

[Shri Morarji Desai]

in a particular branch or a particular province, as for instance in Burma or Madras. There is nothing new about it.

Further discussion on this motion would stand over till tomorrow. I take it the amendment is not pressed. It is left to me to decide when it should be taken up; I decide it may be taken up tomorrow.

12.39 hrs.

RESOLUTION RE RECOMMENDATIONS OF RAILWAY CONVENTION COMMITTEE.

The Minister of Railways (Shri Jagjivan Ram): I beg to move:

"That this House resolves that the period for the continuance in force of the recommendations of the Railway Convention Committee, 1954, governing the arrangements between railway finance and general finance which were approved by this House by a resolution adopted on the 16th December, 1954, be extended by one year up to the 31st March, 1961."

As the House is aware, the Railway Finance was separated from General Finance on the basis of a Resolution passed by the then Legislative Assembly in 1924 in the following terms:

"In order to relieve the General Budget from the violent fluctuations caused by the incorporation therein of the Railway estimates and to enable Railways to carry out a continuance Railway policy based on the necessity of making a definite return to General Revenues, on the money expended by the State on Railways."

In pursuance of this Resolution, the Railway Budget became a separate entity and separate Reserve Funds in

the shape of the Depreciation Reserve Fund, the Revenue Reserve Fund and later the Development Fund were created. General principles were also laid down for the allocation of expenditure to Capital, Revenue and these Funds. The details of the financial arrangements were, however, reviewed periodically by Convention Committees of Parliament, which examined the position carefully and made recommendations. The approval of Parliament was then obtained based on these recommendations.

The present financial arrangements are based on the recommendations of the Parliamentary Convention Committee appointed in 1954, which were accepted by this House by a Resolution passed on the 16th December, 1954, and which are current up to the 31st March, 1960. In the ordinary course, I would at this time have approached the House for the setting up of a new Convention Committee, so that, after allowing for the time the Committee would require for its deliberation, its recommendations may become available for consideration and decision by the House before the expiry of the current period. As stated in my Budget Speech for 1959-60, it is essential, however, that a Convention Committee set up for this purpose should have reasonably accurate data as regards the burden of additional traffic that would fall on the Railways, the level of investment required to meet that obligation and a good forecast of the earnings and working expenses during the next few years. This, however, is not possible until reasonably firm decisions are taken as regards the magnitude of the Railways' Third Five Year Plan.

Shri Naushir Bharucha (East Khandesh): The hon. Minister is not audible.

Mr. Speaker: The hon. Member will come and sit a little ahead.

Shri B. K. Gaikwad (Nasik): He is not the only one. There are so many other hon. Members sitting behind.

Shri Jagjivan Ram: This, however, is not possible until reasonably firm decisions are taken as regards the magnitude of the Railways' Third Five Year Plan. There are two other important factors, the exact financial implications of which are difficult to assess at present. One is the new freight structure which was introduced with effect from the 1st October, 1958 and the other is the Report of the Pay Commission, which is still awaited.

In these circumstances, I feel that the forecast of the Railways' financial position could only be made on a realistic basis in about a year's time. I have, therefore, come to the conclusion that the period covered by the present Convention might be extended by one year. This would have an added advantage that in future, the period of the Conventions would synchronise with the quinquennium periods of our Five Year Plans.

With these words I commend the Resolution for consideration and adoption by the House.

Mr. Speaker: Resolution moved:

"That this House resolves that the period for the continuance in force of the recommendations of the Railway Convention Committee, 1954, governing the arrangements between railway finance and general finance which were approved by this House by a resolution adopted on the 16th December, 1954, be extended by one year up to the 31st March, 1961."

The time for this that has been allotted is four hours. Hon. Members, therefore, will confine their remarks to fifteen minutes each as usual in respect of Resolutions.

Shri Tangamani (Madurai): There are not many speakers.

Mr. Speaker: Possibly some hon. Members may come after lunch. Anyhow, let me have an idea of hon. Members who wish to participate in this. I see eight hon. Members standing up. Eight multiplied by a quarter of an hour comes to two hours. Twenty minutes for each.

Shri Nanshir Bharucha: Some more time might be given. Twenty minutes.

Mr. Speaker: I will note down the names of all of them.

Shri Tangamani: Mr. Speaker, Sir, we are grateful to the hon. Minister for explaining to us the convention that has grown since 1924. At the outset, I want to say that I support this Resolution, namely, that the recommendations of the Convention Committee of 1954, which would normally elapse with 1959-60, may be extended by one year, that is, up to 1960-61. I do agree with the reasons advanced by him that the Convention Committee which is generally set up once in five years will synchronise with the beginning and the end of the Five Year Plans. But, having said this, I would like to make a few observations and shall, as far as possible, confine myself to the recommendations made by the various Convention Committees and in particular the Convention Committee of 1954 which went into this matter in great detail.

As we know, the Convention Committee of 1949 and later the 1954 Convention Committee of which you, Sir, were the Chairman, has fixed that the dividend payable is 4 per cent on the capital at charge. If we go through the Report, we find that several issues were raised as to how far this 4 per cent on the capital at charge will be reasonable. I would like to mention paragraph 18 of the 1954 Report. There, it was stated—

"The Committee observe that as a result of the haphazard growth of the capital Structure of Indian

[Shri Tangamani]

Railways owing to historic reasons an element of over-capitalisation has come to stay. The total value thereof has been estimated to be Rs. 100 crores approximately by the Railway Board. A view was expressed....."

Mr. Speaker: Over-capitalisation to the extent of.....

Shri Tangamani: Yes, to Rs. 100 crores. So, to that extent, because we find that in 1957-58 the capital at charge is Rs. 1,169.13 crores as against the capital at charge in 1952-53 which was Rs. 833.6 crores, this variation of Rs. 335.53 crores will also be reflected in the capital at charge which has been fixed at Rs. 1,169.13 crores. On the basis of this 4 per cent now the dividend that has been paid to the General Reserve for the year 1958-59 was Rs. 49.58 crores as against Rs. 38.16 crores which was paid in 1956-57. So, we can take it that on an average about Rs. 50 crores will be the dividend paid to the General Revenues. This will be slightly in excess of what has been paid. But for the reasons given and for really stabilising the Railway finance, I also do agree that this 4 per cent which has been fixed by the Committee after due deliberation is a very salutary fixation of the percentage. But arising.....

Shri Naushir Bharucha: Inclusive of interest element.

Shri Tangamani: Yes. But arising out of this there are several things also. When we have allocated 4 per cent for General Revenue out of the surplus the Development Fund is set up. For development certain items have been mentioned in paragraph 21.

Mr. Speaker: Personally, I would treat this as a concern as any of the autonomous concerns where income-tax has to be paid, interest has to be paid and some profit has to be given to the shareholder, that is, to the Government.

Shri Naushir Bharucha: That is right.

Mr. Speaker: All that has to be done. But anyhow the trend has been the other way.

Shri Naushir Bharucha: It is a wrong way.

Shri Tangamani: Actually, probably when the next Convention comes a situation very similar to the autonomous corporations, which have now come up, would meet the ends of justice and certain benefits which the passengers and the employees will have to get will be met from out of the surplus.

Before I go to the Development Fund, I will refer to the Depreciation reserve. So far as the depreciation reserve is concerned, I am at a loss to understand how this has been so inflated. Because, I find, in the year 1949, when the 1949 Convention went into this question of depreciation, the depreciation that was being paid was Rs. 10 to 15 crores.

Mr. Speaker: May I suggest to the hon. Member and the House that we are not now going into the details of all this at this stage. The only point now is this. In view of the Pay Commission, with the cleverest of anticipation, it is not possible to find. There is no harm in continuing this. We have been working this for five years. All these circumstances that are now taken may be taken up at that time. Whoever may be the Chairman or Members then, will not remember what Shri Tangamani says. Therefore, let us make short of this business.

Shri Tangamani: There may not be much to say.

Shri Naushir Bharucha: We want to make out that it should not be continued even for a year. The general revenues are suffering. Your concept, as you were pleased to say, is different.

Mr. Speaker: I am only referring to what Sri Tangamani was saying. If he wants to oppose this, that is another matter. He is in agreement. He says it is all right. He wants to go further into the details. I am sure they are all valuable points: accumulation, inflation, etc. At that stage, nobody is going to remember what he has said.

Shri Jagjivan Ram: The appropriate time will be when setting up the Convention Committee.

Shri Tangamani: The 1954 Convention have made certain recommendations. They qualified those recommendations also. When they arrived at a particular percentage, they gave directions to the Railway Board that they have to do certain things. These suggestions are useful for this current year and also for two years more that are to run.

So far as the Reserve fund is concerned, I find that Rs. 15 crores were set apart. From 1949-50 onwards, it has been increased to Rs. 30 crores. I do not know whether there has been any resolution of the House, since 1950. I am unable to find it from the records. The 1954 Convention, finding that Rs. 30 crores have been set apart for depreciation, arrived at the conclusion that Rs. 35 crores was the proper figure for depreciation. Subsequently, with the approval of this House, now, it has been increased to Rs. 45 crores. Why I am mentioning this is to show that already, there is a heavy 4 per cent on even the Rs. 100 crores which is not accounted for, set apart as dividend, and so far as depreciation is concerned, Rs. 10 crores more than what has been recommended by the 1954 Convention has been set apart. I am just mentioning this to show how important it is that developmental and other activities must be given top priority, because we have sacrificed something. There must be really a toning up of the administration and every bit of wastage which has been pointed out by the Public Accounts

Committee or by hon. Members in this House must be taken serious note of. That is the purpose of the few observations which I would like to make in this connection.

Having said this, I find that out of the Development fund, a sum of Rs. 3 crores has been set apart for amenities to passengers. There is nothing in the Convention's recommendations against increasing the amenities from Rs. 3 crores. What I would like to know from the hon. Minister is this. From the Budget papers, every year we see Rs. 3 crores is set apart. I would like to know whether the sum of Rs. 3 crores has been spent during at least 1958-59, and 1959-60 and whether we have really taken down in details about the various amenities which we are going to extend in the coming year, namely, 1959-60. Because, I feel that passenger amenities should not only get top priority, but also that the amount set apart for passenger amenities must be spent.

The second suggestion which I would like to make is this. As early as 1957, the Tapase Committee was set up for considering the promotional avenues of Class IV employees. Class IV employees constitute nearly 60 per cent or even more of the employees in the Railways. The Tapase Committee report was published in 1958 and the House has been told about the Report of the Tapase Committee also. The Tapase Committee has suggested that the Class IV employees whose scale of pay is 30-35 may be promoted to the scale 30-1-40 and 40-2-50. I would like to know how many class IV employees have benefited as recommended by the Tapase Committee since we have implemented this report. That is the second point.

The third point that I would like to make is this. I would like to know this from the hon. Minister. This, again, is a point which has been pending ever since 1955-56. The one man Tribunal which was set up has considered many of the issues pending.

[Shri Tangamani]

We were told that certain issues have been withdrawn by one of the Federations. How many issues have been settled by the Senkar Saran Tribunal? In what way have the directives or findings of the Tribunal been put into operation for the benefit of the employees?

As regards my fourth point, only one instance I will mention. There were reports of even corruption in the branch line between Rourkela and Manarpur. A considerable amount was paid in excess. This was pointed out by one of the contractors. The Chief Security Officer promised an enquiry. ~~We would like to know what~~ has happened and what is the result of the enquiry.

Coupled with the amenities to passengers, comes the question of safety in travel. Today, during the Question hour, three instances were mentioned how there was one dead body found in a Railway compartment; another case was where there was robbery; another case was again a case of robbery. Safety of travel is another important thing. Although several steps have been taken, we must know, since last year, how many such cases of robbery or how many such cases of murder have been detected and what steps we have taken to prevent this type of occurrences and really give safety to the passengers during travel.

Another point which I would like to mention is about safety of bridges. There was an expert committee which was set up. I do not know what recommendations they have made and at what stage it is. Lastly, I would like to refer to the observations of the Public Accounts Committee, of which I am sure the hon. Minister must be aware. The public Accounts Committee has pointed out that:

"During 1955-56 and 1956-57, the percentage of savings over the voted grants and charged appropriations had shown an upward

trend compared to 1954-55. In some cases, the Ministry had obtained supplementary grants from Parliament, even though it had not spent the original appropriation."

Already, we find another supplementary demand for grant coming up:

"The Committee was surprised how despite the maintenance of liability registers indicating the progressive total of financial commitments, the Ministry was not in a position to assess its requirements accurately."

The Committee also refers to certain items in the Northern Railway, which also I would like to mention.

"Failure of the Northern Railway to follow the prescribed procedure which has resulted in considerable loss of revenue and wasteful expenditure: In one case, a siding was provided for a firm without settlement of the terms in advance as provided in the rules. Though nine years had elapsed since the siding was given, no settlement had been reached."

"In another case, the North-Eastern Railway had taken more than eight years, to fix siding charges to be recovered from an oil company. This has resulted in heavy outstandings."

13 hrs.

I am mentioning these things to emphasise that when once the House, following the wisdom of the Convention Committee, approves of a certain procedure, and without question allows the Ministry to give so much to the general revenues and so much for the depreciation fund, it is necessary that such irregularities and such lapses must be seriously looked into.

There are many things which I can say about the welfare of the workers, but since they had been raised at the time of the budget discussions, I am

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of Railway Convention
Committee

not raising those points on this occasion.

