

Shri M. C. Chagla: Will he kindly listen to me? The only facts I know are the facts which the House already knows. The facts are that hostilities have broken out . . .

श्री प्रकाशचौर शास्त्री (हापुड़) : मेरा पार्यट आफ़ भाईर है। हाउस को अभी तक इस विषय में कोई जानकारी नहीं है। केवल-मात्र यह चर्चा सुनी है कि संघर्ष प्रारम्भ हो गया है। विदेश मंत्री के पास संसद्-सदस्यों की प्रेषणा ज्यादा साधन हैं। वह अपनी जानकारी के आधार पर बतायें कि अब तक क्या-क्या घटनायें घटी हैं। उनको यह कह कर सम्झाई पर पर्दा डालने की कोशिश नहीं करनी चाहिए कि जितनी जानकारी मदस्यों के पास है उतनी ही उनके पास है।

श्री अटल बिहारी वाजपेयी (बलरामपुर) : उपाध्यक्ष महोदय वक्तव्य देने में जल्दी करने की जरूरत नहीं है। शाम को सदन की बैठक खत्म होने से पहले या कल सबेरे पूरे तथ्यों को इकट्ठा करके वक्तव्य दे सकते हैं।

श्री यु० क० चावला : मैंने वही कहा था।

Mr. Deputy-Speaker: Already the External Affairs Minister has stated that he will make a full statement tomorrow.

The Prime Minister and Minister of Atomic Energy (Shrimati Indira Gandhi): Mr. Vajpayee has really said what I was going to say, that at this moment no facts are available except what has come over from Cairo Radio or Moscow Radio.

Shri Hem Barua (Mangaldai): What about Tel Aviv radio?

Shrimati Indira Gandhi: I have not heard what has come over Tel Aviv radio. My information is only what has come over the other two. Until we can find out what the bare

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facts are, I do not think it is right to make any statement here. Therefore, I would suggest not taking up any time at all. If we can learn more by tonight or by tomorrow, we will be able to make a statement.

श्री अशु सिन्घे (मुंगेर) : उपाध्यक्ष महोदय मेरा सुझाव है कि वह पश्चिमी जिया के बारे में जो प्रस्ताव श्रीमती तारकेश्वरी सिन्हा के नाम से है उस पर कल चर्चा की जाय।

Mr. Deputy-Speaker: When you gave notice of the calling attention the situation was different. Now it has radically altered. Therefore, after listening to the statement, we will decide it tomorrow.

Shri Nath Pai rose—

Mr. Deputy-Speaker: I would request Mr. Nath Pai, what purpose would be served by putting questions.

Shri Bal Raj Madhok (South Delhi): I want to make a submission. Before the statement is made, I would appeal to the Government not to say anything which may smack of partisanship or which may aggravate the situation we should play a role as peace-maker and not war-maker. This is my appeal to the Government.

Shri Randhir Singh (Rohtak): We have never been war-makers.

14.46 hrs.

RAILWAY BUDGET—GENERAL DISCUSSION—contd.

Mr. Deputy-Speaker: Shri Poonacha.

श्री हुकम चन्द कल्लुवाय (उज्जैन) : उपाध्यक्ष महोदय, परतों कहुा गया था कि इस पर दो बन्दे बढ़ाये जायेंगे आपसे बातचीत हुई थी और आपने इसको स्वीकार किया था। मैं चाहता हूँ कि इस के लिये दो बन्दे बढ़ाये जायें।

Mr. Deputy-Speaker: You will get an opportunity when the Demands come before the House.

The Minister of Railways (Shri C. M. Poonacha): I am grateful to the hon. House and the hon. Members for giving careful consideration to the railway budget. While presenting the interim budget proposals I had indicated that for the year ending on 31st March, 1967, that is the year 1966-67, we were likely to end up with a deficit of Rs. 15 crores. When that budget was presented it was expected that the budget year would end with a surplus of Rs. 22 crores, but, in fact, the latest position, as I have mentioned in my budget speech there has been a deficit of Rs. 24 crores i.e. roughly about Rs. 46 crores deficit as against the original estimate when the budget proposals were presented in 1966.

Members have mentioned in their speeches that this serious shortfall in railway earnings is mainly due to inefficiency of the railways; they have also said that in the railways, economy to a very great extent could be observed, and that the anticipated deficit of Rs. 37 or Rs. 38 crores for the current year could well be found by saving, by improving the operational efficiency and by cutting down certain unnecessary items of expenditure, reducing staff and what not.

With your permission, Sir, I would briefly refer to some salient features of the year that has just passed. We had estimated that in the year 1966-67 the originating traffic would improve by 12 million tonnes. That anticipation could not be realised because of the fact that there was serious shortfall in so far as steel and coal were concerned. I have been looking into these figures. The anticipated originating revenue earning goods traffic has been showing a rather erratic fluctuation year after year. Perhaps I could bring these facts to the notice of the House, in the first year of the

third plan we were able to achieve additional revenue earning goods traffic to the extent of 5.8 million tonnes; next year, i.e. the second year of the third plan period, it went up by 13.8 million tonnes, and in the third year it was 8.2 million tonnes. Then in the fourth year it dropped down to 1.2 million tonnes, in the fifth year it again registered a rise by 13.3 million tonnes, and now in the first year of the fourth plan, that is the year which has just passed, the additional originating revenue traffic in goods was only about 2.5 million tonnes as against the anticipated increase, additional, of 12 million tonnes. It would be evident now that there has been this kind of steep fluctuation so far as goods traffic is concerned. Now if we take the over-all industrial growth, we can see that there also there has been a steady decline. From 8 per cent it has been showing a downward tendency, and it had come by the end of the third year of the third plan period to about 7 per cent, in the fourth year of the third plan to about 5.4 per cent, thus it has been showing a slightly downward tendency. That, in essence, explains why there has been a certain shortfall so far as anticipated goods traffic is concerned, and as such, so far as Railways are concerned, this is reflected in the traffic moved by them. Thereby the capacity that has been built up for this purpose could not be fully utilised because of these fluctuations so far as the originating goods traffic is concerned.

It has also been mentioned that there has been some competition by roads, road transport, and much of the goods that could have been moved by railways, is being switched over to road transport because the railway transport system has not been efficient and it has not assured the customer the necessary services, speedy transit and such other customer services. Therefore, there is progressive switch-over to road transport. While I do admit that to some extent this is true,

hon. Members should also consider the other developments that are taking place in our country. As in any other developing country or fully developed country, the road transport does compete with the railways. It is not a special phenomenon so far as we are concerned. Let us just look at the other picture.

