

The Lok Sabha Re-assembled after Lunch
at Ten Minutes past Fourteen of the
Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

RE : PRESIDENT MR. KIMIL IL-
SUNG OF NORTH KOREA

[*English*]

MR. DEPUTY SPEAKER : The hon.
Minister.

SHRI INDRAJIT GUPTA (Basirhat) :
Sir, with your kind permission, May I draw
your attention to the fact that the All India
Radio has been broadcasting from the
morning the news that the President Mr.
Kimil Il-Sung of North Korea has been
shot dead ?

MR. DEPUTY SPEAKER : I do not
know.

SHRI INDRAJIT GUPTA : It seems
that there is some confusion about it. So,
I think, our Government must be knowing
authentic information. It is an important
matter.

MR. DEPUTY SPEAKER : We have
not received any information. After
getting the information, we will inform
you.

SHRI INDRAJIT GUPTA : How will
you get the information, unless the Govern-
ment gives the information ? We have an
Embassy there. They must have sent some
information.

MR. DEPUTY SPEAKER : Please take
note of what the hon. Member is saying.

THE MINISTER OF STATE IN THE
MINISTRY OF PARLIAMENTARY
AFFAIRS (SHRIMATI SHEILA
DIKSHIT) : Sir, we have noted the hon.
Member, Shri Indrajit Gupta's point which
he raised just now. We are in touch with
the Ministry of External Affairs. The
moment the confirmation is there, we will
come to the House.

SHRI INDRAJIT GUPTA : Confir-
mation or denial ?

SHRIMATI SHEILA DIKSHIT : Let
us hope, denial.

14.12 hrs.

SUPPLEMENTARY DEMANDS FOR
GRANTS (RAILWAYS), 1986-87—
Contd.

[*English*]

SHRI RAJ KUMAR RAI (Ghosi) :
Mr Deputy Speaker, Sir, I have put certain
things...

(*Interruptions*)**

MR. DEPUTY SPEAKER : Nothing
will go on record. You can give in writing
to the Minister anything if you want. I am
sorry.

(*Interruptions*)**

MR. DEPUTY SPEAKER : No, please.
I have already given you my ruling that I
cannot allow you to speak now. It stays,
because I had already called your name, at
that time you were not here and I announc-
ed that the House would adjourn. The
Minister is replying. He is on his legs. In
this circumstance. I cannot allow you.
Please take your seat.

(*Interruptions*)**

MR. DEPUTY SPEAKER : Mr. Rai,
I told you, no. You are always creating
this type of problem. So, I have to repeat
the something to others also. That is why,
I don't want to create this type of situation.
I am very sorry for that. Now, the hon.
Minister for Railways to reply.

THE MINISTER OF STATE OF THE
MINISTRY OF RAILWAYS (SHRI
MADHAVRAO SCINDIA) : Mr.
Deputy Speaker, Sir, I would like to thank
the hon. Members who participated the
debate on Supplementary Grants and gave
us several valuable suggestions. There

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were several Members who made very valuable contributions. like Mr. Panika, Dr. Bhoi, Mr. Basheer, Mr. Jain and others. I have got a very long list of names, but I can assure you that their suggestions will be kept very much upper-most in mind.

SHRI SAIFUDDIN CHOWDHARY (Katwa) : What about our names ?

SHRI MADHAVRAO SCINDIA : Then, I will add Mr. Amal Datta to that list also.

SHRI AMAL DATTA (Diamond Harbour) : Okay, Sir.

SHRI MADHAVRAO SCINDIA : I never really knew that Mr. Amal Datta would be satisfied so quickly.

SHRI AMAL DATTA : Name does not matter, but our suggestions should be considered. That is all.

SHRI MADHAVRAO SCINDIA : Sir, the Railway exercise is truly a very massive one and the success or failure of this exercise depends not only on those who run the machine, but also on those who utilise it. The vast majority in our country in some way or the other connected with or affected by Indian Railways, which is the second largest system under one management in the world.

We in the Railways understand and accept, with humility, this onerous responsibility; and it would be our constant endeavour to rise to the expectations of our countrymen, inspite of the odds that face us in the shape of tremendous pressure that is building up on the system in terms of population and in terms of freight. This too is further compounded by the acute shortage of overall resources in the country.

Hon. Members know that we carry about 10 Million passengers every day, and that we are expected to carry 294 million tonnes of originating traffic in the year 1986-87. But I was very happy to note in the speeches of many hon. Members that they too realized our difficulties. Where we had received 15.45% of the total national

Plan outlay in the 3rd five year Plan, we received a mere 5.27% in the 6th Plan; and we are due to receive only 6.85% in the 7th Plan.

