheeded and this also might share the same fate, but I would like to urge one thing, namely, that while you raise the fares, you ought at least to introduce for the benefit of the poor return tickets in third class at concessional rates, as you have for the upper classes. That will relieve to some extent the hardships of those who have to travel off and on and who are poor, and cannot pay the excess rates.

Another matter to which I would like to draw attention, and which is of considerable importance, is the policy of catering. In this connection, it has been recently brought to my notice that the E.I.R. is adopting a policy of giving contracts on the whole line to one particular person—not only of the refreshment rooms but also of the small vendors like people who sell *puris* and sweetmeats. It is proposed to give this contract also to the one man who takes the contract of the refreshment rooms.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That is quite true.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : What would be a worse type of capitalism, or monopoly ? These small vendors have been practically living, in some cases for generations, on serving the railway and in providing the passengers with these small things. They would all be turned out and that is the unfairest thing that could possibly be done.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It is being done on the G.I.P.R. also.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : It is being done on the E.I.R. The question of catering is a very, very important one from many points of view. India is not only as big as a continent, but it is populated by people of so many religions, culture and taste. The sort of food which is required in Madras may not be very suitable to the taste of people who are living in the Punjab or the United Provinces. It has to be borne in mind while giving contracts to caterers that suitable arrangements should be made according to what people desire in a particular area. Now this is a question which involves catering for Hindus and Muslims, some of whom cannot take food cooked by a man of another community. I remember, I drew attention last year to the case of the Grand Trunk Express in which it was admitted by the manager that *jhatka* meat was used on the refreshment car which goes from Delhi to Ballarshah. Now that is most serious. Everybody knows that many Hindus do not and cannot take food which is cooked by Muslims, and most of the Shias among Muslims cannot and do not take food which is cooked by Hindus. I do sincerely hope that the Administration while considering the question of catering will see to it that, where there is only one refreshment room on a station, whether the contract is given to a Hindu or Muslim he should have regard for providing both the communities, that is, he should have both a Muslim cook and a Hindu cook. That should be done wherever there is only one refreshment room, and very often there is only one such room at important stations, at Benares for instance. Similarly at Allahabad and at many other places where probably two refreshment rooms are not required. That principle should always be kept in view when giving contracts for the catering.

I am very glad the railway administration have accepted the position that the Railway Department does not want to make a profit out of the catering. There has been a good deal of complaint on the N.W.R. as to the taxation of these contractors and about the rents they have to pay. In some cases it cannot be doubted that the rent was most exorbitant and it was not possible for the contractor to keep up to the standard which is demanded by the railway and the public who use the refreshment rooms. Therefore I would like that all these aspects should be considered and grievances where they exist should be removed.

[Haji Syed Muhammad Husain.]

There is another point to which I should like to refer and that is the indifference of the Railway Administration to the demands of the public, whether made through the press or by other means. I will give an ordinary instance which can be tried by the Honourable Chief Commissioner himself, if he will go to the Delhi railway station and try to go up to the retiring or refreshment or waiting rooms, he will find that he has to climb about 150 steps. The lift is there, but the lift is closed from 11 A.M. till about 6 or 7 P.M. The waiting and refreshment rooms are on the top storey, and it is not convenient for the passengers to walk up and down, and it is particularly troublesome in the case of ladies and invalids. It is most inconvenient that the lift should be closed at any time, except between 11 o'clock in the night and 6 in the morning. The fact is, Sir, that in all these matters, whatever is thought by the Department to be good is good but what is thought to be needed by the public is not needed. The attention of the officials responsible has been repeatedly drawn to the fact that a booking office is an absolute necessity on the north side of Allahabad railway station. I think about 24 or 25 years ago there used to be a booking office on that side, and in those days most of the population living in the civil lines on that side was European. Since then, however, though the population, particularly the Indian population, has increased to such an extent that scarcely a single bungalow is vacant and though about half the population of Allahabad now lives on the north of the railway, and yet the railway has not thought it necessary to instal a booking office on the north side. Now most of the trains at Allahabad are received on what is called the island platform, and for passengers coming from the north side this means that they have to cross the overbridge with their luggage to the south side of the station, there purchase their tickets and book their luggage, and then return with their impedimenta across the overbridge again to the island platform. If one was to ask any resident of the north side of Allahabad he would say that a booking office was badly needed on that side of the station. I cannot say what are the sources of information of the Railway Department who say that such a booking office is not needed. They just make these arbitrary decisions without troubling about facts or figures. Cases of this kind crop up everywhere. Money is spent only on the things which the Department considers necessary or imagines to be necessary for the efficient running of trains, but so far as the comfort of the passengers is concerned it is with the greatest difficulty that they take a sympathetic attitude. Therefore I would ask that in considering the question of public comfort the voice of the public should be heeded more often than it is not.

In conclusion I do consider that on the whole the points which have been shown in the Budget are good points. I would conclude with one more remark. It is with reference to the attitude of the officials towards the advisory committees on various railways, particularly on the E.I.R. I find that their attitude is that these committees are composed of obstructionists. I think that their opinion ought to be treated with greater weight. Almost every suggestion they make is objected to by the Administration, either there is no money or the matter does not come within the purview of the powers of the committee and the matter is shelved. Some matters in the local advisory committees have been pending for more than two years. Either do not have these advisory committees at all, but if you do have them, it is no good giving the impression to the public that we have got your representatives to advise the railways and yet when they advise you do not listen to them in many cases. Of course it is not my wish nor intention to ask the Railway Department to

give executive powers to the members of the advisory committee, but what I do ask is that their opinion and voice should be given a little more weight than is given at present and the members should not be considered to be obstructive or in any way hostile to the Department, and they should be more sympathetically treated.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadian) : Sir, before I deal with the Budget I should like to mention that the unanimous viewpoint of the Indian non-official public seems to be that this Budget was received with an unpleasant shock by the people who are already carrying heavy burdens and cannot justifiably bear additional demands from that quarter. Sir, the Honourable Mr. Parker observed that the right time for increasing the rates is when the traffic is moving fast. I think, Sir, the Honourable Mr. Parker is not aware of the British policy in England as regards rise in rates and fares on railways in this period of war. For his information—I am thankful to the Honourable Mr. Parker who has been good enough to come back here to hear my criticisms of his remarks—I may say that the Minister of Transport assured the Members of the House of Commons that his Government would not use control of the railways to impose higher charges on the public. He clearly announced that charges would be increased only on account of increased wages and price of materials or on account of any serious difficulties due to war conditions. He also gave an emphatic assurance that such increase would have to be justified to Parliament. Let us now look to that picture in India. I cannot understand why the British policy in England in this respect differs from that of the British policy in India? What I understand is that this rise in rates and fares, particularly in freights, will strangle the development of commerce and industry and equally affect the poor as well. The Honourable the Communications Member has not given us the reasons why this extra increase in rates is presently justified. He himself admits, Sir,—I quote from the speech of the Honourable Sir Andrew Clow admitting that the present financial position is better than it has been for many years as far as the Railways are concerned. That even earnings in 1939-40 show an improvement of Rs. 255 lakhs over the original estimate. Hopes are entertained of a surplus of Rs. 361 lakhs. If these anticipations are realised—there is every reason for them to be realised—the surplus will be the highest that has accrued for a decade.

Sir, the impression in certain quarters is that Government does not really want to advance the industries in India and whenever an opportunity arises measures are taken to discourage them. Sir, this is not the time to raise the rates. What do the British shareholders in Company railways in India think? They say that for the depression years 1930—1939 their profits have exceeded 4 per cent. The Bank rate in England in these days is 2 per cent. When Company-managed railways in India are getting a return of over 4 per cent., where is the justification for them to raise freights and fares? The Government's State Railways are also making a good profit and the Honourable the Communications Member expects a good surplus of Rs. 361 lakhs in the coming year, the highest accrued for a decade. Why should there be this rise in rates and freights? Industrialists and agriculturists are just beginning to recover from the great economic depression that they had for the last 10 years. Sir, so it is unjust on the part of the Government to come by the backdoor to thus increase taxation which is likely to give a surplus of Rs. 829 lakhs. I think Sir, the constitution requires an amendment that no additions to such taxation should be thus made by the backdoor. This is quite a novel procedure to

[Rai Bahadur Lala Ram Saran Das.]

deprive the Legislature of their right on such increase in taxation. I think it is a right and justified demand of the public that any increase in rates on Railways ought to be justified and at least the Chambers of Commerce and other institutions connected with commerce and industry should be consulted before final action is taken.