In so far as road transport is concerned, the development of roads, the development of national highways, the development of State highways, the development of the communications system and the capacity that has been built up in this country for producing heavy duty trucks and its accessories, the tyre manufacture, fuel production, all these things have developed to such an extent that road transport has picked up great momentum. Naturally and necessarily it must be so. Therefore, there is going to be over a period of time due to the phased development of Road Transport a sharing of the demand for transport. It is unavoidable. Trends are now in evidence that this sharing in the total transport demand has started in our country also. The road hauliers can offer certain attractive terms too and so they attract a certain amount of traffic. That is also unavoidable. I do not suggest that this should be stopped. What I am saying is that in so far as road transport is concerned, it is now becoming more and more pronounced because the capacity of road transport to lift cargo has been greatly facilitated by the building up of roads, production of trucks and various other things. Therefore, this competition is in evidence and that has to some extent affected the railways. That does not and should not, I feel, dishearten us because we also can and should improve our services and try to attract more goods traffic.

It is also a fact that there has been some serious set back in steel and coal traffic. The target for steel production was ten million tons but we realised only 7.7 million tons. Similarly, as against the original target of 90 million tons of

coal, we hardly reached 70 million tons. On the other hand we have built up the capacity to handle this tonnage in a fairly elaborate manner, by investing about Rs. 414 crores for developing the line capacity in the steel and coal belt area and for transporting iron ore for exports. So, capacity had been built up but for certain reasons beyond the control of the railways, traffic has not picked up. I hope that this traffic will pick up and we will be able to handle additional traffic and justify the investment and also make proper utilisation of the assets so created. There have been some temporary ups and downs in this and the railways have no specific control over certain influences and trends and there has been certain shortfalls which were more in evidence last year.

Shri Nambiar (Tiruchirappalli): Will you not agree that you also miscalculated?

Shri C. M. Poonacha: Certainly not. We have been working on the advice that we get. The capacity had been very wisely built. These are temporary set-backs that are reflected now. After all what does the railway budget do except to indicate the general economic, industrial and other activities of the country? It could not do something different; it is due to the reflection of all these that the gap has occurred.

Coming to the other points, there also the railways are now facing great strains. The rise in costs both on account of staff and materials such as fuel have been very substantial and like any other customer or consumer it had no say in this matter. For example, since 1961-62, the operating expenses have been steadily mounting up and they had gone up by about Rs. 130-140 crores, during the last 4-5 years. An increase of nearly Rs. 77 crores is mainly due to staff costs. Again, after that we had one dearness allowance increase and another increase is more or less coming now. Each increase means Rs. 15 crores more expenditure for the railways.

[Shri C. M. Poonacha]

Two increases—one has come and another is coming—means Rs. 30 crores. In the same manner steel prices have been registering a steady increase by about 42—45 per cent over the last five or six years.

Shri Nambiar: You were a party to it; your Railway Board was represented. Why did you allow that? That is my case. After decontrol it has gone up. You are responsible for it.

Shri C. M. Poonacha: My friend Mr. Nambiar is very thorough so far as the working of the railways is concerned. He knows how things get out of control. If staff costs go up, if the wage bill goes up, does Mr. Nambiar suggest that I am responsible? As I was explaining, Rs. 110-120 crores increase has been only because of the increase in the wage bill. Who is responsible for this?

श्री जार्ज करनेवीज (बम्बई-दक्षिण) :
घाघ घाडिट रिपॉर्ट देव कर बननाइये ।

Shri C. M. Poonacha: Let the train move; do not pull the chain too often.

श्री जार्ज करनेवीज : पट्टी पंचवर्षीय योजना में 34 फ्रीमदी टूपरी में 32 फ्रीमदी घोर तीमरी में 31 फ्रीमदी स्टाफ का खर्च है । यह घाघ गलत कट्टी है ।

Shri C. M. Poonacha: The price of steel and coal, and the cost of operation were steadily rising. All that has happened over a period of time which is now reflecting on the finances of the railways more pronouncedly. The railways have done their best to absorb this rise within their financial resources. They have consistently and persistently been following a policy of economy, and tried to improve operational efficiency and utilise the assets better and they have tried to absorb these increases by better methods of working. A stage has come when that could not be done indefinitely.

Shri Jyotirmay Basu (Diamond Harbour): How many fare rises have you had in the last five years?

Shri C. M. Poonacha: The last rise was sometime in 1965. Over a period of 10 years our fares have gone up by 30 per cent while the costs of other materials, wages, etc. have gone up by 70 or 80 or even 100 per cent. That in short is the picture of the railways. We have been steadily striving to improve efficiency, effect economy. Railways have carried more goods, and in spite of shortfalls....

15 hrs.

An hon. Member: Stop corruption.

Shri C. M. Poonacha: I am coming to that. Be a bit patient. I am coming to every point that you have raised during the course of the debate. In the current year we have come to a position where inescapably we could not further avoid the gap and had to come before the House for a raise in fares and freight. Last year itself, hon. Members would realise, we ended up with a deficit of Rs. 24 crores, and that deficit of Rs. 24 crores has not been passed to anybody; that has been absorbed in the Reserve Fund, which we have built up. In the Reserve Fund last year, the opening balance was Rs. 63 crores. This year, I am closing it with a balance of Rs. 38 crores. The Reserve Fund has come down. Somebody did suggest, "Why don't you adjust it to the Reserve Fund and why did you come with a proposal to raise the fares?" But that would not be a wise and safe policy. We should have some reserve fund kept for unforeseen circumstances and as such I personally did not feel we should not adopt that course, because that was the easiest course, as my friend Shri Dandekar said, "in a school-boy fashion". If I was thinking in terms of a school-boy, I would have adopted that course. I do not propose to do that and I would

not recommend that to anybody because that would be a dangerous proposition. On the other hand, we have retained the Reserve Fund, and now come with a proposal to augment our revenues as we have got to improve our finances and there is no escape from it.

Here too, I would like to explain to the hon. House that Rs. 37 crores of deficit which we have inevitably come to, is not all that. We have tried to bring it down to the barest minimum. You may look into the figures. My friend Shri Sequeira wanted to know some figures. If you go into the various detailed figures that we have furnished to you in these papers, you would see that we have not contributed anything to the Development Fund this year. The normal Rs. 20 crores is not there. On the other hand, I am drawing Rs. 19 crores as loan for the Development Fund. That Development Fund reserve has also come to a close. That Rs. 20 crores which we should have contributed, has not been done. Next the Depreciation Reserve Fund. My hon. friend Shri Dandekar was a member of the Convention Committee. There, we have accepted that the contribution would be on a phased scale and for this year it is Rs. 115 crores; out of that Rs. 115 crores, I am contributing only Rs. 105 crores; Rs. 10 crores less. So, in fact, we have not raised that amount. This Rs. 10 crores and the other Rs. 20 crores—make Rs. 30 crores—we have left it uncovered; we have left it as such because we are passing through some difficult period. We would certainly hope for a better period to come and a better performance by the railways when we hope to see that better earnings would come in.

