

[Mr Speaker]

will come in course of payment during the year ending the 31st day of March, 1958, in respect of the following heads of demands entered in the second column thereof —

Demands Nos 76, 77 and 125"

The motion was adopted

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below
Ed]

DEMAND No 76—MINISTRY OF REHABILITATION

"That a sum not exceeding Rs 25,52,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Ministry of Rehabilitation'".

DEMAND No 77—EXPENDITURE ON DISPLACED PERSONS

"That a sum not exceeding Rs 13,12,65,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Expenditure on Displaced Persons'".

DEMAND No 125—CAPITAL OUTLAY OF THE MINISTRY OF REHABILITATION

"That a sum not exceeding Rs 14,00,00,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Rehabilitation'".

DEPARTMENTAL CATERING ON RAILWAYS

Mr. Speaker: The House will now take up the half-an-hour discussion under Rule 55 Shri Mathur

As hon Members are aware, a brief statement regarding the matter will be made by the hon Member, it will be replied to by the hon Minister. Meanwhile, if any other hon Member has given notice, he may be allowed to put one or two questions asking for elucidation of the matter. The whole discussion must be disposed of within half-an-hour. About ten minutes the hon Minister will take; ten minutes will be allotted to the hon Member raising the discussion and ten minutes will be earmarked for others.

Shri Harish Chandra Mathur (Pal): Mr Speaker, this discussion has been necessitated for clarification of the answer given by the hon Minister to my Question No 191 on 19th July, 1957. I had asked the Railway Minister to tell us whether we were incurring any loss on departmental catering and, if it was so, what were the reasons. The answer given by the hon Railway Minister, if properly appreciated, will be found to be unsatisfactory and self-contradictory. What the hon Minister said was this:

"The provisional figures for 1956-57 which are available indicate that there has been loss on departmental catering on the Southern, South Eastern, Eastern and Northern Railways, and profit on the other Railways.

The accounts have not been audited and finalized, but the estimated loss on all Railways taken together during 1956-57 is about 12 lakhs.

The main reasons for the loss are sale of better quality of edibles compared to catering by contractors, maintenance of better service and incidence of higher over-head

and establishment charges on account of payment to the staff of Central Pay Commission scales of pay, gratuity and contribution to provident fund and application of liberal leave rules."

These are his reasons. Now the obvious contradiction which I wish to point out and the clarification which I wish to seek are these. The reasons which have been catalogued apply, I think, equally to all the railways. The very nature of the reasons which have been given, explaining the loss, are of the nature that they are applicable equally to all the railways and, if it is so, may I know how is it that in some of the railways where catering has been newly introduced, they are running at a loss, while in some other railways they are making a profit? If the reasons that are given are substantial, then they must apply equally to all the railways.

Now on the four zonal railways new catering has been introduced and out of these four I will just mention the Central Railways. On the Central Railways you are making a profit of Rs. 2,87,000. As against it, on the Eastern Railway you are losing about Rs. 4,20,000. So it is obvious that these reasons have not been gone into in detail. Otherwise, some good explanation must be given for this self-evident contradiction.

Apart from this, my basic and fundamental objection is very different. It is based on the report on the basis of which departmental catering has been introduced. My hon. friend, the Deputy Minister for Railways was himself a member of this Committee and his predecessor, Mr. Alagesan, was the chairman. Now, two important recommendations which this Committee has made are these :

The Committee endorsed the principle that departmental catering should be run on "no-profit-no-loss" basis.

Mr. Speaker: I was not able to follow thoroughly what is the object of this discussion. Is it to ask the Government to revise its policy

regarding departmental catering? All arguments seem to point to this purpose that in view of the loss, a decision which has been taken by this House long ago and also reiterated in reply to a question whether we have incurred loss, Government should be asked to revise it, by using this Half-an-Hour Discussion. I thought the hon. Member was eliciting information on certain points.

The hon. Member may kindly refer to rule 55(3) which says:

"The Speaker shall decide whether the matter is of sufficient public importance to be put down for discussion, and may not admit a notice which, in his opinion, seeks to revise the policy of Government."

