

asking about Kerala and West Bengal. At that time also we asked if files were removed from any other States and then Mr. Chavan immediately stood up to say, "Give me notice and then I will answer". And so I gave notice of this Short Notice Question. Normally he should have accepted that question because he would have received all the information he needed. It would be a record on his desk because on his order the files must have come. There should be no difficulty in answering the question at short notice. As you know, the House will adjourn soon. If he had ordered for the removal of files from some other States, other than West Bengal and Kerala, then the paper in that connection must be with him. He need not make any enquiry. If he had not ordered for their removal. . .

THE DEPUTY CHAIRMAN: That will do.

SHRI BHUPESH GUPTA: I do not know why the Home Minister refused to answer this Short Notice Question. When he himself invited that question. I say he invited it because he advised us to give him notice and so we gave the notice. This is a question which he can immediately answer. He need not make any enquiry at all. Madam Deputy Chairman, these are small matters, but they are certainly irritating.

THE DEPUTY CHAIRMAN: That will do.

SHRI BHUPESH GUPTA: How will you treat it?

THE DEPUTY CHAIRMAN: I will treat it this way. To begin with, such issues are not raised on the floor of the House. When Short Notice Questions are given the Government is asked to reply. When the Government has said, "No". . .

SHRI BHUPESH GUPTA: No, no. Madam, that is not the position.

THE DEPUTY CHAIRMAN: 'You mean to say he said he would reply?

SHRI BHUPESH GUPTA: Yes.

THE DEPUTY CHAIRMAN: I shall convey it to the Chairman and request him to find out.

### **THE BUDGET (RAILWAYS), 1967-68 GENERAL DISCUSSION—contd.**

THE DEPUTY CHAIRMAN: Now we go on to the discussion on the Railway Budget. The Minister of Railways will reply.

SHRI A. M. TARIQ (Jammu and Kashmir): Madam, yesterday I gave notice about the CIA.

THE DEPUTY CHAIRMAN: Nothing more now. You were not in the House when reference was made to that report.

THE MINISTER OF RAILWAYS (SHRI C. M. POONACHA): Madam Deputy Chairman, I am thankful to the hon. Members of this House for the careful consideration that was given to the Railway Budget. Before coming to certain specific points raised by hon. Members I would, with your permission, refer to some general points mentioned during the course of the debate.

The point was made as to whether this gap or deficit could not be met by drawing upon the Revenue Reserve Fund. That point was made by more than two or three hon. Members of this House and it was suggested that this gap or deficit, whatever it is, could have been left as it is without raising the fares and freights and then later on we could have adjusted that deficit, if any, to the Revenue Reserve Fund. Madam Deputy Chairman, hon. Members would be aware of the fact that the Budget that was presented last year had indicated a surplus of Rs. 22 crores. But the year ended with a deficit of Rs. 24 crores and this deficit was not passed on the railway users or the customers. It was, in fact, adjusted to the Revenue Reserve Fund.

[Shri C. M. Poonacha.] This Revenue Reserve Fund as it stood last year when we began this financial, year last time was about Rs. 63 crores and, after adjusting this deficit of Rs. 24 crores to that Reserve Fund, today we are having in that Reserve Fund something like Rs. 39 crores only. It would have been the easiest thing for any one to do to adjust against the Reserve Fund which is fast depleting, any deficit that occurred in the course of the working of the Railways. This year, it would perhaps have been the easiest thing. Personally speaking, that would have been a very easy thing for me to do. But such an adjustment would have completely depleted the Reserve Fund and it would have put the Railway finances in great jeopardy. We never wanted to take recourse to that. Also we have felt that this minimum Reserve will have to be continued, not only continued but augmented, if possible, by improving our earnings and by making further profits in the Railway's earnings. The suggestion to leave the gap open and then adjust it to the Reserve Fund could not be accepted because we have already done that once.

Hon. Members would be aware of the fact that the Railway Convention Committee had gone into the working of the Railways in great detail. That Committee consisted of distinguished Members of both Houses of Parliament. As a matter of fact my hon. friend, Prof. Ruthnaswamy, himself was a distinguished member of that Committee. But while taking part in the debate, he said that he was totally opposed to this sort of a prescription laid down by somebody. Prof. Rathra Swamy himself was a disqualified member of the Railway Convention Committee. What did that Committee say? That Committee reviewed the working of the Railways and then they came to the conclusion that for the coming five years from the year 1966, the Railways would have to provide from their own earnings a certain sum of money to meet the developmental ex-

penditures. The Draft Plan, as hon. Members would be aware, so far as the Railways are concerned, has proposed an outlay of Rs. 2,094 crores for various developmental works in the "course of the Fourth Plan period. For that, the Railways are in a position to find money from their own resources to the tune of Rs. 860 crores, including a sum of Rs. 650 crores for replacements and renewals the balance coming from the Government as capital. Now to find this sum of Rs. 50 crores for replacements in the course of this five year period, a programme of contribution has been fixed from out of the Railways' earnings. Year after year certain sums have been prescribed by the Railway Convention Committee. To start with, it was Rs. 100 crores in 1966-67 and then it was to be Rs. 115 crores in 1967-68, then Rs. 130 crores in 1968-69 and in that way, we have to make a total of Rs. 685 crores towards the expenditure on replacements as envisaged in the Draft Plan. This Draft Plan has not been finalised as hon. Members would be aware. That is now under consideration and very soon we will be knowing what exactly the Draft Plan programme would be so for the Railways are concerned.

