

Tuesday, 24th February, 1942

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

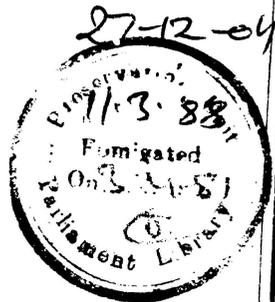
VOLUME I, 1942

(18th February to 2nd April, 1942)

ELEVENTH SESSION

OF THE

FOURTH COUNCIL OF STATE, 1942



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COUNCIL OF STATE.

Tuesday, 24th February, 1941.

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.

ESTABLISHMENT OF A BROADCASTING STATION, PATNA.

42. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: What is the amount of money sanctioned by the Government of India for the purchase of land for the construction of the Radio Station in Bihar? And what is the approximate amount, recurring and non-recurring, over the construction of buildings, and the maintenance of the Radio Station? When is the Radio Station likely to be in operation?

THE HONOURABLE MALIK SIR FIROZ KHAN NOON: A statement giving the information required in the first two parts of the question is laid on the table of the House. As regards the last part, the Patna Station of All-India Radio is expected to start operation at about the end of the current calendar year.

THE HONOURABLE MR. HOSSAIN IMAM: Has all the machinery been bought?

THE HONOURABLE MALIK SIR FIROZ KHAN NOON: Yes, the machinery has been purchased. It is a question of its arriving here.

Statement showing the amount sanctioned or expected to be incurred on certain works, etc., in connection with the establishment of a Broadcasting Station at Patna.

	Rs.
1. Amount sanctioned for the purchase of land	12,432
2. Approximate expenditure for the construction of buildings—	
(i) Non-recurring. (Construction of transmitter and receiving centre buildings.)	41,945
(ii) Recurring. (Renting of studio building and rates and taxes)	8,000
	per annum.
3. Approximate expenditure for the maintenance of the Station	1,56,200
	per annum.

USE OF TEAR SMOKE IN DELHI.

43. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government state the circumstances which resulted in the use of tear gas by the authorities in dealing with a religious gathering of the Sikhs in Gandhi Grounds, Delhi, in November last?

THE HONOURABLE MR. E. CONRAN-SMITH: The Honourable Member will realise that it is impossible within the scope of a reply to a question for

Note.—Questions against the Hon. Raja Yuveraj Dutta Singh were put by the Hon. Mr. V. V. Kalikar.

me to give a detailed account of the events which led up to the use of tear smoke in Delhi in November last. Briefly, the facts are that, owing to the increasingly obstreperous conduct of the processionists for several years past, as a result of which communal clashes were on several occasions most narrowly averted, it was found necessary in 1940 to lay down specific timings in the licence issued for the annual Sikh procession in commemoration of Guru Tegh Bahadur. As a result of this precaution, the 1940 procession passed off peacefully. When application for a licence was made last November, the licence was issued in exactly the same form as that previously accepted by the Gurdwara Committee. The Committee, however, refused to accept the licence. Attempts to convince the Committee that it was acting unreasonably were unavailing, and in the face of the Committee's decision that unless the alleged restrictions were withdrawn the procession would be taken out without a licence, the District Magistrate, who was justifiably apprehensive of a breach of the public peace, had no alternative but to prohibit the procession under section 144 of the Criminal Procedure Code.

2. At an early hour on the morning of the 23rd November, the Granth Sahib was carried from the Sisganj Gurdwara to a pandal inside the Queen's Gardens, where a crowd estimated at about 2,000 collected. Speeches were made expressing determination to take out the procession in defiance of orders. A warning was then issued that if such an attempt were made, the procession would be dispersed by force, and if necessary by the use of tear smoke. It was meanwhile considered essential, in order to lessen the size of the threatened procession, to disperse the crowd which had formed outside the pandal. A Magistrate accordingly warned this crowd to disperse, but his warning was ignored and mounted police were employed in an effort to carry out his orders. They were attacked with bricks and other missiles, as a result of which two constables received head injuries necessitating their removal to hospital, and two gazetted police officers, and several other members of the force were wounded. The attitude of the crowd was at this stage extremely aggressive, and tear smoke was therefore used, as a last resort to disperse it. This had the desired effect.

3. The Granth Sahib was given a safe passage through a police cordon to the Sisganj Gurdwara after which the police proceeded to clear the crowds in both directions from the Chandni Chowk. A procession, however, emerged suddenly from the Sisganj Gurdwara and in view of the violent temper of the crowd, it again became necessary to use tear smoke in order to disperse it. This was done after due warning and was again successful.

I may add that the use of tear smoke on this occasion was, in the opinion of the Government of India, fully justified and made it possible to control the situation without resort to more drastic forms of action.

ARREST AND DETENTION OF MR. SARAT CHANDRA BOSE.

44. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government state the specific charges for which Mr. Sarat Chandra Bose of Calcutta has been arrested, and the evidence in support of such charges?

THE HONOURABLE MR. E. CONRAN-SMITH: Government have nothing to add to the communique, dated the 11th December, 1941 which was issued at the time of the arrest of Mr. Sarat Chandra Bose.

THE HONOURABLE MR. P. N. SAPRU : Was the Government of Bengal consulted in regard to the arrest of Mr. Sarat Chandra Bose and did the Government of Bengal agree to it ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have said that I have nothing to add to the communique which has already been published.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is the Honourable Member aware that statements have been made in Bengal which show that the Provincial Government was not consulted ? Is it not necessary therefore for the Government of India to clarify the position ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have seen such statements. The Government of India do not consider it necessary at present to add anything to what they have stated.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Obviously they give ground for the belief that they acted without even informing the Provincial Government.

THE HONOURABLE MR. E. CONRAN-SMITH : I think that is a matter of opinion.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Will the case of Mr. Bose be considered by any Tribunal which may be appointed to look into the cases of detenus ?

THE HONOURABLE MR. E. CONRAN-SMITH : I repeat that at present I cannot add anything to the statement which has been made.

THE HONOURABLE MR. P. N. SAPRU : Was the evidence against Mr. Bose placed before any advisory judicial authority before action was taken ?

(No answer was given.)

REPRESENTATION OF INDIA ON THE EMPIRE WAR CABINET.

45. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Are Government aware that the formation of an Empire War Cabinet is under consideration, or such a Cabinet has already been formed, for the purpose of obtaining the closest co-operation between the British Commonwealth of Nations, on propaganda, production, and strategy ? What is the position of India in this Empire War Cabinet, and by whom is India represented, or is intended to be represented, in this Cabinet ? If she has been excluded, why ?

THE HONOURABLE MALIK SHER FIROZ KHAN NOON : I would refer the Honourable Member to statements by the Prime Minister in the House of Commons on the 27th January and the 5th February last, which have been reported in the press. He will observe that the formation of an *Empire War Cabinet* is not at present in contemplation. I would, however, invite the attention of the Honourable Member to the following communique issued on the 12th February :—

“ His Majesty’s Government are anxious that India should be afforded the same opportunity as the Dominions of being represented at the War Cabinet and on the Pacific War Council for purposes of

the formulation and direction of policy for the prosecution of the war. They have accordingly invited the Government of India to arrange for such representation if they so desire”.

The position of the Dominion and Indian representatives at the War Cabinet was clearly indicated in the Prime Minister's speech of the 5th February.

BROADCAST OF INDIAN NEWS FROM BERLIN BEFORE PUBLICATION IN NEWSPAPERS IN INDIA.

46. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : Are Government aware that sometimes important Indian news come over the Berlin Radio before they find publication in Indian newspapers ? If so, how is this so ? Have Government taken all possible and effective precautions to exclude rigidly all fifth column activities in India ?

THE HONOURABLE MALIK SIR FIROZ KHAN NOON : The Government of India have no record of any instance in which important Indian news has ever been broadcast from Berlin before it has been published in newspapers in India, and will be glad to know of any examples which the Honourable Member has observed. But if this should have happened, there would be nothing remarkable in it. News items about India are conveyed to the United Kingdom on behalf of the principal News Agencies by wireless. These wireless messages can be picked up in enemy countries and used in enemy broadcasts to India.

Government have taken and are continuing to take all possible measures, in consultation with the Provincial Governments, to combat fifth column activity in India.

SESSION OF THE HINDU MAHASABHA AT BHAGALPUR.

47. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : Has there been any communication between the Government of India and the Bihar Government, or between the former and Veer Savarkar, President of the All-India Hindu Mahasabha, with regard to the ban on the holding of the Mahasabha session in Bhagalpur, Bihar ? If so, will Government lay a copy of the correspondence on the table, or at least allow any Honourable Member of this House to have access to such communications ?

THE HONOURABLE MR. E. CONRAN-SMITH : In accordance with the usual practice, Government are unable to give any information about any correspondence which may have passed between themselves and any Provincial Government.

BALLABHDAS ESHWARDAS, CATERING CONTRACTOR, N. W. R. AND E. I. R.

48. THE HONOURABLE HAJI SYED MOHAMED HUSAIN : (a) Will Government lay on the table of the House the reports of the analyst on the samples of articles (sold by Ballabhdas Eshwardas) sent by the medical authorities on the East Indian Railway and the North Western Railway ?

(b) Did the United Provinces Advisory Committee request the General Manager to hold a special meeting for the consideration of catering question and was the request refused ? Did the East Indian Railway Administration ever put before any Advisory Committee any matter concerning the catering contracts for their advice or information during the past three years ; if so, when and if not, why not ?

(c) How many contractors were given notice of termination of their contracts and how many of their contracts were given to Ballabhdas Eshwardas within the last three years ?

THE HONOURABLE SIR LEONARD WILSON : (a) Copies of the reports which are seen by the Local Advisory Committees either regularly or when asked for, are not available.

(b) The answer to the first part of the question is in the affirmative. In reply to the second part, a general note concerning catering contracts was placed before the Calcutta and the United Provinces Advisory Committees in 1940.

(c) I regret Government have not this information, but so far as I am aware, no contract has been transferred from another contractor to this firm in the last two years, *i.e.*, since the Central Advisory Council recommended that further catering contracts should not be given to a firm which holds area contracts extending over two divisions on the same railway.

EXTENSION OF SERVICE TO THE GENERAL MANAGER, E. I. R.

49. THE HONOURABLE HAJI SYED MOHAMED HUSAIN : Do Government propose to give extension of service to the General Manager, East Indian Railway ?

THE HONOURABLE SIR LEONARD WILSON : Yes.

INSTALLATION OF A PUBLIC TELEPHONE CALL OFFICE AT THE POST OFFICE, SHAHDARA-DELHI.

50. THE HONOURABLE HAJI SYED MOHAMED HUSAIN : Will Government state the reasons for—

(a) not installing a public telephone call office at the Post Office, Shahdara-Delhi ; and

(b) not extending the facilities of the delivery of telegrams to the population of Shahdara-Delhi as are enjoyed by the population within five miles from the Delhi telegraph offices ?

THE HONOURABLE SIR LEONARD WILSON : (a) There has been no evidence of a sufficient demand.

(b) Delivery facilities are enjoyed by the population of Shahdara-Delhi within five miles of Delhi telegraph office.

INCOME-TAX OFFICERS IN THE UNITED PROVINCES.

51. THE HONOURABLE HAJI SYED MOHAMED HUSAIN : (a) With reference to Civil Services (C. C. A.) rule 2 will Government state the appointing authority of Income-tax Officers who had been appointed as Assistant Income-tax Officers in April, 1921 by the Government of the United Provinces ?

(b) Does the transfer of the Income-tax Department in 1922 amount to a second or new appointment of such officers ?

(c) If so, who made such second appointments and when and under what rules ?

(d) Were such second appointments duly gazetted ?

THE HONOURABLE MR. C. E. JONES : (a) The Governor General in Council is deemed to be the appointing authority of the officers in question for the purposes of the Civil Services (Classification, Control and Appeal) Rules.

(b) No.

(c) and (d). Do not arise.

INCOME-TAX OFFICERS IN THE UNITED PROVINCES.

52. THE HONOURABLE HAJI SYED MOHAMED HUSAIN : (a) In view of the fact that the classification of the public services under Civil Services (C. C. A.) rule 14 took place in May, 1930 and the Income-tax Officers in the United Provinces were placed under Central Service, Class II, in May, 1932 will Government state the service to which officers belonged between April, 1921 and May, 1930 or March, 1932 ?

(b) When did they cease to belong to their original service under the Local Government ?

THE HONOURABLE MR. C. E. JONES : (a) and (b). The officers belonged to an unclassified service of the Provincial Government till the centralisation of the Income-tax Department in 1922 and to an unclassified Central Service till 1932 when Income-tax Officers were constituted into a Central Class II Service. They ceased to belong to their original service under the United Provinces Government in 1922.

INCOME-TAX OFFICERS IN THE UNITED PROVINCES.

53. THE HONOURABLE HAJI SYED MOHAMED HUSAIN : (a) With reference to Civil Services (C. C. A.) rule 3 will Government state if the Civil Services (C. C. A.) rules apply to the gazetted officers of the Income-tax Department for whose appointment and conditions of employment special provisions have always existed under the Income-tax Act, 1922 ?

(b) If so, to what appointment does exception (a) in Civil Services (C. C. A.) rule 3 apply ?

(c) Are not the gazetted officers of the Income-tax Department appointed in 1921 by the United Provinces Government excepted from the application of the Civil Services (C. C. A.) Rules ? If they are excepted, what rules apply to them and where are such rules contained ?

THE HONOURABLE MR. C. E. JONES : (a) and (b). Gazetted officers of the Income-tax Department are covered by exception (a) to rule 3 of the Classification, Control and Appeal Rules, since provisions for their appointment and conditions of employment are laid down in section 5 of the Indian Income-tax Act. The provisions of the Classification, Control and Appeal Rules, however, are also applicable by virtue of the first proviso to rule 3, since section 5 of the Indian Income-tax Act does not provide for such matters as classification of service, discipline, conduct and appeals.

• (c) No.

ANNUAL REVIEW BY INCOME-TAX COMMISSIONERS OF PROMOTIONS HELD UP BY EFFICIENCY BAR.

54. THE HONOURABLE HAJI SYED MOHAMED HUSAIN : Are Government aware of the instructions of the Director General, Posts and Telegraphs (*vide* D. G., P. T.'s G. O. No. 12, dated the 26th August, 1924) that cases

of all men held up at an efficiency bar should be reviewed annually? Do similar instructions exist for the guidance of Income-tax Commissioners? If so, where are they contained? If not, why no uniformity has been observed in the matter.

THE HONOURABLE MR. C. E. JONES: Yes. No such instructions, however, have so far been issued by the Government of India to Commissioners of Income-tax but the point is under examination.

INCOME-TAX OFFICERS IN THE UNITED PROVINCES.

55. THE HONOURABLE HAJI SYED MOHAMED HUSAIN: Will Government state in how many cases of Income-tax Officers held up at efficiency bar in the United Provinces, annual review was made by the Income-tax Commissioner on his own initiative and with what results? If not, why not? Were the results of such annual reviews communicated to Government and to the persons concerned? If so, when and in how many cases? Did Government examine the results of such reviews annually or call for reports from the Income-tax Commissioners? If not, do Government propose to do so now and examine such cases?

THE HONOURABLE MR. C. E. JONES: The information is being collected and will be placed on the table of the House in due course.

RULES MADE UNDER SECTION 241 OF THE GOVERNMENT OF INDIA ACT.

56. THE HONOURABLE HAJI SYED MOHAMED HUSAIN: Have any rules been framed under section 241 of the Government of India Act, 1935, similar to those made by Government under section 96B (2) of the Government of India Act, 1919? Are the Fundamental and the Civil Services Classification, Control and Appeal Rules under section 96B (2) of the Government of India Act, 1919, still in force, without any modifications? If not, what rules have taken their place or what changes have been made in them?

THE HONOURABLE MR. E. CONRAN-SMITH: The attention of the Honourable Member is invited to the reply given in the Legislative Assembly to unstarred question No. 56 on the 12th November, 1941.