Mr. K.P. Singh Deo did raise certain points about cost over-runs and delays in projects. Cost over-runs and delays in projects are mainly taking place because of the shortage we are experiencing in financial resources. Wherever shortage is not experienced, Indian Railways have very clearly adhered to targets, inspite of some very challenging targets set. I would like to take the example of the Rail Coach Factory at Kapurthala. We have been given a target of 24 months to complete this, whereas normally, internationally such a factory would take nothing less than 3½ to 4 years to be set up. Our clock started ticking in March 1986 when the land was handed over to us. And I am glad to inform the House that we are bang on target, and I do hope that we would be able to stick to the target that has been set. *(Interruptions)*

Inspite of this, we do know—it is not just because I want to maintain the sympathy of the Planning Commission and the Finance Ministry—that both Planning Commission and the Finance Ministry are doing their best possible for us, in the circumstances. *(Interruptions)*

The only way, therefore, is to square up and face the challenge in providing adequate transport infrastructure necessary to support the national effort. This can only be achieved by optimizing even more, the asset utilization and financial working, and providing adequately for priority items like accumulated backlog of track renewals, and various modernisation programmes.

I am glad to inform the House—in fact the House itself is very well informed—that the Railway family has really exerted itself in the year 1985-86, and substantial progress was achieved in the pursuit of these objectives.

The House well knows the record-breaking freight haulage of 258 million tonnes of revenue-earning traffic against a target of 250 million tonnes. I would like to point out here

that in the last ten years, from 1977-78 to 1985-86 in only two years had the laid-down targets been achieved. Otherwise, the record has not been all that bright. In 1977-78, the target was 220 million tonnes—210 million tonnes were achieved. Recently, a very prominent leader of the Opposition called these the golden years of Indian Railways. A target of 220 million tonnes; achievement 210 million tonnes; In 1978-79 the target was 222 million tonnes, and the achievement was less than the year before: 199.6 million tonnes. In 1979-80 the target was 222 million tonnes. Planning Commission has been extremely charitable, in keeping the target at the same mark. As far as we are concerned, they gave us a quantum jump from 237 million to 250 million tonnes.

But way back nine years ago, they kept the target where it was: and the performance down from 199.6 further down to 193.1. This was what has been described as the golden year of the Indian Railways. I must beg to differ. Only in 1981-82 and 1985-86 has the target laid down been achieved. Similarly, net tonnes km per wagon per day has risen from 1150 to 1288 which is itself a record breaking performance. This is the best and the clearest efficiency indicator for the Indian Railways.

I would like to talk here about a couple of points which Mr. Ramoowalia had raised regarding the movement of foodgrains. I would like to inform the hon. member that the railway has launched a massive operation to lift foodgrains from Punjab. In the current year, 1986, 8.3 million tonnes of foodgrains have been moved upto October 1986, which gives a monthly average of 8.38 lakh tonnes, which is 35 per cent higher than in 1985 and 69 per cent higher than in 1984. In fact it is a record with the movement crossing 1 million tonnes mark in the month of October alone. I would like very clearly to state that the railways are carrying all the foodgrains offered by the FCI in Punjab and the accumulation/foodgrains stock in the current year in Punjab cannot be ascribed to any lack of railway transport. The overall loading and the movement of foodgrains at the level of about 16 million tonnes by

railway in seven months during April to October 1986 has also surpassed all previous record and is 30 per cent higher than the target. The target for the entire year is 22 million tonnes and, in these seven months we have already achieved 16 million tonnes of those 22 million tonnes.

Mr. Amal Datta had made some mention about coal. The hon. member does not appear to have the correct information. The railways are lifting all the coal that is being offered for movement by railway. In fact, we would like to have more traffic and there is no difference of opinion on the factual position between us and any other department of the government.

SHRI AMAL DATTA : When Mr. Sathe was the Coal Minister, he said, what shall we do. We are mining more coal; it is all accumulating.

SHRI MADHAVRAO SCINDIA : Coal is a priority and we would like to have more traffic. There is no problem, as far as we are concerned. But the statement that trains carrying coal are intentionally stabled is not correct, and the hon. member is perhaps aware that railway transport coal and cannot play any role in the quality supplied. As far as transport output is concerned, we have crossed for the first time in 1985-86, 205 billion tonnes km mark which was an improvement over the previous year of over 12 per cent. What is very very pertinent is that this entire performance of freight movement, passenger movement, was achieved with a marginal reduction in our rolling stock fleet. The rolling stock fleet was marginally depleted and yet the elasticity was stretched to its maximum and with the reduced fleet we achieved this record breaking performance; the railway family achieved this record breaking performance. Another thing to be kept in mind is that railway operations have to be judiciously balanced. There is a very large accumulated backlog of track renewal modernisation programme, electrifications and we want to accelerate it, but the moment you accelerate it, then you have to start giving engineering blocks on various sections of the track which slows down movement. In track renewal this year, the target was 3000 km and we

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achieved 3578. Electrification went upto 461 kms. This is an improvement of 30 per cent and 37.6 per cent over the previous year. This year again the targets have been stepped up to 3,800 and 560 km respectively for track renewal and electrification.