In conclusion, I would request the hon. Minister to see that along with the extension of the operation of the recommendations of the Convention Committee of 1954, the toning up of the administration also takes place. I do agree to the reasoning that has been given to show that it is necessary to extend the operation of the Railway Convention Committee's recommendations.

Shri Viswanatha Reddy (Rajampet): The reasons that have been advanced by the hon. Minister for the extension of the operation of the recommendations of the Railway Convention Committee of 1954, I am sure, would be accepted by the House, and I do hope that the extension will be granted. However, I think that the hon. Minister as well as the Railway Administration have introduced this resolution which is under discussion now, with considerable sacrifice to themselves, because I am one of those who firmly believe that the recommendations of the Railway Convention Committee of 1954 have acted very adversely on the finances of the railways. The financial position as it is to day has resulted in a great deal of depletion of funds in the various special funds that have been created by the Convention Committee. Therefore, it would have been an advantage for the Railway Administration to have asked for the appointment of a separate Convention Committee again, and put their case very strongly before that committee, so that certain reliefs could possibly have been given by this new Convention Committee if it had come into being this year.

To substantiate my points, I would like to state, at the very outset, the contributions that the railways have been called upon to pay to the general revenues from the year 1924. During the period 1924-50, when the principles of the convention were of a particular, definite, or specific variety, the

total amount that was contributed towards the general revenues over a period of twenty-five years was Rs. 236 crores.

13.05 hrs.

[MR. DEPUTY SPEAKER in the Chair]

The contribution that was made during the last five years was only Rs. 225 crores; and the contribution during the five-year period just before the last five-years period was Rs. 170 crores.

If I might analyse these figures in a different manner, I might say that today the railways are contributing to the general revenues at the rate of nearly 15 per cent of their gross earnings per year. Expressed in terms of percentage of the capital-at-charge, it may be only 5 per cent, but expressed in terms of the percentage of the gross earnings of the railways, it works out to nearly 15 per cent. In my opinion, this is a very unconscionable percentage for the railways to contribute to the general revenues. This contribution has resulted in a very sorry state of affairs of the railway finance today.

I certainly appeal to the Railway Administration to put their case very strongly at least before the next Convention Committee, so that the principles of division of the railway earnings may be entirely changed. I might submit to the House that the principles that were laid down by the 1949 committee were entirely different from the principles laid down by the other committee. Therefore, the decline in the railway finances from 1949, in spite of increased earnings of the Indian railways, has been very disastrous to the railways. If this state of affairs continues, then I am afraid the railways will have to lean more and more on the general revenues, which would, in that case, adversely affect the general revenues more than ever.

Let me now discuss the main points that were left open by the 1954 Convention Committee to be decided by

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the 1959 Convention Committee, which, however, is going to be started only in 1961. One of the main points was over-capitalisation. The Railway Administration was asked to specifically work out the exact amount of over-capitalisation in the railways. I might recall to the House the fact of the haphazard development of the Indian railways which has naturally resulted in this element of over-capitalisation. Even on this quantum of over-capitalisation, the railways have to pay a great deal of interest to the general revenues. What exactly is the quantum of this over-capitalisation? I at least have not been able to find that out from the papers that are available.

Then, there was the question of strategic railways. The financing of strategic railways as well as the maintenance of these railways has been the main responsibility of the general revenues. However, in the first instance, the railways are asked to finance these schemes and then recoup from the general revenues. But we have not been able to work out, in spite of these ten years of these convention rules, what exactly is the amount that has been spent on strategic railways, and what exactly is to be recovered from the general revenues on this account. It has been mentioned that it is an insignificant figure, but it should be possible for the Financial Commissioner of Railways, who is functioning today, as he does, separately, to work out the exact figure. Since we have undertaken this policy of separation of railway and general finances, it should be easy, and necessary also, to allocate all this expenditure, however, insignificant it may be, under separate heads.

The 1954 Convention also recommended that the creation of an amortisation fund should be left open for the present. The necessity for this amortisation fund has become very urgent now, because the total amount of capital at charge for the railways is of the

order of nearly Rs. 1,600 crores. Apart from paying interest on this capital which is growing everyday, and apart from paying the contribution to the general revenues, very little is left for the development of the railways. Therefore, a fund to clear these capital liabilities, the liabilities created by this capital-at-charge, should start some time or other. Without this amortisation fund, ultimately the liabilities will accumulate so much that in a lean year it will be very difficult for the general revenues. Should there be a loss in the railways to the tune of Rs. 50 to Rs. 60 crores this year, for example, it will be a terrible job for the general revenues to find that money and see that the railways work smoothly. Therefore, the necessity for an amortisation fund and also the revenue reserve fund, to cover these exigencies is very urgent, and at least the next Convention Committee, I hope, would be able to start some process which would create these two funds

Let us examine the state of affairs of the various funds created by the Convention Committee. Let me first take up the Depreciation Reserve Fund. I am sorry I have not been able to gather figures for years earlier than 1957-58, but just to illustrate my point and to strengthen the trend of my argument, I might mention the figures of 1957-58 and the estimates for 1959-60. The Depreciation Reserve Fund stood at Rs. 103 crores in 1957-58, and at the end of 1959-60 it will be reduced to Rs. 35 crores. At the rate at which withdrawals are being made from this fund, and at the rate at which accretions are being made to this fund, it is quite conceivable that in 1960, not to speak of any balance, there would be a large drawal from the general revenues to this fund itself.

This fund is supposed to be self-generating; it is supposed, according to the conception of the creators of

this fund, namely the Convention Committee, to be a permanent one; it is supposed to generate all the finances for all the depreciation of the railways and to meet the repairs, the maintenance and the general depreciation in the fullest sense. But this will become non-existent after 1961.

What will be the consequence of the complete depletion of this fund? The railways will have to go on, they will have to function efficiently; the Government or the people of India will not be able to stand and look on when the railways are not able to go on smoothly. Therefore, whether this fund exists or not, the contributions from the community through the general revenues will have to go to this fund, and therefore the general revenues will suffer a great deal. So, the argument that the contribution to the general revenues is quite adequate now, or that it can even bear an increase, does not really have any substance because ultimately if this increased contribution results indirectly in the depletion of all these funds, that means the general revenues will in any case have to bear the burden of the loss of the railways. Therefore, I suggest that the contribution of the railways to the general revenues should be on such a scale that it does not impair the efficient functioning of the railways. That should be the only criterion for us to go by; otherwise, ultimately it is the general revenue that will have to suffer in any case.

Let us look also at the Development Fund. In 1957-58, the balance was Rs 13 crores, and in 1958-59 there was no balance. Of course, even this year there is no balance. At the end of 1959-60 we shall have drawn nearly Rs. 20 crores by way of loan from the general revenues.

The scope of this Development Fund was very much enlarged by the 1954 Convention. This fund today will have to undertake functions which were not envisaged originally when it

was brought into being. This is the sorry state of affairs in which this fund finds itself.

Again, take the Revenue Reserve Fund. Fortunately there was no necessity for the railway administration to draw from this fund because during the past ten years it was a sort of book period for the railway, but the profits or the earnings of the railways, of late, are showing a downward tendency for various reasons. Therefore, necessity of making some accretions to the Revenue Reserve Fund is also every much apparent. Of course, there is nothing much to comment on the functioning of this fund because this fund is not functioning at all today. We are neither putting anything into it nor taking out anything from it.

To revert to the amortisation fund, I may submit to the House that the 1954 Convention specifically stated that this fund should wait for better days for its creation. If we have to go on waiting for the creation of this fund, as I have already submitted to the House, the time will come when the capital-at-charge will be so heavy on the railways that they will not be able to pay even one per cent or two per cent to the general revenues on the capital-at-charge. Therefore, the reduction of the capital must be attempted from the yearly earnings of the railways. For that purpose, the amortisation fund is absolutely necessary. So, when the next Convention Committee meets I am sure the railway administration will put very strongly before them the need for the creation of this fund.

In conclusion, I might particularly tell the hon. Minister that I personally feel that the case of the railways has gone by default both in 1949 and 1954. I hope the same mistake will not be repeated in 1960. The soundness of the functioning of the railway administration is important not only for the benefit of the community at large, not only for the benefit of the railways, but also in order to see that

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the general revenues are not subjected to the strain of having to meet the various obligations of the railways. Therefore, I plead that the railways should be strengthened further in order to prevent any further inroads into the general revenues.

Shri Harish Chandra Mathur (Pali): The hon. Minister of Railways, even while speaking on the budget discussions, had made it perfectly clear that he would come for a year's extension in the present arrangement of things as they exist, and he has just repeated the same arguments in asking for a year's extension.

I have no hesitation in conceding that they are very weighty reasons and we have no hesitation in extending the time of the present convention, because of the various considerations which will have to be borne in mind when we take stock of the whole position, but I wish to give a sort of warning here that this period which is now being given to the railway administration has got to be utilised to put its house in order and to do a lot of new thinking which is very necessary.

Let us examine the whole position from an absolutely layman's viewpoint. I quite agree that there should be separation of railway finance from general finance. The railways, which are our biggest undertaking in the public sector, must have separate finances, and must give a good account of themselves concerning how efficiently they are run and what return they are giving to the taxpayer's money. I as a taxpayer and as a representative of the taxpayer want to know from the Railway Administration what return the general revenues should expect. As a matter of fact, they do not pay any income tax: they do not pay any interest on the capital advanced to them. All that they pay is a 4 per cent dividend. Is that justified? We have been setting up now various corporations in the

public sector. So far the railways have been almost practically the only undertaking in the public sector. Now would the railways be justified in asking for a very different treatment from that meted out to other corporations in the public sector?

Shri Viswanatha Reddy: All over the world, railways are functioning as public utility concerns.

Shri Nausahir Bharucha: No. no.

Shri Harish Chandra Mathur: I will deal with that matter also. The convention has taken two aspects into consideration, to what extent the commercial outlook has to come in and where the public utility aspect has got to come in, and what weight and what place has got to be assigned to it. I quite understand that the railways have got to discharge certain responsibilities which other commercial enterprises may not have to, but in the present context, let us ask this question, whether a dividend of 4 per cent is a very fair return to the taxpayer. It has been argued by my hon. friend who preceded me that even this 4 per cent is a very high return which has been forced upon the railways and it might break the economy of the railways and it might at a certain time become a source of stress and strain on the general revenues, and therefore, the railways must very strongly present their case and come to certain arrangements through a certain convention whereby they have not to pay even this 4 per cent dividend. I do not at all agree with this sort of proposition. I expect that the railways should pay a much better return to the general revenues.

Now, we have got to examine whether it is simply because of certain utility considerations that the railways have not been able to pay a better dividend or because the railways have not been properly run and properly administered. The railways are taking passengers. Everyone knows how

crowded the railways are and how travel conditions exist at the present moment. While the railways are overcrowded, everybody who pays the full fare does not get his full seat; some occupy half the seat to which they are entitled, and certain people cling to the carriages etc. and still pay the full fare. Still if the railways do not make a good income, I think there is something very wrong with the Railway Administration itself.

Then again, if you come to the transport side, which is a bigger revenue-earning part of the Railway Administration, people are full of complaints. The railways have always been wanting to dominate in this matter; they have almost got a sort of monopolistic control over transport of goods. Where the question of road transport has come in, where there is an element of competition facing the railways, they have always tried to adopt and continue an imperialist policy. I know the Minister of Railways is a strong man and a powerful person. I like strong men. But I do not think he should use his strength and power to support an imperialistic attitude which the railways have always been taking.

Shri Jagjivan Ram: Never.

Dr. M. S. Aney (Nagpur): On a point of order. The motion before the House is for a limited purpose. Is a discussion on the Railway Administration as a whole relevant now? Is that subject before the House now?

Mr. Deputy-Speaker: What they are paying to general revenues, what they should pay, whether it is really justified as compared to the investment that we have made—all these are relevant factors so far as the convention and the rate are concerned.

Shri Harish Chandra Mathur: What I want to say is that the railways should utilise these two years to do a little bold rethinking of the whole matter and try to see what is going to be the future policy. Let us be

prepared for the Convention Committee which will come and which will also ask them all these questions I am posing today. These questions will have to be given proper consideration at that time. If during these two years the railways go and make certain commitments of expenditure, it will be extremely difficult for them to go back upon those commitments. It will be extremely difficult for that Committee; the task of that Committee will be rendered extremely difficult. They may not be able to say: 'You do this and do that now'. After all, we are as much interested in the railways as the Railway Minister himself is. It is wrong to think for one moment that we want to criticise the railways as some separate body. After all, we are as much interested in the taxpayer's money which has been invested in this undertaking as anyone else. It is the greatest national asset we have got. We are definitely keen and anxious to see to it that the railways do a little bit of bold thinking and try to evolve a policy for themselves, try to visualise what is happening all over the world, try to understand how road transport is coming up and what their position is going to be. They cannot through only artificial manipulations continue to occupy a certain position. They cannot continue to have that attitude. That attitude was permitted during a certain regime during the last century when the foreigners who were here had their vested interest in the railways. Now our interest in the railways is the same as in road transport; our interest in the evolution of a transport policy is just the same. I do not see any difference between the Minister of Railways and Minister of Transport. As a matter of fact, I have a greater interest in the railways. But we should view the question of railways and general transport from the same point of view.