I must, Sir, congratulate the Honourable the Communications Member and the Honourable the Chief Commissioner for Railways for fulfilling the Government pledge which was made by the Honourable Sir Muhammad Zafrulla Khan, in appointing an Indian as a General Manager on the E.B.R. This has been received by the public with satisfaction and appreciation. I also, Sir, welcome the intention of the Government to start making locomotives in India. My experience in the past has been that sometimes such reports which are very rosy and when the time for action comes we find that they are shelved for good. I would like the Honourable the Communications Member to kindly say whether Government means to carry out this manufacture or not. Therefore I request the Honourable the Communications Member to throw some light as to what the decision of the Government of India is on the carrying out of the project of making locomotives in India. I am glad to see that ticketless travel on the Railways is decreasing and that the appointment of special ticket examiners has justified itself. I travel on an average about 3,000 miles a month and so I come into contact with various things which are going on on the Railway, things good as well as bad. My experience on the N.W.R. is that the staff of the Delhi Division in particular has done very well in this respect and they have been more vigilant, strict and hard-working than the other divisions on the N.W.R.

Sir, the Railway wants a Reserve Fund of Rs. 298 lakhs for this year by this increase in freights and fares. To expect that big sum in one year, I think, is not only objectionable but unjustified in the present economic condition of the country. Then, Sir, I come to the amenities which so far the railway authorities have provided on various railways. Thanks to the competitive bus traffic certain improvements have been made but how far they have been made is questionable. I would mention, Sir, a few points in which though action has been taken to a certain extent more action is urgently required. My information is, Sir, that out of the Rs. 31 crores of income from passenger fares, Rs. 27 crores come out of the pockets of the third class passengers. In view of that huge sum coming from third class passengers, the people expect that more amenities will be given to third class which gives Railways the biggest income of all the other classes you have. What are the chief grievances of third class passengers which require increased and serious attention? First, overcrowding to the extent at times of double and more than double the number of the carrying capacity. Secondly, the inaccessibility and insanitary condition of latrines in third class carriages for long distance journeys. Thirdly, inadequate waiting sheds and raised platforms. Sir, I would say that the latrine accommodation in third class carriages is not developing fast enough, while it does not exist on certain railways at all. For that, Sir, I will give some figures in support of my contention. Now, Sir, I will give the percentages of vehicles provided with latrine accommodation on third class and composite carriages in each railway system. Sir, I find here that on certain Railways there is practically very little latrine accommodation. I do not want to go into all the statistics which I have collected but I will lay on the table of this House the percentages* of statements of the latrine accommodation for third class passengers on various Railways. Well, Sir, as far as the big Railways are concerned,

* See pages 75-76 at end of these proceedings.

on the E.B.R. in the 2' 6" gauge, no third class coaching stock is fitted with latrines. On the S.I.R. 2' 6" gauge the total percentage is 31.

Then, Sir, I come to the question which the Honourable Mr. Muhammad Husain has raised as regards the monopoly of vending contracts, particularly those connected with food supply. I must say, Sir, that the policy of certain Railways seems to be to give the monopoly of many stations to one contractor.

THE HONOURABLE THE PRESIDENT : Are these contractors allowed to sublet ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : As far as the conditions of the contract are concerned, they are not allowed to sublet but I know that at certain stations the contracts are sublet. But as far as the refreshment rooms are concerned, they are generally run by those who are given those contracts. Then, Sir, as the Honourable Mr. Muhammad Husain has pointed out, I would say that competition among refreshment contractors as well as others ought to be encouraged. Giving of the refreshment rooms of many stations to one contractor is not a satisfactory arrangement at all. During my travels to Bombay, which I do several times a year, I was noticing a great improvement at the Jhansi railway station as far as the Hindu railway refreshment room was concerned. Now, my information is that that contract is going to somebody else and that somebody is to be practically the monopolist of the Indian refreshment rooms on the G.I.P.R.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That is quite true.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I am glad that my information is correct. I am also able to state that the present contractor having proved his sterling worth and capacity at catering private functions at Jhansi was entrusted with catering of the garden party recently given by the local gentry to His Excellency the Governor of the United Provinces in preference to the previous well known caterer hitherto imported from an outstation and which he (Sahni) carried out with full success. The civil authorities and the travelling public and the gentry of Jhansi have thus naturally held that that man did efficiently. Yet he is going to be kicked out. And he is being kicked out simply because this contract is to be given to the monopolist. Sir, action of this kind is not to the interest of the travelling public and I would therefore request the Chief Commissioner as well as the Honourable the Communications Member not to give a monopoly in this sense because it is mainly the competition of one contractor with another that improves the quality of the food supplies.

Then, Sir, I come to the question of third class waiting halls for ladies. In these days, Sir, when the third class traffic among ladies is improving fast, the old conditions ought not to continue. There must be at every important station a separate waiting room for the ladies in the interests of their safety and in the interests of their convenience. When I go through the list of the stations that have got separate waiting rooms for ladies I feel very disappointed. Sir, I will place the statistics* which I have collected on the table of this House which will prove that the accommodation is very inadequate and requires to be increased on Railways, rather I should say on most Railways there are no separate waiting halls for ladies at all. As far as the waiting sheds for the general travelling public are concerned, I find that at roadside stations when the train passes at night, all the lights are extinguished because the station

* See page 77 at end of these proceedings.

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masters want to show saving in oil. That, Sir, is a wrong policy. In the Punjab, I know, Sir, lots of thefts take place in the dark and passengers who have to come from rural places come there early so that they may not be looted *en route*. It is very sad for me to say that the conditions in rural areas, as far as safety is concerned, are going from bad to worse. However, that is not a railway matter. That is a matter for the civil authorities to mend. But, as far as safety on the railway premises is concerned, it is essential that lights in the third class waiting halls should be allowed for the whole night and should not be extinguished when the trains pass.

I have several times repeated that the loss on strategic railways should be debited to the Defence Department. This, I repeat again, though I know that no action will be taken as usual. But it is my duty to point out that the loss of Rs. 190 lakhs, which I consider is the loss for the last year, ought to be debited to the Defence Department, because it is right that all the defence expenditure ought to be consolidated. It is all right to say that, after all, every one knows that so much has been the loss on the working of the strategic railways. But, Sir, why should this loss not be added to the Defence budget for true accounting ?

I find that the 5½ per cent. loan for Railways continues. I would very much like the Honourable the Communications Member to explain why Government have not converted that loan to the present low rate of interest. That is very essential and the sooner the loan is converted the better, because that will result in improving the railway returns.

My Honourable friend Sir A. P. Patro has observed the difficulties even of first class passengers. I here generally advocate the cause of third class passengers who cannot make their grouse heard by the higher authorities. The first class passengers can, on various occasions, put their grouse before the authorities, but what is the plight of the third class passenger ? On the N.W.R. I can say that whenever there is a rush, additional upper class carriages are provided, but on the Grand Trunk Express, where several lines are concerned, where there are three or four railways concerned, none looks after the interests of the passengers whom they are carrying. However, I consider that the Honourable Sir A. P. Patro is justified in his demand and that the convenience of one railway officer should not result in inconvenience to dozens of other first class passengers who for the sake of one railway officer should never be deprived of their comforts in the train. As far as the poor subordinate railway officers are concerned, their passes are endorsed as not available by mail trains. Anyhow, I think it is the mistake of the officer concerned, if I may say so with due deference, when one whose duty it is to safeguard the comforts of the travelling public, should not prefer his own comfort to those of the passengers. I think that the officer who got the saloon attached to the Trunk Express ought to be blamed himself for wrong discretion he took.

Then I come to the reduction in the salaries and allowances of certain staff which, on the public demand, the railway authorities were made to accede to. I take two lines for the present. One is the scale of salaries and allowances for journeymen. Hitherto their salary was Rs. 100 a month. Journeymen are those technical people who qualify themselves from the technical colleges and join the workshops. When the Railways realised that a number of men were coming forth on the technical side, the scales of salaries and allowances were reduced to Rs. 75 a month. Now I think it is Rs. 60. In case I am wrong, the

Honourable the Chief Commissioner will, I hope, put me right. That on the face of it is wrong in principle. In my speech last year on the Budget I observed that several foremen were being imported from Britain and that certain Indians who were then officiating as foremen, although they were very few on each line, were going to be put back. That has happened since and some people from England have come and joined. That is not Indianization. That is not the policy which Government promised to carry out. Therefore I urge that Indianization has not been carried out to the extent of the wishes of the public, and the percentages are not encouraging enough. I state that so far as the State-managed railways are concerned, while the percentage of non-Indians was 70.59 in 1925, it has come down to 45.01 in 1939, while on Company-managed railways, it has come down from 82.26 to 51. So, out of the total in 1925, the percentage of non-Indian was 75.69 and in 1939, 47.70. That is not in consonance with the policy of Indianization declared by the Government. I wish the Honourable the Railway Member and the Honourable the Chief Commissioner will bear this point in mind and will remedy this. As regards Indianization among the senior grade drivers, there is not a single Indian in the Howrah Division on E.I.R. There is an anomaly that Anglo-Indians are treated as Indians and that is confusing when we take up the various statements as regards Indianization. Anglo-Indians sometimes claim themselves to be Europeans when they want to have their advantages, and they become Indians when it suits them. That dubious position ought to be removed. They must take one side, either Europeans or Indians, and if they are Indians, they should be treated similar to Indians in all respects. Their requirements and their mode of living do not differ very much from those of Indians.