This year has once again seen an improvement over the record performance last year. I would like to inform the House that every month of last year was a record for that month in the history of the Indian Railways, as far as revenue earning freight was concerned and every month this year has established a new record over the earlier record in spite of the shortfall of offerings of certain programmes of bulk traffic, the railways have lifted a million tonnes over the six-months target and eight million tonnes over last year.

Similarly, the efficiency indicator, net tonne kilometre per wagon per day during the period April to September improved again to 1275 from 1203 the year before. Why I am going through these figures is, time and again there are some hon. Members who have thought it fit to say that efficiency has constantly been dropping which is not a fair judgement on the performance of the Railway family. It is not my performance that we are judging here but the performance of the smallest worker on the Indian Railway system and to pass such a judgement after these efforts, I do not think, is a very fair thing to do. That is why I am quoting these figures.

There has also been improvement in the P.O.H. out-turn in the case of diesel and electric locomotives, in the year 1985-86 the improvement in the electric locomotives over the previous year has been 11 per cent, and in the six months this year there is an improvement of 43 per cent over last year. Similarly, in diesel there was an improvement of 20 per cent last year and this year the improvement is 36 per cent over last year.

SHRI AMAL DATTA : Do you know that the consumption has gone down ?
(Interruptions)

SHRI MADHAVRAO SCINDIA : I am coming to your points; I will answer all your points. I suggest you have a little patience. I will answer all your points.

As far as passenger kilometres are concerned, again they have risen substantially. However, we have to further plan our modernisation programme so that we can substantially improve meet our national requirements in the years to come.

In the Seventh Plan period and the earlier part of the Eight Plan a number of technology upgradations will have taken place. We have, as hon. Members know, already placed an order for 6000 HP locomotives. Eighteen such locomotives will be imported and will be on our system in the year 1988 and will be under production in Chittaranjan in the year 1989-90. A 4000 HP diesel locomotive will also be introduced to upgrade a 35-year old technology. The global tender has been floated and a decision will be taken on what type of diesel locomotive should be imported for production in the DLW Varanasi, eventually, after the technology transfer takes place.

A decision has to be taken on a new passenger coach, and a new freight bogie.

Mr. K.P. Singh Deo during his very constructive speech asked, "Why are we producing wagons at all? Why should the Railways produce wagons? Why should we not just leave it to the public and private sectors?" I would like to just inform him that we are producing only 4.4 per cent of the total wagons produced in the country and we are doing this for certain reasons. We feel that a small portion of wagons should be manufactured by us so that it would facilitate things like proto-type development and manufacture of our own piece-meal requirements we can also have a better idea of what sort of price we should pay for the wagons that we buy from outside and for establishing our own manufacturing process to a limited extent.

We are also going to institute a 'Train Describer System' a pilot project has been

set up for Delhi, and the Train Describer System should be in place by 1989-90 which would greatly help the entry and exist of trains from Delhi. Hon. Members must have experienced that some times one is only twenty minutes late upto Faridabad then he has to hang around for one hour or one and a half hours because he has missed that vital slot. If a Train Describer System is operating it would control—electronically—the entire exist and entries of these trains and greatly improve the efficiency.

SHRI AMAL DATTA : Why has it not been done before ?

(Interruptions)

SHRI MADHAVRAO SCINDIA : We are already successfully running 9000 tonne heavy haul train—a quantum jump from 4500 tonnes. But now are experimenting with a 13,500 tonnes heavy haul train.

As hon. Members know, the Centre for Railway Information Service, a registered society, has been set up with a very high powered governing council which would over-view the entire computerisation of the Indian Railways. It was felt that computerisation in all its aspects had taken place in a too dis-jointed, un-coordinated and ad hoc fashion. There was the OIS system, there was the passenger reservation system, there was replacement of IBM 1401s and then there were little bits and pieces which go into yard information service and various things in the zone. Now, it was felt that we would like to have an umbrella organisation which would over-view the entire gamut of computerisation in the Indian Railways so that there will be better coordination and better management. That is why, CRIS was set up. The freight information system, OIS system is on target. And we are pursuing it as one of our priority projects.