The railways will have to take into consideration during these two years what is going to be their future policy, what problems are being posed before them, what problems they will have

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to face. They will have to give a much better account of themselves. So instead of making any further commitments now, they must do a little bit of introspection and try to understand what problems they are going to face. It is much better that they understand these problems now, during these two years before the new Convention Committee comes into existence.

Speaking on this very convention, a distinguished Member of this House, who was Chairman of the Public Accounts Committee, had given a definite warning even at that time that the railways must develop a commercial outlook. When my hon. friend pointed out to me that the railways were also a utility service, I could quite understand it. But the hon. Member who was Chairman of the Public Accounts Committee for a number of years had, I think, a better understanding of the working of the railways. If I may only repeat his words, he said that there must be efficiency and commercial practice in the railways. Then he pointed his finger at the railways for doing something which was not acceptable. He said that they were earning 'big' money and concealing it in revenue expenditure instead of in capital expenditure.

It is for putting these considerations before the House that I wanted to take part in this debate. I am very glad that we are now having a Committee which is going to be set up to evolve a national transport policy. Besides what has been stated here as the reasons for this Convention Committee to be set up after a year, I consider the appointment of that particular Committee to be a very important factor and that is an additional reason why we should give a little more time to the railways to see what transport policy is evolved, and how the Railways fit in in that transport policy and what role is assigned to them and what role they

have got to play. It should be clearly understood that the taxpayer definitely expects a much better return from the Railways, that the tax-payer expects that the railways will be run in a commercial manner, in a very efficient manner, that the expenditure will not be permitted to rise as it is rising at the present moment, that a sense of feeling is inculcated in the Railway Administration that they have got to face certain very important problems, that the country now expects something different and that they would not be permitted to adopt the same attitude which they have been adopting all the time.

The Railway Minister himself has given all the figures. We quite appreciate this pamphlet which has been distributed. I will not go on recapitulating the figures which have been placed in our hands. I quite appreciate that the Railways have started paying better returns. But, we are not satisfied with the returns. I wish the Railway Minister reconsiders the whole position and takes note of the problems that are going to be posed before the Railways. I definitely expect him not to consider them in a compartmental manner. As he is the head of the Railway Administration, I expect that he will bring about a wider and a broader outlook in this matter and will try to assign to the Railways their proper functions and see that they give a much better return. I am not going into the details.

Shri Naushir Bharucha: Mr. Deputy-Speaker, Sir, I am not quite convinced by the reasons which my hon friend, the Railway Minister has assigned for pushing back the consideration of the question of Railway Convention by one year. He adduced three reasons.

First, he says that by the end of another year, we shall know precisely the size of the Third Five Year Plan with regard to Railway

expansion. Secondly, we will also know the Pay Commission's Report and, consequently, our liability in the matter of operational costs. And, thirdly, we shall better appreciate the trends of the new scale of railway freights which we initiated some time back in 1958.

All these three arguments have no logical basis for this reason. It is true that the size of the Plan may be known. It may be big; it may be small. But, what does the Railway Convention Committee do? It decides on principles. It does not decide upon the size of the Railways Contribution. If it were deciding upon the rate of return which shall be a particular percentage of the capital-at-charge, then it is immaterial what the capital-at-charge is, whether it is Rs. 1000 crores or whether it is Rs. 2000 crores. If it is less, the total contribution would be less. Where does the size of the Plan come in? I do not understand.

Secondly, it has been said that the Pay Commission's Report will be available so that we shall know our liability. I am asking the hon. Minister—Can he forecast what will be the trend of prices in future so far as stores maintenance costs are concerned, the prices of repairs and parts and other things? He cannot forecast that. Even if prices of material cannot be forecast, still, he will appoint a Convention Committee. Why should he not do it when the prices of labour are not known? After all, these things do not materially influence the decisions of the Convention Committee. They may help some way or other. The Convention Committee lays down the principles; it does not lay down the quantum—that this must be the quantum, payable by Railways.

Thirdly, the trend of railway freight will be better known. Surely. But I am not sure whether we will not go in for a further revision of freight rates. We may want to increase them. Then, will he say, let us

wait another year to know the trends of that? Therefore, these are things which we have got to take in the stride. I am not satisfied though I may like the persuasive way in which he puts forward his arguments. It is very difficult to be convinced. (*Interruptions*). I am not going to agree.

The point to be remembered is that we do not straightaway appoint a Convention Committee—that has to be at the appropriate stage—and, therefore, an *ad hoc* committee has to be appointed. And, if the *ad hoc* committee is going to collect material, sufficiently comprehensive in nature, it must have sufficient time for it. And, I am of the opinion that the work of the *ad hoc* committee would last at least 6 to 9 months if it is really going to collect information of value to be placed before the Convention Committee.

Therefore, I should have thought that at least action would have been taken for the appointment of an *ad hoc* preparatory committee to collect the necessary data and material.

I am very sorry to say that ever since I entered this House, the outstanding impression in my mind has been that the Railway finances have been left in a very sorry state. Nobody has applied any thought to it. I propose to consider very briefly, without frightening the Chair about the time I am going to take, the following matters, namely, the contribution of Railways to general revenues, the percentage of such contribution which will be linked up with the capital-at-charge, the capital structure, the allocation to depreciation fund, the principles governing such allocation, the structure and purposes of the development fund, the revenue reserve and its purpose, the rate of return on new lines, the loss on the strategic lines and finally the question of amortisation.

I shall consider them briefly. Sir, one big thing which the Railway Convention Committee of 1954, for rea-

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sons best known to the committee then, did not consider was the settlement of the principle to which my hon. friend Shri Mathur referred, namely, on what basis are we going to settle the principles governing the finances of the Railways—whether it is on the basis that it is a commercial body or whether it is to be regarded as a public utility concern which will render service to the public without having any return.

So far as the committee is concerned, it has disposed of this point by saying that they regard it both as a commercial concern and as a public utility concern. Sir, my respectful submission is that the two concepts are largely mutually exclusive. We must first have a very clear indication, a very clear idea in our mind as to what we mean by a commercial body and what we mean by a public utility concern. The basic difference lies in the fact that in a commercial concern they must pay the income-tax. They must not be entitled to special or low rates of interest such as the Government gives to the Railways. They must not only pay dividend but they must also pay interest and the interest must be at the prevailing market rate; and the credit of the State must not be pledged for raising the money necessary for running the Railways. If you regard it in that light, then you say that it is run on a commercial basis.

The concept of public utility concern is that the State recognises, that certain services which must be rendered to the nation at large, and therefore, it affords some preferential treatment to the public utility concern. It may give much relief by pledging the State's credit for raising the moneys as is done in England in the case of electricity. The State pledges its credit or it may give additional benefits in the shape of licences or even lower rates of interest and so forth.

A public utility concern does not conceive that it must not pay income-tax or other things. It is wrong idea. A public utility concern may be required to pay income-tax; it may be required to set aside certain funds and carry on its work in a business-like manner. All that it is entitled to do is to claim some sort of preferential treatment because it cannot refuse to render service, though that service may be carried on at a loss.

Therefore, a very clear-cut distinction exists. Until the basic decision is taken, all questions of formulating principles governing Railway finances have got no meaning. Therefore, my hon friend Shri Mathur was right when he said that we have got to be clear about the position. It is the duty of the *ad hoc* committee to prepare the data from which the Convention Committee can come to a conclusion that we may take one aspect of the matter or the other. I have got many more opinions on this because I have studied it and got a lot of literature on this subject. But, unfortunately, I have no time and I shall proceed straight with the enumeration of the items with which we are immediately concerned.

First is the question of the contribution of the Railways to the general revenues. I fully agree with my hon. friend, Shri Mathur, when he said that the time is now past when the Railways can get special treatment. The Railways must stand on their own feet; they cannot claim any extra privilege. And, I was shocked when my hon. friend Mr. Reddy said that the Railways' case has gone by default. My grievance is that the Railways have got more and more of the general revenues, and it is high time that we completely and radically alter the convention by which a miserable pittance in dribblets is doled out by Railways to the general revenues in the name of contribution to the general revenues. 4 per cent interest, in the first place, has been linked to capital 'at

charge. Why should it be linked to the capital at charge? Why should it not be that the Railways must pay at the reasonable prevailing market rate of interest on all the capital that they raise? Why should it be that the capital structure of the Railways should be dealt with as if on part of it it is entitled for preferential treatment and part of it must be on some other basis?

No There also, even assuming that railways are a public utility service and they are entitled to some sort of preferential treatment, they must follow some basic business principles, and I fully agree with my hon friend, Shri Mathur, that the Railways must not be specially treated and given extraordinary preferential treatment, but they must be put on a sort of competitive basis. They must compete for the capital they require along with other not only government concerns but other private managed concerns also. Supposing, for instance, there is a private owned railway as there is one, I think, in C.P., does the Government give all this facility to that private owned railway? How does it manage to earn profits? Still its rates and fares are governed and controlled by us. If private managed railways can do so, why should preferential treatment be given to railways in the public sector? These are basic questions which require consideration, and to my mind an ad hoc committee could do this better.

Coming to the question of depreciation to which I have always referred, I am surprised that again the Railways Convention Committee has completely side-tracked the issue. I do not know what transpired before the Committee. I am sure the hon Railway Minister, I speak subject to correction, must have gone before the Committee and tried out his very persuasive tactics with great success.

Shri Jagjivan Ram: I was not in the Ministry at that time. I thank

you for this compliment, which you deserve more than I.

Shri Naushir Bharucha: I am sorry, I am comparatively new. But, Sir, Shri Lal Bahadur Shastri, I am told, is another very persuasive gentleman. All that the Railway Convention Committee has done is that supposing Rs 30 crores were asked they have said "All right, take Rs 5 crores and go", just as you fix instalments in a small cause court where when the defendant pleads for instalments and the plaintiff says that no higher rate should be there the Judge says "Let it be Rs 5". Just like that the Committee has said "Take Rs 5 crores more". That is how the whole thing has been done.

Sir, my submission is that this depreciation is a very important thing which requires to be carefully considered. In the first place, the sum has been determined quite arbitrarily. Inadequate depreciation completely camouflages the deficit position of Railways and gives us an illusory surplus. The question of depreciation is important in that it involves considerations of facts of policy, of accounting matters, economics, engineering as well as law. Upon the soundness of depreciation policy depends the integrity of investments and capacity of the enterprise to attract fresh capital on its own merits. The question relating to backlog of accrued depreciation requires particular treatment. I, therefore, submit that the whole problem requires to be gone into carefully.

What are the principles which the Convention has decided upon for depreciation? Sir, there is one method which is known as the 'rule of the thumb' method, an absolutely arbitrary method. That is the only principle on which the Convention has gone. But there are better methods of setting aside depreciation, such as the original cost basis—perhaps it is the most rational basis if coupled with creation of a rehabilitation fund. Then there is also the

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replacement cost basis, a system of accounting depreciation which has come into vogue in some places. It has its difficulties, but, at the same time, in view of the very fast rising prices of rolling-stock and other stores, it is a system which requires very careful consideration. Then we have got the fair value basis or the present value basis, we have got the straight-line method which is based on the principle that it accepts current depreciation as operating cost,—it has got the advantages of simplicity, avoidance of frequent revision of service life of assets and this is a principle which is widely followed but a method of depreciation accounting which the Railway Convention Committee has not even thought of—then we have got the sinking fund method, the annuity method and the renewal method. There is one more method which is known as the retirement expenses method which is very popular with the Railways. Why? Because it is based on the theory that there should be no depreciation set aside, if you maintain assets in a healthy condition, in efficient and serviceable condition, in that case depreciation need not be set aside. Sir, I was reading about it. In America there have been several cases of public utilities where the Supreme Court has been inclined to give in to this method of depreciation accounting, and I am of the view that it is now high time that we should settle on some principle. I am not in a position here to make a ready recommendation and say that this or that method must be adopted. Even all those methods or any one of these methods may not be useful and a combination of some methods may be useful. I am provisionally of the opinion that the method of original cost coupled with rehabilitation fund might be the best method to be employed for setting aside depreciation.

So far as amortisation is concerned, I am completely against it. As applied to depreciation accounting,

amortisation is a method of charging capital cost of assets to operating expenses after the service life of assets has been terminated. Resort to amortisation is usually forced by inadequacy of depreciation reserve to carry costs of retirement of assets. Amortisation can only be justified on account of premature retirement of assets as may occur in the case of electrical undertakings, where on account of sudden changes or scientific advancement your plant and machinery all of a sudden becomes useless having to be retired prematurely, and you have not had sufficient time to set aside proper depreciation for that purpose. If you are taken unaware, in such cases amortisation is a policy which can be adopted properly. But for the Railways to claim that they want an amortisation fund is something where I would ask, what is the justification for it. The hon. Railway Minister will have to make out a very strong case, at least to convince me if I ever happen to be on the Convention Committee, before an amortisation fund can be granted.

Sir, may I point out, why it is that the Railways want amortisation? It is because in the past there was reckless expenditure, over-capitalisation, and after that they come and say that they have not set aside proper depreciation. They know that rolling-stock has got to be kept in good condition, and they can't keep on borrowing money even at reasonable rates from the Government *ad infinitum* to replenish their assets. They have not set aside any adequate depreciation. Therefore, they want to have another back-door method of rectifying their position.