The differential treatment accorded to Anglo-Indians as compared to Indians is resented by the public. I find that certain Anglo-Indians who are not normally eligible for appointment in the army or entitled to certain allowances are allowed those advantages but in the case of Indians in the same grade and in the same place who offer themselves, they are refused. In times of war it is not wise for the Government to create that sort of differentiation, because that creates heartburning. Communal proposition is a very vexatious question. I am not dealing with that now, because it is now the settled policy of the Government. But I notice that sometimes even the General Managers of Railways are not trusted with keeping communal proportions. I read in the papers some time back there was an independent inquiry Committee appointed to verify and improve Muslim proportion on the E.I.R., the E.B.R., and perhaps on other railways, and the people think that in such inquiries the General Managers are not consulted and some sort of attempt is made to satisfy the feelings of one community over those of the other for obvious reasons.

Then, Sir, I come to the question of the rights and privileges of retired railway servants, particularly those in the subordinate service. Some consideration should be shown to these people in the matter of the employment of their sons on the railways. If a man has efficiently served for 30 or 35 years it is not right just because his son fails to get into the first division of the matriculation, missing it perhaps by only a few marks, he should not be considered at all for service. Then, Sir, the present education and other factors have raised the standard of living of all classes, but in certain services on the railways there is a great hardship, for instance, among the station commercial clerks. My information is that 90 per cent. of these clerks retire before they reach the pay of Rs. 60. Therefore I appeal to the railway authorities to amalgamate the two grades of these clerks. They work very hard, more hours even than are

[Rai Bahadur Lala Ram Saran Das.]

provided by the Geneva Convention, and they ought to be given every encouragement. In these days Rs. 60 at the end of their career is not a very encouraging prospect for men of that class, and it would be only just if they were encouraged in the way I have suggested.

As regards the allowances of the travelling ticket inspectors I have pointed out that they are really running staff. They have done very well and I think that the previous rules *re* allowances should be restored to them and they should be treated as running staff. I see the Honourable Chief Commissioner shaking his head, but as far as my information goes I am stating a fact and facts cannot be denied.

Then, Sir, the commercial staff have a real grouse that they are not promoted to guards or other better posts on the transportation side. If a person has the ability to do a better job, why stop him? The present Chief Accounts Officer of the N.W.R., as far as my information goes, has stopped these commercial clerks from appearing in the accounts examinations. Is that not unjust? I think these injustices should be removed. It is from a contented staff that you get better work and in the contentment of the line staff lies the safety of the general travelling public.

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

The Council re-assembled after Lunch at Three of the Clock, the Honourable the President in the Chair.

*THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, the Budget which has been presented with such admirable lucidity by the Honourable Sir Guthrie Russell presents some unusual features. We are living in times of stress, storm and difficulty. The times are unusual and it is therefore not surprising that the Budget is also in many respects of an unusual character. One unusual feature of the debate was that Sir A. P. Patro who generally finds himself supporting Government found himself with the Opposition in today's debate !

THE HONOURABLE SIR A. P. PATRO : Read the speech carefully !

THE HONOURABLE MR. P. N. SAPRU : Of course there is going to be no voting ! One does not know how he would have acted if there was actual voting. I said that the Budget was unusual because though we are passing through a period of comparative prosperity and the immediate financial position of the Railways is better than it has been for some time and though the earnings show an improvement on the original estimates and in spite of heavier working expenses, hopes are entertained of a surplus of Rs. 361 lakhs we are yet budgeting for a larger surplus to be realised by immediate increases in freight rates and passenger fares. The position as I see it is this. We are undoubtedly more prosperous than we have been for nearly a decade. We may confidently without any increase in freights and fares hope for greater and greater surpluses than we have had so far. There can be no gainsaying the fact that as a commercial proposition the Railways have been earning good dividends. During

* Not corrected by the Honourable Member.

the years 1930—1936 the Indian Railways were earning 3·6 per cent. profit and during the last three years their profits had exceeded 4 per cent. Many concerns would be satisfied with a profit of 4 per cent. War conditions have stimulated industrial activity and goods traffic and Sir Andrew Clow finds that the reserve fund of the largest single-owned railway in the world stands at what he describes as the ridiculously low figure of Rs. 48 lakhs, less than a fifteen-hundredth part of its capital at charge and much less than 1 per cent. of its revenue. So far as this reserve fund is concerned, there is one consideration to which attention may be drawn. It was drawn by the Honourable Pandit Hirday Nath Kunzru. He pointed out that we have as a matter of fact two reserve funds. There is the Depreciation Fund upon which you can draw on certain occasions and there is the General Reserve Fund and so far as the Depreciation Fund is concerned it has been increasing during the last few years and it stands at the figure of Rs. 36 crores. It is quite possible that Sir Andrew Clow is right in saying that a result of this low reserve fund is that in times of depression we are in difficulty. No one disputes that Railways ought to have a reserve fund and the larger the reserve fund perhaps the better for all concerned. But the question is when we talk of the reserve fund we must take into consideration both these two funds, Depreciation Fund and the Reserve Fund into consideration. Sir Andrew Clow proposes to take advantage of the present boom and build up a reserve fund and for this purpose he is budgeting for a surplus of Rs. 829 lakhs to be realised in immediate increases in freight rates and passenger fares. The object is no doubt a laudable one and I am not prepared to say that there is no force in the argument that has been put forward by the Railway Department, that foresight is a virtue to be admired. It is perhaps equally true to say that social services will undoubtedly benefit if our railway system is put on a sounder basis. My difficulty, however, is that I am not convinced that enough thought has been given to the damaging effect which the increases may have immediately on the stimulation of industrial activity and I certainly think that the increase in fares of 6½ per cent., on railway fares of over one rupee, will be felt as a real hardship by third class passengers and inter class passengers. I am not, Sir, thinking of the men who travel, like my friend Sir A. P. Patro, in higher classes. I have no grievances of higher class passengers to narrate, but I am certainly thinking of the thousands who undertake journeys in a land of faith to places of pilgrimage for whom an anna has a value not perhaps easy for us who live in comfortable surroundings to understand. I cannot forget that the Railway Administration has not in the past been sufficiently mindful of their needs. We have had to do a lot of agitation to rouse the conscience of the Railway Administration to the injustices from which the third class passengers suffered. I cannot forget that the Railway Administration has not in the past been sufficiently mindful of the needs of the third class passengers and I cannot forget that even today the amenities offered to the third class passengers are not fair. And therefore, looking at it from the point of view of social justice, I do not think it is right to tax these men further for the sake of building a reserve fund. That is the main consideration which weighs with me so far as the increase in railway fares is concerned. Now, we know all the conditions under which our third class passengers have to travel. They have to travel in overcrowded compartments carrying very often more than double the number of men and women they are authorized to carry. The other day I was travelling from Allahabad to Delhi and I just looked into some of these third class compartments and found them literally fretted with men and women, and I wondered whether men and women could travel under those conditions in any normal country. They have to travel in compartments in which the sanitary arrangements are often loathsome. There are no latrines in some compartments and

[Mr. P. N. Saprú.]

it is a matter of shame that there should be no latrine in even a single compartment.