RIGHTS OF MEMBERS OF THE CENTRAL SERVICES *VIS-A-VIS* THE SECRETARY OF STATE'S OFFICERS IN THE MATTER OF SECURING REDRESS OF GRIEVANCES.

57. THE HONOURABLE HAJI SYED MOHAMED HUSAIN: With reference to sections 248 and 250 of the Government of India Act, 1935, will Government state whether similar provisions for complaint or redress exist so far as gazetted officers of the Central Services are concerned? If not, why not?

THE HONOURABLE MR. E. CONRAN-SMITH: Provisions for the redress of grievances, by appeal to an appropriate authority, do exist for officers of the Central Services in the Civil Services (Classification, Control and Appeal) Rules.

The rights conferred by sections 248 and 250 of the Government of India Act, 1935, apply only to officers appointed by the Secretary of State including

those officers belonging to the Central Services who may have been appointed by him. These rights are a continuation of the rights already enjoyed by them under section 96B (1) of the Government of India Act, 1919. The Government of India do not see any justification for extending that right to officers appointed by Governments in India.

INCOME-TAX OFFICERS IN THE UNITED PROVINCES.

58. **THE HONOURABLE HAJI SYED MOHAMED HUSAIN :** With reference to the provisions of section 241 (3), will Government state whether persons who are appointed as Assistant Income-tax Officers by the Government of the United Provinces in 1921 and have been serving as Income-tax Officers have a right of appeal to that Government ?

THE HONOURABLE MR. C. E. JONES : No.

INCOME-TAX OFFICERS IN THE UNITED PROVINCES.

59. **THE HONOURABLE HAJI SYED MOHAMED HUSAIN :** Will Government state in how many cases efficiency bar imposed on Income-tax Officers in the Central Provinces and United Provinces has been removed within the last twelve months, and after what duration ? Is it not a fact that efficiency bars have been removed within the said period by the Income-tax Commissioner after his personal inspection of work without waiting for more than one report of the Inspecting Assistant Commissioner while this has not been done for years in other cases ? What is the reason for such a differential treatment ?

THE HONOURABLE MR. C. E. JONES : In one case and after the lapse of a little over a year. The answer to the second part of the question is in the affirmative. As regards the third part, there is no question of differential treatment. Obviously each case has to be decided on its merits and a decision in one case does not necessarily apply to another.

RESTRICTION ON THE PURCHASE OF STRAITS DOLLAR NOTES.

60. **THE HONOURABLE MR. M. N. DALAL :** (a) Are Government aware of a Press communiqué, dated 29th January, 1942, imposing a restriction on the purchase of Straits Dollar Currency Notes ?

(b) Has the Reserve Bank of India refused to exchange such Notes of more than 300 dollars per person from evacuees from Malaya ?

(c) If so, why ?

(d) Has the Reserve Bank of India imposed any such restriction on the Burmese Currency Notes ? If so, why ?

(e) What arrangements, if any, have been made to recover sums locked up in such Notes after the war has come to an end ?

(f) Has the Reserve Bank of India imposed any such restriction on the Currency Notes of any other British Dominions or Colonies ?

(g) Has the Reserve Bank of India refused to exchange the Bank of England £ Notes, even if proved to be directly from the United Kingdom or any of its Dominions Overseas ?

(h) Have the Japanese Government placed any restriction on the circulation, in Japanese or Japanese occupied territories, of Currency Notes of the United Kingdom or British Dominions, Colonies, or Settlements ?

(i) Are British subjects in Shanghai and Hongkong restricted from withdrawing not more than 200 local dollars monthly per person ?

(j) Have Government any information of urgent cases of distress amongst British subjects in Shanghai and Hongkong arising out of this restriction ?

THE HONOURABLE MR. C. E. JONES : (a) Yes.

(b) and (c). To prevent Straits dollar notes which had fallen into enemy hands being dumped in India it was necessary to restrict their import and till arrangements could be made for the purchase and cancellation of these notes in India, the Reserve Bank of India made arrangements to purchase limited quantities of Straits dollar notes from genuine evacuees to prevent any immediate hardship. The limit of 300 dollars has, however, now been removed in the case of purchases from evacuees.

(d) No.

(e) Does not arise.

(f) The bringing in of all foreign currency notes with the exception of those of Burma, Ceylon, Iran and Afghanistan has now been prohibited except with the permission of the Reserve Bank. The Reserve Bank have issued a general permission for the import of such notes provided they are declared on arrival subject to certain limits and exceptions as stated in the press communique issued on this subject.

(g) Yes, but only in cases where Bank of England notes have been brought into India in excess of the prescribed limit of £10 and without an export permit from the country of origin.

(h) (i) (j). Government have no reliable information regarding either restrictions which may have been imposed or distress arising from them. His Majesty's Government are making efforts to provide for the safeguarding of British interests in territories occupied by the Japanese.

THE HONOURABLE MR. M. N. DALAL : With reference to (b), could the Honourable Member tell the House what the limit now fixed is instead of 300 dollars ?

THE HONOURABLE MR. C. E. JONES : The limit has been removed.

THE HONOURABLE MR. M. N. DALAL : With reference to (h), I wonder if the Honourable Member could inform the House whether the Japanese Government have enforced conversion of our currency into yen.

(No answer was given.)

BRITISH SUBJECTS IN ENEMY OCCUPIED TERRITORIES IN THE FAR EAST.

61. THE HONOURABLE MR. M. N. DALAL : (a) Have Government any information about British subjects in enemy occupied territory in the Far East ?

(b) Are British subjects interned or free ?

(c) Are British subjects forced to do any kind of labour ?

(d) Are British subjects subject to any restriction regarding their (1) money, (2) property, (3) food, and (4) essential requirements of life ?

THE HONOURABLE MR. G. S. BOZMAN : (a) Information of a general character has been received in respect of Japan, Indo-China, Shanghai and other treaty ports in occupied China.

(b) (c) and (d). In Shanghai ; and other treaty ports in occupied China, the general situation was reported to be satisfactory though public utilities were functioning on a restricted basis and withdrawals from British deposits in banks were limited to 2,000 local dollars per month per person. British subjects, other than officials, were not interned, and were reported to be fairly well treated.

The present position regarding Indians in Indo-China is that they have not so far been disturbed and that no restrictions have been placed on their movement.

THE HONOURABLE MR. M. N. DALAL : Have the Japanese Government enforced any restriction on property owned by British subjects ?

THE HONOURABLE MR. G. S. BOZMAN : I am afraid I have no reliable information about that, Sir.

THE HONOURABLE MR. P. N. SAPRU : Is there any neutral consulate looking after the interests of the Indian residents in Shanghai and Indo-China ?

THE HONOURABLE MR. G. S. BOZMAN : Yes, Sir. The protecting power is Switzerland so far as occupied China and Indo-China are concerned.

REPRESENTATION OF INDIA ON THE PACIFIC WAR COUNCIL.

62. **THE HONOURABLE MR. M. N. DALAL :** (a) Are Government aware of a Press communiqué, dated January 30, 1942, from Melbourne, stating that the Commonwealth War Cabinet and War Council are being consulted by His Majesty's Government on the constitution and powers of the Pacific War Council ?

(b) Have His Majesty's Government arrived at any conclusion regarding the constitution and powers of the Pacific War Council ? If so, who are to be the Members of the Council ?

(c) Will India have a Member on this Council ?

(d) If so, will Government consider the advisability of nominating an Indian on that body ?

THE HONOURABLE MALIK SIR FIROZ KHAN NOON : Questions Nos. 62 and 63 have already been dealt with in my answer to question No. 45.

THE HONOURABLE MR. P. N. SAPRU : The Honourable the Leader of the House has not answered part (c) of question 62. Is it the intention of the Government of India that India should be represented on this Council ?

THE HONOURABLE MALIK SIR FIROZ KHAN NOON : Yes, it has already been answered that India will be represented. At least India has been invited to send representatives to both these.

REPRESENTATION OF INDIA IN THE BRITISH WAR CABINET.

63. THE HONOURABLE MR. M. N. DALAL : (a) Are Government aware of a Press communiqué, dated January 30, 1942, from Melbourne, stating the Commonwealth War Cabinet and War Council are being consulted by His Majesty's Government concerning the representation of the Dominions on the British War Cabinet ?

(b) Have His Majesty's Government arrived at any conclusion *re* representation of Dominions on the British War Cabinet ? If so, who are to be the Members of the War Cabinet ?

(c) Will India have a Member in the British War Cabinet ?

(d) If so, will Government consider the advisability of nominating an Indian on that body ?

(See reply to question No. 62.)

INDIAN TROOPS.

64. THE HONOURABLE MR. M. N. DALAL : (a) Are Government aware of a statement made by Mr. Churchill in his speech of the 27th January, 1942, saying, " No obstacles are placed in the way of Australian troops wishing to return to their own Homeland " ?

(b) Will Government state whether His Majesty's Government will permit Indian troops now fighting overseas, to return to and fight for the defence of their own country, under similar circumstances ?

(c) Will Government state whether His Majesty's Government are in a position to make the necessary transport arrangements for such troops leaving the African or any other theatre of war ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) Yes, Sir.

(b) and (c). In the theatres where they are now operating Indian troops are in fact defending India and helping to keep the enemy away from Indian soil. There is nothing to prevent the bringing of Indian troops to India if it becomes desirable to do so, and in such circumstances the necessary arrangements for their transport would naturally be made.

MANUFACTURE OF STANDARD CLOTH.

65. THE HONOURABLE MR. M. N. DALAL : (a) Have Government come to any conclusion on the manufacture of standard cloth ?

(b) If so, what is the percentage, fixed by Government, of the capacity of the various mills towards the production of standard cloth ?

(c) Have Government fixed the price of such standard cloth ?

(d) Will the price of such cloth, whether of coarser or finer counts, be the same ?

(e) Are the Provincial Governments prepared to handle the sale of such cloth directly, or through the agency of co-operative organizations ?

(f) Have the Government of India given any guarantee to the mills that any portion of such cloth, which is not taken up by the market, will be taken over by Government? What would be the estimated cost of such a guarantee?

THE HONOURABLE SIR ALAN LLOYD : With your permission, Sir, I propose to reply to the question as a whole. Certain tentative conclusions were reached at the meeting of the Panel of the Indian Textiles Industry held on the 20th January, 1942, with regard to the question of the production and distribution of standard cloth. These require further examination in consultation with the Provincial Governments and the textiles industry and the Government of India are, therefore, not yet in a position to give any definite information in the matter.

THE HONOURABLE MR. HOSSAIN IMAM : When do the Government think they will be able to give us definite information?

THE HONOURABLE SIR ALAN LLOYD : I am afraid I cannot assign any date for that purpose.

THE HONOURABLE MR. HOSSAIN IMAM : How long has this matter been under the Government's active consideration?

THE HONOURABLE SIR ALAN LLOYD : I want notice of that question, Sir.

RELIEF TO COTTON CULTIVATORS.

66. **THE HONOURABLE MR. M. N. DALAL :** (a) Have Government come to any conclusion for offering financial relief to cultivators of cotton?

(b) If so, will Government lay their scheme on the table of the House?

THE HONOURABLE SIR ALAN LLOYD : The attention of the Honourable Member is invited to the press communiques issued on the 26th and 29th January and on the 11th February, 1942 on the subject, copies of which I lay on the table of the House.

Press Communique.

RELIEF FOR COTTON CULTIVATOR.

SPECIAL FUND CREATED.

Ever since the breach of trade relations with Japan, the Government of India have been giving close attention to the effects on the cultivator of cotton of the cutting off of the most important markets for certain of the lower grades of raw cotton produced in India; and they recently decided to create a special fund which will enable them to undertake measures for the relief of the situation.

They have in view not merely immediate steps to steady the market by making purchases of raw cotton of the types concerned as suitable occasion arises, but also, in order to improve future prospects, arrangements for the financing, in co-operation with the Government of the Provinces and States concerned, of measures designed to assist the cultivator to change over from short staple cotton to other more useful crops, whether cottons of longer staples or entirely different crops, preferably foodgrains.

COMMERCE DEPARTMENT.

New Delhi, January 26, 1942.

Press Communiqué.

COTTON CULTIVATORS' RELIEF FUND.

ADDITIONAL DUTY ON IMPORTED COTTON.

The Government of India very recently issued a press communiqué announcing their decision to form a special fund to be used for the relief of cultivators of short staple cotton. The fund is to be created from the proceeds of the additional duty of 1 anna per lb. on imported raw cotton which has been imposed by an Ordinance issued today.

The Government of India wish to emphasise that the accounts of this fund will be kept separate from the general accounts of Government and that the imposition of the duty is a temporary measure.

Their intention is to remove the duty when they are satisfied that the amount in the fund has become sufficient to meet all the liabilities that will be incurred in pursuance of the objects for which it was created.

COMMERCE DEPARTMENT.

New Delhi, January 29, 1942.

Press Communiqué.

RAW COTTON FUND.

PAYMENTS NOT TO AWAIT COLLECTION OF DUTY.

The Government of India wish to make it quite clear that operations involving payments out of the Raw Cotton Fund constituted under the recent Ordinance will not have to await the actual collection of the additional duty but can be financed by the Fund on advances obtained against the prospect of future collections.

They trust that the knowledge of this will serve to discourage cultivators from parting with their stocks at uneconomic prices especially at moments when the market displays a panicky tendency.

In order to accelerate their examination of the best plans for immediate action in connection with the Fund the Government have invited representatives of the East India Cotton Association and the Indian Central Cotton Committee to meet them on Monday next at Delhi, for preliminary discussions.

COMMERCE DEPARTMENT.

New Delhi, February 11, 1942.

STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT : With reference to the announcement made by me on the 23rd February regarding nominations to the Standing Committee on Emigration, I have to announce that the following Honourable Members have been nominated for election to that Committee :—

The Honourable Pandit Hirday Nath Kunzru,
 The Honourable Mr. V. V. Kalikar,
 The Honourable Saiyed Mohamed Padshah Sahib Bahadur, and
 The Honourable Sir David Devadoss.

There are four candidates for four seats and I declare them duly elected.

GENERAL DISCUSSION OF THE RAILWAY BUDGET, 1942-43.

THE HONOURABLE THE PRESIDENT : We will now proceed with the discussion of the Railway Budget. I do not propose to fix any time limit, but I desire to ask Honourable Members to be sparing in their remarks and not occupy more time than is absolutely necessary. If the Honourable Member for Communications is here in the afternoon I shall ask him to reply to the debate.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official) : At this critical juncture of time when every one, man and woman, ought to be doing everything in his or her power to fight the terrible enemy and to crush Nazism it is inopportune perhaps to enter into any detailed discussion and raise controversial points. I am glad to say that the present Budget does not raise very many controversial points, but there are many omissions which I shall have to bring to the notice of this House.

There is one commendable feature in the speech of the Honourable the Chief Commissioner. It is in paragraph 23 of his written speech in which it is said :—

“ Work on munitions production has steadily increased throughout the year in railway workshops, and there are now some 16,000 workshop employees engaged on this work. This has involved the recruitment and training of a large number of men, in replacement in order to carry on the railway work in the shops. From the shops and from all other branches of the service we have supplied men for Military Railway Companies and we have also undertaken the recruitment and training of the large additional number required for these companies ”.

This is really commendable activity on the part of the Railways and I heartily support them in that matter.

Sir, as I said, there is no need now to enter into serious controversies. Out of evil cometh good ; out of the war the Railways have yielded startling surpluses. It is not due to wise and prudent management of the Railway Administrations but, as it has been said, it is due to the accident of war. The revised estimates for the year reveal a surplus of Rs. 26·20 crores over the actuals of Rs. 18·46 crores of the Budget. For the next year it is said, though it is speculative, that a surplus of Rs. 27·95 crores is expected, while the revenue may rise to Rs. 129·51 crores. Then where does all this money come from ? It comes from the people of India. The question naturally arises from this : what has the Railway Board done to increase facilities and amenities for the people and help the farmer, cultivator, the ryot in sending his raw produce to the best market ? General revenues may be augmented when depreciation fund may be recouped ? What direct benefit has been conferred upon the ryot, the producer, the person who bears all the burdens of taxation ? That is the real point to be aimed at in the Budget and we search in vain to see if anything has been done or any new policy has been enunciated in the Budget. What direct contribution the Railways have made for the benefit of the people who contributed so largely to the surplus ?