Leaving that aside, and coming to the most essential thing, that is, the unavoidable gap, the gap of Rs. 17 crores deficit as it exists, according to the present rate of fares and freight, and the Rs. 13.3 crores increased dearness allowance and Rs. 7½ lakhs increase in the cost of steel

prices—14 plus 17 is 31 crores and the sum of Rs. 6 crores that I am contributing to the Depreciation Fund, the total figure is Rs. 37 crores for which I have come before the House with proposals to raise our fares and freight, thereby meaning that even though the gap may be something of the order of Rs. 87 crores, we have not come before the House for the full amount. We will try to improve our efficiency; we will try to tighten the belt and we will try to do everything which the hon. House has suggested and improve our finances; but in the meantime, what is unavoidable will have to be provided for, and therefore, the proposal that I have placed before this House.

Coming to the point which my hon. friend Shri Dandekar raised, and very rightly. In his view, wagon utilisation is not up to the mark; he felt that much is to be done so far as wagon utilisation is concerned. So far as engine utilisation is concerned, he felt that it has also not improved much. The empty wagon kilometre is increasing. These are from an angle may appear so and in the papers we have furnished all these details. While this is a fact, my hon. friend Shri Dandekar should also remember why this empty wagon kilometre is increasing and why the wagon utilisation has not improved. As we could see by the pattern of movement performance, we have been more and more coming to the closed circuit movement, regarding wagon utilisation. That is to say, we have the big industrial complexes, the steel mills, the coal belt, iron ore export, food movement etc. In these, a large number of empties come in a particular direction. It is not as if on the return journey they can easily pick up traffic, because it is a closed circuit. Then we have special wagons so far as steel mills are concerned. We have special types of equipment so far as coal movement is concerned. That could not be switched over overnight for general cargo purposes. There are inherent difficulties.

[Shri C. M. Poonacha]

So, in the overall picture, one may feel that there are certain shortfalls in operating efficiency, but they are due to certain specific reasons and conditions of planned operation. Then, there is the question about idle wagon kilometres. There again, when you move the raw materials to the steel mills, they go with full load, and on the return, the wagons do not get traffic. So, the entire thing comes back empty. So, the utilisation is just 50 per cent there. It cannot be helped. In the same way, coal movement and the movement of foodgrains also. We are moving foodgrains from Madras to Bihar. Movement of foodgrains from Madras has gone up tremendously. We are unable to cope with it; take the foodgrain movement from Andhra to Kerala; every day, three train-loads in that closed circuit are moving—about nine trains are moving every day on the line. There is a similar movement from Madras to Bihar. Normally this should have been from say Calcutta to Bihar. But unfortunately, in this country, such a rational planning cannot be done. I am not trying to lay or apportion blame anywhere; it cannot be done because at one port or the other, where the largest amount of unloading foodgrains programmed for, there is a strike. This is the situation which we have to face in this country. So, we have to divert the vessels to such an extent that it is a strain on the economy of the country. But we cannot help it, and the railways will have to provide the transport. These are some of the special considerations and circumstances in which the railways find it extremely difficult to give the best or a better account of themselves in the matter of the utilisation of the built-up capacity.

We have been also saying that there has been a switchover to road movement. The switchover to road movement, as I was saying, is natural phenomenon with the Road developments that are taking place. But so far as the long-distance bulk cargo

movement is concerned, the road is not coming in; it has to be moved by the railways. The road-haulier can refuse custom or accept custom. He can exercise his preferences. He need not lift everything, but as a common carrier, the railway has to lift everything that is offered; the railway cannot say no to anything that is offered to it. Therefore, there are certain difficulties. The high-rated cargo is slowly slipping away from our hands. The low-rated, bulk, long distance movement which is not profitable is coming to us in greater quantities and in larger proportions. That is the position in which the railways are working, and I am sure as time passes, the same things would become more pronounced in the years to come.

So far as coal is concerned, there have been some un-expected shortfalls.

We have developed the outlying coalfields and the long haulage distance is somewhat reduced. There again, Singareni, and Pench Valley in Central India and other areas have not come up to the proposed targets. We are still moving coal from the Bengal-Bihar coal belt area. That also throws a certain strain on the railways.

In spite of everything, we have been doing our best and we hope to do better next year. We are anticipating an additional traffic of about 8.5 million tonnes. I hope this would materialise and whatever we are now taking into account as revenue from out of this would be realised.

Shri Chengalraya Naika (Chitoor):
What about reducing transport charges at Singareni?

Shri C. M. Poonacha: For Singareni, there cannot be a special rate. The coal freight rate is uniform to all the places. The advantage you would get is you would be nearer to the customer. There cannot be any

special rate. If in the southern peninsula there is greater demand for Singareni coal, you have the advantage of being closer to the consumer point.

Shri Chengabraya Naidu: They have fixed a rate upto 40 KM. But when it is less than 40 KM, we want you to reduce it.

Shri C. M. Poonacha: Whatever is applicable to other coal areas will apply to you also.

Mr. Deputy-Speaker: Later on I will permit a few questions. Let the minister finish now.

Shri C. M. Poonacha: I was on the point that the cost of materials, cost of fuel, staff costs—everything has been going up very steeply and as such it has placed a heavy strain on the railway finances, with the result that to safeguard the efficient working of the railways and also to go ahead with certain development programmes which we have on hand, we have got to raise the fares and freights by a small percentage to augment the revenues of the railways.

As I said, we have no control over these things. So far as the demands are concerned, every sector of the community—even most of the hon. members here—want every so many things to be done. Passenger amenities will have to be increased. Additional lines will have to be constructed. Additional capacity will have to be created. Faster and speedier trains will have to be operated. All the costs are mounting up steadily. To say that the railways should perform the miracle and not raise the fares and freights and run as such is too much to expect. Mr. Shastri referred to Shrimatiji—Saharanpur....

Shri Bagnhuvir Singh Shastri (Bed'pat): S. B. Light Railway.