Then there are inadequate arrangements so far as the water supply on station platforms is concerned and the fooding arrangements at many railway stations are inadequate. Now, I can speak from personal knowledge of one train I travel by constantly. It leaves Allahabad at 6.14 and it arrives here at 8.17 in the morning and there is no refreshment car of any kind whatever, either English or Indian. Then on the passenger train from Allahabad to Fatehpur, you get to Fatehpur at 9 o'clock, you cannot get anything to eat, you cannot even get proper water for those three hours on this train. Then you see the waiting sheds provided for them are often unclean and over-crowded. They are not generally speaking on the platform. We have got a waiting shed in Allahabad some distance from the main platform and these waiting sheds can hardly be called waiting rooms. Then the booking facilities for them are insufficient. You get large numbers of people waiting for tickets for hours before the train actually starts and the babu comes in his own good time and he disposes of these people as best he can. Now, Sir, I do not want to be hard on the railway officials. I think they try to be civil but I know that all of them are not always civil and there are occasions on which there have been complaints of incivility on the part of railway officials towards these poor villagers. Now, the third class passengers contributed in 1938-39 nearly Rs. 27 crores out of Rs. 31 crores. Surely those who contribute the largest amount of revenue deserve some consideration at our hands. Therefore, Sir, I do not think that it is fair even with the laudable object, I say, of increasing the Reserve Fund, to charge them higher rates when we are not as a matter of fact doing anything to improve their amenities. The number of waiting sheds at the stations even of a railway like the E.I.R. is only about 52 per cent. In the B.&N.W.R., about 37 per cent. of the third class carriages had no latrine accommodation even on the 31st March, 1939. These are considerations which weigh with me in considering this question of an increase in railway fares. I need hardly say that there are no fans in third class carriages. They were estimated to cost Rs. 2 crores and the annual charges were to be Rs. 25 or Rs. 30 lakhs a year. I think, Sir, we know what the heat of Northern India is and therefore I cannot congratulate the railway companies honestly on their treatment of third class passengers and I do not think it is fair that they should be made to pay even one pie more than they are actually paying.

Sir, as for freights, the position has been examined with some care by other Opposition speakers. It is apprehended, Sir, that the increase would amount to 9 pies per maund on general merchandise and its like merchandise, 8 pies per maund on salt and sugar. Now, salt is a commodity which deserves to be put on the exemption list. 2 pies per maund on fruit and vegetables, 4 pies per gallon on petrol. The increase in cost that would accrue through the activity of middlemen and retailers has not been calculated. Are these increases, Sir, justifiable in a period of what we apprehend will be a period of rising prices? It is a notorious fact that wages do not keep pace with prices. Therefore, while I appreciate the need for building a reserve fund, I think it ought not to be obtained in the manner proposed by the Honourable Sir Andrew Clow. There are also certain factors in estimating revenues which we will get by increasing freights and fares which we must not ignore. The first is rail-road competition. Are we sure that traffic will not be affected by this increase and that we will actually realise what we are budgeting for? If goods traffic is increasing, is it not possible to hope for a larger surplus than with the

present rates and is there not an under-estimate of the receipts on the present basis ?

Sir, I do not wish to use harsh language and indulge in exaggeration but on the materials supplied I fear no adequate case has been made out for an increase in rates and fares and I am therefore unwilling to lend my support to this proposal.

Sir, a welcome feature of the speech of the Honourable the Railway Member is the reference to the manufacture of locomotives in India. The Report of the Humphries-Srinivasan Committee is an admirable and illuminating document. They have taken a view which supports in the main the critics of the Railway Administration. They have found that locomotives can be made a workable and commercial proposition. The argument was that the locomotive industry could not be made a commercially sound proposition in India. They have found that the building of railway locomotives is feasible and commercially possible. Sir, the value of the Report from our point of view is that it has demolished the case that was put forward on various occasions by the Communications Member in this House and in the other place. I hope, Sir, that the Report will receive the earnest consideration of Government and that it will not only receive consideration but I hope, Sir,—and I share that hope with Sir A. P. Patro,—that action will be taken on the Report and the locomotive industry started as a fact in India.

Sir, it is a tribute to the humanity of the present Communications Member that he has, in the speech which he delivered in the other place, devoted some attention to the very important question of labour. He has not ruled out absolutely, as far as I have been able to understand him, possible alterations in remuneration in what is a period of rise in prices. His last sentences lead me to hope that he has not ruled out absolutely possible alterations in remuneration in this period.

Sir, I approve of the enforcement of the Washington and Geneva Conventions relating to hours of employment and weekly rest. It will help to reduce the work the railwaymen have to do and give them some leisure. The S. I. R. and the R. & K. R. are also to be covered by the Conventions.

I am glad that there is going to be a further extension of the Provident Fund privileges to employees. This is, I know, going to be done gradually, not immediately. The Railway Administration is going to spend Rs. 12 lakhs. I think the total cost will be Rs. 72 lakhs. The idea, as far as I have been able to gather, is to spend Rs. 12 lakhs on staff benefits of an urgent character. I hope that more rapid progress will be made so far as the Provident Fund privileges are concerned.

A point to which reference was made by the Honourable Mr. Kunzru is Indianization. He has dealt with the question of Indianization very thoroughly. There is no doubt that there has been some improvement in the direction of Indianization so far as the superior ranks are concerned. But the process should be very much speeded up. The war gives us an opportunity of speeding up the process of Indianization so far as the superior ranks are concerned. But, apart from the superior ranks, there are the non-gazetted officers also and the number of Anglo-Indians employed on the Railways is to be reduced if justice is to be done to the other various communities in India.

THE HONOURABLE SIR A. P. PATRO : Minority problem.

THE HONOURABLE MR. P. N. SAPRU : Of course, my friend is a great supporter of the minorities. But I am sure that even the Honourable

[Mr. P. N. Sapru.]

Mr. Hossain Imam, who is one of the pillars of the Muslim League, will agree with me that the proportion of Anglo-Indians in the service is very high.

There are just one or two other observations that I should like to make about the stores purchase policy of the Company-managed railways. I find that the machinery of the Indian Stores Department is not being utilised by the Company-managed railways in the manner and to the extent to which it should be. I find that the value of stores purchased through the Indian Stores Department by Company-managed railways was Rs. 8,39,000. The State-managed railways purchased Rs. 3,76,15,000 worth of goods through the Indian Stores Department. I find a note to this effect—

“ In the case of Company-managed railways, the percentage of the value of indigenous stores to the total value of all stores purchased by those railways has increased from 57·24 in 1937-38 to 58·42 in 1938-39. The value of stores purchased through the Indian Stores Department also increased from Rs. 7·71 lakhs in 1937-38 to Rs. 8·39 lakhs during the year under review ”.

Why has there been an effort made here to show that there has really been an improvement so far as Company-managed railways are concerned in this respect ? The improvement is very, very slight. A study of the figures shows that the Company-managed railways, for some reason of their own, do not like to utilise the services of the Indian Stores Department. The figures are given here : —

(Figures in thousands of rupees.)

	Rs.
“ Stores imported direct	1,55,80
Imported stores purchased in India	1,52,93
Stores of Indian manufacture or of indigenous origin	4,33,72
Total	7,42,45
Value of stores purchased through Indian Stores Department	8,39
Percentage column 6 to column 5	1·13
Value of stores purchases controlled by the Railway Board	1,47,96
Percentage column 8 to column 5	19·93 ”

Well, I think there ought to be a change in the policy of Company-managed railways so far as the Indian Stores Department is concerned and I would like to press this point before the House.

There is just one word more which I should like to say about the working expenses of Indian Railways. The Honourable Mr. Hossain Imam, in the very able speech he made, pointed out that the working expenses were going up. The question that I should like to ask is this. What is the Railway Department doing to see that expenses are going down ? What is the check that they are exercising over expenses ? Have they set up any committee or any machinery to see that the working expenses are kept within control ? If they have set up any committee or any machinery to see that the working expenses are kept under control, will they tell us what that committee or that machinery is ? We certainly, before we vote for an increase in fares and freights, would be entitled as consumers, as tax payers, as men who use the railways, as men who own the railways, to see that the railway administration is run economically. That, I think, is not an unreasonable proposition.

These are all the remarks that occur to me on the Railway Budget, and I have nothing further to say.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR (Nominated Non-Official): Sir, I like to say a few words about the Railway Budget and not about the administration of the Railway which, in my opinion, the railway authority knows far better than a layman.