A number of passenger amenities also we have also been introduced in spite of shortage of resources.

A number of Members have been talking about new lines. Our total requirement for new lines, on-going projects, as of today, is Rs. 1600 crores, and we have been allotted

for the entire five-year period Rs. 350 crores. Similarly, for gauge conversion, our requirement as of today is Rs. 750 crores, but we have been allotted in the five-year period Rs. 150 crores. These are the constraints we are facing. But in spite of that, in the mid-year we have also made some adjustment. I would like to mention some of them.

Our friends from the southern states will be happy to know that we have given to the Karur-Dindigul line another about Rs. 3.4 crores making a total of over Rs. 7 crores this year. Mr. Krishna Rao also will be happy to know that Alleppy-Ernakulam line has been given another Rs. 2.75 crores, which will make for a total allotment of Rs. 5.75 crores. We have given to Tirunalvelli-Trivandrum line a small amount of Rs. 30 lakhs.

PROF. N.G. RANGA (Guntur) : Why only Rs. 30 lakhs ?

SHRI MADHAVRAO SCINDIA : Why has this small amount of Rs. 30 lakhs been given ? Because there are things like land acquisition, etc. that are required before you can give a major allotment. It is not that you just sit here and put a blindfold on your eyes and say, all right, for this line, this much is given. There is a rationale behind everything.

Mr. Umakant Mishra and Mr. Jagannath Choudhary mentioned about Varanasi-Bhatni gauge conversion. We have given Rs. 77 lakhs, which is almost double the allotment. To Barabanki-Samastipur line we have given another Rs. 2.95 crores for gauge conversion. To Barauni-Katihar gauge conversion we have given another Rs. 1.87 crores. Bhuj Nalia new line has been given another Rs. 1 crore. Viramgram Okha gauge conversion line has been given another about Rs. 1 crore. Tamluk-Digha line has been given Rs. 1 crore...
(Interruptions)

SHRI AMAL DATTA : The Prime Minister's letter says that Rs. 5 crores has been given to this line.

SHRI MADHAVRAO SCINDIA : Some of the hon. Members of the opposition in their speeches and unfortunately some of

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them even now have reflected some sort of frustration that I did not raise passenger rates and so, they have nothing to shout about. I would suggest that they should not give vent to their frustration, but just hear me out.

Tamluk-Digha line has been given a crore of rupees this year because this is the capacity of its absorption this year. We will have to set up a unit; we will have to set up an organisation and in the coming year we are certainly going to give a higher allotment. But for the last 3½ months of the year, if you want, an allotment of Rs. 20 crores can be given, but it cannot be absorbed.

SHRI AMAL DATTA : But the Prime Minister says that it has been given Rs. 5 crores.

SHRI MADHAVRAO SCINDIA : It is going to be given priority. A number of various other lines and gauge conversions were talked about and I am afraid, I will probably answer individually to each Member...*(Interruptions)*.

SHRI M. RAGHUMA REDDY (Nalgonda) : Nothing has been given to Andhra, Sir.

SHRI MADHAVRAO SCINDIA : I will deal with all your suggestions individually. There are number of lines, about 70-80, to be talked about. So, obviously I cannot answer each and every case.

As far as passenger amenities are concerned, we are also setting up coaching cabinets which would hopefully improve and rationalise the utilisation coaching stock on the Indian Railways so that with the existing stock itself we could improve the services.

As far as claims are concerned, this was again a source of great irritation to the users. The number of six-month old claims on 1.1.1985 was 14,953 and a year and a half later we have brought this down to one, and now none exists with over six months. Similarly, the total claims pending have come down from 84,900 to about 35,600. We are still quickly finding solutions and

deciding on these claim matters so that it is not a further source of irritation and harassment.

The daily sale of casseroles is about 30,000 and the percentage rise is 31 per cent. We are modernising our base kitchens and we are spending about a crore of rupees on the modernisation of our base kitchens.

About the computerisation of reservation, I think already the House is well informed. I have talked about it on several occasions. By March 1987, the entire Delhi area will be on computer and by the end of the calendar year 1987, Bombay and Calcutta should be on computer, and by 1988, Madras should come be on the computer. In the meanwhile, we are also considering places like Lucknow, Patna, Bangalore, Secunderabad, Ahmedabad and various other such places where similar computerisation schemes should be started.

The refund procedure has been simplified. One Member talked about ticketless travel. The number of ticketless passengers apprehended this year has gone up by about 15 per cent. Mr. Narayan Chaubey talked about the reservation quotas at Nagpur. I will be looking into that. He talked about supply of bed-rolls in trains also. I would ensure that bed-rolls are given in sufficient supply on South-Eastern Railway so that Mr. Narayan Chaubey can have a good nights rest and is fresh to harass me with further questions in Parliament.