Now I come to the question of Development Fund. I wonder why it is at all called a Development Fund. How is it going to develop anything when you have a minus balance of Rs. 22 crores? What is all that has been promised? The Railway Convention Committee has said that out

of the Development Fund you can carry out amenities for all users of railways. Minus Rs 22 crores is the balance, and all amenities to transport users are supposed to be carried out. Judging by the amenities which the transport users get, I think the Development Fund is fulfilling its purpose. Then, it says that all safety works on railways are also to be carried out out of this. Judging by the number of accidents, safety is also being provided from this minus fund. I think time has come to consider frankly the whole thing, and the creation of a Development Fund is not an issue which should be taken in isolation, but it has to be considered in the general set-up of the whole problem.

There is special treatment again on the question of new lines. It is said that capital at charge on new lines should pay dividend at a lesser rate. That is the recommendation. Why should it pay at a lesser rate? On the top of that there is a five-year moratorium. Why should there be a five-year moratorium? Do not private enterprise people come in business and start paying dividends and other obligations without having any favourable treatment? Do they have moratorium from the Government—five years no income-tax or deferred income-tax so that nothing need be paid? Sir, the point is this. I can understand if the railways make out a case if the Government ask them to extend lines into areas which are definitely unprofitable. Then they are entitled to some special treatment. But when they themselves say that they are going to expand the railways and lay down new lines, they are presumed to know the results. New lines are not given even to those areas which are ready for traffic. From the very first day you will have ample amount of traffic, but even there they are not constructing new lines because the Minister says he has not got sufficient money, sufficient capital. If this is the case, and if even for such sections of Railways suffi-

cient money is not provided, I am sure that other new lines ought to pay their own way.

Two small things more, and I have done. The first point is about the strategic lines. I am of the opinion that the defence budget must bear the entire cost both of laying down and maintaining strategic lines. It is no part of the railways to keep on financing the expenditure on this account. The defence department cannot camouflage the expenditure by showing the expenditure on account of defence on to the railways.

The last reason why I oppose this measure—of course it will be passed and it cannot be helped—is because, every year, when this convention is extended, it deprives the general revenues of its legitimate share and return on investment. It helps to create a bigger backlog on depreciation and equipment and it camouflages the financial condition of the railways, and makes the setting right of the present irregular and unsatisfactory conditions far more difficult.

I would, therefore, like the hon. Minister of Railways to take immediate steps to set up an *ad hoc* preparatory committee and to have a convention committee as soon as possible, if he so desires, even within the time left at his disposal. But in case it is not possible, at least he should give the assurance to the House that whatever the recommendations of the Railway Convention, they will be given effect to retrospectively by one year.

Shri N. R. Munisamy (Vellore):
Mr Deputy-Speaker, Sir, I am not quite happy over the method of asking for extension of time by one year or even two years. They could have come much earlier and asked for the reduction. With regard to the fixation of dividends in respect of this convention, we are all aware of the history as to how this convention was arrived at by separation of general revenues from the railway finance, because in those days we had to supplement the losses incurred by the

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companies, and the companies were having these railways more for defence purposes than for the purposes of travelling facilities. As days passed on, they saw that there was no use in supplementing it because they had been expending money in a large way and not looking to the economy of working. The general revenues had to supplement the loss incurred by the railways and that was the reason why they were separated. We all know that history.

But after having had this separate convention from year to year, finally, in 1954, it was decided to have another five years. Now, the recommendations of the Convention Committee expire in about a year, in the current year; at the time of the financial agreements as regards the separation of the revenues, the Committee had given proper thought as to the period during which this arrangement should hold. We are all aware that they had given very serious thought to that aspect. They said that no time or period would be extended beyond five years. They have said so in specific terms. They felt that this period should not be longer than five years commencing from the year 1955. They had therefore given thought to the whole aspect of the matter.

But now, the hon. Railway Minister has been able to convince us in one aspect and that is, with a view to have it synchronised with the plan period it would be quite possible to have one more year so that we can have a better view of the situation. I can appreciate the point. But still, when the matter comes before the House, and when he asks us to give an extension of time by one more year, he must be able to convince us, giving a detailed review of the real working of the railway convention arrangements, and the real working of the railways. He has not done that, except in one flimsy argument which he mentioned, and that is, it is with a view to synchronise it with

the plan period—the second Five Year Plan. But nothing else has been said in support of it. I am very sorry to say this is not the way of doing things. For instance, he should take this entire House of Parliament as a convention committee and taking it like that, he should convince the Members of the House as to the real working of the railways for the period of five years and give justifiable reasons for an extension of the recommendations by one more year. He has not chosen to do that. He has only said that this extension is sought so as to synchronise it with the Five Year Plan.

Now, the Railway Board also have taken upon themselves the responsibility of looking into the economy or the economic working of the railways so that the earnings and the expenditure could be kept in close watch, and of supplying not only to the House but to the public the details of the working of the railways. But they have not done it. What they have done is this. In the general budget a resume of the entire working was given and it was not with reference to the earnings as well as expenditure in the light in which the Convention Committee wanted to have.

Another aspect which I wish to bring before this House is this. Just as the previous speaker said, there should be an agency or a separate committee to go into the question on an *ad hoc* basis so that we can realise and know the real working of the railway convention and also know the dividend which could be fixed on a firm basis. The Railway Board has also said at one stage that it will be in a position, if proper time is given—five or six years beforehand—to give a clear conception of the stability of their finances and revenues in view of the development and also in view of the implementation of the second Five Year Plan. They must be in a position to do it, but what have they actually done? They have not given us anything by way of

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data to make us understand and feel that there is something on account of which a further extension of time may be given. They should be in a position to give such data on a firm basis, on the basis of which we can change or modify the earlier convention. Those data and details are very much wanting.

We cannot go into the merits of the several recommendations given by the previous convention. I quite agree that we have to consider only the main question, and that is, whether we should give one more year or not. But still we cannot forget the details of certain of the recommendations which the previous committee had given.

In this connection, I may be permitted to say a few words with regard to the Development Fund. The Development Fund, as per the previous convention, was able to enlarge its scope and content so as to include all types of amenities for the users of railways. If I understand it aright, the amenities were not only intended for the users, but also for other purposes, such as goods, having more platforms, for loading or unloading, for having sheds for the commercial classes and also living quarters for the Class III and Class IV staff. Several other amenities were also brought under the category of the Development Fund. In this respect, we have to consider one aspect, and that is, the quarters that have been constructed for the Class IV staff and also Class III officers. The quarters are such that the amenities are not commensurate with the money they have to pay by way of rent. The amenities of a man occupying a particular portion of a particular building or structure must be commensurate with the amount that he pays. I am surprised to see—it has been brought to my notice—that the rents that are collected from the persons who occupy these quarters are not commensurate with the amenities they need, and are not consist-

ent with the facilities desired. They are not happy. Therefore, I would request the hon. Railway Minister to look into this aspect and see that the rents they pay are commensurate with the comfort they get by occupying those quarters.

The other point which I wish to bring home to this House is with regard to the safety of travel. Even this morning, this question was brought to the notice of the House. There is not much safety when travelling in the night, especially when passengers sleep, and especially in regard to women passengers. I know of a case seven or eight years ago, when even during day-time, people used to pull the chain and stop the train and make a raid on the passengers. Sometimes, they even manhandled the ladies. So, worse things can happen when the women travel alone. So, there must be some guards to watch over the lone passengers. I do not know how some people get scent of some individual travelling in a particular compartment of a particular train. Some people attack the lone passenger and they take the law into their own hands. Even the passengers who are sitting in the next compartment or in the next coach do not come forward and render help, lest they should also be manhandled. The people who raid sometimes come with arms and certain other things. So, the travellers are not able to safeguard their own position. Even this morning, there was a question in my name, along with others, on this subject. I feel that there should be some sort of armed police at least so far as the compartments which are earmarked for the ladies. I know of certain cases where there is no safety for them. If the ladies know that there is an armed guard for them certainly they will have complete rest while travelling. Even a small tampering here and there while asleep is enough to disturb them and make them afraid that possibly something may happen to them. So, to avoid all these difficulties, it is better

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to put some guards Of course, it may look very odd for a huge public utility concern like the railways to have armed police for every compartment which is earmarked for ladies, and it may not be possible or even feasible I understand the difficulty, but at any rate, at least in some important trains, if such a system of having guards is introduced it will be some sort of check or arrest as regards the propensities of these criminals and they will be curtailed. That is the reason why I say there should be this arrangement
14 hrs.

The other thing I want to refer to is about the amortisation scheme I could not make out what it was, but I could make out only this much that from the recommendation, I find that the time is not ripe enough to introduce that scheme But really if it was not ripe time, at least at the time of asking for extension of time, the Railway Minister must be in a position to tell us, "It is not possible now to do it, we will be able to do it after the expiry of one year This is the progress so far made as regards this aspect" He is not able to tell us at least one aspect of every recommendation that has been made, He must be able to give us the up-to-date position of all these recommendations If he was not able to do it then, I would request him to indicate in his reply what is the real position of the amortization scheme, as was recommended by the committee I would request him to give some thought to it and give a suitable and cogent reply.

There is one other point with regard to the loss, which is supposed to be very insignificant, on the working of the strategic lines It may be very insignificant compared to the hugeness of the country and the vast area we have to defend But what is the real position as regards the strategic and non-strategic lines today It may be significant or insignificant and it may be that the loss is not going to affect the railways in the long run.

But even as regards that, he must be able to post us with the latest facts as regards the loss that we are incurring both on strategic and non-strategic lines Though the Railway Board was pertinent in saying that these are aspects which are not to be taken care of, because the loss that we incur in respect of this is very insignificant compared to the safety of our country, it may be all right, but yet, I would ask, what is the real position

Then I want to say a few words about new lines The expenditure on new lines is debited to the capital from the very beginning There are certain new lines which are remunerative and some new lines which are unremunerative There are certain lines which may be unremunerative to start with, but which in the long run would be remunerative There are certain new lines which must be regarded not altogether as new lines, but as lines which are intended only to increase the operational efficiency Supposing, for instance, in a particular line there is a branch line of 3 or 4 miles Instead of running a branch line all through the year and thereby incurring expenditure, it would be better to eliminate the branch line and connect it with the main line, so that what was a branch line would automatically become a part of the main line Thereby you will be increasing the operational efficiency, it need not be debited to the capital or anything of that kind.

The way in which I put forth this case is not with reference to any particular locality, though I have got in mind one particular line. As a policy I say that instead of having small branch lines of 3 or 4 miles, every time having a separate staff, separate engine driver both day and night, in the long run it would be to the advantage of the administration to eliminate the branch lines because what is eliminated now would become the main line So, it would be useful. I am saying it in general terms applicable to the whole of India, though I have got a parti-

ular line in mind, which I have been insisting. It is not right for me to say that; it would look very shabby, as if I have something in my view and that is why I am saying it.

Shri Jagjivan Ram: But you have something in view.

Shri N. E. Munisamy: Yes, I have got something in view, but I do not want to say that.

Mr. Deputy-Speaker: The hon. Member is saying that he does not want to say it, but he is saying that.

Shri N. E. Munisamy: I am saying it in the interest of the whole country, not only for one line, but for the whole country. There are several such small lines of 3 or 4 miles on which shuttle trains are running. They cannot be regarded as new lines; they must be regarded as lines intended for increasing the operational efficiency. I am only speaking on that higher plane and not on a lower plane, though I can cite that instance. I shall not dwell on that point further, but I hope he will certainly give some thought to it, as to whether this policy should not be adopted in the whole of India.

As regards of the safety of passengers, I hope the hon. Minister will give some thought to it and see that things are done properly so as to alleviate the fear of lone passengers, mostly ladies, who travel long distances. I am not talking about short distances, boarding the tram at 7 and arriving at the destination at 10 in the morning. In day time, the fear is less. I am only speaking about night time. Even during day time, he must have come across several atrocities taking place. But when they are doing it in open light, what else can be done? When people can defy the Sun and the Moon, what is to be done? I am only concerned with night time and I hope he will give some thought to it and see that this fear is alleviated.

I need not go into the other aspect, because it will be going into details, which may not be quite relevant at this juncture. While asking for extension of time, the hon. Railway Minister must be able to give us in a convincing way all the up-to-date points on all aspects which have been taken up by the Railway Convention Committee. On the whole, I have ultimately to support this extension, with these observations.