Sir, I express my appreciation of the Budget proposals put forward by the Honourable Sir Guthrie Russell and at the same time wish to congratulate him on the surplus which has already accrued and which is anticipated during the next financial year. I also support the proposal regarding the disposal of that surplus. We shall be well advised to provide during surplus years against the time when we may be faced with a deficit and commercial depression. The support that has been given by Sir Guthrie to the proposal to construct locomotives in this country shows clearly that he is anxious to make India self-contained and self-supporting in this matter. I myself welcome the scheme with all my heart. The proposal to raise fares and freights seems in view of all circumstances to be a necessary measure. I have no doubt in my mind that at the end of the war this arrangement will be reconsidered and the rates will be lowered to their present level. On the whole, the Budget is very satisfactory and I accord it my cordial support.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official): Sir, I congratulate the Honourable Communications Member and the Chief Commissioner for Railways on their good fortune in being able to present such a Budget as this. With regard to this I have to make one observation, namely, one of caution. The years of plenty are always followed by years of famine when the fat and sleek cattle or kine are eaten up by the lean and ill-favoured ones. That being so, I would respectfully advise the Honourable Communications Member to see that money is not sunk in stone and mortar or stone and cement. Years ago it is well known that a lot of money was sunk in buildings which did not give any return. Several crores were sunk and that experiment ought not to be repeated. It is a well known principle that when you have a boom, that boom is always followed by depression. That advice was given nearly 4,000 years ago by a very young man to a very great monarch, that years of bumper crops are followed by years of famine. Therefore the Railway Department would be well advised in not sinking any funds that they may get over and above what they require in unremunerative works.

Then I am very glad to notice that the Committee set up to inquire into the manufacture of locomotives in India has sent in a report which is a really very remarkable one, and I hope the Railway Department will take up the matter seriously and arrange to have these locomotives constructed in India. Even if you do not get the 20 per cent. which they anticipate, even if it is just sufficient to cover the expenses, it will be an advantage to us because we shall be self-contained and also our people will get work. There is a good deal of unemployment in the country and an industry like this employing hundreds of people will be a really welcome one.

As regards the raising of passenger fares, Sir, I am afraid that the expectation may not be fulfilled. When you raise fares there is a tendency for the people not to travel much. Already people feel that the fares are very heavy and to increase them still further would not be very profitable. Even if it is considered necessary to raise the fares, I would suggest that the fares above Rs. 5 may be raised as suggested and not fares above one rupee. And the

[Sir David Devadoss.]

working expenses ought not to rise in proportion to the income earned. No doubt there will be some additional expenditure on account of more trains running, but still the Department ought to see that these expenses are kept down as much as possible, so that we may have a real saving.

Then the Honourable Communications Member suggested raising the wages of the lower staff. I would suggest, Sir, instead of raising the wages, giving them a war allowance, so that when conditions become normal the allowance may be taken away. If you once raise the wages it is very difficult for the Department to lower them. The lowering of wages always gives rise to discontent and probably to trouble.

There is one other subject I should like to dwell upon and that is the competition of motor traffic. Sir, I brought to the notice of the Honourable the Chief Commissioner the monopoly given to a single person, or rather to a one-man company, for carrying passengers and goods from Kodaikanal Road to Kodaikanal. My question suggested that this was not a good thing because there is no railway competition at all between the two points, a distance of 50 miles, and therefore there is no reason at all why one man and his partners should be given this monopoly. The result of that monopoly is that, as he is himself a trader and keeps a shop, he has been putting up the prices and the people have been really suffering. When this matter was brought to the notice of the local authorities they said that it was a put-up job by a rival bus owner and so on. That is not so. An inquiry ought to be made. Under the cover of simply assisting the S.I.R. a monopoly like this ought not to be given. Further when *bona fide* merchants asked for the licensing of private lorries they were refused licences. I do not know on what ground. The lorries did not compete with the railways at all because along the 50 miles to be covered by the bus there is no railway line. In this connection I may bring to the notice of the House the fact that from Kodaikanal a lot of goods, wheat, vegetables, fruit, and other goods, have to be brought down to the plains, and foodstuffs have to be carried up. In these circumstances to deny *bona fide* merchants licences to have their own lorries, not to cater for the public but for carrying their own goods, is a denial of justice. And all this is done under the pretext of the S.I.R. having an outpost at Kodaikanal. All these things ought to be looked into and this matter should not be brushed aside as being put up by rival bus owners.

With regard to other items of the Budget I have much pleasure in supporting the suggestions made therein, and I really congratulate the Honourable Communications Member and the Chief Commissioner for Railways on the way they have presented the Budget. I hope their expectations will be realized, that is to say that they will be able to get as much as they expect, but I am afraid they may not get as much as they expect from the increase in fares.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal: Non-Muhammadan): Sir, I do not propose to inflict a lengthy speech on the Railway Budget today, as I know it would be of no avail. If I rise to speak now, I do so with a heavy heart to express my genuine regret at the apathetic attitude and the diabolical policy of the Government.

The Railway Budget, Sir, contains new samples of injustice and consequent hardship so far as the poverty-stricken mass is concerned. The Excess Profits Bill, the passage of which is a foregone conclusion, taxes the capitalists, now the Railway Budget taxes the poor as well. It is a taxation measure

pure and simple without any convincing reason. The reason for raising the freight rates of goods and passenger traffic can only be conceived by this Government, who always deliberately flouts public opinion and rules the country as they wish. Sir, even if the goods traffic can stand some increase, the passenger traffic clearly cannot bear it. In no occasion I have seen the freights and rates once raised were afterwards reduced.

Sir, as has been admitted by the Honourable the Railway Member in his Budget speech in the other House that as a commercial concern the Railways were paying even during the depression years; then why this fresh taxation when the economic condition of the masses has not in the least improved, nor there is any hope of its improvement in the near future. Sir, I cannot understand what led the Government to impose this taxation by way of increasing the freight rates. If it is construed to be a war measure, then why no attempt is made to reduce the salaries of highly paid officials? It is rather astonishing to find that instead of reducing the cost, the working expenses of Railways have been permanently increased by lakhs and lakhs in the present Budget, without paying any heed to the crying needs of the country both inside and outside the Legislatures, to give proper amenities to the third class travelling public who form the bulk of railway receipts, the Government has come forward with determination to raise the freight rates.

Sir, this is our sympathetic Government. The less we speak the better. In fact your actions and professions are as the Poles asunder.

Sir, it is however gratifying to find in this Railway Budget that our long standing insistent and consistent demand to manufacture locomotives in this country is perhaps going to be fulfilled shortly. I hope the Honourable the Railway Member will please take up the question immediately.

THE HONOURABLE SARDAR BAHADUR SOBHA SINGH (Nominated Non-Official): Sir, the Railway Budget presented to the House, which by the way maintains its reputation for admirable lucidity and brevity, contains some surprises, unwelcome may be but inevitable in times of emergency.

Before dealing with the problems proper belonging to the Budget, I may refer to the Report of the two experts on the question of the construction of locomotives in India in State railway workshops. Their conclusions are encouraging, particularly the scheme which involves a capital outlay, for converting the existing locomotive repair shops at Kanchrapara into manufacturing workshops, of no more than Rs. 47.46 lakhs, which owing to the modest expenditure must be thoroughly feasible and practicable. Locomotive manufacturing industry may be regarded as a key industry in that all long-distance transport and in fact the whole system of communications in the country is dependent upon it. Especially in a time of war when renewals of engine stock may be unobtainable for various reasons, such as diversion of labour for war work, uncertainty of transport facilities, etc., the question of manufacturing locomotives in India is invested with a particular importance. In commending the adoption and speedy execution of the scheme I have only one observation to make, that is, that the equipment of these shops should be of such a nature that part of it may in a time of great emergency be adaptable for the manufacture of munitions such as guns, shell covers, etc., and other sinews of war.

Turning to the question of the increases in freights and fares, a calm reflection of the situation must lead one to reconcile one's self to them. They may according to some be an evil but they are a necessary evil. But there are saving features. A sincere attempt has been made to adjust the burden

[Sardar Bahadur Sobha Singh.]

as equitably as possible in the circumstances. Traffic is called upon to pay only what it can easily bear, and third class short distance fares will be left entirely unaffected. An emergency calls for sacrifices from all of us and those that we have so far been asked to make have fortunately not been of a very drastic nature. Any new tax or charge naturally evokes opposition and criticism but a moment's reflection would convince one that in the circumstances things might well have been far worse.

One point which deserves serious consideration is the provision of amenities to third class passengers. The question of introducing fans in third class carriages was reported to be under experiment but the provision of waiting rooms for third class passengers would appear to need the sympathetic consideration of the Railway Administrations. It is true that there are waiting rooms but in space, comfort, etc., they can be much improved. The third class passenger traffic is the backbone of the railway's traffic receipts and it stands to reason that this class should be attracted to railway travel not only by cheap fares but by the provision of additional conveniences. The progress made by road transport in short distance railway traffic can only be remedied and such traffic recaptured by greater attention to the needs of lower class passengers.