Shri C. M. Poonacha: He rightly characterised that particular Light Railway as Shrimatiji. The Indian

Railway is like the proverbial Indian housewife on whom every demand is made. She has no control over anything—over the man's income, how he earns and spends, over the way the vegetable vendor and others put up the prices. She has no control over the size of the family either. Yet, she is expected to run the house efficiently all the time without a murmur. It is something like that for the poor Indian Railways. This Shrimatiji has no control over the prices, over the wage bill, over the way it should expand and so on. Yet, she has to run the house without a murmur. It is too much to expect. The Indian housewife has all the virtues. I hope the Indian Railways will continue to have all these virtues.

15.16 hrs.

[**Shri P. K. Deo in the Chair**]

Shri Nambiar: The railway housewife is not that much innocent.

Shri Thirumala Rao (Kakinada): He is speaking for Malabar.

Shri J. B. Kripalani (Guna): Is the Government one or divided? I thought Government was one. You must blame your Government for all these things—having no control over prices and so on.

Shri C. M. Poonacha: I am trying to explain the railway finances. Of course, jointly and collectively, myself, the learned Acharya and all of us are responsible because we are members of this honourable House.

I have come with a modest proposal to raise the fares and freights. Mention was made that this would hit hard the industrial sector and also the general travelling public, particularly the third class passengers. I was trying to analyse what would be the impact of the freight rates. I find that so far as certain selective sectors are concerned, the increase is imperceptible. In steel prices, the increase would

[Shri C. M. Poonacha]

probably be .44 per cent. On imported wheat it would be about .14 per cent; on indigenous wheat, it is likely to be .08 per cent. Salt may be affected by about .22 per cent. I have tried to work out the impact of the freight increase and I feel that these increases which we have proposed could be taken care of in the existing pricing of the commodity. I have every hope that this is not going to be reflected in the pricing. Normally, taking the cost of any item, 10 per cent of what would be the transport element. So, the 3 per cent increase is likely to be 3 per cent of that 10 per cent and not 3 per cent of the entire cost. Working on that basis, the impact of these enhanced freight rates would be very much below even 1 per cent. That should not actually upset the entire pricing of the commodities in the country and give rise to a spiralling inflationary effect. It is probably too much to say that the slight increase of 3 per cent in freight will have a spiralling effect on the prices.

Shri Nambiar: It is the last straw on the camel's back. It is very thin and light, but it is enough to break the camel's back.

Shri C. M. Poonacha: I do not know which camel he is referring to.

Shri Nambiar: The common man who is so much burdened that he is unable to purchase any item. He is the camel.

Shri S. S. Kothari (Mandsaur): Those who pay know better.

Shri C. M. Poonacha: There are no camels in Malabar, and the straw that actually weighs heavily on the camel is certainly not the railways, it is somebody else and my hon. friend, Shri Nambiar knows who it is (interruption). Certain references were made by hon. Members, in the course of the debate, relating to the accidents that take place in the railways. My hon. friend, Shri Fernandes made some reference to that and he quoted

figures from the report of the Railway Board.

Shri Vishwa Nath Pandey (Salem-pur): What about the passenger fares; you have not said anything about it?

Shri C. M. Poonacha: I am coming to that. I was saying, that Shri Fernandes referred to page 72 and said that here we had given figures of deaths that are caused in the railways and, later on, in the small pamphlet, which we have circulated along with the budget papers, we had given the number of deaths by railway accidents. My hon. friend—I do not say he does not know these things—would have carefully seen these facts, because the number of deaths that take place in the railways is one thing and the number of deaths that take place due to train accidents is a different thing. He read one thing, then he quoted another thing and made it appear before the House that we were trying to fool the House—actually that was the world that he used. But I would, with great respect, suggest that he better revise his opinion about that. That is not a fact. Well, there are various railway operations and due to accidents deaths do occur. It is given on page 72 of the report. The very first line on page 72 is:

"The number of passengers, railway servants and other persons killed and injured in accidents on Indian Railways exclusive of casualties in railway workshops, during 1965-66 compared with the previous year, is shown in the table below:"

That is the total. Then, in our report about the accidents we have given the number as 41. That is due to actual accidents to the Trains. While getting on to the trains, while getting down to the platform, at the railway crossings and on the track certain people get killed. That is not

due to any accident that had happened to the trains, that is due to some other extraneous reasons. Such deaths do occur and my own information is that on the railways there is a death every day. When a train is moving somebody just runs across and gets killed. That is not due to any accident to the trains, but it is an accident caused by an individual unto himself while a train is in motion. These figures are given separately. I should credit the Railway Board with some intelligence that they would not place such things in the hands of hon. Members and get themselves criticised in this fashion.

He also referred to certain things appearing in the Audit Report. Probably he is yet to know the working of the Public Accounts Committee. The Audit Report takes up certain objections in respect of certain works. Those that are held in objection are referred to the ministry or the department concerned. They call for full details, for the full file, call for explanation, go into it thoroughly and then come to a conclusion. So the objections for about Rs. 126 crores is not an abnormal thing that my hon. friend has discovered. These things are held under objection. Details are called for by them, they are thoroughly gone into, and when they locate the actual defects or malpractices or irregularities, whatever they are, they are reported and that report comes before this House.

श्री जार्ज करनैडीक : मंत्री महोदय कहते हैं कि 126 करोड़ रुपये का कामला एवनामेल नहीं है । कितने रुपये का कामला एवनामेल होगा ?

Shri C. M. Poonacha: The hon. Member knows the working in the railways very well. In the railways no work is undertaken without the administrative sanction. After the administrative sanction is duly accord-

ed, the technical sanction will follow. But there are certain works which cannot wait for all that and in those cases urgency certificates are issued. Under such urgency certificates certain works are carried out, otherwise the operations will come to a standstill. This is done in order to keep continuity of work. When a work is taken up under an urgency certificate, all the details are worked out later and technical sanction accorded. Such cases are all held under technical objection by the Audit. So far as the Public Accounts Committee is concerned, unless they get thoroughly satisfied they will not pass such cases. They are still under examination of the Public Accounts Committee. The practice that is followed in this House is, when a particular thing is mentioned in the Audit Report we do not straightaway discuss it here, we discuss it after the Public Accounts Committee finish their examination and their report is submitted to this House. But my hon. friend thought it fit to raise that point here. I am only explaining the position as to what it is.