Whatever little doubt I had has now been made clear, and the hon. Member's desire by way of this half-an-hour discussion is only to get the policy revised.

Shri Harish Chandra Mathur: No, not at all. If you will bear with me for two minutes....

Mr. Speaker: I have heard the hon. Member already.

Shri Harish Chandra Mathur: I do not ask for the policy to be revised at all.

Mr. Speaker: Then, what is the hon. Member suggesting?

Shri Harish Chandra Mathur: I just want a clarification in regard to the first contradiction which I have pointed out.

The second thing which I point out is this. These are two recommendations made by the committee on catering. May I know whether Government are following those recommendations, and if they are following, how do they propose to wipe off these losses? I am not at all asking for a revision of the policy. As a matter of fact, I am emphatically of the view that the policy of Government need not be revised. I might

[Shri Harish Chandra Mathur]

make it clear even at the very outset. It is none of my intention that we should do away with departmental catering.

Departmental catering was introduced on a definite understanding on the basis of these recommendations. One of these recommendations was that it should be on a no-profit-no-loss basis. This recommendation was accepted, and it was introduced on this basis. The committee said that it was absolutely possible that departmental catering could be introduced on a no-profit-no-loss basis, and there should be no loss at all. Another recommendation was:

“The Committee would like to reiterate that it is not their intention to recommend elimination of contract catering on the railways. They would like to see efficient contract catering running side by side with departmental catering, each profiting from the experience of the other and fulfilling a complementary role.”

Now, my submission is this. We were getting about Rs. 30 lakhs by way of licensing fees from the contractors. We were prepared to wipe out that. We were prepared to do away with the licensing fees, because we wanted to provide better food for the passengers. That was perfectly understandable. Then, the contractor was definitely making a huge profit, or at least some profit, or some good profit. We were wanting that the licensing fee which he was paying out of the food which he sold, and the profit which he was making out of the food which he sold, should be utilised to give better food to the passengers. But what has happened? The no-loss-no-profit basis has not been adhered to. But we are incurring a loss on the railways on which we have introduced catering newly only during the last two years. The story does not end here. What has happened is that, with the introduction of departmental catering,

instead of maintaining a healthy competition, we are introducing monopolistic tendencies, and the Railway Department has raised even the prices of the foodstuffs.

The railways have taken over catering at Delhi very recently. At Delhi, *puris* were being sold at Rs. 1-8-0 per seer; but now they are being sold at Rs. 2 per seer. Sweets were being sold at Rs. 2-8-0 per seer, but now they are selling at Rs. 3-8-0 per seer. Again, they were making their purchases. Now, they have introduced departmental catering at Lucknow. It is not that the railways are manufacturing any sweets; they are making the same purchases as the contractor was making from the market. The famous Lucknow *rebbis* which were being sold for Rs. 1-4-0 a lb. are now being sold at Rs. 1-8-0 per lb.

So, it is not only that we have lost the revenue which we were collecting by way of licence fees, not only have we wiped out the profit which the contractor was making, but we have increased the rates at most of these places, and yet we are incurring a loss.

The Railway Minister should let us know whether he is sticking to those recommendations made by this committee, which he has told us, he has accepted, and which he has reiterated on the floor of this House; if he is sticking to those recommendations, I would like to know how he proposes to wipe out the losses.

Another question which I want to ask is this. How is it that when the no-loss-no-profit basis has been accepted, on certain railways, the railways are pinching the pocket of the travelling public and making a profit out of it? I want to make it perfectly clear that it is not my contention that departmental catering should be done away with. What I mean to say is that it is so obvious from the facts and figures which I have doled out, figures which I have collected from the Railway

Ministry itself, and the figures and information I have gathered otherwise, that we are unnecessarily running at a loss. While we are running at a loss in some places, we are making profit at other places. The reasons given in the answer cannot be considered as good reasons, because if they are good in the case of one railway, they should be good in the case of other railways also. If you have given a rise to the staff and you have provided better food, am I to understand that it is only on the Eastern Railway that you have done so and not on the Central Railway?