Sir, there is no indication of any new transport policy with a view to increasing the facilities for easier and more economical sending of produce of the ryot, of the cultivator, directly to the market.

Now, Sir, is there any evidence of carrying into practice some of the useful recommendations of the Wedgwood Committee ? The Railway Board in Part II of their Explanations have indeed said that they have appointed expert committees—Technical Committees and Operation Committees—and their reports are awaited, and when the reports came they would appoint

a further expert committee to scrutinize their recommendations and thereafter they would pass final orders. We have again to go once more to the recommendations made in paragraph 47 of the Wedgwood Committee's Report. The final result is not yet disclosed even though from 1937 to 1942 we have been waiting for the orders.

THE HONOURABLE SIR ANDREW CLOW (Communications Member) : What is in paragraph 47 ? I do not carry the paragraph in my head and we do not know the particular recommendation to which the Honourable Member is referring.

THE HONOURABLE SIR A. P. PATRO : If the Honourable Member has not seen the Report, here is a copy. He may see it and refresh his memory.

THE HONOURABLE SIR ANDREW CLOW : I have seen the Report ; but I think the House will appreciate the point if the Honourable Member will give the House some indication of the paragraph to which he is referring.

THE HONOURABLE SIR A. P. PATRO : Paragraph 47 relates to the percentage of locomotives, carriages and wagons under or awaiting repairs being excessive. The remarks of the Railway Board are :—

“ Under investigation by a mechanical officer on special duty..... The analysis of this data relating to wagon defects has recently been completed and will shortly be considered by the committee appointed for the purpose ”.

This is what I am referring to.

Again on paragraph 47 (c) the remarks are :—

“ Under investigation by both mechanical and operating officers on special duty. A memorandum dealing with increased utilization of rolling stock was circulated to Railways some time ago and formed the basis of a discussion with General Managers at their meeting with the Railway Board on 15th October, 1937.....and the Chief Mechanical Engineers of State-managed railways have met to discuss the possibility of certain types of pooled wagons being repaired in the State-managed railways to which they are nearest at the time they fall due for repair regardless of ownership. The inspection of available locomotive servicing facilities has been completed on all broad gauge railways and reports submitted to the Administrations concerned ”.

Then on paragraph 47 (d), (e) and (f) the remarks are :—

“ A review of the stock position has been made and the Railway Board are of the opinion that a general surplus of rolling stock no longer exists. The Board, however, agree that improved availability and utilization is possible of attainment and the rolling stock programme forms have been revised to include relevant availability and utilization statistics over a number of years..... ”.

Again on paragraph 47 (g) the remarks say :—

“ Replies from all broad gauge railways who were asked to review the uneconomical wagon position and submit proposals for reconditioning when this course can be shown to be financially advantageous, have been received. These replies are now receiving the Railway Board's attention ”.

And further again on paragraph 49 :—

“ Railways have been asked to overhaul existing repair schedules with a view to reducing the period rolling stock is under repair in workshops and report to the Railway Board ”.

These are some of the recommendations, very useful, very necessary, to economise in the administration.

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Again, Sir, there is no proposal for co-ordinating the Railways with other means of transport available in the country. This is an important matter which was also emphasized in the Report which will affect the transport facilities not only during the war but after it. There is little prospect, it is admitted, of the Railways meeting the whole need, entire need, of the country. It was observed that no restriction should be imposed on road transport which would unfairly hamper its development. What is equally important in certain parts of India is that road and railway traffic ought to be regulated as public services and effective co-ordination of the transport should be attained. This initiative has to be taken by the Railway Board and nothing has been done up till now to show when this co-ordination will be effected. When there is that vast surplus people expected a more liberal policy in regard to improvement and relief from the burden of heavy fares and freights, but no relief has been indicated. There should be a general reduction in rates and fares when there is a large surplus. The primary consideration with the majority of the people is the cost of travel. Every passenger prefers to have a cheaper service. This has been turned down on financial grounds. The Railway Board, in spite of the heavy surplus, did not deem it necessary to reduce the heavy fares and freights. The rates and fares are heavy in this country, considering the income per head of the population. This is a poor country. This country is mostly agricultural. The agriculturists have now learnt to eliminate the middleman capitalist. He now sends his produce direct to the market. This is a satisfactory feature in the rural areas, where the cultivators are now attempting to send their produce direct to the market, eliminating the middleman, and their enterprise in this direction should be encouraged. The co-operative system has not yet been successful. There is economic struggle in the rural areas on account of this and consequent unrest. Still the Railway Board places disability on the farmer. The proposal to increase the rates and fares must be abandoned. An increase of two annas in the rupee on small consignments of foodgrains add to the difficulties of the ryot and compel him to resort to the *banya* or the *sahukar* and sell his stock to him at a price dictated by the latter. The reason assigned by the Railway Board is not at all satisfactory. How can a villager secure a wagon load of foodstuffs to help the Railway Board's conception? How is it possible for a farmer in a village, or even for two or three farmers, to combine and put in their goods in a whole wagon? They are not able to secure such an amount of raw produce as to be able to send it to the best market available. Why should a wagon load be necessary and why should smaller consignments have to pay an increased rate of two annas in the rupee? After all, what is the gain? The revenue from this will be about half a crore of rupees in a budget of Rs. 129 crores. The primary duty of the Indian Railways is to serve the public and not to burden the cultivator with heavy taxation. What is the need for such taxation when there is such a heavy surplus in the Budget? No valid explanation has been offered for imposing this burden on the ryot. On the other hand, it hampers the cultivator, the smaller landlord and the ryot in sending his produce to the best market. At a time when he is not able to pay his *kist* or revenue assessment, what is he to do? He has to go to the *sahukar* and borrow money. In spite of Acts passed in the Provinces, he will get the money at a very high rate of interest. Therefore, it seems to me that it is a very short-sighted policy. This is perhaps the best way of increasing unrest in the rural areas.

The Honourable Member referred to the decrease in expenditure in his speech, and said it was due to the difficulty of supply of essential material for maintenance purposes, for locomotive building and for renewals. It has

been pointed out that the Ajmer Workshops have not been able to work on account of the want of materials and that there have been heavy demands for metre gauge engines and lighter demand for broad gauge engines. The whole mistake seems to be the mistake in the policy of not developing the railway industries in India with the material available in India. The railways and other administrations have always been depending upon imported materials with a view to collecting and assembling them in India. How do they manage now ? At last, they were obliged to go to an Indian firm, the Tatas, and ask them to start a plant. They established a plant and from that plant the Railway Administrations will now be able to obtain wheels, axles and other railway necessities. Where was the wisdom of the Railway Administration during all these years and why have they not seen whether there are similar factories available in India for the manufacture of the necessities of the Railway Administration ? This has not been done up till now. Investigation into the industries that would be capable of development in India has been thoroughly neglected hitherto and the fact they have now been able to find a company which can manufacture and supply the necessary materials must eliminate the whole case for importing materials for the purposes of the Railway Administration. Factories ought to have been encouraged to help, as the Tatas have done today. There has been no desire to encourage Indian industry, always depending upon imports from foreign countries. I may say the same with regard to the administrative policy in other respects in India. Take steel in connection with the preparation of surgical instruments. It was said that it was not available in India and that surgical instruments cannot be manufactured in India at all. But today, thanks to the intelligence of one of the Indian scientists, Dr. Gopaldaswami of the Board of Scientific and Industrial Research, he has been able to find such quality of steel and to advise the Tatas so that they have been able to manufacture very fine surgical instruments, approved by the Department, and up to the standard. Only the year before last it was thought that it was impossible to manufacture such instruments in India. What is the fact today ? Why was it neglected all along ?

THE HONOURABLE THE PRESIDENT : But these are war times. Don't you think that war production ought to get preference ?

THE HONOURABLE MR. HOSSAIN IMAM : You can do both.

THE HONOURABLE THE PRESIDENT : The Honourable Member is not in a position to answer my question.

THE HONOURABLE SIR A. P. PATRO : Sir, I pass on now to matters of administrative policy. I refer to one case of the B. N. R. Administration. For the last two years the B. N. R. company-managed administration have been receiving surplus profits. But looking at the long line from Khargpur to Waltair, there is absolutely no facility provided for either the first class, second class or third class passengers. - A request has been made to the Administration by the Peoples' Association, to the Agent and to the General Commercial Manager as to what has been done. The answer was that the subject was receiving attention and a further communication would follow in due course. The Commercial Traffic Manager notified on the 17th November, 1938 that he was having the matter inquired into and would let the President of the Association know in due course. And it was in October, 1938 that an answer was given that inquiry would be made into the remodelling of a certain portion of Waltair Station to make the refreshment rooms more decent and to improve

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the waiting rooms. This could be done along with other arrangements that were proposed for Waltair Station. Waltair Station has become very important for many reasons today, and yet there is no accommodation at all for the convenience of passengers either in the form of retiring rooms or decent waiting rooms. I have myself several times been a victim of the Waltair Station waiting room. It is a disgrace to any decent administration that such waiting rooms should be provided for first and second class passengers. The same thing applies in regard to Cuttack. Cuttack is the capital of Orissa and the station is a miserable hut. It seems to me that the neglect of the B. N. R. with regard to public conveniences is something appalling and no decent administration would allow such things to exist. In spite of the profits they have been making we have yet to know what has been done in the matter since 1938.

Sir, another matter of administration relates to the position of the 233 and odd officers who have been deputed by the Railways to military service. What will be their position in the Administration on their return? Would they be given the same positions which they occupied before going on military service? Secondly, what is their position with regard to promotions in the usual course happening during their absence? Will they be given the benefit of these promotions or will they be the losers by vacancies arising and being permanently filled during their absence? How will their interests be protected in the case of such promotions? Will some concession be shown to those who have gone on military service? A Government Order was issued some time ago but that order does not definitely state their position with regard to this matter. In the case of Indian officers what is the rate of contribution they should make for the provident fund is also an important matter. Then a case was referred by the M.S.M.R. to the Railway Board about August, 1940, and a reply from this wonderful Board is awaited since then. Something must be done in order to expedite the work.

Sir, as I have said, there are not many controversial matters in the Budget and it is very gratifying to see that there is such a large surplus available this year to recoup the General Budget as well as the depleted depreciation fund. In spite of that there are many things which could have been done by the Railway Administration which have been omitted. I have referred to one thing, that encouragement of railway industries has not been done. It has been discovered that there are materials available in this country for the manufacture of wheels and axles and other things. This could have been done much earlier. It is not the war urgency that is driving them. It is because of apathy of the Administration towards Indian industries that prevented them from taking active measures before. Even now wisdom must prevail and I hope that hereafter they will continue to encourage Indian industries. Further, the case of the poor cultivator and agriculturist ought to be considered. The imposition of an additional two annas in the rupee seems to be altogether unjustifiable and this burden should be taken away from the Budget and the poor man should be given every facility to send his raw produce direct to the market where he can sell best instead of being at the mercy of the local *sahukar* and *banya*.

THE HONOURABLE SIR SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : Mr. President, we have every reason to be gratified with the financial results of the Railways. It has been the good fortune of the Honourable the Railway Member and the Honourable the Chief Commissioner for Railways to reveal consecutive prosperity budgets in this difficult period

of the war which is casting a heavy strain on everybody. The caution shown by the Honourable the Chief Commissioner in preparing his budget estimates has proved to be overcautious. The difficulties of estimating in war time may be great, but the Government of India has always shown a tendency to underestimate earnings. Not only in finances but in other fields also, under-estimation may lead to difficulties. If Great Britain had not underestimated Japan's strength, the position in the Far East would have been far different. Let me hope that the Honourable the Finance Member will not be overcautious in presenting his estimates—especially after the handsome contribution which he can now expect from the Railways.

Sir, I trust that the Honourable the Railway Member will accept the suggestion made in the other House that in order to decide on the necessary concerted measures for meeting the increasingly difficult transport situation he will take immediate steps to consult non-official and business interests and assure the public that all that is possible is being done. A good deal of valuable time has already been lost. If the Central Transport organisation now set up is to function properly, it should get into touch with non-official and business interests and act in close co-operation with them.

Sir, I am glad that the Honourable the Railway Member has ordered an inquiry into the allegations of corruption at the time of the exodus from Calcutta. I hope this inquiry will lead to useful results to save the public from harassment and corruption. Let me draw the attention of the Honourable the Chief Commissioner that in Bombay today there are similar complaints made against railway officials. Sometimes it is impossible to get a ticket without paying a few rupees extra. Berths are not booked for sleeping accommodation in the nights. The inconvenience caused to passengers is so great that a similar inquiry is called for in Bombay also. I am sure that if a concerted policy is followed and strong measures are taken against corruption something could be done to improve the present position.

Finally, Sir, I hope that the Honourable the Railway Member will reconsider his proposal to increase freight rates and fares. As he expects to get only a crore from these increases, he has already such large surpluses that he can afford to do without it. Even if he is not in a position to reduce the old rates and fares he can at least refrain from imposing further increases which add to the burdens of the travelling public.

THE HONOURABLE MR. M. N. DALAL (Bombay : Non-Muhammadan) : Mr. President, Sir, the lean years of the Railways are over, and the railway finances have entered a period of unprecedented prosperity, in which it is able to render substantial assistance to the general revenues at a time when they are being subjected to considerable strain on account of the war. However, the Railways are not earning easy money without additional exertions. An efficient communications system constitutes the lifeline of modern warfare, and the Indian Railways may well congratulate themselves on the splendid record they have been able to achieve in maintaining an everflowing stream of men and supplies for the prosecution of the war. Indeed, these achievements are all the greater, considering that the Railways have had to dispense with many of their experienced personnel for munition production, and some of the most important railway workshops.

The Indian Railways, during the present war, are faced with many new problems which were absent during the time of the last war. India, which was to all intents and purposes an agricultural country during the last war, has become more or less an important industrial country now, throwing on

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Railways the task of transporting raw material and finished goods in an ever-increasing degree. There was no petrol rationing in 1914—1919, and the strain on railway traffic could be eased by diversion to road traffic. Again, there was no evacuation during the last war—a prospect which is being already envisaged in large cities like Bombay, Calcutta and Madras at the present day. These and similar demands on railway traffic may well prove to be difficult to meet in their entirety, due to locomotive and wagon shortage, and the limited operational capacity of the lines.

In this connection, however, it is impossible not to deplore the pathetic obstinacy with which the Railway Administration and the Government refused to start locomotive production in this country in past years despite insistent popular demands. Government acted very unwisely with the result that we have to depend on Britain and America, not only for locomotives but also for many essential articles and materials. Britain and America are engaged like us in a life and death struggle with the Axis powers so that all their resources are being utilised for their own defence purposes, leaving little to be sent over to India. On the other hand, the dismantling and export of railway lines and materials from India—though it may be necessary in the interests of Imperial defence—show how helpless is Britain's own position. The situation would have been far different if there had been an efficient railway manufacture in existence. Perhaps the silence which the Communications Member has observed on this aspect of the matter in his Budget Speech is proof that he realises what a splendid opportunity had been wasted in past years.

Coming to the figures in the Budget, I am glad that the Communications Member has not attempted to be rigid in his expectations for the next year. War is an inscrutable phenomenon, and nobody can look into the future with any degree of certainty. As regards the current year, the revised estimates place the revenues at over Rs. 14 crores more than the original estimates. Such a huge disparity is at first sight too glaring to be left unnoticed, but here again the war condition must come to the rescue of the Communications Member.

There is, however, one noteworthy feature in these surpluses, and that is as regards their disposal. Even though a moratorium on the payment of past arrears to the general revenues exists, it is but right that the Communications Member should not take a too narrow legalistic view of the case, and refuse to give to the taxpayer that relief to which he is entitled. However in war time we consider it our duty to help Government, and it is to be hoped that the House will agree with the Communications Member's request for an extension of the existing moratorium for another year, pending a revision of the Separation Convention or an interim arrangement for the duration of the war.