श्री जार्ज करनैडीक : मैंने तो आइडि रिपोर्ट की बात कही थी, पब्लिक एकाउंट्स कमिटी की नहीं ।

Shri C. M. Poonacha: My hon. friend, Shri Jyotirmoy Basu also raised certain matters with regard to dependence on foreign collaborators in the wake of our dieselisation and electrification. He also objected and said that we had been influenced by the collaborators who helped build the Varanasi Diesel Locomotive Works, the Chittaranjan Locomotive Works and what not. He even made an oblique reference that there are certain godfathers to be satisfied and the railways are trying to do such a thing. I am very sorry that he should have treated this subject so light-heartedly. I happen to know some things about these collaborations. How many collaborations do we have in this country? To quite a very small

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example, the Czech tractor manufactured in this country is a collaboration. When we enter into a collaboration arrangement with a foreign country, a friendly country, first we have to import certain pieces in CKD condition. They are brought here, assembled and then put to use. Then the salesmanship also starts. At the same time, we get the technical know-how and we train our own technicians. This takes place over a period of time. At the initial stage we have to import certain pieces in a CKD condition and then train up our technicians. In the case of Czech Zator tractor, how many tractors have been imported in a CKD condition (Interruption). We imported these tractors and we have started manufacturing these tractors here. I think it has come to a stage where the indigenous content is to the tune of 50 per cent or so. Similarly, in the case of the Varanasi Diesel Locomotive Works, we got these locomotives and we assembled them. The first locomotive which was produced had only 2 per cent indigenous content. The hundredth locomotive which rolled out had 58 per cent indigenous content and even more. The Heavy Electricals, Bhopal are now going to manufacture some of these components required for diesel locomotives and when that comes up we will be reaching about 80 per cent indigenous content in the diesel locomotives. Except for certain proprietary items, we will not be importing anything. There is no intention of obliging anybody anywhere. This is the normal practice. Take, for example, MIG aircraft. What did we do? We have imported a few pieces, they have come and we have taken up a phased programme of manufacturing MIG aircraft in the country. This is an understood practice. There is nothing of the kind of god-father. If you want to build up a broad industrial base in this country, we have got to have technical know-how and we have to seek assistance from all quarters. Otherwise, this country will be an orphan. There is

nothing very strange or novel about it so far as the Railways are concerned.

Then, take, for example, the Chittaranjan Locomotive Works. Progressively, we are increasing the indigenous content. The technical know-how could only be built up over a period of time. It cannot be done overnight. If you want to do it overnight, you have to resort to only two things, either magic or do nothing. That is all. There is no half-way house at all. Therefore, getting technical know-how and manufacturing machinery from out of our indigenous material and components is the accepted pattern of industrial growth. We are following that and, I do not think, we need be sorry about it.

There were references made to passenger amenities and to certain shortcomings so far as passenger comforts are concerned. We are aware of those things and we do not claim that we have been able to achieve cent per cent success. Our passenger amenities are not upto the mark.

So far as catering is concerned, I am conscious of the fact that much needs to be done. But these are operations of a kind that could not be easily controlled. Well, we can easily complain over certain things but it is not so easy and convenient to control these things. I am not pleading that whatever shortcomings there are now in the Railways should be just allowed to continue. I am thinking very seriously about these matters and I have come to the view that a parliamentary committee should go into the question, *de novo*, about catering and passenger amenities, and then we should get a complete detailed recommendation from that committee.

Shri Nambar: You should also include accommodation. The third class passengers must get a place to sit.

Shri C. M. Poomacha: I am coming to that.

Much has been said about overcrowding. This is my personal view and I speak as a Member of this House. I feel that the problem of overcrowding is going to be a perpetual one. After all, in the Railways you have the line capacity to an extent and beyond that you cannot create capacity. It is not possible... (Interruption) You take, for example, your Calcutta suburban train, Calcutta tramways or our Roadways. What is happening? If there are 100 buses on the line, they are all overcrowded; if there are 120 buses on the line, they are all overcrowded. It is because the habits of the people are changing and the activities of industrial, educational and other movements are rapidly increasing that transport becomes a problem, not only with the Railways but with the Airways and the Roadways also. To create capacity for all the travelling public, whether by road or by air or by train, will be a problem not only for this country but for any country for that matter. It has to be tackled continuously. I do not think any country would be able to claim that they have been able to solve the enormity of the transport problem completely. But, certainly, we should continue to do our best to the extent the line capacity permits, we will do whatever is possible.

Shri Nambiar: The third class passengers must have some place to sit.

Shri S. S. Kethari: After giving practically the whole reply to the Railway Budget discussion, you have not mentioned any relief.

Shri C. M. Poomacha: Something was also mentioned about ticketless travel. Ticketless travel is also a problem that has been confronting the Railway administration all these years. Every time, this matter has been carefully considered. But this again is a social problem. Unless we have the cooperation of the general public in

this regard, checking or preventing ticketless travel completely is not an easy task. However, we have tried to strengthen the organisation to check ticketless travel. Earlier, my colleague, the then Deputy Minister in the Ministry of Railways, Shri Shah Nawaz Khan himself took up this matter and he achieved some success. Actually, we want to follow the same drive against ticketless travel and I am requesting my colleague, the Deputy Minister for Railways, Shri Jamir, to take it up. We will try to organise a thorough drive to check ticketless travel to the extent possible.

There are a number of suggestions made with regard to new lines. My hon. friend, Mr. Naidu, referred to that; my hon. friend Mr. Kunte also referred to that and, practically, every Member had one or two suggestions to make with regard to the construction of new lines.

Shri Manoharan (Madras North): What about Kanyakumari line? Survey has already been undertaken. At least, you do it.

Shri C. M. Poomacha: We have made several surveys. That is true. As I was explaining earlier, the difficulty is about finances (Interruption) it is not merely the Finance Minister, it is the nation. If the country can find money, we can have a network of rail system all over the country. But it is not so easy to find that much money. Somebody suggested about having one single gauge. Of course, I am very much in favour of having one single gauge all over the country. These broad gauge and metre gauge transshipments are the real bottlenecks and these hamper and retard free flow of traffic. It is a fact that much damage and loss are caused at these points of transshipments. If we have one single broad gauge system all over the country, it would be good for our economy and it would help smooth flow of traffic. An assessment was made some time back and it was found that we would

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need something like Rs. 1000 crores to convert all the metre gauge lines into broad gauge lines. That was in 1960. The latest assessment shows that we need Rs. 1600 crores for converting all the metre gauge lines into broad gauge lines. If we can find the money, there is nothing like that. The Railways would be able to achieve better operational standards and would be able to function more efficiently if we have one uniform gauge. But it is one thing to desire and it is another thing to provide the means and the wherewithal. Between the two, we will have to strike a balance.