So obviously it appears that there is maladjustment and maladministration and we are very much concerned about it, because we feel that whatever the department touches, even if it is gold, it turns into dust. The House should be assured that the recommendations made by the Committee are adhered to and that departmental catering is run on a no-profit-no-loss basis. There should be adequate reasons given to explain how all this profit has been wiped out and how we are running at a loss.

The Deputy Minister of Railways (Shri Shahnawaz Khan): I was really sorry to hear my hon. friend making the remark that whatever the Government or the Railway Administration touched, it turned from gold to dust. I am sure most of the hon. Members present here have eaten the food after catering had been departmentalised. I have also travelled frequently and I have met a very large number of people who used to complain very bitterly about the poor quality of food. Now all of them have a good word to say about the quality of the food that is being served by this departmental catering.

I might remind my hon. friend that the very object of taking over catering by the railways was to improve the quality of the food. The quality of food had deteriorated to such an extent that it had almost become uneatable and it was only as a result of frantic protests by the members of

the travelling public and also by hon. Members on the floor of this House that we were constrained to take this step.

Shri Harish Chandra Mathur: I have never said a word against departmental catering. I said—you take over. That was not my point at all.

Shri Shahnawaz Khan: I was just replying to the 'turning of gold into dust.'

My hon. friend remarked that the main recommendations of the Catering Committee were not being adhered to. I beg to reiterate that every recommendation of the Committee is being adhered to. He has quoted certain paragraphs saying that departmental catering should run side by side with contract catering. We are sticking to that system, and I might tell him that we have decided that having taken over a certain number of stations, we hope that the large number of contractors who are still allowed to cater on railways will bring up their standard of catering to that of railway catering. And provided they do that, we do not propose to take over very many more stations. In fact, if the situation improves, it would not be necessary to take over any more station, because our very object is to improve the quality of food. That, we feel, we have succeeded in doing. I do hope that the contractors who have been allowed to remain on the Railways will play up and improve the catering and bring it to the level of the railway catering.

I might also say that although we do not intend to take over any more station from the contractors, if we find that the quality of food at any station has deteriorated to such an extent that it is necessary for us to take over in public interest, we shall not hesitate to do so.

My hon. friend talked about the losses on departmental catering. I will give him the reasons. The main losses were on the Southern and South Eastern Railways. On the Southern and South Eastern Railways,

[Shri Shah Nawaz Khan]

departmental catering has been there for a long time. The main reasons why there has been loss on the Southern and South Eastern Railways are....

Shri Harish Chandra Mathur: I asked definitely about the Central and the Eastern Railways. Please deal with them

Shri Shah Nawaz Khan: Let me deal with departmental catering as a whole. There are losses on the Southern Railway because, in addition to the scales of pay recommended by the Central Pay Commission, we are giving very liberal terms, free food and oil baths and other facilities ...

Shri Harish Chandra Mathur: The Catering Committee has discussed all this

Shri Shah Nawaz Khan: That is the reason for the losses in the Southern Railway. I also said that we are allowing the contractors to continue in some stations (*Interruptions*)

On the South Eastern Railway, the main reason for the losses are these. The Railway have really made a name for themselves for the high quality of western style of food. I am sure many of the hon. Members who have travelled on that Railway and eaten that food have a very good word for it. But, we cannot go on incurring losses and we have taken a decision and asked our Railway Administrations, where they are running at a loss, to take steps immediately to eliminate all losses.

Shri Harish Chandra Mathur: Also profits.

Shri B. Dasgupta (Purulia): On the South Eastern Railway, I can tell you that we get the worst kind of food. I can name stations. It is departmental catering. I know places where there are no purchasers and still there is a big establishment.

Shri Shah Nawaz Khan: There are certain Railways where we have been

constrained to retain the western style of catering. The losses are mainly on establishment where we are serving the western style of food, on restaurant cars and dining cars.

As the House is probably aware, recently, the hon. Minister has taken a decision that in order to reduce over-crowding on some of the long distance trains which carry dining cars and restaurant cars, they are to be discontinued. The discontinuance of these cars will, to a great extent, reduce the losses

Shri Harish Chandra Mathur: What a solution!