But, the raising of fares on foodgrains in loads of less than a wagon, and on parcels and excess luggage cannot be justified. In the case of foodgrains, it is bound to add to the existing disparity in the distribution of foodgrains tending to raise the price of the commodities beyond the reach of the poor. As regards parcels, it is stated that the increase has been rendered necessary to check the growing tendency on the part of the public to send parcels in passenger trains, instead of in goods trains. The present rate is already prohibitive enough to check any unnecessary desire for anyone to make use

of passenger trains, and if still there is a marked tendency to prefer the passenger trains to goods trains even at the cost of additional charges, it can only be due to the deterioration that has set in the goods train services. In the circumstances, it would have been the better part of wisdom to render the terms and conditions of goods train services more attractive so as to divert the goods traffic that goes towards passenger trains. These disadvantages hardly justify the meagre revenue increase of half a crore.

Sir, the Railway Member has, with pardonable pride, plumed himself on the increasing desire of the public for State acquisition of company-managed railways as constituting a certificate of merit for the State administration of railways in general. Of course, the State is expected to be better custodian of public interests than Companies whose only activating motive is profit. But, the whole purpose of State-management would be defeated if even after State acquisition, the policy of the Railway Administration is guided by the same considerations as those of their predecessors.

In this connection it is pertinent to observe again that nothing has been said about starting the long neglected manufacture of railway locomotives or wagons or other railway material in India. Long term planning and vision are necessary to work out such schemes, and I respectfully invite the attention of the Communications Member to this all-important aspect of State-management of railways.

Another aspect involved in the recent State acquisition of railways is the crying need for improvement, not only of the train services from the public point of view, but also the improvement of the terms and conditions of service of the railway employees. For instance, the strong public outcry for the State acquisition of the B. N. W. R. and the Rohilkund and Kumaon Railway that was recently raised was the direct result of the unsatisfactory state of affairs existing in them. It is therefore the duty of Government to bring about such improvements as are called for, with a view to ensure fair treatment to the employees who, after all, have in the ultimate analysis to bear the brunt of the burden that has been cast on Railways as a consequence of the war.

The railway authorities should not rest content, now that they have acquired practically the entire railway system of Northern India with the exception of a few minor lines and others owned by Indian States. In fact, the State acquisition of the remaining railways should only be a matter of time, considering the enormous balances that will be accruing to India's credit in the near future—that is to say, so long as the war lasts.

The dismantling of railway lines and export of the materials abroad raises a highly controversial question. Such a policy if systematically pursued

12 Noon. will inevitably have disastrous consequences on the trade and commerce of this country, in addition to causing serious inconvenience to the public at large. When there is serious shortage of locomotives and wagons in India itself, it is impossible to view with equanimity the figures of line mileage and number of rolling stock that have been exported abroad. The Indian Merchants Chamber, Bombay, last month, sounded a note of warning to the railway authorities against the policy they have been pursuing, and gave specific instances of how the trade in various commodities and manufactured goods had been hard hit by the shortage in wagons and lines. But the authorities do not seem to have been impressed with this, and still persist in their policy of uprooting the lines. This is in strange contrast to the policy pursued in England, where it was recently announced

[Mr. M. N. Dalal.]

on behalf of Government that the greatest care was being taken not to remove railway lines and tramway lines which were of use to the normal working of the trade and commerce systems of the country. Hence, I desire to urge on the railway authorities in India that the Central Advisory Council for Railways should be fully taken into confidence in future before it is decided to remove any of the existing lines. My information is that the Railway Advisory Council was consulted after some of the rails were lifted. It is to be hoped that in future at least the Council will have a say before any such decisions are arrived at.

War time prosperity of the Railways may give place to a peace time slump when the war is over. I have therefore to request the powers that be, to proceed cautiously, to make the best use of the surpluses that are being collected, and to ensure that the mistakes committed in the years following the last war are not again repeated.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, before I commence my remarks on the Railway Budget I should like to say a few words about our changed attitude. Last year we had abstained from participation—

THE HONOURABLE THE PRESIDENT : What has the Council to do with it ?

THE HONOURABLE MR. HOSSAIN IMAM : We owe it, Sir, to the Council to give an explanation why we have changed our attitude, otherwise it will be thought that we were behaving in a petulant manner, abstaining for a year and coming forward again.

THE HONOURABLE THE PRESIDENT : That is exactly the case.

THE HONOURABLE MR. HOSSAIN IMAM : Well, that is what I wish to remove, Sir. Our differences with the Railway Department were due to our anxiety to see that justice is done to ourselves. Our contention was that they were too much wedded to the rules and regulations and they had made what was really the means into an end. Rules and regulations are after all framed to obtain certain objects and it is the object which should be kept in view. The Honourable the Railway Member had shown me the courtesy to reply to each and every one of my points at some length at the conclusion of his remarks last year. I was not present, Sir, then to say anything about his remarks, but I am not going to dilate on the grievances of the Muslims because the matter is at the present moment under communication between the Viceroy and our Qaid-i-Azam, Mr. Jinnah. So for us it is a matter *sub judice*, but I would not show disrespect to the Railway Member as not to reply to his remarks.

He has replied to my first charge that the number of appointments made to gazetted posts was less than our share and it was due to the fact that mechanical engineers were not available. I then asked the question : What was the requisition sent to the Public Service Commission ? From the reply of the Government given on the 10th November I learnt that even the requisition was less than the number to which we were entitled.

THE HONOURABLE THE PRESIDENT : You are making up for the last year's omission ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir, I am not making up for the omission but I am making up for the omission of the Honourable the Railway Member in not having consulted his book.

THE HONOURABLE THE PRESIDENT : I must point out that it is entirely irrelevant to the Railway Budget. Will you please concern yourself with the Budget ?

THE HONOURABLE MR. HOSSAIN IMAM : In the Budget papers, Sir, we are given figures for the appointments made this year and in the past year and we are perfectly entitled to discuss whether the appointments have been made according to the rules laid down by the Government in the Home Department or not. I say, Sir, that there were 81 Indians appointed after the Home Department notification but the Railway Department sent to the Public Service Commission a requisition only for 16 people, 16 Muslims and they got 15. As you do not like me to dilate on this point, Sir, I will not deal at length but I would simply mention one fact which will help the House to understand how glaring has been the injustice done. I refer to the one fact and one fact alone that the Honourable the Railway Member at the conclusion of his remarks said that promotion should not be on communal basis he meant that no one should get a preference on account of the community to which he belongs. But the facts are against it. Out of 34 appointments to lower gazetted services in the year ended on 31st March, 1941, the latest year, we find that 20 had been given to Europeans, Anglo-Indians and Domiciled Europeans, 11 to Hindus, two to Muslims, and one to Sikhs. If 60 per cent. of appointments can go to those communities who are less than 15 per cent. in the services can you say that it is a fair deal ?

THE HONOURABLE SIR ANDREW CLOW : It obviously depends on the constitution of the men who are most senior in the grade below.

THE HONOURABLE MR. HOSSAIN IMAM : This is not one year, Sir. If the Honourable Member would like I would place before him figures for 10 years to show that consistently over 50 per cent. posts have been going to Europeans and Anglo-Indians ; and Anglo-Indians are now included in the figure for Indians. Anglo-Indians are now bracketted with Indians ; so you get a smaller figure for Europeans. The Indian figures are swelled by the Anglo-Indians and Domiciled Europeans not only in that, but look at the promotion to superior gazetted staff. This year you have made 29 appointments, out of which 19 go to Anglo-Indians and Domiciled Europeans. Things have gone too far to say that it is due to their efficiency. I think British efficiency has been blown sky high. We have seen in the Pacific the efficiency stunt.

Even Dr. Natarajan, the Director of Diwan Chand Political Information Bureau, which is a purely Hindu organisation has been thunderstruck by the action of the Railway Department. His remarks are :—

“ Europeans and Anglo-Indians form a microscopic part of the population but yet they have a far higher percentage than even the Muslims in regard to the superior posts. According to the 1931 census there were about 321,000 Europeans and Anglo-Indians. They have got 9.48 per cent. posts in these services whereas the Muslims have got 8.9 per cent.”.

Well if impartial critics, if people who are not pro-Muslims are moved and the stonehearted Railway Board is not moved, then I should say that there is

[Mr. Hossain Imam.]

something rotten with the State of Denmark. I hope, Sir, that the Railway Member, who is a very religious and a very amiable gentleman, will not trust his officials too much. That has been my complaint against him always. I hope he will not believe that everything that comes up to him is all right and there is no need to worry about it, that has been the bane of Englishmen up till now. They believe too much on the man on the spot. If this continues, it will land him in greater difficulties.

I wish now to come back to the Railway Budget proper. The railway prosperity is not a genuine one. It does not reflect either a permanent increase in the purchasing power of the Indians or a trade prosperity. But I must do this justice to the Railway Member that he himself admitted that prosperity is directly the result of the war. It is one of the characteristics of the capitalistic democracy that war is an occasion when industries are prosperous, when those who have the power to supply make money right and left, and it is an occasion when it is thought that legal robbery is justifiable. With the starting of the war we imposed a 6½ per cent. surcharge on the passenger fares and 12½ per cent. surcharge on goods rates. That resulted in an increase of about Rs. 8 crores in the accounts year and about Rs. 10 crores in the revised estimates. This was directly attributable to a taxation imposed on account of the war. We can understand that during the war you want that there should not be a drain on the general taxpayer. We can appreciate your desire that now that the general taxpayer is in need of money, you should pay back the loans which you have taken from them in the shape of withholding the contribution to the general revenues. But, as you have yourself shown, in the past you did not tax foodgrains. Is it right that now, when you are making money, you should start taxing foodgrains? Your plea is very correct that you want that there should be an intensive utilisation of wagons. But are there not other methods of intensive utilisation of wagons? I should like to remind the Honourable Member of what the Honourable the Leader of the European Group said in the other House, namely, that there are many ideas which he (the Honourable Member) can borrow from the commercial people. If he would not think it egoistic of me, from us too, if he would consult us more fully on these matters than he does in his Advisory Committee which does not function in respect of everything. There is need for departmentalization of his Advisory Committee. There should be a committee to advise him on intensive use of locomotive power, one for fuel economy and so on. Let him take a leaf out of the experience of the commercial people as well as the representatives of the people.

After foodgrains, what I am most concerned with is that there should be equality of sacrifice. The one great thing about this surcharge was that it was an equal sacrifice from all. But increase in fares on the E.I.R. in all classes is a very unequal taxation. Do not forget the fact that when you were in lean years, when every company was losing money, it was the E.I.R. which was contributing to you. The E.I.R. has given Rs. 40 crores up till now as surplus, as net profit, to the finances of the Government, and yet you have singled out the people who are using this Railway to bear this burden. It is a public utility service. A public utility service is run for the benefit of the users. But, due to the exigencies of the war, I do not ask you to reduce the fares. But there can be no justification for increasing the fares. On the one side you are increasing the fares to reduce travel; on the other side you are advertising and carrying on propaganda in America and England inviting travellers—

THE HONOURABLE SIR ANDREW CLOW : Not now.

THE HONOURABLE MR. HOSSAIN IMAM : Has that been closed ?

THE HONOURABLE SIR ANDREW CLOW : Yes, they have both been closed.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The Honourable Member should have mentioned that in his speech. That is an important point.

THE HONOURABLE SIR ANDREW CLOW : It is in the Railway Board's Report, I think.

THE HONOURABLE MR. HOSSAIN IMAM : But the saloons of the officers cannot be curtailed. They cannot travel in first class compartments ; they must have saloons, but we must be asked to curtail our travel. Railway money should be wasted on advertisements asking people not to travel, fares should be increased so that people might travel less, but the passes cannot be reduced and the saloons cannot be given up. This inequality of sacrifice continues.

Coming to the details, it is not clear whether the income for three months from the B. N. R. company-managed line, and the R. K. R. company-owned line has been mentioned anywhere. The estimates of income under the B. N. W. R. head read the same as they were in the years past, meaning thereby that the Tirhut and Bareilly line has been given credit and the 1,200 miles of B. N. R. and 250 miles of the R. K. R. have not been taken into account. The profits are much lower than the accounts and below the revised. I have not been able to find if it has been included. If I am mistaken, I should like to be corrected. The contract will be terminated in December, 1942, and so you will be entitled to receive three months' income. You have taken it on the expenditure side. You have increased the expenditure by charging the interest for Rs. 15 crores of additional capital invested in the purchase of the B. N. R. But I have not been able to find whether the income and expenditure of these Railways has been anywhere dealt with. I am referring to the Explanatory Memorandum. I plead guilty to the fact that I have not read all the red books you have supplied to us ; but I have read through this Explanatory Memorandum which is very exhaustive and very informative too.

There is another matter on which I should like to invite the attention of the Railway Member, and that is the question of granting extensions to men serving on the Railways. I feel very strongly on this question. Extensions of service not only mean that you debar the people lower down from their expectations but you really decrease the efficiency of the staff, because people who have a grouse are inefficient people. If you have a rule that at a certain age a man should retire, there is no reason why he should not retire. If you want to take them back you can do so after retirement on some other work. There are any number of extra jobs for which you require experienced personnel ; you can employ them there. But in the natural course of events they should retire and the people below should get their due promotion to which they are looking forward. In many cases one or two extensions granted to a man at the top block out permanently the man below and he never gets the promotion which is his due before he himself has to retire. Such men are themselves occupying responsible positions and the result of having men working in such positions with a grievance can only be inefficiency. There are railway men working in other departments. If necessary you can recall them and send these retired

[Mr. Hossain Imam.]

people to replace them. You can manipulate the services of these people in many ways, but they should not be allowed to stick to the posts they are holding after their age of retirement comes.

Now, Sir, I come to the question of dismantling of lines. The Honourable the Railway Member and the Chief Commissioner for Railways have both given us very meagre information on the financial aspect of this matter. If the dismantling was dictated by the exigencies of the Railways, the cost should have been charged to railway revenues; but if it was dictated by the needs of the war is it not necessary that His Majesty's Government should bear a good proportion of the cost of this dismantling? We do not know even the price which has been charged for the rails, dog spikes and other things made over to His Majesty's Government. Did you charge them the open market price of the present time or the original price or the written down price? What was the price you charged? It is all right to say it is only a question of coming from one pocket and going into another pocket if it is only a Government of India transaction. But mostly this involves transactions with His Majesty's Government. Most of the rails have gone out of geographical India and I claim that under any principle of accounting you are entitled at least to the cost of the material at the current market prices plus the loss incurred in dismantling. If we were selling in our own interests and at our own desire it is one thing, but when buyers are anxious to buy the price rises with a vengeance. I would not overcharge them but at least I would charge them the current market price plus a part of our loss—I would not charge them all the loss—in dismantling. What has happened? We are only receiving about Rs. 41 lakhs out of Rs. 3 crores and the rest is coming from the depreciation fund of the revenue. It is a most unfair deal that was ever received.

Then, Sir, I should like to say that we are grateful to the Finance Department for having corrected the mistake and taken all our payments from the Railways in discharge of our debts and not taken them as a surplus. According to the old arrangement we would have paid surpluses, whereas we had no surplus. It was a very fair deal. While I have complained of an unfair deal I should also like to pay my tribute to a fair deal which the Railway Department has received from the Finance Department, and I think it is one on which both deserve the congratulations of the House for having done the right thing.

Sir, as I said in the beginning, this is a speculative budget and it does not reflect on anything. But rates and freights should not be increased because it is unjust.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, you this morning drew our attention to the desirability of brevity and I listened in another place yesterday to the Honourable Member for Communications reminding us that all we say and all we do has necessarily and properly to be done with the background of the war. We all I think welcome the new Central Transport organization and we hope that it may perform, not miracles, but very great things. What we would like to know is whether the public can help at all and, if so, in what way?