Shri Hanumanthaya (Bangalore): Having admitted the reasonableness of the proposal—we are not asking the Government to do it in the one year spending Rs. 1,600 crores—why don't you, for example, convert the newly laid lines in Salem, Bangalore, Guntakal and other places to broad gauge lines?

Shri C. M. Poonacha: The Railways would have been very happy to take up this suggestion for implementation, but there are certain difficulties. One difficulty mainly is connecting the system in a particular area. If it is a metre gauge area, you cannot have a broad gauge—an isolated thing running there. It will have to be synchronised with the system there. That is one thing. But apart from that, it is again a question of finance. One mile distance of broad gauge costs nothing less than Rs. 10 to 12 lakhs; if it is in a difficult terrain or a mountainous area, it costs more than Rs. 15 to 20 lakhs; the cost for metre gauge is about Rs. 8 lakhs. So, it is purely a question of providing the money. In the new sector where we are building some of the new lines, so far as earth work, embankments, and other things are concerned, we are making them upto B.G. specification; even the drainage is being done that way, but so far as the track is concerned, for

want of finance we have still not been able to take it up. I agree with my hon. friend that on a phased programme we should attempt converting, as far as possible, the metre gauge section into broad gauge section. That is perfectly correct. If finances are available, we should be able to do better, but if finances are not there, then the Railways cannot be expected to undertake such works beyond a certain limit.

Shri Manoharan: When will your financial position ease?

Shri C. M. Poonacha: You are trying at Madras. We are watching with great interest to what extent you will meet with success. I am certainly prepared to take a hint from you.

My hon. friend said that the DMK Government at Madras had reduced the bus fare straightway by one paise per mile. It sounded wonderful I looked into the matter; the rate was 6 Paise and it was reduced to 5 Paise. That is very good, but even the enhanced rate of railway fare is much lower than the reduced DMK rate. That is what I wish to say. (Interruptions).

I do not want to enter into any argument.

So far as the proposals that have been made in respect of new lines, new extensions, and other suggestions are concerned, I do not think that I need go into the detail of everything because they are so many.

Shri S. M. Banerjee: How about railway fare?

Shri C. M. Poonacha: I am coming to that.

Shri Indrajit Malhotra (Jammu): What about the new line in Jammu?

Shri C. M. Poonacha: The other day, Bakshi Sahab raised this point specifically. We have sanctioned the staff for the preparation of estimates and prepare the technical details. They are now being done. We hope to take up the first stage from Kathva to Jammu.

Shri Randhir Singh (Rohtak): What about the Rohtak-Panipat line in Haryana?

Shri C. M. Poonacha: Regarding the other suggestions, we will give the suggestions our very best consideration; we will look into them, even discuss with the hon. members, and as and when our finances permit take up new lines.... (Interruptions).

Shri Chintamani Panigrahi (Bhubaneswar): What about linking of Cuttack with Paradeep by railway without delay?

Shri C. M. Poonacha: That survey is on and we are awaiting the survey report, i.e., linking of Paradeep with Cuttack. After we get the survey report, we will certainly give our very best consideration to that.

Shri Randhir Singh: What about the new State, a very brave State?

Shri C. M. Poonacha: We shall consider all the suggestions; we shall give our very best thought and consideration to them.

Shri J. H. Patel (Shimoga): Spoke a few words in Kannada.

Mr. Chairman: The hon. Member should address the Chair and not the Mantri Garu.

Shri J. H. Patel: Spoke a few words in Kannada.

Mr. Chairman: If the hon. Minister feels like replying, he can.

Shri C. M. Poonacha: My hon. friend was making a suggestion that there

need not be any classification so far as rail travel is concerned, that we should have only one general class and not Second Class, Third Class, etc....

An hon. Member: Abolish air-conditioned also.

Shri C. M. Poonacha:.....and that the air-conditioned class should be abolished. We have no such programme at the moment.

An hon. Member: How about ACC for MPs?

Shri P. Venkatasubbalah (Nandyal): I want to....

Mr. Chairman: He may ask after the Minister finishes.

Shri C. M. Poonacha: Some hon. members during the course of their speech have suggested that the increase in the supplementary surcharge of 3 per cent freight rate should not apply to foodgrains. While I recognise the fact that foodgrains are an essential commodity, the price of which affects the vast majority of the people, particularly those in the lower income group. I had originally not considered it necessary to exempt foodgrains from the supplementary surcharge because the incidence of it in the retail price of the commodity would be almost negligible. I have got it worked out in respect of wheat and the increase comes to about 84 paise per quintal, i.e., 0.14 per cent in the case of imported wheat and 84 paise per quintal or 0.08 per cent in the case of indigenous wheat. In response, however, to the wishes of the hon. members and recognising that foodgrains prices have risen considerably in recent months and that there is today acute distress in some parts of the country, I have decided to drop the increase on supplementary surcharge on foodgrains.

Some hon. Members: Good.

Shri A. B. Vajpayee (Balrampur): Not adequate.

Shri C. M. Poonacha: Though we will thus be losing about Rs. 1 crore, we will have the satisfaction that the surrender of this earning is for a good cause which would give general satisfaction.

Shri Nambiar: So also, the increase in third class passenger fares may be dropped.

Shri C. M. Poonacha: As I have already explained at length, I had taken very great care in working out my proposal for increasing the passenger fare. I had kept the total burden on railway travellers to the very minimum consistent with the inescapable need for raising my earnings to bridge the budgetary gap. I had also paid special regard to the fact that the bulk of passenger earnings comes from passengers travelling by ordinary third class and, therefore, I had kept the increase in their case to the lowest. However, in deference to the general feeling expressed by the hon. members in this House, I have decided to lower the increase in ordinary third class fares by bringing it down from the original proposal of 7½ percent to 5 per cent only. By doing so, there would be a loss of about Rs. 2.7 crores (*Interruptions*) which I can ill-afford, but I derive the satisfaction from the fact that this loss will give relief to 87 per cent of the total passengers.

Shri Nambiar: A small mercy. Thank you.

Shri C. M. Poonacha: With these observations, I commend my proposals for the acceptance of the House.

Shri P. Venkatasubbaiah: During the discussion on the railway budget, some Members, particularly Shri Tenneti Viswanatham and other friends, had referred to the reorganisation of the South Central Zone with certain marginal adjustments. There has been a persistent demand that

the South Central Zone should be rationalised so as to include the Guntakal Division and other places. May I know whether the hon. Minister is seized of the matter and whether any action is going to be taken? Secondly may I know the rationale behind the allotment of rejected and out-of-date coaches and wagons to the South of the Vindhyaans?