Shri Shah Nawaz Khan: It is not that we are going to leave the people without food. We are going to make alternative arrangements for food at suitable halting stations in the way and we are going to improve the standard of refreshment rooms all along the line

Shri C. R. Pattabhi Raman (Kumbakonam): We have suffered by that method. Sometimes, the Grand Trunk Express, which was scheduled to go to a particular station at about 12 noon, actually reached at 4 p.m. in the afternoon.

Shri Shah Nawaz Khan: The hon. Member also referred to the licence fees which we were getting from the contractors and which had been displaced and the loss to which the nation had been put. I may inform him that even now, we continue to receive licence fees in respect of a large number of stations. We have taken over only a very few stations. The licence fees was something like Rs. 30 lakhs previously and I am sure it has not gone down below Rs. 20 lakhs at present. Our intention is that the quality of the food should be kept at a high level. We will try to eliminate whatever losses there have been.

The hon. Member was keen to know about the Eastern Railway. We want-

ed to take over Howrah which was the biggest place on the Eastern Railway. Some people went to the court and obtained injunctions and as a result of that we could not take over that very profitable station. Recently, we have taken it over and I had been to Howrah. I was very glad to see that in the third-class waiting hall, as many as three to four thousand people were having their meals. Really first class meals were served at cheap rates . . . (Interruptions.)

• Mr. Speaker: First-class meals at third-class rates.

Shri Shahnawaz Khan: My hon friend need not be alarmed at these figures; they have not yet been audited and in actual fact, we hope that the actual losses will be a little less than what is stated here. With these few words, I can assure my hon. friends that we will stick to the recommendations of the Committee and we intend to stick to the policy that we have decided and we will go through it

Shri Harish Chandra Mathur: Sir, not one point which has been raised by me has been answered. I pointed out to him the contradiction that if these are the reasons which are responsible for the losses on the Eastern Railway, they apply equally to the Central Railway. But, on that railway we are having profits while we are having losses on the Eastern Railway. So, the reasons must be very different. I have also pointed out that the rates have been revised in a monopolistic manner which is against the recommendations of the committee. It wanted that there should be a fair and healthy competition. But, instead, there are monopolistic tendencies and in a very monopolistic manner things are done. I raised three points and none of them have been touched. He was all the time talking about the Southern Railway and the South-Eastern Railway. I know the position about them.

Mr. Speaker: The hon. Member wants to know why the rates have been raised and why, in spite of the raising, there are losses in a particular section. What are the special inconveniences? While the Central Railway is yielding a profit, the Southern and the South-Eastern Railways are running on a loss. What are the peculiar disadvantages of running catering there as opposed to the other places?

Shri Shahnawaz Khan: As the hon. Member knows, the railway administrations are functioning more or less as autonomous units. In some places, certain railways have given more prominence to the western style of catering and improved the standard of western style catering by opening cars and restaurants. As a result of that, they might have incurred losses. The other railways may have given more prominence to the other style. I may tell the House that the most profitable thing on the railways is the ordinary tram-side-vending.

Mr. Speaker: Why cannot they adopt this? Whatever lead to losses may have to be eliminated. At any rate, there need not be any profit. All that he wanted was this. In the earlier days, there were contractors. They would not work on a no-loss-no-profit basis or on a charitable disposition. He must have been making profits. We do not make profits. We increased the rates. He wants to have all that information.

18 hrs

Shri Shahnawaz Khan: This is just the beginning of departmental catering. We are going to gain by our experience. Where some sections have gone into loss we are looking into them very carefully to see the reasons for the losses. If any sections have made excessive profits we are trying to cut down the profits and bring down the rates.

Shri Harish Chandra Mathur: The reasons which he has now stated are quite different from the reasons given in the original answer. May I know whether the reasons given in the original answer do not apply?

The Minister of Railways (Shri Jagjivan Ram): The reasons given in the original answer do apply. If the hon. Member will apply his mind he will find that these are the main reasons for the losses. There are certain other reasons also which have been pointed out by the hon. Deputy Minister. On certain Railways due to historical reasons the restaurant and dining cars are run on western style. We have not changed them all of a sudden to Indian style. The patronage of passengers on those restaurants and dining cars is much less than on those of Indian style. That is one of the reasons for greater loss on Eastern Railway as compared to Central Railway.