The Budget draws our attention to one very considerable item of Rs. 143 lakhs in connection with dearness allowances to railway servants. Government very properly made it plain when they announced that allowance that there were two considerations which had to be borne in mind. One was the question of the cost of living and the other the capacity of the Railways to bear that

allowance. While I think the cost of living is a very important consideration, I do think that it is dangerous to tie remuneration or even dearness allowances specifically and completely to cost of living. There are perhaps other ways of overcoming the difficulty which is meant to be met by this which are safer, and one I have particularly in mind is the distribution of foodstuffs in kind rather than by meeting the increased costs by cash payments. Another perhaps even more important method and perhaps more satisfactory is price control, which I admit is very difficult to enforce. One is faced with the dilemma in matters of this kind of trying to do justice to the staff and at the same time avoid that awful experience which Europe went through in the last war of inflation. I do not think anybody who lived through those days can doubt that much of the misery of the post-war five or ten years and much of what we are going through now was in fact due to that awful inflation which led to a complete collapse of the interests of the working classes even more than the interests of any other class. I myself think that it would be very useful if Government could see their way to give a little more information to the public on this very important question of the relationship between payments to employees by employers and inflation. There is a good deal of ignorance even among the more educated classes as to why you cannot meet a difficulty of this kind simply by paying more money to your employees. If you could, I am quite sure that we would all welcome it and would only be too glad to do so ; but that is not the way it works. In fact there is probably no other payment that is quite as dangerous from the national point of view as increased payments to the working classes so-called. Any other payments are apt to come back into the coffers of Government either in the form of taxes or loans or something of that kind and are not inclined to have such a dangerous effect on the financial situation of the State. Where payments are made by employers as in the case of the Railways—as I understand it, partly based on the prosperity of the undertaking in which the people are employed—I think where it can be done it is very desirable that payments should be made in some form of deferred assets ; assets where the expenditure would normally be incurred after the war when it would do good instead of during the war when it would be inclined to do harm. There are undoubtedly some members, quite a large number of members, of the public who now are meeting the increased cost of living out of what normally they would be saving for their future requirements and certainly in those cases I think it is most desirable that anything that is given to them to make good the difficulties of their life at this stage should be in a form which will be available later rather than now.

There has been a certain amount of criticism of the increases in charges. We never like increases in charges and the agriculturist never likes any increases in charges. As I understand it, the objective is maximum utility, use of your rolling stock and so on to the greatest benefit of the nation and I do think that these increases in charges help in that direction in a way which nothing else can help. It is a misfortune of war which I think we must all bear. Now, although the revenue of the Railway which is not required for railway purposes immediately, goes to help in the general finances of Government, I think it is very important that we should continue to record their effect on railway finances correctly. I therefore very much welcome what the Honourable Sir Leonard Wilson said in his speech at page 43 in dealing with the question of wasting assets and depreciation. He says :—

“ It must also be remembered that the contributions to the fund do not exceed the original cost of the wasting assets divided by the average life in years of the assets. The amount in the fund cannot, therefore, exceed the requirements for replacement and must

[Mr. R. H. Parker.]

in fact, fall short of those requirements if, as is usually the case"—and I emphasise those words "if as is usually the case"—"the replacement cost exceeds the original cost".

Now, Sir, that is a very important point which has been discussed before, but it is really very difficult for me to understand why we do not correct that danger. The fact remains that the proper thing to do is to charge to your capital what you spend on your new asset and to charge to your depreciation fund only the cost of the asset which has been taken out of use. By that simple change we should be making our records more correct, we should know more exactly or more accurately where we stand after the war and I think we should do all we can to put ourselves in that position.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Will the Honourable Member repeat his suggestion ?

THE HONOURABLE MR. R. H. PARKER : That instead of charging the cost of a replacement to the depreciation fund—and that is done now except where there is a definite betterment I understand—the proper method is to charge the cost of any replacement to capital and to transfer by credit to capital and debit to depreciation the cost of the original asset which is being taken out of use. That leaves you with a correct item in capital of the cost of the assets you then have in use. I particularly draw attention to the fact that this does not affect the amount of the revenues of the Railways which now become available to the Government of India. It only corrects the recording and gives us a clearer view of what our position is.

Our satisfaction at the railway results must, as has already been said, be qualified by the fact that it is so largely at the expense of the taxpayer in India or the taxpayer in the United Kingdom. This does not, however, detract from the great value of the services rendered to the cause of us all and we have to congratulate those responsible for the control of the Railways for their efforts to assist in the securing of civilization.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General): Sir, the phenomenal profits earned by the Indian Railways are due to the excessive growth in military traffic and to the ever-increasing supply of industrial products and also to the increase in rates and fares. In some quarters it is stated that these are the beneficial results of the war. I for myself would not even like to get surpluses for Railways at the cost of life and ruin of property and dislocation of administration in the world. However, Sir, the situation is there and we have to face it. The Honourable the Railway Member and the railway authorities have started propaganda in the country for less traffic. They have started this propaganda on the presumption that people in India indulge in luxurious travels. I submit, Sir, that this presumption is itself wrong. In a poor country like India people cannot afford to indulge in luxurious travel. It is only when it is necessary for one to travel that one undertakes a travel by railway. I quite agree and I quite see the point, Sir, that railway travel has to be curtailed in the interests of war effort. But I submit it is also the duty of the railway authorities to substitute another method of transport for the convenience of the public. The railway authorities admit that other methods of transport have been contracted to an embarrassing extent, and, if that is the position, I submit, Sir, that the Government ought to find out ways and means and suggest to the public other methods of transport which will relieve to some extent the hardship they have to undergo.

THE HONOURABLE THE PRESIDENT : What is the alternative you suggest?

THE HONOURABLE MR. V. V. KALIKAR : It is for the Government to suggest an alternative method and not for us.

Sir, the Railways have contributed to a very large extent to the general revenues during the last three years. I have no doubt it is a relief to some extent to the general taxpayer, but, Sir, the travelling public is entitled to some relief on that account. The travelling public expects that when the Railways are getting surplus every year during the last three years their burden should also be lessened. But, Sir, the railway authorities seem to be enamoured of adopting a policy of increasing the rates and fares. When they know they have not been able to suggest any other method of transport, when they know that the lorries and buses are being taken over by the Defence Department and when they know that there is no other method of transport in India the Railways ought to look to the hardships of the travelling public and, if they can get a surplus year after year, they have also to consider to lessen the burden by reducing fares and rates. But we see a quite different position. Now only as recently as 1940-41 the rates and fares were increased,—I believe in that year the Railways estimated a surplus of about Rs. 8·29 crores and they got a surplus of Rs. 18·46 crores,—and during the next two years they have estimated for a surplus of Rs. 26·20 crores for the current year and for the next year for a surplus of Rs. 27·95 crores. Admittedly, Sir, the surplus is phenomenal and the propaganda is there for less traffic, but, Sir, what consideration have the Railways paid to the hardships of the travelling public? Let us take, for instance, the case of increasing the rate on smaller consignments of foodstuffs. My Honourable friend Sir A. P. Patro has voiced the grievances of the small agriculturist and I fully agree with him, Sir, that by increasing this rate you are not going in any way to relieve the burden of the poor agriculturist who has to take his produce to the market for getting a good price but you are encouraging the middleman. If anybody would gain by this it is the middleman and the merchant princes but not the poor agriculturist. The poor agriculturist could take his foodstuffs to the market by buses, by lorries, but that source has also been contracted, and this increase of two annas in a rupee on small consignments is going to increase his cost of transport and will not in any way bring more price to him. He will have to sell his foodstuffs in the village itself and get the price offered to him by a middleman.

Now, Sir, it is stated that on account of war efforts and on account of the railway stocks being used for increased military traffic, the Railways are not able to meet fully the demands of the public. My straight question to Railways is, who is responsible for this situation? Of course, it is not only the war that is responsible for this situation but the policy of the Government that has been consistently followed for so many years is responsible for bringing about this situation.

Sir, let us take the case of building locomotives in India. The Central Legislature urged on the Government to start railway industries in India, but, owing to the pressure of a foreign Government, to which the Government of India is subordinate, they could not take up that scheme. In the beginning, Sir, the scheme was turned down on the ground that it would prove uneconomical. Then, Sir, when they found that their own Committee, a Committee of experts, reported that it would be not only economical but in the interest of the Indian Railways to build locomotives in India after the war, the scheme was turned down on the plea that plant and machinery is not

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available. In this connection, Sir, I would like to read an extract from the Report on the Construction of Locomotives in India in State Railway Workshops, by Messrs. Humphries and Srinivasan. On page 54 they say :—

“ The claims of this industry for priority of attention are perhaps stronger than those of most others that could have come up to the notice of the Economic Resources Board, and every facility will no doubt be afforded by the Supply and the War Transport Departments to enable the manufacture of locomotives being commenced without delay. ”

In paragraph 90 they say :—

“ All the steel work for the buildings, and some of the plant and equipment, that would be required, can be supplied by the engineering industry in India. Local representatives of three important manufacturing firms of machine tools, who have generally supplied the requirements of Indian Railways in this regard hitherto, have given us assurances that even under existing war conditions, deliveries of the machine tools that would be required for the new workshops could be guaranteed within the 15 to 18 months necessary for the new workshop to begin to function. It may also be stated that, despite the war and its check on seaborne trade, there has been heavy importation of machinery for India's main industries and that, in the first three months of hostilities, these purchases have been valued at no less than 250 lakhs of rupees ”.

So, Sir, it comes to this that even at the beginning of the war, if the Railways had a mind to start this industry in India, they would not have come to grief in this matter. I quite understand that they have to send locomotives, rails and other railway material overseas. But, if they had started this industry in India, they would have been able also to meet the local demand of the Indian Railways. If they had started this industry in India they would not have had to face the situation which confronts them now. Sir, private companies like the Tatas could manufacture rails and I am told that if they had been given encouragement, they would also have started the construction of locomotives in their factories. If private companies could undertake such an enterprise, it does not lie in the mouth of the Government to say that they could not get sufficient plant or that the construction of locomotives was an uneconomic proposition. If they had taken a long range view of the situation and had not cared for the vested interests of foreign countries, this problem would not have been very difficult for them to solve.

Then they say they want sacrifices on the part of the public. I quite agree that under the stress of war, in these hard times, the public has to make sacrifices. I concede this point. But I ask, are the railway authorities and the Government officials ready to make some sort of sacrifice also in that connection? Reference was made to the bogeys and saloons by previous speakers and I join with them in saying that the railway authorities have also to make some sacrifice by giving up travel in saloons when they expect sacrifices from the public. It is no use preaching ideals to the public while you yourself are not ready to undergo some sort of sacrifice. Let us take the case of wagons. I have never ventilated individual grievances here, but I think it is my duty to ventilate a general grievance of my province. In my part of the country we are not supplied with sufficient wagons for taking short staple cotton. We are not supplied with wagons for taking the orange crop to the market. Want of wagons has reduced the condition of the agriculturist to a very difficult position. He has spent much in getting his crop but he can not get the price for his crop for want of transport. In my province certain markets have been closed for want of wagons. Who is responsible for this state of affairs? Not only the war but also the short-sighted policy of the Government. I submit that the

Government ought to recognise these difficulties. They should not merely increase the rates and fares but they must see that the public, and particularly the agriculturists, do not suffer for want of transport.

Now, Sir, the various Departments of Government are attacked for under-estimation of revenue. Here is a clear case of under-estimation so far as the previous three years' Railway Budgets are concerned. If we look at the figures for the last three years,—the estimates, the revised estimates and the actuals,—we find that the revenues have been under-estimated. I leave it to the financial pandits of the Railways to state if this practice is to continue in future and whether it is the right system. Under-estimation of revenue causes a great resentment among the public when they find that though the Budget discloses a surplus, they are still confronted with further taxation.

The only bright feature in this Budget is the payment of dearness allowance to the railway employees. I congratulate the Honourable the Railway Member for taking this step, though late. But I submit that he should also take the necessary steps to remove the grievances of the public as far as possible so far as means of transport are concerned, and I hope that as the spokesman of the Government he will suggest some remedy for the transport problem by which the public will benefit to some extent, though not to the fullest extent.

Sir, I have nothing further to say except to suggest to the Government of India that even now, though late, they ought to take a long-range view of things and see that India is made self-sufficient in the matter of production of railway material.

THE HONOURABLE THE PRESIDENT : This is a convenient time to adjourn the House for Lunch.

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

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable Sir David Devadoss in the Chair.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. Chairman, the times are abnormal and it is accordingly difficult to discuss the Railway Budget in accordance with accepted standards. In normal times the method of budgeting adopted by Government would have come in for severe criticism. I think it deserves criticism still. But if it has not received adequate attention at the hands of Members of the Legislature it is only due to a recognition of the fact that owing to the war the money required by Government must be provided in some way or other. Nevertheless I propose to say a word or two with regard to the estimates placed before us by Government during the last two years. I could go back even to the year 1939-40 and point out that while it was originally estimated that the surplus would be a little over Rs. 2 crores it turned out to be over Rs. 4 crores. But I am mainly concerned with the years 1940-41 and 1941-42. Now in the year 1940-41 a surplus of about Rs. 12 crores was expected. The exact figure was Rs. 11·83 crores. In the revised estimates the surplus was expected to rise to Rs. 14½ crores, but it has actually turned out to be Rs. 18½ crores. These large discrepancies I think require some explanation. To say that conditions are abnormal and accurate estimating is difficult is not in my opinion a sufficient explanation of the wide departure between the budget figures and the actual figures. Now take the current year 1941-42. The discrepancy between the budget and the revised estimates has gone beyond all bounds.

[Pandit Hirday Nath Kunzru.]

When the Budget was presented it was expected that the surplus would amount to, I think, about Rs. 12 crores ; but it is actually more than Rs. 26 crores. There is a difference of Rs. 14 crores, and one cannot avoid the impression that there has been a deliberate under-estimating of revenue. Even fully allowing for the difficulties of the present time I cannot help feeling that the Government under-estimated the receipts and showed a caution which was not justified. I do not know what the next year will have in store for us. Our profits may not increase beyond the surplus expected by Government. Nevertheless we cannot but feel that during the last two years Government have not laid their cards on the table, and that they have been ultra cautious and have shown a caution not justified by facts.

This leads me on naturally to the increase in fares and rates proposed by Government. I do not want to go into any details in this connection, but I would like to add my protest to those of other members in this connection. You are having a surplus and a large surplus. What justification can you give at the present time for imposing extra burdens on traffic, whether goods or passenger ? The justification for the increase in fares on the E. I. R. and N. W. R. is that even with the increases proposed they would be lower than on other lines. But Government themselves have never adopted a uniform standard of rates and fares on all lines. They have kept the lines distinct. They have not allowed even a uniform lead to be adopted in connection with passenger traffic. They cannot therefore fairly ask that the fares on the E. I. R. and the N. W. R. should be increased by however small an amount merely on the ground that the fares on other lines are higher. Their own policy debars them from putting forward such a justification. Again, Sir, take the case of the excess luggage charges. Here again I see no justification. So far as parcel rates are concerned there may be some justification if the Honourable Member wants to reduce the pressure on Railways. But why should the charges for excess luggage be enhanced by two annas in the rupee ? The Railways have withdrawn a number of concessions, notably week-end concessions. One would have thought that that would reduce traffic appreciably. But not content with that the Honourable Member at a time when he has a large surplus and is budgeting for a still greater surplus proposes increases in rates and fares which would add about a crore to the revenue. I trust that my Honourable friend the Communications Member will have something more to say on this subject than he has said in his speech.

The other subject which I can naturally discuss in this connection is the curtailment of travelling facilities. This again is a subject which has been dealt with by other members. But I should like to say two things in this connection. The net cost of the lines that have been dismantled, that is, the difference between the actual cost and the amount to the credit of the dismantled lines in the depreciation fund has been debited to the revenues. One would like to know whether the dismantled lines have been utilised in this country or have been sent out of it. If they have been utilised for military purposes in this country, then the policy adopted by Government is perfectly justified. But if the lines have been sent out of India, I do not see how under the terms of the agreement arrived at between His Majesty's Government and the Government of India the net cost of the dismantled lines can be made a charge on our revenues. If the lines have not been used for military purposes in India the policy that has been pursued is not at all justified. And now a word, Sir, with regard to the dismantling of more lines in the future. We have 770 miles of railway

that have been torn up to the present time. Should the war come to India, I do not know what the extra strain on our Railways would be. It is necessary for Government therefore to exercise great caution in this matter and not to go on dismantling lines in order to send them out of the country. Further, Sir, I think the travelling facilities open to the public should not be reduced any further unless there is unquestionable justification for it.