Mr. Chairman: The hon. Minister may make a note of the questions and reply afterwards.

Shri Chengairaya Naidu: It would be better if the hon. Minister replies soon after the question is asked, because otherwise he might forget.

Shri Piloo Mody (Godhra): You are allowing questions again after the debate is over?

Mr. Chairman: That is the usual practice.

श्री रघुबीर सिंह शास्त्री: मैंने एस० एस० लाइट रेलवे के सम्बन्ध में मंत्री महोदय को दो तीन सुझाव दिये थे। एक तो यह कि उस रेलवे को टेक भोवर कर लिया जाये और उस को ब्राड गेज बना दिया जाये। मंत्री जी का कहना है कि उन के पास फाइनेन्सीज की कमी है। इस में दो साल बाकी हैं। तब तक यह देख लें। लेकिन इस में फाइनेन्सीज की कोई बात नहीं है।

Mr. Chairman: The hon. Member should straight come to his question and not make another speech.

श्री रघुबीर सिंह शास्त्री: दूसरे यह कि इस की इनकम और एक्सेन्डिचर को सदन पटल पर रखवा जाये। और उस पर घाप का कंट्रोल रहे।

Mr. Chairman: The hon. Member is making another speech and not putting any question. Shri S. M. Banerjee.

श्री रघुवीर सिंह साखी : वहाँ के पैसे-जर्न की जो तकलीफें हैं उन को दूर करने की कोशिश की जाय ।

Shri S. M. Banerjee (Kanpur): Many Members had stressed the need for the appointment of a wage board for raising the pay scales of the railway employees. May I know the reaction of the hon. Minister, and whether he is prepared to appoint a wage board?

Shri Jyotirmoy Basu: The hon. Minister has caught the wrong end of the stick, namely dieselisation. He has not explained to the House the specific economic advantage that we are going to derive, especially when we take into consideration the fact that we have no foreign exchange, and also the national security point of view. If there is war tomorrow, which is coming, the supply of spare parts by our godfathers in the West, I repeat that phrase again, by our godfathers in the West, and the supply of diesel fuel would be stopped and we shall be blackmailed and we shall come to a standstill.

Shri Nambiar: While thanking the hon. Minister for giving small mercies....

Shri Piles Mody: No thanks are required for this.

Shri Nambiar: ... may I know whether the reduction of the increase which he has proposed in the case of the third class passenger from 7 per cent to 5 per cent would be reflected in the ceiling that he has put, namely about Rs. 4.50 for the long-distance travelling public?

श्री महेश बिहारी बाजपेयी : सभापति महोदय, मैं जानना चाहता हूँ कि क्या कारण है कि रेलवे मंत्री जी ने अपने उत्तर में रेल कर्मचारियों का कोई उल्लेख नहीं किया है ? क्या वह जान बूझ कर चुप हैं या इस के पीछे उन की बरली हुई क्षम नीति है ? मैंने बर्फ से ढकल उड़ने का हवाला दिया था स्टेशन

मास्टरों के सम्बन्ध में और पूछा था कि रेल मंत्रालय ने जो प्राश्वासन दिया है क्या वह उस का पालन करेगा । माननीय मंत्री जी चुप हैं । क्या मैं यह समझूँ कि रेल मंत्रालय उन प्राश्वासनों को मानने के लिये तैयार नहीं है ?

श्री जयू लिववे (मुंगेर) : आज बिहार और पूर्वी उत्तर प्रदेश आदि इलाकों में प्रकाल की स्थिति है । रेल द्वारा कई साल पहले जारी किये गये परिपत्रों के अनुसार प्रकालग्रस्त इलाकों के रेल मजदूरों को सहायता देने के बारे में पुराने मुझाव है । मैं रेलवे मंत्री से जानना चाहता हूँ कि बिहार और पूर्वी उत्तर प्रदेश में जो रेलवे मजदूर हैं प्रकालग्रस्त इलाकों में क्या मंत्रालय उन को कुछ सहायता देने जा रही है ?

Shri Surendranath Dwivedy (Kendrapara): ** Will the Railway Minister inform the House how soon they will start construction of a new railway line connecting Paradip? He says that survey has already been undertaken. May I have an assurance from him that after the completion of the survey, the construction will start by the end of 1967-68?

श्री रघुवीर सिंह : मैं मंत्री साहब से बहुत भ्रदब से गुजारिश करूँगा कि क्या सैलून स्पेशल कार और स्पेशल कोचें जो हैं जिन का सोशलिज्म के हिसाब से देश में कोई टिकाव नहीं होता उन को खत्म करने की रेल मंत्रालय की कोई पालिसी है ? आज कल सिर्फ आफिशल्स ही सैलून में चलते हैं ।

Mr. Chairman: The hon. Minister may reply now.

Some hon. Members raise—

**The original question was put in Oriya.

Mr. Chairman: Hon. Members will get ample scope to raise their points during the discussion on the Demands. Now, the hon. Minister may reply.

Shri Randhir Singh: I want that the saloons and special cars should be abolished forthwith. If they want they can travel in first class.

Mr. Chairman: Now, the hon. Minister. I would submit that other Members will get opportunities during the discussion on the Demands to raise their points.

Shri Sonavane (Pandharpur): Why this inequality? When you have allowed so many Members to ask questions, we should also be allowed.

Mr. Chairman: They can speak on the Demands. Now, I would request the hon. Minister to reply.

श्री विभूति मिश्र (मंतोहारी) :
समावृति महोदय, आप ने इतने विरोधी दलों के लोगों को मौका दिया हम को क्यों नहीं देने? यह ठाक बात नहीं है। यह आप की पॉजिटिविटी है कि उन लोगों को तो बुलाया लेकिन हम को नहीं बुलाया।

Mr. Chairman: Order, order.

श्री विभूति मिश्र : हम में आईए आईए की बात नहीं है। हम को मौका मिलना चाहिये।

Mr. Chairman: The hon. Member is creating disorder. Now, I would request the hon. Minister to reply.

श्री शिव नारायण (बस्ती) : मैं आईए के पास से आता हूँ। मैं सरकार से पूछना चाहता हूँ कि मिलियुड़ी लाइन के बास्ते आप ने क्या किया? लडाई के पहले से कहा जा रहा है कि मिलियुड़ी लाइन को डबल किया जाय। मैं जानना चाहता हूँ कि इस लाइन को डबल करने का बिचार है या नहीं।

Mr. Chairman: The hon. Minister may reply now.

Shri Sonavane: We should also be allowed . . .