THE HONOURABLE SIR ANDREW CLOW (Communications Member): Sir, there are two subjects which have found a place in practically every speech: these are the manufacture of locomotives and the increase in freights and fares. Perhaps it would suit the convenience of the House if I left these to the end and dealt first with points mainly of minor importance that were raised by individual Members in the course of their speeches. I cannot of course hope to cover all the points dealt with. There was an immense variety of subjects, from bigger ones like our depreciation policy to smaller ones like the first class waiting room at Waltair, and, though I have travelled about the railways as much as my time has permitted, I cannot profess to be familiar with details all over India.

One or two of the very minor points I can answer. When I came into the House the Honourable Mr. Hossain Imam was talking about the students at Aligarh. I do not know how long it is since he has been at Aligarh, but actually the days that he wanted were altered last December. I was sorry I did not hear all his speech owing to trying to comply with requisitions for information in another place, but I hope to read it with profit later. He also referred to overcrowding, I think with particular reference to the E.I.R. In my own tours I have looked about for evidence of overcrowding wherever I have gone; I have seen it occasionally on one or two fast trains, but so far as third class traffic generally is concerned I have seen no evidence of overcrowding. I wish I had seen bigger crowds than I did see; it even struck me occasionally that there were too many carriages for the passengers. But one does not need to depend on personal experience. The E. I. R. recently made a check of overcrowding in the course of which they checked not less than 6,138 trains and they found overcrowding only in 70. Those Honourable Members who have travelled on Railways in other countries will realise that is not a bad proportion.

The Honourable Pandit Hirday Nath Kunzru dealt among other things with the important question of the Depreciation Fund. He observed that it was steadily rising. He observed that this year we are spending from it

about Rs. 5½ crores less than we are putting in, and by a simple arithmetical calculation he found that in a very few years we should have attained the limits regarded as necessary by the Wedgwood Committee. Well, Sir, his arithmetic may have been accurate but his reasoning was not. I wish it had been. The actual fact, of course, is that in the last few years we have been curtailing expenditure. The Pacific Locomotives Committee warned us that in some respects we had carried that quite as far as was safe and I am afraid that in the next few years he will not find that difference between our credits to the Depreciation Fund and our expenditure from it. I think he might have gathered that almost from the Report on Locomotives Construction if he had analysed the implications of what its authors say. And another point is that in the last few years we have undoubtedly been crediting unremunerative expenditure to capital. And there is substance in the charge that we are somewhat overcapitalised. Now, Sir, as the House knows, we are going to try and make at least a small improvement in that direction. So that part of the Depreciation Fund, I am afraid, has to be set against assets that are unremunerative and perhaps in a few cases even non-existent.

He referred also to the distribution among Railways in Appendix VIII of the Statement, in which his eagle eye, I think rightly, detected a weakness. I must confess frankly that I do not know what purpose Appendix VIII serves. The allocations of the Railways are actually described as "nominal". I am not sure that I would not use the word "unreal" and we shall consider whether that Appendix in future should remain in the Statement.

Then he referred to the question of Anglo-Indians, and in particular to the decision (not now a recent one), to give a minimum starting wage to Anglo-Indians in certain employments. I am surprised that that was not raised in the last session. It is not really a matter of railway policy or a matter falling primarily within my own portfolio. But he allowed his fancy to roam over the advice he conjectured might have been given to me on the one hand by the Chief Commissioner for Railways and on the other hand by the Director General of Posts and Telegraphs. Well, it is not customary to disclose advice given by officers but I can tell him that his fancy led him sadly astray. He asked who was responsible for the decision. Well, the direct responsibility was Government's and the actual decision did not depend on the advice given by either of these eminent officers. Ultimately the responsibility rests, I need hardly remind him, on the framers of the Government of India Act. The Government of India felt that they were only carrying out, as they were obliged to do, the policy there enunciated. He referred also to a point regarding the recruitment of Anglo-Indians on two of the Company railways. The Chief Commissioner has looked into the point and fulfilled his promise. I do not propose to trouble the House with the details but I have no doubt the Chief Commissioner will be glad to supply them to the Honourable Member.

Sir A. P. Patro struck for me rather a refreshing because unusual note in referring to the hardships of first class passengers. I hear so much of the hardships of another class that, as I say, I found this quite refreshing. But I am afraid I did not find it terribly moving. I have not been for many years to Waltair but I am quite willing to accept it from him that first class passengers are not as comfortable there as they might be. But, on the other hand, Sir David Devadoss struck a warning note when he said: Don't go and put your money into stone and bricks and mortar, and I am afraid that, looking over things generally, I am not sure that the first class passenger does not get quite as much as he is paying for. In fact, the complaint generally made to me is that the first class passenger is benefiting at the expense of other

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classes of the community and I think in certain respects at present he is getting more than he pays for,—in particular, in the matter of refreshment cars to which he is not giving the support in some cases that would really make them profitable propositions.

As regards the Grand Trunk Express, to which he also referred, I admit that that is not a comfortable train for the upper class passenger who is trying to do a long journey. It is not really intended for upper class through traffic. It is intended more for traffic for intermediate journeys. But it was for me a revelation of what first class passengers have come to expect that he made it a grievance that on one occasion actually the right number of passengers were put into the carriage.

THE HONOURABLE SIR A. P. PATRO : I suppose the carriage was built before any of us was born or came into existence.

THE HONOURABLE SIR ANDREW CLOW : I doubt if there are any carriages of the ripe experience of Sir A. P. Patro !

The Honourable Mr. Muhammad Husain pleaded for more uniformity in a good many things and particularly in the matter of carriage stock. Well, there was some force in what he said and the Railway Board are doing a certain amount towards standardisation though perhaps not as much as he would like. But, of course, railway stock lasts a long time, and at any given time you naturally have stock going back for a large number of years, but I think with a fairly constant improvement in design. So that the replacement of old stock by stock that we regard as more suitable to changed conditions must be a fairly slow process if it is to be done with reasonable economy.

He also pleaded for third class return tickets. Well, we have had an experiment on the E.B.R. but personally I am very sceptical about third class return tickets. There is always a great danger in return tickets and that is that the return half will be used by a gentlemen who did not make the original journey. I do not say that that danger is absent even in the case of first class passengers, but obviously it is very much less when you are dealing with a comparatively small number. But if you issue return tickets at a station from which hundreds of people travel every day, the temptation to take a return ticket and make a little profit by selling it to a gentleman who is going back on the next train may be great.

Then he also referred to catering contracts and there he was supported by the Honourable the Leader of the Opposition. We have had a debate in another place on that subject and the text of it, I think, reached Honourable Members last night. I would commend it to their study. References were made to a contract at Jhansi and to some contracts at Howrah. I have not all the facts here, but, to the best of my belief, the contract at Jhansi for which a plea was made was a contract given to a gentleman who himself has no connection with the catering business at all, the understanding being that he would be associated with another gentleman who would supply the necessary professional skill. Afterwards, I think they had a difference of opinion and it has been laid down—quite rightly, in my opinion—by the Central Advisory Council for Railways, of which the Honourable Mr. Muhammad Husain is himself a member, that these contracts should go to men who are professionals. In other words, the public should not have amateur cooks. As regards Howrah contracts, if Honourable Members will study that debate, they will find that cancellation

has been suspended for the moment and we have agreed to ask the Central Advisory Council for Railways to consider again one of the questions that they considered last September.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : May I intervene and ask, Sir, whether the present refreshment room monopolist is a professional himself ?

THE HONOURABLE SIR ANDREW CLOW : I am not sure who the Honourable Member is referring to at the present moment as a monopolist.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I do not want to mention the name of the firm but that firm is now practically working most of the refreshment rooms on the G.I.P.R. although he is not a professionalist himself.

THE HONOURABLE SIR ANDREW CLOW : I am not precisely clear as to whom the Honourable Member is referring, but I believe that the big contracts are in the hands of men of experience.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I might mention as I recollect now that the name of that monopolist is Vallabdas Ishwardas.

THE HONOURABLE SIR ANDREW CLOW : I do not know him but I understand from the Chief Commissioner that his father was in the business.

The Honourable the Leader of the Opposition then referred to the important question of strategic lines and he repeated what is a very prevalent impression that we bear the loss on strategic lines. Actually, that is not the position. What we are liable to pay to Government is one per cent. on our capital at charge, and from that a deduction of approximately Rs. 2 crores is made on account of the loss on strategic railways.