In this connection, Sir, I cannot help saying a word about the short-sighted policy pursued by Government in regard to the building up of railway industries. The building of locomotives has already been referred to by some Members. I feel that if the Government had been in earnest, it would have been possible for them to take up the construction of locomotives even in 1940. I know that the workshop which was to be used for the construction of locomotives is being entirely used for war work. But is not the task of providing the country with adequate means of transport a matter of importance and of serious importance in war time? Every country is trying to develop its means of transport. It is on the means of transport that our ability to send men and supplies to the place where they are required will depend. We heard a great deal about the difficulties of the Railways in this connection, but had the Railways at all taken account of the harm that they had done to India by their reactionary policy, I think that they would notwithstanding the difficulties in their way have been prepared to do something in order to start the locomotive industry here. Other countries have in spite of the war started new industries. Machinery has been sent to the countries concerned from outside from England and America. Why could not we have got the necessary machinery? We might have got it not merely from England and America but also from Australia which perhaps would have been more willing to send it than other countries. Again, Sir, the policy pursued by the Railway has been harmful to us in other respects. I do not propose to go into detail on this question, but the production of machine tools is such an important thing that I cannot help referring to it in this connection. The Railways themselves as the users of a large amount of manufactured material should have been vitally interested in the making of machine tools. Had they acted with foresight, had they adopted a liberal policy in this respect, had they thought less of British vested interests and more of the future interests of this country, they would have been able to build up a machine tool industry which would have been useful not merely to them but to the country at large. The absence of such industries in my opinion is the reason why Government find themselves in a serious difficulty. When I read the paragraphs with regard to the difficulty of supplying materials for renewals and building even metre gauge locomotives, I thought of the Report of the Acworth Committee. I felt as if I were reading those pages of the Acworth Committee's Report which described the disorganisation that occurred owing to the last war. How have the Government profited by the experience of the last 25 years? On account of the separation of railway from general finances owing to the recommendations of the Acworth Committee a depreciation fund has been built up, but I do not see that in other essential respects the policy adopted by the Railways has been more liberal and bolder than it was before the Acworth Committee reported.

Sir, there is one other subject to which I personally attach great importance. I referred last year to the importance of acquiring the B.N.W.R. and R.K.R. My Honourable friend the Communications Member expressed his views on this point freely in his speech in connection with the Railway Budget and with a modesty which looked like pessimism, he disavowed his faith in bureaucratic competence and said that it was considerably less than

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that evinced by those who are so constant in asking the railway authorities to undertake new tasks. I was afraid, and seriously afraid, that the views expressed by the Honourable Member boded no good to the country, but the infusion of new blood into the Executive Council it seems has tended to remove the Honourable Member's pessimism and to make his heart-beats stronger. This is a matter, Sir, for which I think the expanded Executive Council deserves full credit, and we are all sincerely glad that these two lines will be acquired by Government. But I venture to go further and to urge Government to follow a bolder policy, and to make use of the resources at their disposal in order to acquire the two remaining important lines, the M.S.M.R. and S. I. R. the companies managing which will have to be paid only about £6 million. I know that their contracts can be terminated in the natural course of things only in 1945, but there is no reason why we should not make every effort we can to acquire these Railways now. We shall certainly need the good offices of the British Government in this connection, but I hope that they will not lend a deaf ear to our request. Perhaps both the Railway Department and the Finance Department are putting their heads together and considering how the large amount of gold to the credit of India in England can be utilised in the best interests of the country. I think we should take advantage of the present opportunity to acquire these Railways and then to introduce the economies which would result from a unification of the management of these lines, but, apart from this, I frankly confess that to me, and probably to all non-official Members of this House, it will be a source of great satisfaction if all the important railway lines in this country, which are State-owned, are brought under State-management. We have no reason to suppose that contrary to what has happened in the past the capacity of the Railway Board for administering new lines will deteriorate and that the Railway Administration will suffer because of the addition of two important lines to the charge of the Railway Board.

Sir, there is just one word more I should like to say before I sit down. The Chief Commissioner for Railways has dealt with the question of the depreciation fund in his speech and my Honourable friend Mr. Parker also referred to it. Mr. Parker took a view, with which I am personally in great sympathy, but that is not the question that I want to deal with today. I am more concerned with the observations of the Chief Commissioner who has tried to show that the amount to the credit of the depreciation fund is not unduly large. Now I am not disposed to under-rate the importance of having an adequate depreciation fund. We have no interest whatsoever in keeping railway finances in a weak condition. The Railways are among our most important assets and we have every interest, therefore, not merely in maintaining their strength but in increasing it, but it seems to me that the view taken by the Chief Commissioner of the financial position of the Railways is rather pessimistic. We shall have I think at the end of next year a little over 64 crores in the depreciation fund ; I mean that will be the money actually available. Now I think it would be pertinent if I referred in this connection to the observations made by the Wedgwood Committee, that is the Railway Enquiry Committee. It suggested that there should be a balance of about Rs. 30 crores in the depreciation fund, but it also suggested at the same time that a reserve fund should be built up and that it should be allowed to reach a total of Rs. 50 crores. In other words it recommended that there should be a sum of Rs. 80 crores at the disposal of the Railways so that they might be able to deal with future emergencies. We have fourth-fifths of that sum. I am aware of the fact that there has been an appreciable underspending during the last few years, but, even so, our position

will be immensely better than it was when Sir Raghavendra Rau comprehensively reviewed the railway finances in connection with his Report for the year 1934-35. There is no cause for pessimism. I attach importance to this matter because of an observation made by my Honourable friend the Communications Member in regard to the need for deciding how the surpluses accruing to the Railways should be distributed between the general and railway revenues at least during the currency of the war. These were the words used by my Honourable friend :—

“ If the present conditions appear likely to continue after 1942-43 a new situation will be created. For the taxpayer will still have a strong claim in equity to substantial relief from railway revenues, but there will be no debt against which any payments outside the Convention can be set. We are therefore asking the House to renew the moratorium for only one year. This will make it necessary to put before you in the course of the year proposals involving a revised arrangement regarding the division of the surplus ”.

I note that the Communications Member is anxious that our revenues should get the full benefit of the railway surpluses at the present time. But if the whole question of the future division of the surpluses between the general and railway revenues and the size of the depreciation fund are to be considered, I strongly suggest that Government should appoint a committee of the Legislature to consider the matter. These weighty problems should not be decided by them merely in consultation with railway or financial experts. This is a matter in which the Legislature is keenly and vitally interested and if it is going to be considered, the representatives of the Legislature should be associated with any inquiry that may be made before a scheme is formulated.

Sir, these are all the suggestions that I have to place before my Honourable friend the Communications Member. I have, however, been asked to say just one word with regard to the undesirable practice of giving extensions of service to officers who are to retire or of re-employing them. I have personally no objection to this practice. But the men who are to retire should realise that they have had their day and if they are anxious to help the State, they should not ask to be continued in the high offices that they hold at present. Retired officers of the I.M.S., both in England and in India, have accepted junior positions in order that the men already in service should have a chance of rising to higher positions. I understand that this consideration has not been borne in mind by the Railway authorities and I make this observation particularly because the term of the Agent of the E.I.R. is about to expire. There are meritorious Indian officers who may aspire to succeed him. But whether there are senior Indians capable of rising to that position or not, I think other people, if capable and senior, should be allowed a chance of rising to the highest position in the E.I.R.

Sir, this is all that I have to say and I trust that my Honourable friend the Communications Member will be able to assure us that even during the currency of the war, the Railway Department will be prepared to look ahead to a greater extent and to consult the interests of India more carefully than it has done up to the present time. Further, if it is called upon to make a larger contribution to the general revenues, it should tell the Finance Member that the Railways cannot be allowed to be looked upon, contrary to the advice of the Acworth Committee, as a means of adding to the general revenues. If Government want more money, let the Finance Member impose additional taxation, but let not the Railways, which are concerned with the poorest men who are their main customers, impose additional burdens in order to provide the Finance Member with the money that he needs.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Mr. Chairman, before I make any observations on the Railway Budget, perhaps you will allow me to refer to the Khaga accident and also the accident at Tundla and I believe at Cheoki near Allahabad. The Khaga accident particularly was a severe one. I do not know, Sir, what the cause of that accident was or what the facts, as gathered by the Government Inspector, are. I do not think that the Government Inspector of Railways has yet published his report. But I am sure the House would like to express its deep sympathy with the sufferers of that accident and I do hope that the Honourable the Communications Member will be pleased to give us such information in this debate as may be in his possession in regard to the cause and nature of that accident.

Sir, we have to consider this Budget against the background of the present world war which has come to the very doors of India. This huge surplus, a surplus like which we have never had before, is a reflection of the war conditions prevailing in the country. The demands on the Railways have increased, military traffic has been on an unprecedented scale, supplies have been produced at an ever increasing speed, industries particularly connected with the war have expanded speedily and alternative means of transport have contracted to an increasing extent. The travelling public has had to face great difficulties, and railway services have been curtailed and are being curtailed and business men find it difficult to get wagons in adequate numbers for the carriage of their goods. We have to employ our rolling stock and rails for military purposes generally and replacements are difficult. Now, Sir, it occurs to me that if our Railway Administration had been more far-sighted in the past some of the difficulties that we are encountering might have been avoided. We on many an occasion in this House, and I think in the other place, pleaded for the establishment of a locomotive industry. But Government was firm in its view that it was not possible to start, without much greater consideration than had been given to the question, a locomotive industry in this country. If that industry had been established in 1940 I venture to think that the transport system of this country would have been able to make a more effective contribution not only to the general prosperity of India but also to India's war effort. Therefore, I confess that I am not impressed with this huge surplus. I do not regard it as a matter for particular congratulation. Feverish troop movements and the transport of war materials have helped very largely to swell up the revenues of the Railways. There is one criticism however which I think it is difficult for the Administration to escape. There has been under-estimating during the last two years. In 1941-42 the estimated revenue was Rs. 11·83 crores; the revised estimate proved to be Rs. 26·20 crores. In 1940-41 the estimated revenue was Rs. 8·29 crores, the revised was Rs. 14·69 crores and the actuals proved to be Rs. 18·46 crores. In 1939-40, the estimated revenue was Rs. 2·13 crores, the revised estimate was Rs. 3·61 crores and the actual proved to be Rs. 4·33 crores. Therefore the actual realisations for the years 1939-40 and 1940-41 have been more than double the original estimates. Why is there this difference between the estimated and the revised figures? I think the Railway Department has in estimating its revenue been far too cautious and its estimates have been far too conservative.

Now, I would like to say a few words on the question of the increase of fares and freights. There is no getting away from the fact that we have a huge surplus. There is no *prima facie* necessity for increasing freights and fares. The Honourable the Communications Member says that we have to think in times of prosperity of the lean years and it will not be wise for us to increase

freights and fares in lean years, we must increase them now and we must have as far as possible one uniform rate of freights and fares. The fares according to him are lower on the E. I. R. and N. W. R. than on other Railways. Therefore, he is trying to approximate them to the fares on other Railways. Well, Sir, when did the Honourable the Communications Member discover that there was this disparity between the fares on the East Indian and North Western and the other Railways ?

THE HONOURABLE SIR ANDREW CLOW : I think it was about a year ago, or rather more.

THE HONOURABLE MR. P. N. SAPRU : Has it ever occurred to the Honourable the Communications Member that there are amenities which some Railways provide and which other Railways do not provide ? Until a few months back the E. I. R. used to issue weekly return tickets. They have been stopped. I believe that there is a system of circular tickets on the G.I.P.R. and the B.B.C.I.R. Then you can get those tickets in coupon books—I do not know the exact name—which you can use for travelling anywhere you like for 3,000 miles. Those tickets are meant for commercial people. Well, the E.I.R. has no such system. If you want to have one uniform rate of fares and freights then you must have uniformity in other directions also. Other facilities and amenities must also be uniform. The fact of the matter is that these fares and freights have been increased not to increase the amenities of railway passengers, not because railway finances require such increase, but because the Railways have to make a contribution to general revenues, because the burden on the general taxpayer must be eased by the Railways making a contribution to the general revenues during war time. Therefore, this is indirect taxation for war purposes. Now, Sir, let me be quite frank about the matter. Indirect taxation of this type is I think the worst form of taxation that you can think of. It will not hit the rich man only. It will hit the poor man also. So far as this form of taxation is concerned—it is taxation, you may call it fares and freight and so on—the object is to get the Railways to contribute to the general revenues in order that the expenditure on defence might be to some extent met by contribution from the Railways. It is therefore taxation. Now this taxation will hit the poor more than the rich. The great majority of our travellers are third class or interclass travellers. I know there is some exemption in the case of third class travellers. Even so, they will be hit hard by it and they will be hit hard by it at a time of rise in prices and at a time when other facilities for travel have been curtailed on account of petrol rationing. There is no fear today of road-rail competition and the poor man if he has got to make the journey cannot use any other form of transport. Further, Sir, there will be no equality of sacrifice so far as travellers on the Railways are concerned. There are men who can afford to travel first class in this country but who travel intermediate class. They will by travelling intermediate class contribute less to the general revenues than the man who because of his economic condition cannot travel more than intermediate class. Therefore, the burden will fall unequally on the various classes who use the Railways ; and all this you are doing at a time of rise in prices. You are trying to attempt the experiment of controlling prices. There is shortage of foodstuff and grain in some parts of the country. I know that the rate for wagons carrying foodstuffs is very slight. Even so, the general tendency will be for these prices to shoot up and you will not thereby be helping in the control of prices so far as many parts of the country are concerned. Now, you want the man who uses the Railways to pay you more than he was paying before in fares, but you do not want to increase the amenities and facilities that he was enjoying. In fact you want to curtail those

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facilities. You want to reduce those amenities. The number of trains has been reduced. I do not know whether the saloons of officers have been reduced. I find them often when I travel ; I find some saloon or other attached to an express or passenger train. First and second class passes that you issue to your railway servants have not been reduced and I assure you that some of them are very inconvenient passengers, because they like to have the best seats and they like to lord over people who are travelling in first and second class carriages. You do not want to reduce the facilities that you are giving to your employees. You want to reduce the facilities which poor men are enjoying today and you want to reduce these facilities at a time when the question of evacuation from certain towns owing to the possibility of those towns being bombed by Japanese bombers has become an actual reality in this country. The Honourable the Communications Member stated in his Budget Speech that the Railways have had to evacuate or have had to help in the evacuation of five lakhs of people from Calcutta. God forbid that it should so happen, but assuming that it becomes necessary for you to evacuate Madras or Bombay or assuming that other towns come within the danger zone, what will happen ? So far as the rich man is concerned he will, because he travels in a higher class and because he can afford to pay higher fares, be able to get with some difficulty or with perhaps great difficulty accommodation. So far as the poor man is concerned, he already finds third class carriages overcrowded. Because you have restricted your passenger and express trains he will not be able to find accommodation at all. Therefore this Government which is professing to fight a war for freedom and social justice and democracy considers it necessary at this time to increase freights and fares which will hit the poor man and which will not enable him to save his life and property in times-of danger and crisis.

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

I therefore on these general grounds consider this taxation a most obnoxious form of taxation and it is amazing that it should be within the power of the executive in any normal country to legislate by executive fiat a form of indirect taxation which will have far-reaching consequences so far as the poorer section of the community is concerned. Therefore, I do not hesitate to say that I am completely, entirely, wholly opposed to the increase in freights and fares. No case has been made out for it whatever.

Then, Sir, passing on from this question of freights and fares to the question of dismantling of lines I should like to ask the Honourable the Communications Member whether this policy of dismantling lines has been followed by the other British Dominions also. Where, to what centres of the theatres of war have these dismantled lines been sent ? Are they being utilised for military purposes in India or have they been sent to the Middle East or to other theatres of war and, if they have been sent to the Middle East or to the other theatres of war, who is going to pay—what is going to be the responsibility of His Majesty's Government—so far as the cost or the price of these dismantled lines is concerned ?