Regarding the streamlining of passenger services, I would like to inform the House that during the year 1985-86, the Railways introduced eight new trains, extended the run of 42 trains, increased the frequency of three pairs of trains and provided 48 through service coaches for the convenience of the travelling public. As many as 358 trains, including 192 Mail and Express trains were speeded up. In fact, in October, 1986, we have further introduced three new Express trains, increased the frequency of seven important trains, including the Delhi-Howrah Rajdhani which had been requested by many Members, extended the run of six pairs of trains and speeded up a number of others, including the two pairs of Rajdhani is. For better travelling comfort, three coaches have been provided between 12

pairs of points. All these improvements have been made without any substantial increase in the holding of passenger coaches and have been achieved through rationalisation, integration and better utilisation of stock. The passenger vehicle kilometre output has increased by over 15 per cent and we have taken a major decision, as I said, of setting up coaching cabinets in all our zonal headquarters. During 1985-86, 65 new suburban trains were introduced and the run of fifteen trains was extended. So, we are doing our best in the matter of passenger amenities.

Train punctuality has gone up to 92.9 per cent till the end of August.

The safety area also exercised quite rightly the minds of various Members, especially Mr. Bhattam. I would like to inform the House that the year 1985-86 has recorded the lowest ever number of accidents in the history of Indian Railways—717—and I am happy to inform the House that this year 1986-87 compared to the same period last year, once again accidents have gone down by 16 per cent over the record year the year previous. As far as staff responsibility for accidents is concerned too, it has gone down from 67% in 1985-86 to 59% in the corresponding period this year.

SHRI ATAUR RAHMAN (Barpeta) : No mention has been made about the North East.

MR. DEPUTY SPEAKER : He will make it, wait, wait.

SHRI MADHAVRAO SCINDIA : As far as North East is concerned I may inform Shri Goswami as far as that the Joghichopa Bridge is concerned, the critical activity is the design of railway bridge. We are going to adopt a new design of the bridge. It is called a cable stay bridge. Probably you know more about it than I do. I passed orders that the consultant should be immediately engaged. The designing is likely to take 15 to 18 months for the final submission of the report after the consultants are engaged.

We are also giving priority to several North East lines. We are giving priority to the Dharam Nagar-Kumarghat line, the

Balipara-Bhalukpong Line, Silchar Jiribhum line, Lalabazar-Bhadraji Line. The Amguri Tuli line has been held up because of some land problems. That is all being sorted out.

SHRI ATAUR RAHMAN : No mention has been made about...

SHRI MADHAVRAO SCINDIA : I cannot answer every individual question. It becomes extremely difficult. Let me answer in general, about overall policy matters. This Government under the directive of the Prime Minister gives importance to the North Eastern area. That is why I have mentioned specific lines. With the limited resources that are available, the Railways must finance projects which enable passengers to travel with greater safety and comfort, projects for rehabilitation to wipe out all the backlogs and projects of modernisation, which will enable us to face the challenge of moving between 450 to 550 MT of originating traffic in the year 2000.

Whilst carrying out this exercise it goes without saying that optimum utilisation will have to be achieved. At the same time we have been and will be accommodating certain areas which are deemed to be our social responsibility. I am sure that hon. Members know that the total burden on the Indian Railway approximately as far as social responsibility is concerned, is about Rs. 1100 crores of which Rs. 900 crores is for subsidy that we give on coach movement and another Rs. 200 crores for movement of essential commodities. Whilst we will continue to fulfil our social obligations, but if any one wants to take a critical view of the Railway, a commercial view of the Railways, credit must be given to us for this burden that we carry as a social responsibility.

If you take this into account the Railway operating ratio falls to approximately 75% or 76%. Similarly if these factors are taken into account the stipulated dividend which Railways are to pay to the Central exchequer from time to time goes up from 6.5% to about 18% and such a return on investment is extremely creditable by any national or international standard.

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In fact the Railways have been absorbing an increase in input cost all the time, by improving productivity both of men and in machine. A lot has been said by the hon. Members about productivity of the Indian Railways. They felt it has not improved. It is not a very fair judgment to make about the Railways. I would just like to quote a few statistics to support this. I informed the House of the financial position in my Speech on 7th November. The loading efficiency indicator per wagon per day upto August end had risen from 1189 to 1260 this is the best indicator for efficiency. This is the best indicator of the utilisation factor of the wagons. Now the provisional results for September are available and the efficiency indicator has again risen from 1203 to 1275.

Improvement has been recorded in locomotive utilisation both diesel and electric and there is improvement in vehicle kilometers per vehicle day also.