The Honourable Mr. Sapru was, I think, possibly the only Member who referred to the important question of civility from the railway staff. That is a matter to which the Chief Commissioner and the General Managers have been giving constant attention. The general impression I get by conversation with travellers is that there has been a distinct improvement in that direction and that superior railway officers are always ready to receive and examine any reasonable complaints from members of the public. I must contest his statement that we do nothing to improve the amenities for third class passengers. He referred to the number of compartments on some railway—I rather think which we do not even own, much less manage—without latrine accommodation. Well, I wonder if he has travelled in Europe and taken the percentage not merely of third class but of first class compartments that have not got latrine accommodation there. He asked who controlled the finances of the Railways. I should have thought the answer to that was fairly obvious, that we have a competent Financial Commissioner assisted by a staff of experts, that we are subjected to constant scrutiny both here and in another place, and that there is a perpetual drive in favour of economy, a drive which is a little difficult in view of the constant demand that we should supply more and that we should receive less.

The Honourable Sir David Devadoss suggested that I contemplated a permanent rise in wages. That is certainly not the position. I did, in my speech, refer to the possibility that some increase in emoluments might have

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to be given to the lower paid staff if there was a substantial rise over the present level of prices, but I quite agree with him that if a rise ever had to be given on account of exceptional conditions, it should take a form which would enable it to be easily reduced or removed as those conditions disappeared.

I am afraid I am not familiar with conditions in Kodaikanal to which also he referred but I was a little surprised to hear that it rested within the power of the Railways to grant a monopoly along a certain route.

THE HONOURABLE SIR DAVID DEVADOSS: I said that on the plea that the S.I.R. had an outpost, the monopoly was given. I did not say the Railway gave it.

THE HONOURABLE SIR ANDREW CLOW: I am afraid I cannot hold myself or the Chief Commissioner responsible for that.

THE HONOURABLE SIR A. P. PATRO: District Board.

THE HONOURABLE SIR ANDREW CLOW: I am not answerable for the District Board.

Then the Honourable Mr. Sinha, who in the mildest voice made the most savage statements, complained that our working expenses were going up. Well, that is an inevitable concomitant of increased traffic. You cannot drive a locomotive without burning coal.

The Honourable Sardar Sobha Singh made a suggestion that we should build our new workshop in such a way that it could take on munitions production if necessary. Well, most railway workshops can do something in that line even if they are built purely for railway needs. But munitions production is being done otherwise and I hope that by the time our locomotives are being turned out in substantial numbers, our present need for munitions would have become somewhat less.

As regards the question of locomotives production, the Honourable Pandit Kunzru asked for an explanation of a statement made in the course of his speech by the Chief Commissioner. I think the statement was as follows :—

“ We have been unable to foresee a steady output, and it is of little use building a workshop which only works spasmodically ”.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I did not refer to the statement made by the Chief Commissioner. I referred to the statements made by Sir Zafrulla Khan and by Sir Thomas Stewart in the Assembly.

THE HONOURABLE MR. HOSSAIN IMAM: I mentioned that, Sir.

THE HONOURABLE SIR ANDREW CLOW: I am sorry. I thought the question put was whether this statement referred to the past or to the future.

THE HONOURABLE MR. HOSSAIN IMAM: I asked that, Sir.

THE HONOURABLE SIR ANDREW CLOW: I should have thought the answer was fairly obvious. In the first part of it, viz., “ We have been unable to foresee a steady output ” the Chief Commissioner was speaking of the past, but when he went on to say, “ It is of little use building a workshop which

only works spasmodically" he was laying down a proposition which every business man would tell you is good at all times and in all places. The whole point is that this question of locomotive building is largely a question of time.

The Honourable Pandit Kunzru was perplexed by the variations in the estimates that have been presented. So am I to some extent. I have seen a good many estimates. I know of one—quite an honest estimate—by an officer that our needs for the next, I think, eight or nine years might be as low as 30 broad gauge locomotives a year. On the other hand, you have the estimates given in the Report now before the House. Well, there are two explanations of these variations. In the first place, a good deal depends on the time factor. Your demand for locomotives may be spread over a certain number of years; it is a constantly variable quantity. But the extent to which you can spread is naturally limited. If you take a very long view, you may get one figure; if you take a very short view, you may get another. Actually, in the last 10 years, our demand for locomotives has not been such as would have justified the building of a workshop and as the Honourable Mr. Parker put the point, succinctly, there is a time to buy and there is a time to make.

THE HONOURABLE MR. HOSSAIN IMAM: What is the time now?

THE HONOURABLE SIR ANDREW CLOW: That is just what we are trying to find out. But of course another explanation is that the view officers take—there is a personal factor involved—of the probable course of events in future naturally varies. The low estimate to which I referred and some other low estimates were based to a considerable extent on the view that we can make much better use of our locomotives than we are doing at present and that we do not require—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I interrupt the Honourable Member? You could not alter the age of the locomotive by any means. You may utilize them better by seeing that they do not remain idle or do not remain too long under repairs, but you cannot alter their age by any process. That is the point. The Report says that considering the age of the locomotives a very large number of new locomotives would be required in the next 10 years, while Sir Thomas Stewart speaking on the same subject two years ago said that they would not need more than some 40 or 50.

THE HONOURABLE SIR ANDREW CLOW: I do not think he said that.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Well, I read out the extract. The speech I refer to was made on the 24th February, 1938 in the Assembly.

THE HONOURABLE SIR ANDREW CLOW: I have read that speech. Now obviously, if you think you can make better use of your locomotives your estimated demand for new locomotives is reduced. In fact that has been one of the big causes of the reduction in demand in the last two years.

Then the Honourable Rai Bahadur Lala Ram Saran Das asked, do we mean to carry out the Report? Well, we are examining the Report, but I would put it to the House, we have one estimate here, we have other estimates too. We have to examine these. So far as I can judge at the moment, the

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authors have made ample allowances against contingencies and their conclusions would appear to be sound, but obviously we have to check that. We have got to consult the Managers of the Railways concerned. There is going to be a very big disturbance, for example, of repair work, particularly on the E.B.R. We have to look into the cost of production. So that I cannot tell him or give him an undertaking that we shall within so many weeks implement the Report.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What I am afraid of is that consideration of Reports like this sometimes takes years and ultimately they are shelved. Therefore what I expect from the Honourable Member for Communications is as to whether Government have decided in favour of the construction of locomotives in India when it is a paying proposition. There is a Report and I hope the Honourable Member will tell me whether it will take six months or a year or any longer period to consider. Another question was, as to why Government did not convert loans which are now carrying a high interest for lower interest and also whether the Government was considering the policy of accelerated Indianization.

THE HONOURABLE SIR ANDREW CLOW : I am sorry I am still a little in the dark. Obviously if we are satisfied that the manufacture of locomotives is going to be a paying proposition we should not have any hesitation in going on with it, but as to the precise time at which we shall have the necessary data in our hands I cannot say. The Report is not going to be shelved. All that I think the Honourable Member is entitled to ask is that there should be no delay in dealing with it, and I shall see to that to the best of my ability.

Now I come to the leading question, perhaps, of the increase in rates. Two Honourable Members, Sir A. P. Patro and Rai Bahadur Lala Ram Saran Das, referred to a statement made by the Minister of Transport in the House of Commons about the raising of rates, and their advice as far as I could gather was, "Go thou and do likewise". Well, I am not in the same position as the Minister of Transport. The Minister of Transport is controlling railways which are owned by private capitalists and the result of raising rates would be to benefit not the State but the owners of the railways. I have here to look at the interests of the State and I submit that the two positions are in no way analogous. (*An Honourable Member* : "But there are Company-managed railways also here".) The Company-managed railways, I would remind my Honourable friend, are almost entirely State-owned. Sir A. P. Patro talked of depressions; he seemed to minimise the danger of depressions. I think I heard him say there was no depression after the last war until 1931, and I wondered where he had been travelling in the years between 1921 and 1923. He also referred to the fact that we put up the rates in 1931. Perfectly true, but the putting up of the rates then was largely, if not entirely, the restoration of reductions that had been made three or four years before when in the light of a temporary prosperity—temporary as it afterwards proved—the authorities controlling the railways believed that it would be sound policy to lower the rates and attract increased traffic. I have not the slightest doubt that if they could have foreseen what was going to happen in the course of only three or four years, they would not have lowered the rates then. And I have the support of business authorities in Mr. Parker for saying that it is a sound policy surely to try as far as possible to avoid raising rates in times of depression to allow

for lowering them in the better times. I think that some one asked me if this was the proper time to raise rates, and suggested some other time would be more suitable. But I wonder what time he had in mind.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Raise rates and freights at boom times even without the war the crops are moving fast and there is plenty of export.