Then, on the dining cars it is invariably a loss because we do not get even the haulage charges of the dining cars by that number of passengers who patronise the dining cars.

With regard to the question about monopolistic rates of eatables, I am afraid my hon. friend is entirely mistaken. I have on certain occasions seen some of the restaurants on the Central Railway and other places. I have found, especially in Bombay, people from the City also come to the dining hall of the Central Railway.

Shri Harish Chandra Mathur: There the rates have increased.

Shri Jagjivan Ram: If my hon. friend had made enquiries to satisfy himself he would have found the answer. We are giving a full meal for 18 annas or even 14 annas. If some hon. Members of this House have taken that meal they will testify that the charges that are levied as compared to the quality of food served is very reasonable. Even private contractors will hardly afford at that rates that quality of food.

As regards sweets, I know in Delhi we are preparing most of the sweets ourselves. It is only in the case of some specialised sweets that at times we purchase from the market. That we do and I will not deny that, and we will continue to do that in certain cases of specialised items—which some times are a speciality of an individual or a family. I know in Delhi the Railway restaurant has become so popular that even for private parties people are inviting those caterers. If they are not comparatively cheaper and also of better quality, I do not think why people should patronise them. As they are cheaper why the travelling public or the Delhi public should not patronise.

So, there is not at all any monopolistic tendency in charging the rates either of puri or sweets. I will leave it to my hon. friend to taste the puris supplied by our railway catering and to taste the puris of others. He will find then whether, if there is any higher price for railway puris, there is any justification for the high price charged or not.

Shrimati Renu Chakravarty: Let us have a test by the Members.

Shri Jagjivan Ram: There have been some losses. My hon. friend has conveniently forgotten one of the paragraphs of the Catering Enquiry Committee. I will read that out for his benefit and for the benefit of this House. I shall read that portion of the recommendation which has not been read by my hon. friend. The Committee says:

“Refreshment and meals on trains should be provided at popular prices by the department. Departmental catering should provide a wide range of food and snacks. The aims should be to run the catering establishment on a no-profit-no-loss basis in the long run”.

I will draw his attention to the words "in the long run".

"To start with, if the departmental catering suffers any loss, it may be considered as expenditure on advertisement and partly to be on account of passengers' amenities".

I wish my hon. friend read this portion and pointed it out to this House.

In the initial stages, nowhere in the world departmental catering on the transportation has been a paying thing. I was the other day looking into an article on the catering on the railways in the United Kingdom, and I was surprised to find the colossal loss that they incur on this account. The main thing I again reiterate is this: that the salary that we pay to the employees is several times higher than what a contractor pays to his employees,—the same category of his employees. I may tell the hon. Member for his information that the bearers and cooks under the private contractors were getting Rs 30 plus food, and as soon as the department took over those employees, we began to pay according to the Pay Commission's recommendations, and immediately the salaries shot up to the minimum of Rs 75. That makes a difference. That is also one main factor for the loss

Shri Dasappa (Bangalore): Then how were they serving the private contractor?

Shri Jagjivan Ram: That question may be put to the quite large number of people who are serving in this country even at Re. 1 as daily wages. But I have explained the position. Since we took over, the salary bill has increased.

Shri Harish Chandra Mathur: Why is the profit in the Central Railway?

Shri Jagjivan Ram: I have again explained what is the reason for the loss on the Eastern Railway and for the profit on the Central Railway. If my hon friend does not want to understand it, I cannot help it. I have said it is because of historical reasons; the western style of catering on the Eastern Railway has been the main cause of this loss. We are gradually going to replace it. The intention of the catering should be that it is patronised not only by the passengers of the first and second class but also by the third class passengers who may take advantage of that. At present, the style of catering on the Eastern Railway is not of that type, and unless we replace that, I am afraid there will be loss. I am going to take certain steps in this direction and I think in course of time the losses will be minimised.

18.05 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, the 13th August, 1957.