श्री० रणधीर सिंह (रोहतक) . उपाध्यक्ष
महोदय, रेलवे मंत्री महोदय यह जो रेलवे कन्वेंशन कमेटी, १९५४ की सिफारिशों की भवधि एक साल बढ़ाने का प्रस्ताव लाये है, मैं उसका समर्थन करता हूँ। मैं भवधि बढ़ाने का समर्थन इस बिना पर नहीं करता हूँ कि मैं यह मानता हूँ कि रेलवे मंत्री महोदय को यह अन्दाजा लगाने में कोई मुश्किलता पेश आयोगी कि कितना रुपया उनका बर्डे फाइव ह्युर प्लान में मिलेगा और उसका ब्याज उनको कितना ज्यादा देना होगा। मैं मानता हूँ कि इस का हिसाब बहुत आसानी से लगाया जा सकता है। इसलिए सवाल हिसाब लगाने का नहीं है बल्कि उससे बड़ा सवाल है। सवाल यह है कि तीसरी पंच साला योजना के ऊपर कितना रुपया खर्च जायेगा और वह किस-किस सेंक्टर में खर्च किया जायेगा और उससे क्या-क्या पैदावार होगी और कौन-कौन सी पैदावार रेल के जरिये लाई जायेगी या किन्हीं दूसरे स्थान पर भेजी जायेगी। जब तक रेलवे मंत्रालय के सामने इन सारी चीजों के जवाब न हो उस वक्त तक मैं समझता हूँ कि यह कोई आसान काम नहीं है कि वह कोई सही अन्दाजा रेलवे कन्वेंशन कमेटी के सामने रख सके जिससे कि वह किसी सही और दुस्त नतीज पर पहुच सके। इसलिए मैं समझता हूँ कि किसी दुस्त नतीजे पर पहुचने के लिए यह निहायत जरूरी है कि समय की भवधि बढ़ाई जाये।

उपाध्यक्ष महोदय, कई मित्रों ने जो यहाँ पर अपने विचार प्रकट किये तो उससे

[श्री० रणवीर सिंह]

तो ऐसा मालूम पड़ता है कि वह किसी चीज पर इनकमटैक्स लेना ही शायद देश के लिए सबसे अच्छी बात समझने है और देश की भलाई करने का तरीका सबसे अच्छा यही है कि जितनी सरकारी रेलवेज चलती है उनको मजबूत किया जाये ताकि वह भी इनकमटैक्स दें। मुझे इसमें कोई बहुत ज्यादा ऐतराज तो नहीं लेकिन मैं अपने उन मित्रों को बता देना चाहता हूँ कि देश को फायदा पहुंचाने का तरीका केवल यही नहीं है कि इनकमटैक्स लेकर के उसको सरकारी ढंग से खर्च कर दिया जाये क्योंकि उस ढंग से जब सरकार खर्च करती है तो इस देश के ४० करोड़ भ्रादरियों में से बहुत सारे भाई ऐसे हैं और इस सदन के भी बहुत से माननीय सदस्य ऐसे हैं जो कि जब सरकार अपने खर्च की मजूरी के लिए सदन में फाइनेंस बिल पेश करती है तो वे उस से सहमत नहीं होते हैं और इस हाउस के बाहर भी बहुत से लोग ऐसे हैं जो कि उस खर्च पर ऐतराज करते हैं और जिनको कि उसके सम्बन्ध में आपत्ति होती है। रेलवेज इनकमटैक्स दे सके या ज्यादा सूद दे सके तो उसके लिए जरूरी होगा कि रेलवेज की ग्रामदनी बढ़ाई जाये और रेलवेज की ग्रामदनी तभी बढ सकती है जब कि किराये में बढहोतरी की जायें और किराये में जो बढहोतरी की जायेगी वह ग्राहिर किसी की जेब से आयेगी? वह जेब ग्राम भ्रादरियों की होगी। अगर आज हम इनकमटैक्स बढ़ाना चाहते हैं तो वह इनकमटैक्स के अफसरो के लिए नहीं बढ़ाना चाहते हैं बल्कि ग्राम भ्रादरियों की भलाई के लिए हम सरकार की ग्रामदनी की बढ़ाना चाहते हैं। इसलिए मैं समझता हूँ कि यह जो तरीका सोचने का है यह सरमायेदारी ढंग का तरीका है और यह कोई बहुत सही तरीका नहीं है।

मैं जानता हूँ कि श्री नौशीर भरूचा जो मुझ से पहले इस पर बोल चुके हैं वे बम्बई का प्रतिनिधित्व करते हैं और वे बम्बई

से आते हैं और इस नाते उनके सामने जो बम्बई का नकशा रहता है वह एक कुदरती बात है। जो भ्रादरी जिस क्षेत्र से आता है, जिन लोगों के बीच में पसता है, उसके सामने उस इलाके का और उन भ्रादरियों का नकशा होता है। उन्होंने कहा कि बहुत सारी जगहें आज भी ऐसी हैं जहां कि आज भी यदि नई रेलवे लाइन चालू कर दी जाये तो उसको फायदा होगा। ठीक बात है। बम्बई एक अच्छा वैल डेवलप एरिया है और वहां पर जो भी काम चालू करेगे वह फायदेमद होने। लेकिन मैं उनसे पूछना चाहूंगा कि क्या हिन्दुस्तान का नाम बम्बई रक्खा जायेगा? बम्बई के भलावा और इमाम देश भी तो पडा है और यदि हमे इस देश को बढाना है तो हमें उसके हर एक हिस्से को डेवलप करना है और उसकी तरक्की करनी है। अब यह तो कुदरती बात है कि जो नई रेलवे लाइने चालू की जायेंगी उनके ऊपर जो खर्च पडेगा और उनसे जो ग्रामदनी होगी, वह घाटे का सौदा होगा। लेकिन उस घाटे के सौदे से हमारे रेलवे मंत्रालय को घबराना नहीं है और इस बिना पर उन की तरक्की को रोकना नहीं है। मैं जानता हूँ कि रेलवे मंत्रालय जिसकी कि बागडोर श्री जगजीवन राम के हाथों में है वह इस टोटे नफे की जो सोचने की स्कीम है उससे वह डरेगे नहीं बल्कि वे स्वयं एक गरीब घर में पैदा हुए हैं और उन्हें अच्छी तरह मालूम है कि गरीब भ्रादरियों को ऊपर उठाने के लिए कुछ ज्यादा खर्च करने की जरूरत है और उनके ऊपर जो ग्राम हिसाब किताब का तरीका है वह लागू नहीं किया जा सकता है।

मुझे खुशी है कि कम से कम यह रेलवे मंत्रालय कुछ सही दिशा में सोचता है। हमने देखा कि नई लाइनों में मीरीटोरियम हो और पिछली रेलवे कन्वेंशन कमेटी की रिपोर्ट में जो उसके बारे में लिख आया है

तो कमेटी बहुत सी बातों से सहमत नहीं हो सकी और रेलवे बोर्ड ने भी उसको बहुत ज्यादा दबाव नहीं दिया। मैं समझता हूँ कि यह सोचने का सही तरीका है और जैसे मैंने आपको पहले बताया उन्होंने जो अन्दाजा लगाया था वह सही अन्दाजा था। नई लाइनें जो हम चालू करेंगे और उनके ऊपर जो सरमाया लगेगा और उस पर जो ४ फीसदी का हिस्सा लगेगा और जो जनरल रेवेन्यूज को देना होगा वह कोई १० करोड़ के करीब पड़ेगा। अब उपाध्यक्ष महोदय, आप जानते हैं कि हमारे सूबे के अन्दर भाखरा डैम बना और यह सही है कि भाखरा डैम बना कर भारत सरकार ने हमारे सूबे की बहुत इम्प्लूमेंट की है लेकिन उसके साथ ही साथ यह भी सही बात है कि आज से कुछ साल पहले अर्थात् सन् १९३० में जब कि अन्डिवाइडेड पंजाब था तो अन्डिवाइडेड पंजाब की आमदनी ८ करोड़ रुपये थी लेकिन इस साल जो हमारा बटा हुआ पंजाब है वह हिन्दुस्तान की सरकार को ९ करोड़ रुपये से ज्यादा इस साल सूद देगा। उसको सूद देने की जरूरत पड़ती है वह दे सकेगा या नहीं अभी इसके बारे में मुझे कहना नहीं है क्योंकि यह उसका उपयुक्त अवसर नहीं है लेकिन इससे यह तो अन्दाजा लगाया ही जा सकता है कि जिन प्रादमियों के ऊपर इस किस्म के बाक्यात बीतते हैं उनको पता होता है कि नई चीज को बढ़ाने के लिए कितना खर्चा चाहिए। अब यह तो उसी तरह की बात है कि घर में जब बच्चा पैदा होता है तो वह एकदम से तो हूली या बाबू और कमाने वाला प्रादमी नहीं बन जाता। उसके माता पिता को १६, १७ या १८ साल तक पालना पोसना पड़ता है और खिलाना पिलाना पड़ता है, मजबूत करना पड़ता है तब कहीं जाकर वह इस काबिल बनता है। कि वह अपने घर वालों के लिए एंसेट साबित होता है और कमा कर लाता है और कई दफ़े वह अपने पिता से भी ज्यादा काम करता है और अपने खानदान की आमदनी को बढ़ाता है और ठीक यही बात

नई रेलवे लाइनों के चालू करने के सम्बन्ध में लागू होती है और आज जो चाटे की लाइन दिखती है वह भागे चल कर इस देश को भागे बढ़ाने वाली और इस देश को फायदा पहुंचाने वाली लाइन साबित हो सकती है।

मैं जानता हूँ कि पंजाब के अन्दर लोग मजबूर हुए। देश के रुपये को उगाहने के लिए पंजाब सरकार को रुपये खर्च करना पड़ा। जो प्रादमी लोगों को बहकाते थे कि इस में उनका भला नहीं है उन प्रादमियों को कानून में करने के लिए पंजाब सरकार ने लाखों रुपये हिन्दुस्तान की सरकार के लिए खर्च किये। मुझे मालूम नहीं कि हिन्दुस्तान की सरकार कोई इस ढंग से सोचती है कि नहीं कि उनकी लड़ाई पंजाब सरकार ने लड़ी है। मैं जानता हूँ यह कोई उपयुक्त समय अथवा स्थान नहीं है जब कि पंजाब की बात यहां पर कही जाय लेकिन एक बात में अर्ज करना चाहता हूँ

उपाध्यक्ष महोदय . मगर चूकि वह पंजाब की है इस वास्ते मैं उन्हें नहीं रोकूंगा।

श्री० रणबीर सिंह : मैं जानता था कि आप मुझे रोकने वाले हैं इसलिए मैं आपको उसका मौका नहीं देना चाहता था।

उपाध्यक्ष महोदय, रेलवे मंत्रालय का काम ठीक ढंग से चलाने के लिए और उसका खर्चा देने के लिए यह निहायत जरूरी है कि अभी जो इजिनो को कोयला डाल कर चलाने का तरीका है उसको बदला जाये। सरदार करनल सिंह जी जिस कमेटी के चेयरमैन थे उस कमेटी ने अन्दाजा लगाया है कि अगर भागे भी इजिनो को कोयला डाल कर बलाया जाता रहा तो सन् १९६५ के अन्त में उनको चलाने का खर्चा अब से दुगना हो जायेगा और सन् १९७५ में मुमकिन है कि हमको अपने इजिनो को चलाने के लिए शायद इतना अर्च्छा कोयला मिल भी न सके। बहरहाल एक बात सही है कि अगर यही तरीका रायज रहा तो रेलों को चलाने का

[श्री रणबीर सिंह]

हमारा खर्चा बढ़ता ही जायेगा। इस खर्च को कम करने का सबसे अच्छा तरीका यही है कि इन इजिनो को कोयले के बजाये बिजली से, जो कि सबसे सस्ता तरीका है, चलाने का इन्तिजाम किया जाये।

भाखरा नगल के ऊपर जो पावर हाउस बन रहा है वह बिजली पैदा करेगा। लेकिन वह पावर हाउस बनने के पहले ही बिजली बट जायेगी। वह न रेलवे को मिलेगी और न देहात के किसान को मिलेगी। अगर रेलवे मंत्रालय चाहता है कि उसे घुपने इजिनो को चलाने का खर्चा कम करना है तो उसे यह मामला प्लानिंग कमीशन के सामने रखना चाहिए। मुझे याद है कि एक दफा रेलवे मंत्री महोदय ने बड़ी क्रुपा करके हमें यह विश्वास दिलाया था कि वह हमारी बात प्लानिंग कमीशन के सामने पहुँचायेगे। लेकिन मैं चाहता हूँ कि वह हमारी बात कह कर नहीं बल्कि रेलवे मंत्रालय के मफाद की बात कह कर उसको प्लानिंग कमीशन के पास पहुँचाये और कहे कि भाखरा नगल पर दूसरा पावर हाउस बनाया जाये ताकि रेलवे के फाइनेन्सेज इम्प्रूव हो। मैं चाहता हूँ कि रेलवे मंत्री प्लानिंग कमीशन को मजबूर करे कि दूसरी पंच साला योजना में ही इतना रुपया तलाश किया जाये कि जिससे भाखरा नगल पर कम खर्च में दूसरा पावर हाउस बन जाये ताकि रेलवे का खर्चा कम हो सके।

मेरे मित्र शर्मा जी ने मुझे एक बहुत अच्छी बात याद दिलायी। मैं अपने पूर्व वक्ता स्वामी जी से सहमत हूँ कि कभी ब्राच लाइन को मेन लाइन बना देना से फायदा ही सकता है। हमारे हलके में एक नई रेलवे लाइन, रोहतक गोहाना पड़ी है। जिस रूप में वह अभी है अगर उसको इसी तरह जलाया गया तो मुझे मान्य नहीं कि उससे कोई मुनाफा देश को हो सकता है। लेकिन अगर गोहाना को पानीपत से मिला दिया जाये और फिर

रोहतक से एक गाड़ी चले जो बदीगढ़ जाये और बन्दीगढ़ से गाड़ी रोहतक भाये, तो मुझे पूरा विश्वास है कि वह घाटे वाली लाइन कभी नहीं रह सकती।

उपाध्यक्ष महोदय अब तो असल बात कह ली। बाकी तो तमीहद थी। असल बात तो यही कहनी थी।

श्री ० रणबीर सिंह मुझे असल बात यह कहनी है कि यह सोचना कि हम रेलवे से ज्यादा से ज्यादा ब्याज और इनकमटैक्स हासिल करे, सही नहीं है। असल में मेरे कहने का मशा यह है।