Ineffective percentage of locomotive has come down.

April-August, 1985	23.4
April-August, 1986	14.6

There is an improvement of 37.6% in one year. Similarly there is 10% improvement in ineffective wagons and coaching stock.

Apart from improving productivity of the assets we have also laid great emphasis in increasing manpower productivity. In 1985-86 the traffic units carried on Railways per employee were 2.77 lakhs rising from 2.55 lakhs in 1984-85, which is an increase in productivity of about 9 per cent in one year alone.

The number of employees on the Indian Railways per million traffic units showed a substantial decrease from 4.28 in 1980-81 to 3.75 in 1985-86.

Hon. Members may also find it of interest that according to the figures published by the Fourth Pay Commission, while the total increase in Government staff between 1971 and 1984 is 27 per cent, in Railways it is only 7.6 per cent, the lowest amongst all Departments. Here I would

like to quote from the Report of the Fourth Pay Commission, in Chapter III, page 49, where it says :

“The growth in the Department of Posts and Telegraphs is the highest followed by that of the Ministeries Departments and Defence. The growth of employment in Railways at 7.6 per cent was the lowest”.

With greater emphasis on economy of operations, these increases in assets and manpower productivity have also been accompanied by a substantial reduction in unit cost operations in financial terms at constant prices. At 1980-81 prices, the ordinary working expenses per gross tonne kilometre in 1980-81 was 5.75 paise. It dropped to 4.88 paise in 1985-86, which is again an improvement of 15 per cent.

I would like to give you another figure in support of productivity improvement. I would like to give you in quantitative terms the impact of the policy of tariff restraint followed by Railways on the Railway finances with 1970-71 as the base.

While composite weighted inputs in 1984-85 went up to Rs. 443.1, unit revenue per passenger kilometre went up to only Rs. 257.2 and the unit revenue per nett tonne kilometre went up to Rs. 370.2.

Had the Railways taken full cognizance of increase in cost inputs, the total additional earnings would have amounted to Rs. 1,737 crores in 1985-86. In the year 1985-86 the budget estimates showed a surplus of Rs. 74 crores. After the budget was presented, the post-budget increase in input costs amounted to Rs. 282 crores. I am glad to inform the House that not only did we entirely absorb the rise in input costs, but after payment of full dividend, the surplus is likely to rise for that year from Rs. 74 crores to Rs. 179 crores, and this is in spite of the index of input costs having gone up by 12.5 per cent whereas the combined percentage increase in passenger and goods traffic was restricted to 8.9 per cent. This overall financial performance has been achieved after a contribution of 55 per cent from internal resource generation to annual plan outlay as opposed to the Sixth Plan average of 42 per cent and the Fifth Plan

average of 25 per cent. I would like to remind the House of the period 1977 to 1980 when internal resource generation ranged from Rs. 155 crores in 1977-78 to Rs. 108 crores in 1980-81, which is a mere 1.78 per cent to 3.2 per cent of the capital at charge, and it is this faulty and short-sighted planning that has led to such a massive accumulation in rehabilitation work. It was in 1985-86 that a quantum jump was effected in the figures of internal resource generation. We went up to Rs. 1064 crores or 11.7 per cent of Capital-at-charge as against Rs. 637 crores in the year previous. I am glad again to inform the House that this year we have provided for Rs. 1,370 crores or 13.3 per cent of the Capital-at-charge.

I was questioned by Mr. Basudeb Acharia about why the Indian Railway Finance Corporation was set up at all. There is a certain shortage of resources that we are facing. We would not have received the required quantum of budgetary support for our total plan. Our internal resource generation had gone up, but the budgetary support that we were expecting was not really forthcoming. Therefore, the choice before us was either to cut the Railway plan or to go in for bonds. We took the second alternative and I hope that within this year, we will, through public bonds, get Rs. 250 crores. In principle, we have already decided to set up the Railway Finance Corporation and the details are now being worked out on what terms the bonds will be floated.