THE HONOURABLE SIR ANDREW CLOW : There have been no boom times for railways in my recent memory. We have defaulted in almost every recent year on our liabilities to Government. Sir David Devadoss, pleading for the third class passenger, suggested that we should make the minimum not one rupee but five rupees. I am afraid if we did that we should get next to nothing. That would cover a distance of approximately 250 miles and the journeys made by third class passengers beyond that distance are few in comparison with the others. Then Mr. Sinha said this was a taxation measure pure and simple and that the rates were never reduced. I think his memory must have led him astray. Rates have been reduced at various times both on freights and on fares. We are constantly making small reductions in the case of goods.

But the main gist of the attack on the rates was that there was no need to raise more money at the present time. Sir A. P. Patro asked if this was an emergency. Well, I should have thought it had certain elements of emergency in it. But surely the point of view to look at it is from the other side. Here we have, by the assent of the Legislative Assembly—and some one asked what control the Legislature had—by the assent of the Legislative Assembly, by their direction, a liability to pay a certain sum annually to the general taxpayer, a liability to pay one per cent. on our capital less the loss on strategic lines. I put it forward, is this the time that we should default on that liability? Have we any right at the present moment when we know we can raise the money, or we think we can, to go on saying, “I am very sorry, it is true I owe you this money, just let me add it to the debt which you are accumulating against my account, and some day when much better times come perhaps I will pay off the whole amount?”

THE HONOURABLE SIR A. P. PATRO : It is only putting from one pocket to another.

THE HONOURABLE SIR ANDREW CLOW : I do not quite understand the implication of the statement that it is only taking it from one pocket and putting into another?

THE HONOURABLE SIR A. P. PATRO : You take it from the railway travelling public and give it to the general taxpayer.

THE HONOURABLE SIR ANDREW CLOW : Precisely, and the general taxpayer has a right to receive it under the Railway Convention. Am I to say at this moment when no one doubts that the general taxpayer needs money and when the country is ringing with the cries of excess profiteers—

THE HONOURABLE SIR A. P. PATRO : Only 500 persons in the whole country.

THE HONOURABLE SIR ANDREW CLOW—against contributing to the country's need, am I to say, "This is not the time when I should pay what I owe you ; I will just default on it a little longer and add a little more to the debt ?" Of course it is taking from one pocket and putting into another, taking it from the railway user and giving it to the general taxpayer. I submit that that is the right thing to do and I have not heard any suggestions that would assist the Finance Member by letting him know precisely where the substitute for this Rs. 5½ crores should come from.

Of course I admit that in our Budget we have not budgeted exactly for what we owe to the general taxpayer. That sum is Rs. 5½ crores for next year and our estimates allow for nearly Rs. 3 crores more. That is perfectly true. I would say in the first place that it is extraordinarily unsound finance to budget exactly for Rs. 5½ crores at a time like this. Fluctuations in our possible revenue and in our possible expenditure may be very severe and there obviously should be some margin. But I would not defend the Rs. 3 crores mainly on the ground that we are making an adequate margin in order to ensure payment to the taxpayer. I would defend it on the ground that we must have a little margin ourselves, that this policy of trying to do a little—we are not trying to do very much—to smooth out this cycle of prosperity and depression is sound, that at a time when as we believe this burden can be more easily borne than at any time within the last decade at least it is sound to have a little insurance against the evils that despite Sir A. P. Patro's assurances lie only too surely ahead of use. If we can build up a small reserve we shall do something to ensure against the risk of our coming on the country when it is in very bad straits, when industry is depressed, when wages are falling, when unemployment is increasing, when it is the least fortunate moment for putting the heaviest burdens upon them.

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

Percentage of vehicles provided with latrine accommodation in third class and composite carriages in each railway system.

Railway system.	Gauge.	Third class.	Composite containing intermediate or third class accommodation.	Total.
CLASS I RAILWAYS.				
A. B.	3' 3 3/8"	95.8	100.0	97.9
B. & N. W.	3' 3 3/8"	58.2	100.0	63.4
B. N.	5' 6"	97.8	98.5	98.2
	2' 6"	85.9	79.5	84.6
B. B. & C. I.	5' 6"	98.4	66.8	84.5
	3' 3 3/8"	89.7	100.0	92.4
	2' 6"	76.7	100.0	85.5
E. B.	5' 6"	77.3	67.7	71.7
	3' 3 3/8"	100.0	100.0	100.0
	2' 6"	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
E. I.	5' 6"	96.5	97.6	97.1
G. I. P.	5' 6"	81.1	77.1	79.3
	2' 6"	92.9	100.0	96.8
Jodhpur	3' 3 3/8"	100.0	100.0	100.0
M. & S. M.	5' 6"	96.0	96.7	96.4
	3' 3 3/8"	100.0	95.7	97.7
Mysore	3' 3 3/8"	100.0	100.0	100.0
	2' 6"	100.0	<i>Nil</i>	100.0
	2' 0"	100.0	<i>Nil</i>	100.0
Nizam's State	5' 6"	100.0	100.0	100.0
	3' 3 3/8"	91.4	95.8	92.6
N. W.	5' 6"	100.0	100.0	100.0
	2' 6"	100.0	100.0	100.0
R. & K.	3' 3 3/8"	67.9	100.0	77.2
S. I.	5' 6"	100.0	100.0	100.0
	3' 3 3/8"	85.7	58.8	75.7
	2' 6"	44.4	9.10	31.0
TOTAL	88.6	89.4	89.2

Percentage of vehicles provided with latrine accommodation in third class and composite carriages in each railway system—contd.

Railway system.	Gauge.	Third. class.	Composite containing inter- mediate or third class accommo- dation.	Total.
CLASS II.—RAILWAYS.				
Barai Light	2' 6"	36.5	66.7	42.4
Bengal Dooars	3' 3 3/8"	56.7	100.0	69.8
Bhavnagar State	3' 3 3/8"	100.0	100.0	100.0
Bikaner State	3' 3 3/8"	100.0	100.0	100.0
Darjeeling Himalayan	2' 0"	Nil	Nil	Nil
Dibru Sadiya	3' 3 3/8"	100.0	100.0	100.0
Gekwar's Baroda State	3' 3 3/8"	100.0	100.0	100.0
	2' 6"	97.5	100.0	98.4
Gondal	3' 3 3/8"	100.0	100.0	100.0
Jaipur State	3' 3 3/8"	100.0	100.0	100.0
Jamnagar and Dwarka	3' 3 3/8"	88.6	Nil	88.6
Junagad State	3' 3 3/8"	100.0	86.0	94.4
Morvi	3' 3 3/8"	100.0	84.2	95.3
Shahdara (Delhi) Saharanpur	2' 6"	42.9	100.0	48.7
TOTAL	80.6	86.0	81.9
GRAND TOTAL (CLASS I & II RAILWAYS)	..	87.8	89.3	88.7

Number of stations and waiting halls provided on Class I Railways for the use of intermediate and third class passengers.

N. W. R.

B. B.

A. B. B. & N. B. N. W.	&	E. B. E. I.	G. I. P.	Jodhpur	M. & Nizam's S. M.	M. & Nizam's S. M.	C.	S.	R. & K. S. I.	Mysore State.
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Total number of stations open for passenger traffic.	306	352	495	635	453	768	567	165	498	213	870	175	98	608	129
Number of stations at which waiting rooms or halls have been provided for intermediate class passengers :—															
(i) generally	12	5	19	1	8	148	Nil	1	6	Nil	17	8	Nil	Nil	Nil
(ii) for women only	4	10	14	1	3	56	Nil	Nil	Nil	Nil	18	2	3	Nil	Nil
Number of stations at which third class waiting rooms or halls have been provided :—															
(i) generally	260	250	465	483	437	399	477	113	454	213	694	110	95	590	111
(ii) for women only	131	34	69	2	326	173	15	6	11	2	48	12	12	13	5
Percentage of stations at which waiting rooms or halls have been provided as compared with the total number of stations open for passenger traffic :—															
(i) for intermediate class generally.	3.92	1.42	3.84	0.16	1.76	19	Nil	0.61	1.20	Nil	1.95	1.71	Nil	Nil	Nil
(ii) for intermediate class women only.	1.31	2.84	2.83	0.16	0.66	7	Nil	Nil	Nil	Nil	2.07	1.14	3.06	Nil	Nil
(iii) for third class generally.	85.0	71.0	93.9	76.7	96.5	52	84.1	68.5	91.2	1.00	79.8	62.9	96.9	97.0	86.0
(iv) for third class women only.	42.8	9.66	13.9	0.31	72.0	23	2.65	3.64	2.21	1.00	5.52	6.86	12.2	2.14	3.88