इस सिलसिले में मैं यह कहना चाहता हूँ कि रेलवे मंत्रालय का पिछले बस ग्यारह साल का काम देख कर अन्दाजा लगाया जावे। मुझे सारे रेलवे के काम का तो ज्ञान नहीं है। मैं रोहतक और दिल्ली के ही बारे में आप से कहना चाहता हूँ। पहले रोहतक से दिल्ली का किराया १३ आने था और आज वह एक रुपया तीन आना है और मोटर का किराया एक रुपया नौ आना है। यानी आज रेलवे मंत्रालय हर आदमी को हर टिकट पर ६ आने का मुनाफा दे रहा है। अगर इसी तरह से सारे देश का हिमाज लगाया जाये तो मैं समझता हूँ कि रकम करोड़ों पर पहुँचेगी। अगर रेलवे लोगो से यह रुपया वसूल करती तो वह न सिर्फ हमको ज्यादा इनकमटैक्स देनी बल्कि डिप्रीसियेशन रिजर्व फंड में भी ज्यादा रुपया रख सकती। इस के अदालत में पेश करने का सवाल नहीं है कि ३० करोड़ का ३५ करोड़ कर दिया जाये। लेकिन अगर रेलवे मंत्रालय ज्यादा रकम डिप्रीसियेशन रिजर्व फंड में डाले तो उससे उसे फायदा हो सकता है क्योंकि उस पर उसको ब्याज नहीं देना होगा। अगर रेलवे मंत्रालय १०० करोड़ रुपया डिप्रीसियेशन फंड के लिए दे तो उसको उतना ही ब्याज कम देना होगा। और जो आमदनी जनरल रेवेन्यूज को होती है वह

बटेगी। तो इन तरह मैं यह मानता हूँ कि इससे जनता का बहुत फायदा नहीं हो सकता अगर डिप्रीसियेशन फंड को ज्यादा बढ़ाया जाये।

यहाँ जिक्र किया गया प्राइवेट लाइन्स का। आप जानते हैं कि उनकी हालत क्या है। अगर किसी भाई को देखना हो तो वह शाहदरा जाकर देख सकता है कि सहारनपुर से जो लाइन जाती है उसकी क्या हालत है। तब उसे मालूम हो जायेगा कि आज जो लाइनें रेलवे मंत्रालय चला रहा है उनमें प्राइवेट लाइनों में क्या फर्क है, उन दोनों के मुनाजिमों की तनख्वाहों में क्या फर्क है और उनके रहने सहने में क्या फर्क है। अगर कोई प्रादमी इन सब बातों को नहीं सोचना चाहता और केवल बनिया बुद्धि से ही देखना चाहता है तो उसकी बात दूसरी है। वरना तो मैं यह समझता हूँ कि यह बहुत जरूरी है कि भ्रष्टाचारी को बढ़ाया जाय। रेलवे मंत्रालय के पास उस वक्त जो धाकड़ें होंगी वह ज्यादा सही होंगी और उन से जो नतीजा निकलेगा वह सही होगा।

Shri Supakar (Sambalpur): Sir, one of the most fundamental problems of philosophy, which has not yet found any solution, is whether the tree came first or the seed came first. Now the hon. Railway Minister has stated that before the Third Five Year Plan takes shape, it is not desirable to have this Convention. On the other hand, I believe that the members of the Planning Commission and most hon. Members of this House think that before the Third Five Year Plan takes shape we should have some picture of what the Third Five Year Plan is going to get out of the Railway finances. That is why, I believe that it is necessary and desirable that before a final picture of the Third Five Year Plan emerges this third Convention should finish its deliberations. It will be seen that the previous Conventions of the year 1954 and of the year 1949 were so synchronised that the First and

Second Five Year Plans, as they emerged, got certain definite ideas as to what they were going to get out of the Railway finances.

Now, so far as the second argument is concerned, the hon. Railway Minister stated that we have to wait for the decision of the Pay Commission and then only it will be desirable to set up this Convention. Several questions were asked in this House during this Session and also in the previous Session as to when the recommendations of the Pay Commission were going to be published and it was categorically stated that it is not going to be delayed beyond perhaps June of this year. I hope, I am correct so far as that statement is concerned and we hope that before long this report of the Pay Commission is going to be placed before this House. Therefore if this Convention is set up without further loss of time, we should be in a position to find out as to what its effect and impact would be on the Railway finances in the future.

So far as the Railway Freight Structure Committee's Report is concerned, the hon. Minister stated that this Committee submitted its report in the year 1958 and we are yet to watch the result of the implementation of the recommendations of this Committee. It should be possible for the Ministry to find out as to what would be the future trend of the income from Railway freights having regard to the development specially in the public sector and the developments that are going to take place in the private sector also. It would be possible for the Ministry to have an idea as to how the commerce is going to develop in the near future at least for the next five years and it should be possible to find out as to what would be the additional freight earnings for the next five years.

Therefore, the three main arguments that were advanced by the hon. Railway Minister to justify the postponement of the setting up of this

[Shri Supakar]

Convention, I believe, have not much weight. I will not discuss the recommendations of the Railways Convention Committee because that will not only be taking some time but in the present context of the discussion before this House a detailed discussion of the Convention would not be very much relevant. Therefore, I will skip over the details. But one thing I will observe and that is a problem which intrigues me at least so far as this year's Railway finances are concerned.

Under the Convention, the Railways have to pay certain percentage of the capital at charge as dividend to the General Revenues. At the same time we find that this year and also in some previous years they took certain loans from the General Fund and that neutralises the benefit that the General Revenues is supposed to derive from the Railway finances. We should be in a position to know that the Railways definitely contribute a certain fund and they do not need further spoon-feeding from the General Revenues, specially when it is the responsibility of the General Revenues to open new lines and do the real development work of the Railways. It is most undesirable that the contribution that is made by the Railway revenues to the General Revenues by way of dividend should be thus neutralised.

I think it is not necessary for me to make any further comment on this.

Shri D. C. Sharma (Gurdaspur): Mr. Deputy-Speaker, at the very outset, I must say that the debate on the Resolution put forward by the Railway Minister has been highly educative, at least for me. I think the scope of the Resolution was very limited. But, we have covered the whole ground of Railway finances, operation of Railways, and all the subjects allied with it. I do not see why we should have done it. But, I also do not see why we should not have done it. After all, Railway

finance is one of the basic things which govern our relations with the Railways. Naturally, when this Convention comes up for discussion or extension, we have every right to go over the ground which some of my hon. friends have covered.

For instance, one hon. Member talked about the national transport policy. I would like there to be a national transport policy although I do not see any relevancy between the extension of the Convention and national transport policy. Like the Scientific policy Resolution, like the Industrial policy Resolution, we should also have a National transport policy Resolution and it should cover all means of transport that we have in this country, inland water transport, road transport, railway transport, etc. I welcome that. But, I do not understand how the Railway Minister could be held to blame because there is no national transport policy adumbrated by our Government.

There is one item of discussion which has been taken up mightily: are the Railways a public utility or a commercial concern. A great deal has been said about it, I think, a lot of hair-splitting has been made use of to decide this question. I think this question will never be decided—neither on the floor of this House, nor anywhere else. Because, it is very difficult to say where the public utility aspect of the Railways ends and where the commercial concern aspect of the Railways begins. I can put it the other way round also. I believe that for having a correct perspective with regard to our Railways, we should look upon them mainly, primarily and predominantly as a public utility concern, a public utility concern which we try to run, as far as possible, as much as possible, along commercial lines. But, I will submit very respectfully that the public utility aspect of the Railways overrides the commercial aspect. If that were not so, I would think that

the Railway Minister would be well advised to dismantle at least a few thousand miles of lines in this country. I know there are so many railway lines in this country that have no commercial value. Still, they are there. That is because the Railway Ministry thinks that its primary concern is to supply this kind of service to the people of this country. That is why those lines are there.

Again, a strange distinction was sought to be made between railway lines as such and strategic lines. I say this conception is a hang-over from the days of the British rule in this country. They used to think in terms of strategic lines, strategic areas, martial races, non-martial races, and they introduced all these artificial divisions into our thinking. I would submit very respectfully that so far as the defence of our country is concerned, every mile of railway line that exists in our country is of strategic importance. Every inch of line that exists in this country has some defence value. Therefore, it is no use saying that our Railway Ministry is running certain strategic lines and, therefore, it should go to the Defence Ministry for getting finances for them. If you do that, I think, in the first place, the whole conception is erroneous, and in the second place, it will be a case of robbing Peter to pay Paul. I do not think that would be there. I would say that the whole question of Railway finances will be reviewed after a year or so and the reasons given by the Railway Minister are perfectly cogent, realistic and practical.

How can you determine the dividends of a concern unless you know the capital that that concern is going to use? We are going to have the Third Five Year Plan and the capital of this concern will increase. Therefore, the financial regulations which will govern it must be related to the capital that is going to be invested. Unless you know how much money is going to be invested, how can you determine the rate of

dividend? How can you determine the rate of the other things? Therefore, we must wait for a year and know the size of the Plan for the Railways. Then, we will be on a firmer ground, on a better ground to determine the rate of dividend.

Again, the Railway Minister said that we should wait for the report of the Pay Commission. He is perfectly right in that. Because, the Railways are the biggest employers in India—I think I am saying something which is correct—so far as the public sector goes. If there is any Ministry which is going to be affected by the report of the Pay Commission, it is the Railway Ministry. I am not a prophet—I think the Pay Commission will try to step up the salaries of the people of certain grades—I do not know. I think that is what is going to happen. If that does not happen, there will be a tremendous amount of disappointment in the country. I do not think we are in for an era of disappointment so far as that goes. The Pay Commission's report will be published, and I think the salaries of certain grades of employees will be stepped up. Unless the Railway Minister knows the pay bill which he is going to pay, how can he determine what rate of interest he should pay, what amount he should put into the amortisation fund or dividend or welfare fund? That cannot be done, because the pay bill of the Railways is a very very big item in its expenditure.

I feel that the Railways are not a pawnbroker's shop or a small grocer's shop where you can judge the trends by looking at the receipts and expenditure, the inturn and outturn for a day. The report of the Railway Freights Structure Committee was here. Some of those recommendations have been put into effect. We require some time to see in what way they are affecting the movement of goods, from one place to another, from one zone to another, from one region to another. All these will have to be reviewed and scrutinised before we know whether the action that we have

[Shri D C Sharma]

taken on that report is justified or not. Who knows, the Railway Minister may come some day and say, I want to lower the freight rates, he may come some day and say, I want to step up the freight rates

Living in this world of uncertainty, three big uncertainties, how can you have surety? You can't have surety of dividend when you live in a three-fold world of uncertainty, uncertainty about the Planning Commission, uncertainty about the Pay Commission and uncertainty about the Railway Freights Commission. Therefore, I feel that, when the Railway Minister said that he wanted a little more time to arrive at a firm decision and he gave these reasons, he was very very logical. Of course, logic is not always to be expected from the people in this world, but he was very logical in this case.

Then, all kinds of issues have been raised here. And I tell you that I am more inclined to agree with my hon friend Shri Viswanatha Reddy than with other persons. Shri Viswanatha Reddy, of course, was very unduly pessimistic, and naturally, he could not help being pessimistic because he had subjected the railway budget and the railway accounts of expenditure and income to a very careful scrutiny. But I would say that when the Railway Convention comes up next time, after a year or so, we shall have to take a very balanced view of the whole thing, we shall have to make a balanced approach to the problem all along the line.

For instance, I find from the summary on the convention resolution of 1954 that there are certain things which have been left undecided. For instance I find that they did not take any decision with regard to the amortisation fund. At the same time, they have also left so many loopholes in the whole financial arrangement. Now, we want that these things should be gone into so far as the financial working of the railways themselves

is concerned, and so far as the financial working of the railways vis-a-vis the general revenues is concerned. That cannot happen unless all the aspects of the railway finance are taken into account and no aspect is sought to be ignored.

I do not want to go into the question of the dividend. I think it is 4 per cent. Some hon Members say that it is very low, while my hon friend Shri Viswanatha Reddy says that it is very excessive. I hope this will be gone into by the Railway Convention Committee very scientifically.

But I could not understand one thing. When an hon Member was talking about the depreciation fund, he imported into his discussion a great deal of text-book knowledge. Though I myself am a teacher and I value text-books very much, and I am very fond of text-book knowledge, yet I believe that when you talk of these things, you cannot have an entirely academic, doctrinaire or dogmatic approach, in other words, you cannot have a text-book approach. Therefore, so far as the depreciation fund is concerned, I would say that what is being done now is all right; and that is the commonsense approach.

Shri Naushir Bharucha: That is the rule of thumb approach.

Shri D C Sharma: My hon friend may call it the rule of thumb approach, but I call it the commonsense approach, and I tell you that the commonsense approach is much more valuable than any kind of text-book approach.

At the same time, I would say that something should be done so far as the amortisation fund is concerned. After all, we must build up these funds gradually and steadily, in order that the railway finances may not present as sorry a picture as my hon friend Shri Viswanatha Reddy had painted.