Railways have now been constrained to resort to adjustment of freight taper basically because of the heavy burden imposed by the recommendations of the Fourth Pay Commission, an estimated amount of Rs. 462 crores. In this connection, I would like to take this House back to 1974-75 when the report of the Third Pay Commission was implemented. In the budget proposals of that year, the percentage increase in tariff amounted to 12% of the gross traffic receipts. This was followed by another increase in fare and freight rates in September 1974 which had an impact of another 12%. So, the overall increase in the financial year 1974-75 was as much as 24%, after the Third Pay Commission report had been implemented. As against this, the House will notice that whereas the impact of the Fourth Pay Commission on Railway finance

is larger than at the time of Third Pay Commission, the funds being raised through tariff adjustment total up to only Rs. 396 crores, including Rs. 76 crores raised at the time of budget. And this amount of Rs. 396 crores which is being raised through tariff taper adjustment works out to only a little over 6% of gross traffic receipts recorded in the year 1985-86. Sir, some Member have mentioned that we should have already allowed for this in the Budget. We are not clairvoyants or astrologers. We could not really tell what the final impact of the Pay Commission would be. As far as the other items, dearness allowance, interim relief and productivity linked bonus are concerned, the figure were decided only after the Budget was presented. Even if we could have roughly anticipated what they would come to, that would not have affected on the railway finance because the surplus of Rs. 69 crores alongwith an increase in traffic earnings of Rs. 106 crores, would have, in any case, taken care of the Rs. 128 crores on this account. Therefore, the Fourth Pay Commission report is really the principal reason why we have had to go in for freight taper adjustments.

Some hon. Members have expressed concern at the cascading effects that the present proposal for change in freight structure will have on the general level of prices. An alternative to those proposals would have been an increase in the quantum of deficit financing which the hon. Members would also agree would have an adverse effect on the price level. Therefore, it was necessary to follow a balanced policy in this respect, in the best overall interest of the economy. I would like to submit that in the first place, the degree of impact which is being projected in certain quarters is exaggerated. We have also made a study of this before going in for freight taper adjustment. We have calculated the increase in price as a result of proposed changes in freight taper of 9 articles consisting of essential commodities, namely wheat, rice, levy sugar, potato, onion, petrol, kerosene, high speed diesel and salt which are in common use by the people. The increase per kilo in these commodities ranges from 2.69 paise per litre for kerosene to the highest of 5.88 paise per kilo for potato. And it is only after studying this effect in great depth, did we decide to undertake this

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measure. As far as the impact on industry and the economy is concerned, the Members are aware that the most important and the largest commodity moved by rail is coal. In this context, it would be relevant to mention that the weightage of coal in the W.P.I. of the country is 1.07%. The proposed change in freight taper as applicable to this commodity, coal, will have a direct impact on W.P.I. of 0.072% and even taking into account the indirect impact, *i.e.* secondary and tertiary effects, the total impact as far as Coal is concerned on W.P.I. is likely to be roughly 0.169%.

Another aspect I would like Members to consider is that in a growing economy which needs considerable development and at the same time has severe constraint of resources, there are broadly three important and somewhat conflicting factors to be kept in view :

(a) That development plan must not go below minimum size which would otherwise create serious bottle-necks in economy alongwith chain reactions;

(b) Need to keep administered prices to minimum level in order to keep chain reactions on general price level to lowest possible;

(c) Need to keep burden on general exchequer at low level so that deficit financing is kept to a minimum in the interest of price stability.

Taking all these factors into account, the proposals I have placed before this august House represent the most balanced approach feasible under the circumstances.

I mentioned in the House while presenting the proposals for change in rail tariff taper—that the telescopic taper of railway freight rates has been flattened to some extent.

Hon. friend Shri Basudeb Acharia did make mention of the Paranjape Committee, RTEC report. I would like to point out here that neither at that time nor now were the Paranjape Committee proposals accepted as far as the taper was concerned by the Government and subsequently a very high-

powered RRC was set up by the Committee Sarin which has submitted a report in 1983. It did not endorse the view of the Paranjape Committee. We have gone by the recommendations of the subsequent Committee that was set up.

While making an assessment of the degree of taper in railway freight rates, two accepted principles that we have tried to keep in mind are :

(a) What the traffic costs; and

(b) What the traffic can bear.

Taking both factors into account, there was justification in flattening the taper for longer distance in order to make them more rational and more equitable between short and long distance traffic. Changing the freight taper in order to raise additional revenue would be the more scientific way rather than adhoc across the board increase uniformly over all distances.

A point has also been raised that the flattening of taper will have an adverse effect on optimum inter-modal distribution of traffic between railways and roads.

Shri Sharad Dighe made a very interesting and very constructive speech and I would like congratulate him. He was the one Member who totally refrained from the temptation of talking only about his Constituency. He gave us some very valuable suggestions.

As Members are aware, all traffic which is capable of moving in bulk in train loads (unit trains), as well as less than train load traffic for long and medium distance is more suitable for rail transportation than for road. The flattening of the taper for longer distance proposed by me will be in keeping with these objectives and will not tend to divert to railways the less than train load traffic for short distances.