Mr. Chairman: I am sorry. The hon. Member may resume his seat.

Shri Sonavane: What are the reasons? Is it from the point of view of time that we are not allowed or because you want to give more opportunities to hon. Members opposite?

Mr. Chairman: No reasons. It is within the discretion of the Chair.

Shri Sonavane: It should be used judiciously and not whimsically.

Shri C. M. Poonacha: With regard to the South Central Zone which was very recently constituted, there seem to be some suggestions to reshape it because it had not been properly and rationally formed, and there have been number of suggestions in this direction. They will be examined. I am not able to give a specific reply straightway to this particular question.

There has been this allegation that the old and dilapidated coaches are transferred to the southern side. I do not think that is a fact.

Shri P. Venkatasubbatah: We shall prove it by facts.

Shri C. M. Poonacha: Several Members have suggested the appointment of a wage board. That is a very valid point which my hon. friend has raised. But the House would be aware that we have brought the entire railway employees on the pension scheme. Now, they hold pensionable jobs. We contribute about Rs. 14 to 15 crores to the pension fund every year. We have contributed during this year also. This is also one of the reasons why our expenditure has gone up.

16 hrs.

Shri S. M. Bamerjee: That has nothing to do with pension. Wage board is a separate thing.

Shri C. M. Poonacha: The railway employees are more or less coming on a pattern where they are on a par with the Central Government employees. From time to time, the Pay Commissions that were constituted have gone into the question and have made recommendations. These railway employees thus come under the purview of the Pay Commissions and such other bodies as are constituted from time to time by Government, and as such a separate wage board in this regard is not considered necessary.

श्री ज्ञानकरवैरीयः चुनाव के पहले क्यों कहा था इस के बारे में ?

Shri C. M. Poonacha: My hon. friend had mentioned something about dieselisation and other things. If certain things happen somewhere and war breaks out or some such thing happens, then not only for the diesel engines of the railways but for other things also, there would be difficulty. It is not as if the railway diesel engines alone will run into difficulties. So, that would be a national problem. This difficulty will fall upon the whole nation, not only on railway diesel engines but on very many other things. We should take appropriate action at that time and not discuss such questions hypothetically now and create a nightmare against ourselves now.

Shri Jyotirmoy Basu: What was the economic advantage of dieselisation?

Shri C. M. Poonacha: Regarding the reduction to 5 per cent which my hon. friend has raised, this would be up to a distance of 515 k.m. It was about 85 P previously, and now at the rate of 5 per cent it would be much less; I think it would be about 60P or so, subject to my working it out, and beyond that distance, further increase will be blocked.

515 (at) L&D—?

So the highest incidence on the third class ordinary passenger would be some where between near 60P at a distance of 515 kms.

Shri Namdiar: The concession is only up to that.

Shri C. M. Poonacha: My earlier proposal was also for a rise of 7½ per cent upto a distance of 515 kms. which comes to 85 and at 85 it was blocked. Even that my hon. friends in their judgment thought too heavy, and I am making a reduction even on that.

Shri Dhireswar Kalita rose—

Shri C. M. Poonacha: I am replying. As for the railway employees, there was a suggestion made by some hon. friends whether it should not be one union. I welcome the day when we can have one union for the Railways. But under the present circumstances, it is not possible. At the top level, we have two national federations, and then at the zonal and divisional levels, we have affiliated unions. We do not want to have separate unions for each class of workers. That would introduce good deal of confusion and it would not be in the interest of labour either. We have been working on this pattern of national federations and affiliated unions. We do not want sectional interests to be represented by various other unions which will have conflicting interests. I have had a little bit of experience of these things in Civil Aviation. Let us not try to repeat such things on the railways. It would now be much wiser for us to continue this healthy trade union development and I hope it will further add to the welfare of labour under present circumstances.

As regards Paradeep port which was referred to by Shri Surendranath Dwivedy, the survey is on. It will certainly see the light of day. The light of day that will be seen at the Paradeep port is not very distant. The port has come and it is Government's accepted policy that wherever there is a major port, a railway con-

[Shri C. M. Poonacha]

nection should be there. This is the broad policy. Survey is going on. I do hope that after it is completed and we get all the details completed, Government will try to examine the project and consider sympathetically.

16.04 hrs.

GENERAL BUDGET—GENERAL DISCUSSION

Mr. Chairman: The House will now take up general discussion of the General Budget for which time allotted is 20 hours.

Shri M. E. Masani (Rajkot): Mr. Chairman, when I spoke in this House on the President's Address last session, I had made a plea for a new temper and tone by which we could carry on a democratic dialogue in this House without doubting the motives and attacking the characters of one another. I had said that we and the gentlemen opposite have certain common ends, but that what we disapprove of are the methods by which they think they can get to those ends. Now, I would like in what I say today to try and apply the spirit of the plea I had made to hon. Members on all sides at that time.

To start with, I would agree with the diagnosis of the main ills or evils from which the country suffers that was made by the Finance Minister in Part A of his speech. He quite rightly drew attention to the food shortage, the rise in prices, industrial stagnation and the adverse trend in exports as being four of the major areas we have to deal with. I also welcome the general approach he made to the problems facing the country. He was candid enough to say that there was no perfect answer to these problems. That is very true particularly when we have been taken into the mess in which we find ourselves today. But he did indicate certain correct principles. One was that

governmental expenditure should be restrained and reduced; another was that industry should be exposed to a competitive environment; a third was that there should be a hospitable environment for private foreign capital. He was good enough to express publicly doubts about the wisdom of the Second and Third Five Year Plans and to admit that mistakes had been made. He also said that the relative roles of the State and the free sectors of the economy should be dependent on their relative abilities and performance. He said that controls were only a means to an end. All these are very sound principles. Many of us have expressed them in this House over the past few years.

But I have to confess that when Part B of his speech came, there was absolutely no action to match these precepts. There was only the customary tinkering with the rates of taxation. The Finance Minister forgot the very good advice somebody had given that taxes should not be raised or lowered from season to season like the hemlines of women's skirts. This Budget, like those before, has done nothing, only a little higher here, a little lower there. What is more important is that there is nothing in this budget to cure the stagnation from which this country is today suffering and to stop the economy from running down further. There is no incentive to a revival of the economy. Undoubtedly, minor concessions have been given to the direct tax payer, but all of them put together aggregate to only Rs. 5 crores.

16.06 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

If the Finance Minister thinks that this kind of tinkering will the massive problem of a capital market that is dead is going to stimulate the economy, I am afraid he is in for a disappointment. In other words, the Budget does not touch the fringe of the problem.