Now, Sir, it is amazing that action on these lines should have been taken and continues to be taken, in spite of the protest of the Legislature, by the executive Government without any reference to the Legislature. Last year a member, a respected Indian leader who is a member of the executive Government today, described this dismantling business as an act of vandalism. Have his views changed since he became a member of the Government of India ? I cannot believe that they have ? I should like him and other Indian member

to put their foot down upon this policy and consider the effects of this policy so far as the poor man, the agriculturist, the producer, is concerned. You have given him no facility for travel; you have, in fact, reduced his facilities for travel, for marketing his goods and so on by dismantling these lines and by petrol rationing also you have reduced his capacity to get a fair price for his produce. You have placed him in the hands of the middle man, and you go on dismantling lines. He can't get now the services of the motor bus also; all this in the name of Britain's war effort in India, war effort in which Indians have no adequate share or lot.

AN HONOURABLE MEMBER: They have a big share.

THE HONOURABLE THE PRESIDENT: Is it necessary to obtain the sanction of the Legislature?

THE HONOURABLE MR. P. N. SAPRU: I was thinking of normal countries. I was not thinking of abnormal countries, an abnormal executive Government and abnormal systems. I was thinking of normal systems of government and I venture to maintain that under a normal system of government the Government ought to obtain sanction of the Legislature.

THE HONOURABLE THE PRESIDENT: I am not aware of it. Probably you know better.

THE HONOURABLE MR. P. N. SAPRU: Sir, we shall agree to differ.

Then, Sir, I should like to associate myself with what Dr. Kunzru said in regard to the continuance in employment in positions they were originally occupying of men who have reached the age of retirement. Sir, perhaps the Chief Commissioner for Railways or the Honourable the Communications Member will tell us whether it is a fact that the General Manager of the E. I. R. is about to retire and that the officers who can in a normal case succeed him happen to be Indians and whether it is contemplated, or it has been arranged, to give him extension in the name of war effort, efficiency and so on? Now I associate myself with Dr. Kunzru's point of view. If it is considered to retain his services for some purposes well let them be retained in some other position but let not the promotion of men who have earned their right to promotion be disturbed by giving him an extension. Sir, our British civil servants have always told us that we must respect covenants and service rights. Whenever any covenant of theirs or any contract of service of theirs is violated, or is threatened to be violated, they raise an outcry but it does not occur to them that men who are in service and who have in the normal course achieved a certain position and who are looking forward to the reasonable expectation of attaining the highest position that is open to them in their service can also have a legitimate grievance if in the name of efficiency or war emergency or some other word—the English language is full of many words and I cannot think of all of them at this moment—they are deprived of their normal expectations. Therefore, Sir, it is an important question, and I hope, Sir, that this practice of extending the terms of men who are about to retire shall be discontinued.

I should have liked to say something, Sir, about the Indianization of the railway services but I would not like to go very deeply into that question, but I find, Sir, that the position in regard to the various communities is somewhat as follows: Europeans (State-managed railways)—I am talking of

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Gazetted officers—38·86 per cent. In Company-managed railways their representation is 48·22 per cent. Their total representation is 43·15 per cent. Hindus have got 35·75 per cent. representation in State-managed railways. In Company-managed railways they have got 29·38 per cent. Their total representation is 32·83 per cent. ; that is to say the majority community has got much less than the Europeans in this country. The Muslims have got 8·46 per cent. in State-managed Railways, and 7·64 per cent. in Company-managed railways, and their total representation in the railways is 8·9 per cent. A community which has a population of 25 per cent. in the country is to be content with 8·9 per cent. representation in the railway services for the reason that the Anglo-Indians have got to be provided for. The Anglo-Indians and the so-called domiciled Europeans have got 10·36 per cent. in State-managed railways and 8·43 per cent. in Company-managed railways and their total representation is 9·48 per cent. Where is the justice in all these arrangements? All these years we have been hearing of Britain's desire to do justice to all communities, Britain's impartiality and all that. Where is the impartiality, where is the justice, in all these arrangements? A community which does not even form one per cent. of the population in this country has got 9·48 per cent. representation on the Railways. I think it is a scandalous state of affairs. I have got a great deal of sympathy with the Anglo-Indian community. I do not want to be hard on that community. But I think if we must speak in terms of communities, there ought to be some fairness in the distribution of these railway appointments. Therefore, I cannot look upon the policy of the Railway Administration towards the general question of Indianization as in the slightest degree satisfactory.

Well, Sir, these are the observations that occur to me on this Railway Budget. The surplus in no way reflects general prosperity. If you want to know whether the country is prosperous or not, go to the countryside, go to the slummy parts of the towns, ask the hard worked, poorly paid clerks in your offices, who cannot make their both ends meet. It is all right for a dominant Imperialism to talk in terms of prosperity. But we, children of the soil, know that there is in fact no prosperity in the country. The Railway Administration may be efficient from a mechanical point of view. But it has failed to provide what it should have provided, namely, adequate facilities for the free flow of trade, for travel under decent and tolerable conditions of life and for affording employment to the children of the soil. Sir, I cannot congratulate the Honourable the Communications Member on the Budget that he has presented.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan) : Sir, time is very short and the Railway Budget is such that many kinds of criticism can be levelled at it. The Honourable speakers who preceded me have said a good deal about certain points. I would like to omit many of them, although I had intended, if I had time, to throw some light on them. I associate myself with all that has been said by the Honourable speakers on this side. I will take a very few points, and will take only a very short time. It is quite true that the policy adopted by the Railways is thoroughly anti-Indian. The figures which the Honourable Member who just spoke has given as to the percentages in the gazetted ranks do not show the fairness so propagated by the rulers. But I think their faces ought to hang with shame when they say that they are dealing with everybody in the country fairly and justly. In this connection I would mention

the extension of the terms of service of the retiring officers. Some of them are merely to block the Indians who are expected to come to their place. The Honourable Member who has just spoken has asked the Honourable the Communications Member to say whether there are Indians who can rightly come up after the retirement of the General Manager and the Chief Engineer. According to the information I have, there are two Indians who are rightly to succeed after the General Manager and the Chief Engineer retire. Don't they see that this causes injustice not to one or two men, but to dozens of men? Do they consider giving extensions to those officers also who, because of the extension to one officer, will never be able to get a chance of realising their ambition? If these officers have to retire in a year, there will be no question of giving them extension. In one year there would be a difference to an officer of nearly Rs. 25,000. When he has served the Department loyally, and given the best of his life, at the end of his service, when he is to get a benefit of nearly Rs. 25,000, he is blocked simply because a certain gentleman has to be retained. If you are so enamoured of his efficiency, retain him in a temporary special appointment in some department of war—and there are many such departments—for which efficient men are required. Take, for instance, the next officer for either the General Managership or the post of Chief Engineer. He is in the grade of Rs. 1,900. Immediately he goes up he gets Rs. 3,000. For one year that means nearly Rs. 13,000, and then if he has to retire after one year he gets four months leave on full pay and 18 months on half pay. That means another few thousands of rupees, and in the same proportion his gratuity and provident fund is increased. Will not therefore the heart of that man ache at the injustice done to him if he is kept out of his promotion? This matter came up before in the United Provinces in other services immediately after the war was declared. Some of the retired Deputy Collectors were called back for service and there was a great hallaballoo, and the United Provinces Government has stopped all these retired men coming in to block the posts which the tehsildars might have got. I would request in the name of fair play and justice, if that still exists in the world, that these extensions must be stopped. The argument that most of the officers have gone into war service is absolutely unsupported. Most of the people who have gone on war service are young men. There are these older men who are on the verge of retirement and have just a year or two to serve. Why should they be deprived of their just dues? Sometimes it is said that it is due to want of efficiency. If in 30 years service the railway cannot produce efficient men who can take charge of the top posts, it does no credit to the people responsible. Therefore, I would strongly urge that this policy of extensions must be abandoned.

The next thing I want to say a few words on is the policy which was condemned by the Central Advisory Committee and also accepted by the Department of giving a monopoly to contractors on the railway. You may call a monopoly by any name you like, but if you do things which amount to a monopoly it is just as bad as granting a monopoly in its strict sense. The General Manager of the E. I. R. about two years ago brought forward a scheme for giving the catering contract—in fact he said a monopoly of the catering—to one man for the whole line. He put it before the Advisory Committee for opinion. That matter was brought up in both the Houses. It was talked over as well in the Central Advisory Committee and almost everybody in that Committee was opposed to giving any monopoly to any contractor. The Railway Department saw the justice of it and accepted that no monopoly should be given. Just before that notice was given to petty vendors on various important stations, sweetmeat sellers and others who had been holding the

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contract in those places for generations, to terminate their contracts within one month. And why? Because Mr. Ballabhdas Eshwardas had to be given that contract. It was with the greatest difficulty that those notices were kept in abeyance. And what happened was that, before acceptance by the Railway Board of the recommendation of the Central Advisory Committee and the issue of instructions in that behalf, almost all the contracts for eatables of all kinds were given to that one man and he has held it. Hundreds of those small vendors, whose families were provided for only by serving the railway for generations, have been thrown out of work. And this gentleman Mr. Ballabhdas Eshwardas has been given contracts not only for refreshment rooms but for all kinds of catering, sweetmeats, *purees* and fruits. Half the contracts of the people selling fruits have been taken away and given to this gentleman. Not only this, but new things have been created merely for the sake of Ballabhdas Eshwardas. As regards the grain shops on the E.I.R., I know that the answer to a question of mine about contracts therefor was in the negative. Technically that may be right, as the question was put. But in fact if it was not a contract for the public it was a sole monopoly for opening grain shops at Lucknow to be used by all the railway employees there, and the *banias* who had been living on that employment all this time were thrown out. Why this favoritism to one man? Is it consistent with the instructions issued by the Railway Department? Does anybody know whether those instructions are flouted or not? As a matter of fact they are. If the Department will really seek information the facts will prove indefensible. Therefore, I would very strongly urge upon the Honourable the Communications Member to see that the recommendations in respect of catering which they have accepted are strictly followed in the letter and the spirit.

The third thing that I want to mention in a few words is the treatment

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in this Department of the Mussalmans and I wish to draw the attention of the Communications Member to this. The time is really ripe when instead of turning a deaf ear to the representations made so many times and in so many ways some redress should be given and particularly now when the goodwill of Indians is all the more necessary anti-Indian feeling must necessarily be as little practised as possible, so that the situation may not be aggravated by discontented people. It will be the fault not of the people but it will be the fault of those who are responsible for this policy if worse happened.

THE HONOURABLE SIR ANDREW CLOW (Communications Member): Sir, we have had a debate which has ranged from very great matters to very small. I propose to deal with the more important matters and I hope that I shall be excused if I do not venture on to the discussion of whether a particular gentleman should hold a particular contract and matters of that kind. As many Members have remarked, the Budget has displayed a phenomenal surplus. Sir A. P. Patro observed that this was not due to wise or careful management but it was due to the war. I would be the last to claim that the efficiency of the Railways should be measured by the surplus or deficit that they produce, although I would remark that that test was applied to them by a good many Members no longer with us in this House when the dark days of the economic depression were here. At the same time I feel sure that Sir A. P. Patro will realise that management plays a pretty large part in it too and that if we had a foolish or careless management we would certainly not have the surplus that is presented today. The Honourable Mr. Hossain

Imam said that it did not reflect genuine prosperity. I would not venture on that field, but as the Honourable Mr. Dalal reminded the House it does represent additional exertions. The surplus and indeed our revenue represents additional work done by an immense army of men. The Honourable Mr. Sapru said that I had underestimated the revenue in two or three successive years. That is true. The Honourable Pandit Kunzru, I regret to say, said that I deliberately underestimated. That is quite untrue and a charge which I was very sorry to hear him bring—that I was deceiving the House by deliberately not putting my “cards on the table”.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I say, Sir, that the Honourable Member is exaggerating it. It is not unusual in this House to say that the Government are guilty of underestimating revenue. My remark certainly was not personal and there was not the slightest justification for the Honourable Member regarding it as an accusation against him personally.

THE HONOURABLE SIR ANDREW CLOW: To say that I am underestimating is a perfectly legitimate charge and one to which I plead guilty. To say that I am——.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: That has been done repeatedly.

THE HONOURABLE SIR ANDREW CLOW: To say that I am deliberately doing it, in other words, that I am putting in the Budget a figure which I know is not a correct figure is a very different charge indeed. Actually I looked up the Honourable Member's speech last year to see if he gave us any indication that the figure I then presented was far below what was likely to be realised and I failed to find it. I did warn the House at the time and explained to the House the difficulties I had in presenting them, difficulties which I feel sure my Honourable friend will realise on reflection are very real. I think he himself in the course of his speech said “I do not know what the next year holds for us”. I am in exactly the same position. I do not know what the next year holds for us and my estimates might all differ quite a long way in the wrong direction. Last year I said:—

“In framing the estimates for next year we are confronted with difficulties at least as great as those which faced us last year. We are living in a time when prophecy is particularly hazardous. No one in this House, I imagine, foresaw with any approach to accuracy the main events in the international sphere during the last year, and the only certainty is that the war has not exhausted the surprises it can bring”.

We have tried as far as possible to estimate on the known factors. I have in another place given public warning this year that although we have worked on the known factors I think the chances are greater that the surplus would be less than that it would be more than the estimate for next year. But I am in exactly the same position as the Honourable Pandit of being unable to foresee the future and I can assure him that I have not at any stage deliberately given figures which did not represent what I believed to be the real position. Actually what we did last year was to take the rate at which we had been earning and assume the same rate making a small reduction for certain small factors. This year we have gone on the same principle, but we live in an age of cataclysms and that may be falsified long before the year is out. I think if my Honourable friend will carry his memory back a few years he will remember that one of my predecessors living in times of peace was out by about Rs. 10 crores the wrong way twice running. That was no blame to him.

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It simply meant that events which he had not foreseen and could not reasonably have foreseen came in to falsify his estimate. Nor is there really any reason why we should indulge in labouring on the statement; we gain no advantage therefrom, but only the discredit of being rather poor estimators.

I would like to turn from that to the question raised by a number of Honourable Members of the depreciation position. I recognise its importance and there have been several thoughtful contributions today by the Honourable Mr. Parker, by the Honourable Pandit Kunzru and others. Mr. Parker put forward the suggestion that when we replace assets we should debit the depreciation fund with the cost of the original asset and we should debit the remainder of the cost—and there nearly always is a remainder—to capital. I think there is a great deal to be said logically for that view. It was actually the procedure which we did adopt up to 1935-36 when in response to criticisms we altered our procedure. One effect of course was that our capital was constantly rising without any necessary increase in earning power and I think that was an objection of some validity to the scheme we then adopted. Speaking entirely as a layman, I should prefer to debit the original cost to the depreciation fund and the rest to revenue. But I am not sure that my own financial officers would support that course and this is a matter in which I feel it is safer to be guided by the experts than to put forward my own untutored view. Actually our present system does give rise to the difficulty on which the Chief Commissioner dwelt in his speech, that when we come to replace the asset the whole money simply is not there. A cure for that is to put more money into the depreciation fund which in that respect and in another important respect, the lack of any provision for obsolescence, falls short of what there should be in it. There is still a third respect, because it started only a few years ago and nothing was put into it at the start to represent the depreciation on those assets which had already served for a great many years, so that I am fairly clear in my own mind that so far from this fund having too much in it, or so far from there being any reason to be optimistic as the Honourable Pandit Kunzru suggested, is concerned, it has, on the whole, too little in it, and there will be little ground for complacency until it stands at a higher figure than we see now.

The Honourable Pandit Kunzru referred quite rightly to the Wedgwood Committee Report, but the last word does not rest with them, and it must be remembered that they were not contemplating a great war when the opportunities of replacement are necessarily severely restricted. As the Honourable Mr. Dalal reminded the House, war-time prosperity may be followed by a post-war slump and it is important that we should not repeat the errors of the last war when the Railways were faced with the necessity of rehabilitation on a large scale and the money was not there.