Hon. Members, the performance of Indian railways is before you. I do not think any one can dispute the fact that significant improvement has been made in all sectors by the railway family. This year marked yet another milestone in improvement efficiency. But the staggering burden of

Rs. 462 crores additional liability due to the Pay Commission recommendations as accepted by Government alongwith certain other increases in staff expenses converted our estimated surplus of Rs. 69 crores which was well within reach, into a deficit of Rs. 415 crores.

The choices before us were obvious.

(a) Default on estimated dividend payable of Rs. 590 crores.

(b) End with deficit budget of Rs. 415 crores;

(c) Balance conflicting interests and various options to reduce deficit to manageable proportions.

The first two options would have meant resiling from our commitment to national exchequer by merely passing the buck to Finance Ministry by adding to deficit in the National Budget.

We chose the harder, more difficult third option because we believe in facing issues fairly and squarely and not washing hands of the responsibility of being crucial co-partners in national exercise.

We are now left with a deficit of Rs. 95 crores.

15.00 hrs.

I can assure the House, on behalf of Railways, that we will strive with all sincerity to try and see that this deficit—if not fully covered—is at least reduced to the minimum by the time the year ends—through an even greater traffic effort.

In the Budget presented in the year 1986-87, the task was challenging enough. But the staff morale was high and when the morale is high, there is no obstacle that human endeavour cannot overcome. We had met the challenge well and were steaming along merrily. But suddenly mid-way through the year we were faced with this even stiffer challenge. To meet this challenge, we must preserve the precious morale built up in Indian Railway family. For this we need your encouragement. Not that we flinch from criticism—in fact it is welcome

because without criticism one cannot improve. But there have been some who have totally discounted—both amongst the hon. Members of Parliament and the scribes above who have totally discounted the record results. They talked about the performance as dismal performance. They totally neglected and completely overlooked the obvious improvement without even going into the performance.

It is through you that I would like to make a fervent plea to all the sections of the House not to criticise merely for the sake of criticism. Look at the Railways not through me but through the Railway Station-Master who is performing his job in farflung places where no medical facilities exist; where no schooling facilities exist. Look at the Railways through the Railway Cabinman performing his crucial job of setting the points, maintaining a lonely vigil through rain and through storm. Look at the Railways through the Railway Driver and the Guard for ever vigilant and alive to the responsibility that precious lives depend on them.

(Interruptions)

Look at the Railways through the Railway Pointsman delivering his tokens and messages at times when not only does the world is awake but also when it sleeps. And the jokes that are going on there give the true picture of how much those members feel for the Railway workers.

(Interruptions)

Look at the Railways through the Railway Gangman who is patrolling the tracks through the bitter cold winters and cauldron hot summers. It is through them that you must see the working of the Railways. If there have been improvements as the figures clearly demonstrate, it is entirely to them that the credit must go. It is their morale which has carried the day. It is they who have produced the results. Merely for the sake of criticism, do not sweep their tireless endeavours under the carpet in one deft stroke. To score a debating point on the floor of the House, do not wash away their achievements. If you do that, you will be doing them an injustice which they do not deserve.

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I implore hon. Members to help us preserve the morale which has been the crucial factor in giving a new lustre to the Railway fabric. We seek your guidance and your cooperation, your help, and most importantly, we seek your understanding. I can assure you, if this is given in good measure, the Indian Railways will not fail you. Within a few years through a joint effort—both yours and ours—we will make a Railway that the country can be proud of.

MR. DEPUTY SPEAKER : I shall now put the Supplementary Demands for Grants

(Railways) for 1986-87 to vote. The question is :

“That the respective supplementary sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President of India out of the Consolidated Fund of India to defray the charges that will come in course of payment during the year ending the 31st day of March, 1987, in respect of the heads of Demands entered in the second column thereof—Demand Nos. 1, 3 to 12, 14 and 16.”

The motion was adopted.

Supplementary Demands for Grants (Railways), 1986-87 voted by Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grants voted by the House
1	2	3
1	Railway Board	70,00,000
3	General Superintendence and Services on Railways	55,85,34,000
4	Repairs and Maintenance of Permanent Way and Works	80,93,33,000
5	Repairs and Maintenance of Motive Power	43,74,79,000
6	Repairs and Maintenance of Carriages and Wagons	66,64,44,000
7	Repairs and Maintenance of Plant and Equipment	43,58,43,000
8	Operating Expenses—Rolling Stock and Equipment	62,23,18,000
9	Operating Expenses—Traffic	105,01,32,000
10	Operating Expenses—Fuel	1,29,61,000
11	Staff Welfare and Amenities	27,38,19,000
12	Miscellaneous Working Expenses	32,61,37,000
14	Appropriation to Funds	70,00,00,000
16	Assets—Acquisition, Construction and Replacement Other Expenditure	42,00,000