Now, I come to the development fund. On this question of the development fund, all kinds of things have been said; one hon. Member was talking about the safety of the passengers. Of course, safety is one of the problems; amenities are also another problem for us; then, the emoluments of the employees are another problem. All these problems are governed by the development fund. The development fund is a kind of Santa Claus for the railways. It is a kind of fund which covers all the good things, and all the beneficent things which the railways can do. I would say that this development fund should present a much better picture than it is doing now.

So far as new lines are concerned, there are some persons who think that they should not be exempted. I do not know whether this exemption was originally suggested for only five years. I would say, looking at the whole thing from the point of view of the needs of our economic advancement, and looking at the needs of the Parliament and the legislatures and the public, that so far as the new lines are concerned, they should not be exempted only for five years but they should be exempted for fifteen years. I say this because our country cannot develop in terms of railways unless we apply this kind of rule to do these things.

Some hon. Members have said that the railways are a monopolistic concern; in other words, the railways are a kind of concern in which there is no competition, I doubt it. The railways are having a very big competition from road transport. Only just now, my hon. friend Ch. Ranbir Singh has referred to one aspect of that competition. The railways are facing competition from other means of transport also. Therefore, to say that the railways are a kind of monopoly and that they are enjoying a kind of non-competitive status or that they are having a special treatment or that they are having the spoilt child treatment, looks beautiful, but

I should say, these statements do not have much substance in them. They are beautiful phrases, but they lack the kind of substance that they should have.

I would therefore, say that when the Railway Convention Committee comes into being next year, it should not leave anything in the air, as it did last time; it should give us an overall picture of all the aspects of the railway finances and railway development; it should see to it that certain things are not left to the future. The railways should not depend too much on the future, and the Railway Convention should not depend on the future; it should take into account the circumstances that exist and the conditions that exist, and after having taken them into account, the convention should give us a very firm and bold policy about these things.

Therefore, I support the resolution which has been brought forward by my hon. friend the Railway Minister, and I am sure all of us have supported it; even my hon. friend who came to scoff at this resolution—if I can use that expression—afterwards prayed for it, because he also paid a great deal of compliment to the persuasive power of the Railway Minister. The persuasive power of the Railway Minister is all-embracing; it embraces me, and it embraces the Members of the Opposition also; it covers all of us. I hope that this persuasive power will also work in such a way that the railways have better finances, better operational efficiency, better administrative efficiency, greater amenities and better type of safety. I hope the persuasive power will work in all these directions.

Shri Jaganatha Rao (Koraput): My hon. friend Shri Naushir Bharucha had appreciation for the persuasive power of the hon. Minister, but in the same breath he said that there was no logic in the arguments advanced by the hon. Minister. I fail to see how his appreciation was attracted.

[Shri Jaganatha Rao]

if there was no logic in the arguments advanced. The three arguments advanced by the hon. Minister are that the size of the Third Plan is not yet known, the Pay Commission's recommendations are yet to be known, and the working of the new freights introduced has also to be seen before we can fix upon any particular data as to the dividend that the railways have to pay to the general revenues

My hon. friend Shri Naushur Bharucha said that the Convention would only lay down certain principles, but how are the principles to be laid down unless there are a given set of facts? The Convention Committee has to come to a certain decision as to the rate of dividend that the railway finances have to pay to the general revenues, but that can be done only if the Committee is possessed of certain facts. It should know the outlay of the railways in the Third Plan, the working expenses and the income the railways can fetch both from passenger and goods traffic. Therefore, the hon. Minister is rightly justified in asking for an extension of this Convention for a period of one year.

My hon. friend Shri Munisamy also said that the reasons advanced were flimsy, if I heard him correctly. He also said that the hon. Minister should have come forward with a detailed report as to the working of the railways. Less than two months back, we had the discussion on the Railway Budget, and every hon. Member had an occasion to speak on that. I do not see further reason why the hon. Minister should trouble us again with the detailed working of the railways. So, it is not correct to say that there is no principle or logic in asking for an extension of this Convention.

Other hon. Members have been rather discursive while speaking on this Resolution. Nevertheless, I would like to answer some of the points.

My hon. friend Shri Harish Chandra Mathur said something about the functioning of the railways. I do not mean to say that the railway administration or the functioning of the railways is very perfect. Of course, there is scope for improvement, but nevertheless I am proud of the achievements of the railways in recent years.

My hon. friend, Shri Mathur, said that the railways were operating more or less as a monopolistic concern. I fail to see where the monopoly is. The hon. Minister is a member of the Cabinet. The policies of the Government of India are laid down, discussed and formulated and he, as a member in charge of this portfolio, has to be a party to those decisions, and he cannot function independently of the Government. He is a member of the Government.

For instance, the Finance Minister imposed a duty on coal and also sales tax on it in 1957 and the hon. Railway Minister had to agree to that and the working expenses of the railways have gone up. So, to say that the railways are enjoying a monopolistic position or a favoured treatment from the Government is, I am afraid, not a correct statement of facts.

Secondly, my hon. friend, Shri Mathur, said that the railways were functioning as a monopolistic concern in the matter of transport. He has failed to appreciate the position that in recent years there has been an unhealthy competition between the railways and road transport. Between 1954 and 1956 there has been an increase of about 14 per cent. in road transport. In areas like Bombay, Surat and Ahmedabad road transport has increased by about 70 per cent. and the freight earned by the transport owners is about Rs 1 crore in a year. I do not grudge that, but in a planned economy, we have to see that every mode of transport is best utilised for the benefit of the nation. If there is an abnormal increase in road transport, there is duplication of transport.

Either it goes waste or it naturally encroaches on the other mode of transport. We have to see that there is a clear-cut policy regarding road-rail coordination. This fact has also to be decided before the next Convention applies its mind to this task.

The 1954 Convention Committee also did discuss the question whether the railways should be treated as a purely public utility concern or as a commercial concern. They clearly stated that a balance had to be struck between these two aspects, and they worked out the dividend at four per cent. The dividend may appear to be very small, but what is the revenue the railways have been giving to the general revenues from 1954?

In 1953-54, the contribution to the general revenues was about Rs. 36 crores and it rose to Rs. 54 crores in 1959-60. So, we see a progressive increase in the contribution from railway finances to the general revenues, and see that there is stability. This Convention has to be extended, according to me, permanently. Of course, once in five years, it has to be reviewed.

In all progressive countries like Japan, U.K., etc., the railway finances are kept separately, though the policies are formulated by the Government. This is a very healthy provision both in the interests of the general revenues and the railways.

We criticise this policy of the railways, and at the same time we want new lines. The railways at present have 35,000 running miles, and every year we clamour for new lines. Every part of the country has to be opened up. So, when we want the amenities, certainly we should view the railways more as a utility concern than as a commercial concern. In a commercial concern, the whole object is profit, but in railways utility is more important than the profit that the nation would get, though incidentally profit is also being derived.

My hon. friend, Shri Munisamy, said that the 1954 Convention Committee never wanted the convention to be extended beyond five years. But in paragraph 31, page 18 of their report, the Committee have clearly said:

"The Committee hope that at the end of this period, it should be possible for the railways to make a fairly stable forecast of their revenue position in the light of the expansion of their activities as a result of the implementation of the Plan so that the rate of dividend could be determined on firm data. They, therefore, recommend that a parliamentary committee should review the rate of dividend towards the end of the next quinquennium and suggest for the years following it any adjustment considered necessary in the light of the situation obtaining then."

So, we must be in a position to know the scope of the Third Plan and the impact of the Pay Commission's findings and the return that the railways would get as a result of the revision in the railway freights. All these are material factors which will enable the Convention Committee to come to a firm decision regarding the rate of the contribution the railways have to make to the general revenues.

Shri N. E. Munisamy: He is reading it in a distorted manner. Let him read the first sentence.

Shri Jaganatha Rao: He read only the first sentence, I read the rest.

I entirely support the Resolution and there is every reason for extending the Convention by one year till 31-3-1961.

Mr. Deputy-Speaker: Shri Achar wanted to speak. He is not there. Dr. Aney.

Dr. M. S. Aney: Only a few minutes.

Mr. Deputy-Speaker: As much as he likes

Dr. M. S. Aney: I only want to speak one or two points

Certain hon Members were referring to other matters which, in my opinion, were not quite germane to the Resolution I stood up and invited your attention to the matter, but you explained that discussion over a wide range of subjects was not unusual when a Resolution of this kind was under discussion before the House.

One important point that has been raised in the discussion is whether the railways should be considered as a purely public utility concern or a commercial concern

I wish to invite the attention of the hon Minister and of the Members of this House to the fact that the separation of railway finance from general finance is itself the result of a long discussion that went on in the country over this matter. The general opinion at that time was that though the railway had to be a utility concern, it had to be run as a commercial concern as well. Unless it is run on a commercial concern, it would not be in a position to perform its duties as a utility concern also. Unless it is in a position to make some profit, it would not be able to do anything to serve the ends which the consideration of utility demands.

15 hrs.

So, if I am asked to choose between the two and say which element should be predominant in the management of the railways, I will say that primarily it must be treated as a commercial concern. Unless it makes more profits, it would not be able to make a better contribution to general revenues, which are used in the interests of the public, and also be in a better position to serve its own customers, namely, the passengers and others who are benefited by it. So, in order to be a public utility concern, it has to be run strictly, as far as possible, as a com-

mercial concern also. This is a very important point to be taken into consideration.

Not only that. After separation has become a department by itself. In fact, it appeared at that time that the general revenues were one big section of Government, the military section was another and the third section of Government was represented by the railway itself. So three kinds of States were running at that time, of course, the supreme authority lay in the hands of the executive Government which was there. But the railway in itself has become a Government of a sub-State with a separate branch of education, health, sanitation, etc. That was due to the fact that it was to be run on the consideration of utility also.

Therefore, this utility concern is possible and can serve truly the interests it is meant to serve only if there are sufficient funds in the hands of the railway. At the same time, I find that on account of this, it has become necessary for the Railways to have some kind of understanding with general finance, some kind of understanding has to be arrived at between the Railway Board and the general revenues with regard to the share which the latter has to have from the profit that the railway makes. The convention has come into existence as a result of that. I find that at present a dividend of 4 per cent is paid to general revenues by the railway. If I remember aright, if my memory does not fail me, it was one per cent interest on the capital at charge which was considered to be a proper share to be given by the railways to general revenues at that time. I do not know what is the position today compared to that.

Shri Jagjivan Ram: That was the 1924 convention.

Dr. M. S. Aney: But I think this convention cannot be a permanent one. It will have to be changed in accordance with the exigencies of the environments and the plans the coun-

try itself has to undertake. At the time of the previous conventions, there was no idea before the country of having a big plan of development, a big plan of general welfare for the country as a whole. Our Government calls this State a Welfare State. It is now planned to undertake and carry out a big Plan with a view to create a particular kind of social pattern of State in this country. In view of these bigger requirements, the old conventions cannot continue. Therefore, the relation between the railway and general revenues as regards its requirements for getting profits will have to be changed. I think the hon. Minister was right in having only asked for the continuation of the present convention for a period of one year. When a new Convention Committee will meet to consider this matter, it will have to take into consideration many big problems, problems connected with the Third Five Year Plan, and see what are our requirements and how far it will be possible for us to depend upon foreign capital and how far we can mobilise in this country itself as much resources as possible. From that point of view, probably the present convention will have to undergo considerable change. Therefore, the limited demand which the hon. Minister of Railways has made that the present convention be continued for one year is, in my opinion, a proper and modest demand which the whole House should agree to.

Mr Deputy-Speaker: Does any other hon. Member want to speak?

(No hon. Member rose)

It is not always the Members who feel disappointed, sometimes the Chair has also to feel disappointed.

Shri Jagjivan Ram: The proposition before the House is a very simple one and I do not propose to reply to all the points which have been raised while discussing this simple proposition which seeks nothing more than an extension of the present convention by only one year. As you have

stated, when this question touches indirectly upon the whole finance of the railways and their relation to the General Budget, naturally the scope for discussion can be said to be wide enough to cover all aspects of the Railway Administration. The discussion here has, by and large, been as if the subject of the whole Railway Administration was before the House.

My hon. friend, Shri Naushir Bharucha, wanted to know how the Pay Commission or the introduction of the new freight structure or the size of the Third Plan was germane to this proposition. Of course, we can lay down certain principles, and if we have to lay down abstract principles, all these data will not be necessary. But I am afraid Shri Naushir Bharucha will not be satisfied only with laying down abstract principles to regulate the relation between the General Budget and the Railway Budget. If certain principles have to be laid down, they should be based on some realistic considerations with regard to their enforcement. If we have to lay down certain principles to regulate the relation between general finance and railway finance and also to regulate the working of the railway finances *inter se*, they will have to be based on certain data. Unless we know the size of the Third Five Year Plan and the allocation out of that to the railways for their Third Five Year Plan, it will not be possible to have a realistic approach to the problem that has to be solved by the Convention Committee.

