

fill up such posts by promotion of serving employees;

(b) if so, whether this instruction is still in force;

(c) whether the instruction was violated in 1964 and 1965 and direct recruitments of Chief Draftsmen were made in the Electrical Department, Eastern Railway, Calcutta; and

(d) if so, whether any inquiry has been held in the matter?

The Minister of Railways (Shri C. M. Poonacha): (a) and (b). Yes.

(c) and (d). Two candidates in 1964 and one in 1965 were recruited from the open market with the prior approval of the Railway Board owing to non-availability of a suitable candidate amongst the eligible staff in lower grades on those two occasions.

Operating Costs

543. Shri Indrajit Gupta:
Shri Kanwar Lal Gupta:
Shri E. S. Vidyarthi:
Shri Ram Kishan Gupta:
Shri Yashpal Singh:

Will the Minister of Railways be pleased to state:

(a) whether Government have explored the possibility of cutting down the mounting operating costs in the railways; and

(b) if so, the steps being taken in this regard?

The Minister of Railways (Shri C. M. Poonacha): (a) and (b). The review and control of operating costs is a continuous process on the Indian Railways and action is being taken both by the Zonal Administrations and the Ministry of Railways to keep down costs to the minimum consistent with maintenance of efficient and adequate train services. In the context of the present economic conditions in the country, there is an even greater emphasis on the control of operating costs and several directives have been

issued by this Ministry to the Zonal Administrations to achieve this objective.

While there are some aspects of expenditure over which Railways have some control, e.g., the number of staff employed, the quantity of materials and other services used etc., there are many items of expenditure which are beyond the control of the Railways, such as the rates of dearness allowance sanctioned from time to time, prices of materials commonly used in Railway operation like coal, cement, steel etc. or rates of sales tax, excise and custom duties levied on such materials, variations in which have a significant impact on costs of railway operation. When such changes are substantial or come in quick succession, it becomes impossible to ward off their effect on operating costs.

At constant prices, i.e., excluding the effect of increase in wages and prices, the total operating costs per million gross tonne kilometres and per million traffic units have come down in recent years due to the efforts to achieve higher output with less expense. Staff strength per million train kilometres or per million gross tonne kilometres has also registered decrease over a period of years.

West German Assistance to Small and Medium Scale Industries

544. Shri Manibhai J. Patel:
Shri Bibhuti Mishra:
Shri K. N. Tiwary:

Will the Minister of Industrial Development and Company Affairs be pleased to place on the Table a copy of the report regarding the West German Assistance to Small Scale and Medium Scale Industries in India; and state the views of the Reconstruction and Loan Corporation which screens aid to developing countries on behalf of the West German Government?

The Minister of Industrial Development and Company Affairs (Shri F. A.