We have been accused, Sir, of lack of foresight by some Honourable Members, with special reference to the manufacture of locomotives. I am not going over the line of past history. I believe myself that the policy followed in the early years of ordering from abroad was probably a wise one in the circumstances. I have no doubt myself that we shall construct locomotives in the future, but I do not believe that, even if we had a locomotive factory in India today, we would have been in a very much better position. We have a factory equipped for constructing locomotives, both metregauge and broadgauge locomotives, at Ajmer, and though on a limited scale of work, we are unable to make any substantial progress because of the lack of certain materials that have to be imported. The same difficulty confronts all the

important countries that are at war. It is perfectly true that in some respects we have suffered from lack of foresight but is that not true of every one of us? I wonder if there is any one of us who thought in 1934-35 that we should be at war in 1939 and would now be right in the middle of a great war of this dimension and be faced with difficulties with which we are now confronted. Certainly the discussions which used to take place then on the defence estimates give very little indication that that was the general view. Had we foreseen the future—even a future of three or four years ahead—I believe that in some respects our policy and that of all other democratic countries in the world would have been very different in the pre-war years.

Now I come to the question of the increases in fares and freights. I think there is a little misunderstanding of what we are actually doing. I think I heard a suggestion in a speech of some Honourable Member that we were singling out foodgrains for exceptionally harsh treatment. Actually the fact is that we put an increase of two annas in the rupee on most commodities at the beginning of the war but especially excepted foodgrains, rather in the hope, that we should thereby be doing our bit towards preventing a rise in the prices of foodstuffs. Even now we are maintaining in respect of foodgrains the pre-war rate for the full wagon load and we are putting an extra charge on consignments of less than a wagon. Even that is not quite an accurate statement of the position because we allow three separate consignments in one wagon, and I am told that the charge amounts for a distance of 370 miles to one anna per maund. On the strength of this we have been accused of blighting the prospects of agriculturists and seriously interfering with rural economy. It is not in my experience that the agriculturist sends his grains by rail over long distances to the market even at the present time, and we are reaching a stage when I am afraid it is going to be extremely difficult for us to go on carrying goods for short distances. It is not primarily to raise half a crore as some Honourable Member suggested. We are doing it in order to secure better use of our wagons at a time when we are finding it difficult to get wagons for the goods. I hope that on reflection the House will agree that that is a laudable object.

As regards the increase in fares I was asked when I had discovered the differences. Well I mentioned it as a possibility on the E.I.R. in my Budget Speech a year ago and shortly before that it was brought to my notice that on that Railway at least fares were lower than they were elsewhere. It is not the case, as the Honourable Mr. Hossain Imam suggested, of our singling out the E.I.R. for a special burden. As he said almost immediately afterwards this is a public utility service, and there is no obvious reason why that Railway should not bear a fair share of the burden.

The Honourable Mr. Sapru suggested that amenities differed from railway to railway. They differ somewhat; but I do not think that the N.W.R. and E.I.R. in general are any whit behind in providing amenities given on the other State-managed lines. Actually we are in a position in which if we followed I think a strictly commercial policy we should not put on this extremely small increase but should raise passenger fares generally throughout India.

I turn now to certain questions affecting the staff. The Honourable Mr. Parker referred to our war allowances and the effect of increased wages on inflation. That is an extremely difficult subject into which I do not think I can venture to go. It is rather a subject that might come up for discussion on the General Budget. Although we have given war allowances, probably on a more substantial scale than have been given to Government servants in

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any other department, I do not think that the amounts we have been disbursing in themselves have any large effect and we have, of course, been in many cases only following private employers. But I fully recognise that this question of increased purchasing power at a time when the supply of goods is not necessarily increased has its dangers and it is as well to be reminded of that fact. The Honourable Mr. Parker suggested that we might give future benefits in the form of deferred expenditure. Well, we are doing that to a very small extent by extending the benefit of the Provident Fund but it is an extremely difficult thing to do at a time when the staff are confronted with a definite rise in prices and when certainly among the more poorly paid staff the men tend to live up to the standard of their wages. To give a benefit which is only going to accrue after the war means that these men must tighten their belts and that is a hard thing for them.

Several Honourable Members referred to the difficult question of extensions of service to officers and reference was made to one particular case. I do not like canvassing the claims or dealing with the claims of individual officers in a House of this kind. But the Chief Commissioner, asked a question in respect of the General Manager of the E.I.R., said this morning that he was going to be given an extension. I may say that in approaching this subject, I have not approached it from the point of view of who is the officer likely to benefit if another officer goes, or who is the officer likely to suffer if he stays, although I may mention in this case that the officer whom I should have selected to succeed him, an officer of marked ability, unfortunately died very recently. But we have to face a very difficult position. I would ask for the sympathy of the House in this difficult task. We have given away a large number of officers. The Honourable Mr. Hossain Imam is mistaken in supposing that these are drawn entirely, or even very largely, from the lower ranks. They include, for example, one officer who had already officiated as General Manager and another officer who is a permanent Chief Engineer. We have consequently a considerable shortage. In fact, officers down in the lower ranks, and it is there, of course, that there is the majority of Indian officers at present—they are junior officers—have, probably received more promotion during the war than they would have received in times of peace. But we are extremely short of experienced officers. If you have to look for a General Manager, they do not flourish in large numbers and it is a serious matter to let go at this time an officer who has experience of that work. Posts of that kind are not posts in which I am in favour of having rapid changes of office. I should regard an officer who had only a year to serve as unqualified to be put in. It is bad luck on the man, but we have to look primarily to the interests of the service, and if we had a constant series of changes, as any business man will confirm, we should be seriously injuring the administration. And so we are giving extensions to a certain number of senior officers. This, as I know, means disappointment for officers, particularly very senior officers, who might have hoped for even further promotion. These officers, in most cases, I think, are Europeans. As I said earlier, the officers lower down in the service are in no way worse off—they are rather better off—than they would have been in times of peace.

Sir A. P. Patro referred to officers who have gone on military service and asked me what the position was in respect of their pay and promotion. The rule has been that they get the same pay as if they were serving here and they would get promotion as if they had been serving here, and they are entitled either to their railway pay or their military pay whichever is greater, and normally, their railway pay is greater. He also referred to an inquiry from

the M. S. M. R. about provident fund made in August, 1940 and he was under the impression that it was still awaiting a reply. I have a copy of the reply here and it was sent in October, 1940.

One or two Members, including the Honourable Mr. Hossain Imam and the Honourable Haji Syed Muhammad Husain referred to the question of Muslim promotion, and I was a little surprised to find the Honourable Mr. Sapru also dwelling on the hardships of the case. The Honourable Mr. Hossain Imam quoted figures of promotions to the lower gazetted service and pointed out, quite accurately, that a very large proportion of these promotions had gone to Anglo-Indians and Europeans and other non-Muslims. That is perfectly true. But I do not think he was entitled to draw from it the conclusion which apparently was in his mind that as between Muslims and other communities, the Muslims received less than their share of the promotions. I have not examined the figures from that point of view, but my general impression, after seeing a good many cases of this kind, is that the Muslims need not have any apprehensions as regards the system of selection for promotion. The big preponderance in the grade to which the Honourable Mr. Hossain Imam has referred is almost entirely due to the fact that those from whom the selection is made consist almost entirely of non-Muslims. The Honourable Mr. Hossain Imam said that this was not a feature of one year, but one of many years, and he was quite right, because, many years ago, the Railways were largely manned by Europeans and Anglo-Indians. The men from whom selection is now made for this particular grade are probably men with over 20 years or even 25 years' service. Those represent the recruits brought in at or even before the last war. I fully appreciate the anxiety of the Muslim community that they should figure more largely in this grade, if we retain the grade, and that is a question at present under our consideration. But I am afraid that unless we are going to remove officers before their time or are going to deny others the promotion which they have earned, the difficulty to which these Honourable Members refer is one that can only be fully cured by time.

There were one or two references to the old road and rail question. Sir A. P. Patro complained that there was no co-ordination. But I can assure him that we are attempting some co-ordination, though I have not claimed that we can expect any very great results. He referred to the necessity of evolving a post-war policy. I agree that after the war this is a question that will have to engage serious attention. But I doubt if this is the proper time for taking it up. Obviously there are a great many factors that must enter into it and we are not able to predict the position in which we are likely to be placed after the war. All I can say is that I do sympathise with the feeling that there should be a fuller measure of co-ordination after the war. We are open to criticism on the ground that our limited resources have gone towards duplicating communications rather than towards increasing them, that we have spent a great deal of money on improving roads which run parallel to a railway and that we have not spent enough on the development of the countryside. But there are great difficulties in the way and in one respect I think we have turned out to be perhaps wiser than we really were, because, as Honourable Members would realise, main roads are all important when you come to questions of defence.

There were one or two references to the taking over of Railways by the State. We have taken over two this year and are taking over two next year, and there are many reflections that could be made from many points of view on this large change. The Honourable Mr. Dalal, with a cynicism which

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I hope is foreign to his nature, said that companies worked entirely for profit and that he hoped that that policy would not be pursued when we took them over. I hope that companies also bear the idea of service in mind. I think we must all try and realise that a great business, whether it is owned by the State or whether it is owned by a company, is service to the public, and I do not think companies managing railways in India can be said only to have worked for profit even if they had wanted to. It has to be remembered that in most cases we own the bulk of the capital and we control very largely their financial operations.

I was asked by an Honourable Member—I think it was Mr. Hossain Imam—whether we had showed the effect of taking over for three months of the Bengal and North Western line and the Rohilkund and Kumaon line. He will find them duly recorded on pages 38 and 39 particularly of the Explanatory Memorandum. But I think he has been misled, as I myself might have been misled, by the fact that the B. N.W.R. appears under the heading “Tirhoot” and the R.K.R. appears under the heading “Lucknow-Bareilly”, these being the two State lines which, as we hold them for the 12 months’ represent the greater part of the income for this year.

There were a few references to the question of wagon user and the Honourable Sir A. P. Patro quoted from a statement showing the action taken on the Wedgwood Committee Report. But I rather think that the Library must have supplied him with the earlier edition and not with the later edition of this statement, and if he will refer to the second edition he will find that even at that date a good deal of progress had been made. Actually since then we have pursued this question further. He referred to the proposal to appoint a committee to examine certain data collected as the result of a special survey ; but in the end we did not form this committee as it was felt that the work of concentrating on the removal of defects in designs would be handled best by the Central Standards Office. Then as regards the scheme of pooling periodical overhauls of pooled wagons, that was given a trial for a period of about two years, but it had then to be abandoned because it was found to involve extra costs and difficulties in workshops and because haulage also presented rather a problem. Actually the whole wagon position is altered of course since the Wedgwood Committee reported, because then there was believed to be a surplus of wagons and we are now, owing to changed conditions, in a very different position. It was suggested that I might form sub-committees of the Central Advisory Council to deal with such questions as wagon user and economy in fuel, but I doubt if they will prove very helpful. I find myself that wagon user is a question that, even with railway problems before my mind every day, is extremely difficult to understand. It is really a question for experts, and we gained a great advantage from the recommendations of the Wagon Turn-round Committee which represented its report last year. We have also had an officer for some time on special duty dealing with questions particularly concerning the movement of coal.

The Honourable Mr. Sapru referred to a lamentable accident which has occurred recently and asked if I was in a position to give further information on the subject. I am afraid I am not. The casualties have been reported in the press and I am glad to say that further inquiry has not added to their number. What apparently happened was that this parcels express came along at a time when the signalling apparatus had been put out of commission by a storm and instead of running through the station on the main line, collided with a stationary goods train on the loop line. But I am not going

to say anything about the responsibility for what happened because the Senior Government Inspector, who was on the spot within a few hours, is still making his inquiries. I can only assure the House that copies of the report of inquiry when it is available will be placed in the Library. I would echo the Honourable Mr. Sapru's words in expressing my sympathy with those who have suffered in this accident.

Then several Honourable Members referred to the dismantling of railway lines. The most extreme view I think was expressed by the Honourable Mr. Sapru, because he seemed to think that no lines could in any circumstances be dismantled for the purpose of the war. He was rather shocked to think that those men who stay behind and work in their fields should be put to financial loss thereby. But if he comes to think it over I think he will realise that the men who use the lines, the men we have sent abroad and who are fighting for us in various fronts, might lose their lives, not their money, if the lines were not supplied. The Honourable Mr. Kunzru reminded us that armies depend on transport and suggested that there was a danger. I think he suggested that we might be causing injury by dismantling lines that were serving supply. Well, the ones we have dismantled, although they are important to the small localities they serve, are all lines of comparatively small traffic which can hardly be regarded as an integral part of the main economic system. I am quite sure that the soldiers who feel that the transport of the armies is going to be better served by taking those lines to another place are right. If I had a bicycle and was using it for earning money and a young man came along and said, "Dacoits are coming to attack you, if you give me your bicycle we will be able to put up a better fight against them", I would not hesitate very long. It was suggested that I should take the Central Advisory Council into confidence in these matters and they should be consulted before decisions are taken. We had to dismantle the first one or two lines, I think, before we could consult them, but we have consulted them on more than one occasion lately and have given them lists, not merely of the lines dismantled but those we regard as next on the list if we have to go further. We took their advice as recently as the end of the last session and I hope the matter will be put to them again some time during the current session.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is care being taken that there will be no shortage of railway material in this country should war break out here ? That was the point I made.

THE HONOURABLE SIR ANDREW CLOW : There is a shortage at present, so I am afraid I could not guarantee that. We have obviously got to apply the railway material at our disposal where we think it will meet best the needs. And the defence of India is not conducted merely within India ; it is being conducted in other fields.

THE HONOURABLE MR. P. N. SAPRU : May I ask whether alternative methods of transport are being developed in areas where the lines have been dismantled ? That was my point.

THE HONOURABLE SIR ANDREW CLOW : As far as possible, but of course the possibilities are very limited. For example, in one or two cases the Central Government have given contributions for improving the roads in those areas. We are now engaged on the question of developing alternative methods of fuel, a matter in which substantial assistance was given by

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an officer of the Railway Board ; but with petrol rationing being essential at the moment and difficulties in securing fresh wagons and the need of not being extravagant in the matter of rubber, there are obvious difficulties in developing mechanical transport on the roads to any large degree. Actually a certain number of the branches—I can think of several of them I have seen myself—are so short that transport can be done by bullock cart, with of course a little extra time. I was asked where the lines are being used. I cannot obviously disclose where they have gone to, but I can say that they are being used not merely overseas but in India for the purpose of defence.

The Honourable Mr. Hossain Imam complained that we had given somewhat meagre information, mainly on the financial side, and said that His Majesty's Government should bear a good proportion of the cost. They are doing so. The arrangement reached, broadly speaking, is that we get the present contract price—that is not the original contract price—depreciated to the extent to which depreciation would have occurred. We also get the cost of dismantlement when the lines are handed over for purposes which fall on His Majesty's Government. Considering that these lines were in most cases not bringing in any revenue but actually a debit, I think it will be agreed that that is from our point of view a very reasonable bargain indeed.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are we to take it that the debit against our revenues is only for the material that is being used in this country ? Rs. 2·91 crores have been debited to our revenues. Is that for the dismantled railway lines that are being used in India itself ?

THE HONOURABLE SIR ANDREW CLOW : I do not know if I quite grasped the Honourable Member's question, but I think it is hardly correct to say that if the rails are used in this country they are debited to us ; if they have gone overseas they are debited to His Majesty's Government. If he will agree to put a question down, we will supply him with full information.

Sir, I think I have dealt with most of the points that Honourable Members have made and I would only make one suggestion in conclusion, and that is that we must view most of these questions in the light of the war. I know that war brings an immense number of hardships, an immense number of disappointments to everyone, disappointments to individual officers, hardships to certain localities, difficulties of obtaining wagons. But these only amount to what I might call the minor hardships of war. There are others, thousands of our countrymen, who are suffering much greater hardships and much greater danger and I feel that in all that we do at this time on the Railways as elsewhere we would do well to keep their needs in our mind. (Applause.)

The Council then adjourned till Eleven of the Clock on Thursday, the 26th February, 1942.