Ch. Ranbir Singh in his own inimitable way—which perhaps very few Members might have marked—said that it was not only the size of the railways' Third Five Year Plan which was relevant, but this was also dependent upon what was going to be the pattern of the Third Five Year Plan as a whole, where the various industries were to be located, how the trade and commerce depending upon diversification or location of industries were going to be generated, and what traffic the Railways will be called upon

[Shri Jagjivan Ram]

to move during the Third Five Year Plan It will not be realistic to lay down certain principles as to what dividend is to be paid by the Railways unless we know what are the reasonable expectations of the Railway earnings dependent upon the traffic, both goods and passenger, which the Railways will be called upon to move

We can lay down abstract principles that on the capital-at-charge so much percentage will have to be paid Whether the capital-at-charge is one rupee or Rs 100 or Rs 1 crore or Rs 1,000 crores, the principle holds good Theoretically, it is quite correct But, whether in actual practice, the volume of the capital-at-charge makes any difference or not—I think any reasonable person will agree that it does make a difference

Shri Naushir Bharucha: May I interrupt the hon Minister? Even at the end of one year, how is my hon friend going to know—supposing Rs 2,000 crores are to be allotted to Railways—how much of it is to be capital-at-charge, how much will be for loans or something else? He may not be able to know anything of that sort

Shri Jagjivan Ram: We will have to base our calculations on the reasonable data that we have before us He asked, while we are urging the impending decision or recommendation of the Pay Commission, how are we sure that the prices of materials and other things are not going to rise We must have some reasonable basis to anticipate certain things Here is the Pay Commission One can reasonably anticipate about its decisions If we have some data by which we can reasonably anticipate about the prices of goods, equipment etc that also will have to be taken into consideration That is why when I say about the Pay Commission I say that because here is a factor about which we can have some reasonable anticipation. What we seek is to extend the period by one year.

Shri Bharucha raised other questions which I will not go into at this stage, because those are the very factors which have to be considered by the Convention Committee itself

What should be the principle on which allocation to the Depreciation Fund should be determined, whether what has been recommended or decided by the present Convention Committee is quite correct or not, whether it should be modified or it should be based on certain other principles?—these are all matters to be considered by the next Convention Committee and decided by them So, I will not argue what should be the principle Of course, Shri Bharucha has given various principles on which the diversion of funds to the Depreciation Fund is determined or based. And, Shri Sharma has, in his own way, replied to him I will leave it at that because these issues are to be decided by the Convention Committee itself? (*Interruptions*)

The same applies to other Funds also I will say only about the Development Fund Perhaps, some people feel, because the word 'development' is there that this Development Fund is meant for the normal developmental work of the Railways such as the construction of new railway lines, as it may be understood in general parlance That is not the fact The Development Fund is meant for certain works which have been enumerated in the Convention Committee's Report itself and which cannot be regarded as normal works for which capital can be charged, such as passenger amenities which bear no reasonable return or revenue on the investment on this account

The Convention Committee itself has said that if, at any stage, it is necessary to supplement this Fund by taking temporary loans from the general revenues, that may be done. Objection has been taken to that. And, one hon friend argued; How is it that you are making certain contributions

to the general revenues and again taking loans from that whereby that contribution has no meaning? It is a very fallacious argument. In a way, this Development Fund is meant for passenger amenities and labour welfare. If we are to spend these huge amounts from the accretion to the revenues in a particular year, that also may not be quite proper.

Knowing full well that it may not be possible in every year to divert so much amount to this Development Fund, as was envisaged in the Second Five Year Plan period, the Convention Committee rightly said that, if occasion arises, a loan from the general revenues may be considered. And, that is what we have done.

The other way of doing that was to reduce the expenditure on those heads and that, perhaps, would not be proper. We have to provide more and more passenger amenities, we have to provide more and more welfare measures for the Railway employees and that we have been doing. If we were a purely commercial organisation—about which I will mention a few words—perhaps, the other way of meeting the obligation to some extent without taking loan from the general revenues would have been not to spend as much over these heads as we have been doing.

My hon friend, Shri Bharucha, mentioned something about an *ad hoc* committee. I do not know what he meant by the *ad hoc* committee and what work will be entrusted to that *ad hoc* committee.

Shri Naushir Bharucha: It has been recommended by the last Convention Committee on page 18, I think—paragraph 27.

Shri Jagjivan Ram: That will not be necessary because what we are proposing in this resolution is that this period is necessary so that reasonable data may be collected to be placed before the Convention Committee—on which they can reach certain conclu-

sions which will be realistic and worthy of implementation, and not mere abstract principles.

It has also been asked whether the Railways are a commercial organisation or a public utility. And, Shri Bharucha has given certain criteria as to how it can become a commercial organisation—if it pays income-tax, if it does not get any preferential treatment and things like that.

In a commercial organisation, the primary motive is the profit motive. That is the guiding principle of a commercial organisation, apart from other criteria which you may lay down. In a public utility, the guiding principle is not the profit motive. You may make profit in the course of your functioning while providing certain utility or service to the community. If you function efficiently, you may make some small profit even if you do not intend to. But, if that service has to be provided to the community and it is essential for the good of the community, that service will have to be provided even at the cost of the community itself. That will be the fundamental difference between a commercial organisation and a public utility organisation. I will say that the Railways function as a public utility *cum* commercial organisation, because we have to run certain railways which we know if we are functioning as a purely commercial organisation we will consider whether to continue those railway lines or to discontinue them. But if for the benefit of the community the running of the railway line is required we have to run that, because after all the community will subsidise the loss directly or indirectly. I think, Sir, the House will agree with me that the Railways cannot but function also as a public utility service. But it is our endeavour that whatever money is invested in the Railways gives a reasonable return.

What is a reasonable return is again a subject which is not so easy of determination. Efforts have been made. It all depends on what sort of economy

[Shri Jagjivan Ram]

you are functioning on. What is a reasonable return in a capitalist economy cannot be regarded as a reasonable return in a socialist economy. If you have a mixed economy, you will have to strike a mean between the two.

Therefore, Sir, I will not go into all these details at this stage, because these are matters, again, to be determined by the Convention Committee itself. Whether the 4 per cent that we are paying at present is a reasonable return or not, or whether it is an excessive return, all these things have to be determined by the Convention Committee. Whether in a commercial organisation, if any capital is invested and there are a number of shareholders, interest is payable on the capital in addition to dividend or not, or where the company does not make any profit any interest can be charged on the capital investment itself, all these are matters which have to be considered even in commercial organisations. Therefore, I will not give any categorical answer to all these questions which have been raised. Whether the 4 per cent is a reasonable return, or it is an excessive return or a very small return, all these factors are to be determined by the Convention Committee itself, and I will leave these things to be determined by the Convention Committee, because the Convention Committee again will have to take into consideration the factors whether the Railways are called upon to construct lines or provide facilities which a purely commercial organisation might not even consider to undertake. All these factors will have to be taken into consideration by the Convention Committee itself.

Shri Harsh Chandra Mathur: But in the meanwhile you also will have to give some consideration to it. We want an indication of your attitude.

Shri Jagjivan Ram: I say, Sir, we will have to submit a memorandum to the Convention Committee. I

will not anticipate the consideration or deliberations of the Convention Committee. I think, Sir, it will not be fair on my part.

My hon. friend, Shri Mathur, raised the question, again, which was not very germane to the issue before the House, about rail-road competition or the transport policy of the Government. I will assure Shri Mathur that when I think about rail-road co-ordination or when I think about the transport policy of the Government, I never think only as the Railway Minister whatever policy we have to determine. I have said on more than one occasion that there is scope in our country, a very wide scope, for the development of all modes of transport. What the policy should be, how the coordination should be, is decided with a spirit to subserve the greatest national interest, not the interest either of the railways or of the roads but with a view to see that it is of the greatest benefit to the nation and how far the given resources of the nation can best be utilised to subserve the national interest. That should be the only criterion to determine the transport policy of the Government, and that should be the only criterion to determine what should be the quantum of coordination between railways, roads or other modes of transport, and what limitations and restrictions ought to be placed on one mode of transport or the other. All those things should be determined only by this criterion and this criterion alone. I will not say more than that at this stage.

Questions were raised about staff amenities and passenger amenities. My hon. friend, Shri Tangamani, wanted to know about the Class IV Promotion Committee. I may inform him that out of the 33 recommendations made by the Class IV Promotion Committee orders have already been issued in respect of about 22 recommendations. Two recommendations are such that we can't implement them at present because they

are dependent upon the recommendations of the Pay Commission. Decision has been taken in respect of one more recommendation, and five are pending. I am expecting, Sir, that during the course of this session I will lay a statement on the Table of the House regarding the recommendations of the Class IV Promotion Committee and the decision of the Government thereon.

As regards the one-man tribunal, Shri Tangamani is aware of the causes which led to abnormal delay in the finalisation or reference of the issues before the one-man tribunal. Because there was not much love lost between the two factions of the Federation and they themselves wanted postponement, the delay occurred. Last year I expedited it, and a few issues which could not be resolved by negotiation between the Railway Board and the Federation were referred to the tribunal. His decision has been received and is under consideration of the Government. We hope that we will reach a decision thereon very shortly.

He wanted another thing, and that was about some overpayment regarding some earth-work and other things on the South-Eastern Railway. I may inform him that three officers have already been suspended on that account and the matter is under investigation.

The question of safe travel and other questions regarding passengers have been raised. It is our earnest endeavour to minimise the chances of such occurrences on the Railways. But in spite of our best efforts, cases wherein some person enters a compartment, a genuine passenger, and when the train starts running indulges in undesirable activities, it will not be so easy to check, whether it is in the female compartment or in the male compartment. The railway officials will only see whether he is a bona fide passenger, with a ticket for travel. Instances have occurred where gentlemen, dressed as gentlemen,

holding tickets as gentlemen, travelled with gentlemen and when one or two passengers in the compartment fell asleep performed their functions and disappeared.

As regards ladies we have provided that after sunset if a lady in a compartment is alone she can have some of her female attendants in the compartment. We have also instructions that where they feel so they may request her to move to other compartments. Where the administration is convinced that police escort is necessary on certain trains, police escorts are also provided. Therefore, we are taking certain steps, but I will not say that all these steps will be so fool-proof as to eliminate the evil completely, unless the social consciousness is also aroused among the people and whenever undesirable elements are detected they are dealt with not only under the provisions of law but also by social sanctions. That is what is very necessary to deal with all these undesirable activities whether on the running trains or at the stations and other places.

As I have said, I do not propose to enter into details of the matters to be considered by the Convention Committee itself. Therefore, I am not proposing to answer many of the points which are only germane to the consideration of the question by the Convention Committee itself.

Sir, I move.

Shri S. C. Samanta (Tamluk): May I ask for one clarification? In 1924, railway finance was separated from general finance and in order to investigate into the financial position this convention, after every five years, was to be set up. At that time, the railways also were sometimes running at a loss. Now, the situation has changed.

Mr. Deputy-Speaker: Would this be a speech or a question only?

Shri S. C. Samanta: I am putting my argument.

Mr. Deputy-Speaker: Argument on what? If he wants to put any question he might put it. Otherwise,

*Delegation to 41st
(Maritime) Session of
International Labour
Conference*

[Mr. Deputy Speaker]

it is not the stage now when a speech can be made after the hon. Minister's reply.

Shri S. C. Samanta: I want to know whether the time has not come when Government should think of the scope of this convention at the present time. Only financial questions are being referred to this Convention Committee. As the Government has shown that it is a utility plus commercial concern, I want to know whether things relating to utility also could be referred to this Convention Committee and whether Government is thinking on that line. That is the clarification which I want.

Shri Jagjivan Ram: If the hon friend will refer to the report of the last Convention Committee, he will find that while determining the financial matters the Convention Committee has made recommendations which touch upon many things pertaining to the railways and not only to the railway finances.

Mr. Deputy-Speaker: The question is:

"That this House resolves that the period for the continuance in force of the recommendations of the Railway Convention Committee, 1954, governing the arrangements between railway finance and general finance which were approved by this House by a resolution adopted on the 16th December, 1954, be extended by one year up to the 31st March, 1961".

The motion was adopted.

15-33 hrs.

**MOTION RE REPORT OF
INDIAN DELEGATION TO 41ST
(MARITIME) SESSION OF IN-
TERNATIONAL LABOUR CON-
FERENCE.**

Shri Tangamani (Madurai). Sir, I beg to move:

"That this House takes note of the Report of the Indian Government Delegation to the 41st (Mari-

time) Session of the International Labour Conference held at Geneva in April-May, 1958, laid on the Table of the House on the 29th November, 1958."

When I gave notice of this motion I also indicated the points on which I would like to know the view of the hon. Minister. The following are the seven points which I have raised in the motion. 1. Wages, hours of work and manning; 2. Engagement of the seafarers; 3. Medical facilities to seamen; 4. Competency certificates and identity cards, 5. Safety of life in sea; 6. Shipowners' liability; and 7. Convention No. 109 and the recommendations 105 to 108.

Before I go into those matters in detail, I would like to refer to certain preliminary points about the conference itself. The International Labour Organisation has regular conferences once a year. Regarding maritime aspects, such conferences take place once in six years or sometimes once in seven years.

Shri Raghunath Singh (Varanasi): This conference was held after 12 years.

Shri Tangamani: The last conference which was the sixth of its kind took place at Seattle in 1946. The seventh in the series of the maritime conferences was held in Geneva from 29th April to 14th May, 1958. So it is easy to imagine how important this conference is. This conference was taking place at a time when our Government was taking several steps for the development of the shipping industry. A very important Act was passed in the last session, namely, the Merchant Shipping Act of 1958. That has dealt with in great detail not only the various aspects of development of the shipping industry but also the conditions of service of seamen. As I indicated earlier, this conference is tripartite in nature. There are representatives from the Government of India, from the shipping