Now coming to the point last year we had contributed about Rs. 100 crores. This year when I presented the interim Budget I had made a provision for Rs. 99 crores while in fact our contribution should have been Rs. 115 crores. That is, Rs. 16 crores less but now while presenting this Budget Madam, we have made a provision for Rs. 105 crores, that is, still Rs. 10 crores less than what is expected to be the contribution from the Railways to what we call the Depreciation Reserve Fund, which Fund is used to finance renewals of Assets that we have accepted for the Fourth Five Year Plan. Therefore, this is a responsibility, a commitment to which the Railways have agreed and which has been duly approved by Parliament. This is a committed responsibility so far as the Railways are concerned and

the Railways will have to find resources to make contributions to this Fund.

Again, so far as the capital at charge is concerned, to which some hon. Members have already referred, and to which my hon. colleague Shri H. C. Mathur also referred yesterday, our rate of dividend contribution to the General Revenues has been fixed on a certain basis. For the capital that has been provided by the Central Government up till 1964 a rate has been fixed, that is, 4.5 per cent which is now raised to 5.5 per cent. For the capital that has been provided subsequently, that is, from 1964 onwards, the rate would be 6 per cent. The operating rate, of borrowing as hon. Members would be knowing, is now 1.5 per cent and, therefore, any rate of interest that is expected to be paid for the capital that has been provided by the Central Government could never be anything less than that. I was surprised that hon. Members took objection to that and said, "Why need we contribute to the General Revenues?" This is the normal commitment for the capital that has been invested in an enterprise of this nature, that Railways will have the obligation to pay the normal rate of interest and as such payment is being made to the General Revenue.\* at the rates provided for.

An additional rate of 1 per cent has been fixed, that is, 4.5 per cent to 5.5 per cent, to meet the commitment of the Railways to pay to the various State Governments certain fixed sums in lieu of the passenger tax which has been since abolished. The total amount available for distribution to the State Governments is Rs. 16.25 crores per annum. This sum of Rs. 16.25 crores per annum is paid to the State Governments in lieu of the passenger tax. In addition, a further sum of Rs. 1.8 crores per annum will be distributed on the clear understanding that the State Governments should, after providing, some more money to the contributions they receive in this regard, make arrangements for certain safety

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works such as level crossing works, overbridges and other things. So this money also is being collected from the Railways for being transferred to the State Governments.

Over and above that we have since recent times introduced the pension scheme so far as the staff are concerned. The pension fund contribution is now of the order of Rs. 15 crores. So the Railway Convention Committee's decision related to the contribution to the State Governments in lieu of the passenger tax, contribution to the pension fund, contribution to the Dividend Fund and contribution to the Depreciation Reserve Fund, and our contribution to Pension Fund. All these will total up to a figure of nearly Rs. 320 crores, per annum during the Fourth Plan period. So, this has to be found from out of the revenues of the Railways after meeting the cost that is the operational cost. So though it could be said that the Railway finances have come on the minus side are showing a tendency to run into deficits, in actual practice the Railways are earning substantial revenues but with the additional commitments that have devolved on the Railways after the Railway Convention Committee's decisions were accepted by Parliament, we have come to a position, this year particularly, that a deficit is confronting us. Hon. Members could find ample materials regarding these details if only they had taken the trouble of going through the papers which we have circulated.

In so far as working costs are concerned, as I have mentioned earlier in my Budget speech, the main reason for the increase in the operational cost has been due to factors which are not within the control of the Railways. For example, the cost of materials has been going up steadily year after year; similarly, the cost of coal, the cost of steel, staff costs have all gone up tremendously high. Take, for example, the staff cost, in the period of five years between 1962 and

[Shri C. M. Poonacha.]

1967, the cost on establishment has gone up by about Rs. 124 crores and out of this Rs. 124 crores of increased cost, Rs. 70 crores is attributable to the payment of enhanced rates of salaries, dearness allowances and things like that. About Rs. 40 crores is attributable to the cost of coal, diesel oil, etc. going up. In this manner steadily the costs of materials are rising and the committed expenditure in respect of contributions to the various Funds are also rising with the result that when we strike the balance we find in this year that a gap to the tune of about Rs. 17 crores is confronting us. On the top of it, this year itself we are anticipating a rise in the dearness allowance for which I have made some provision and the re-cent decontrol of steel also is going to add to our cost to the tune of about Rs. 70 lakhs. So in all about Rs. 31 crores of additional expenditure would be there so far as the Railways are concerned and in addition we have now decided to raise the contribution to the Depreciation Reserve Fund by Rs. 6 crores and that makes a total of Rs. 37 crores for which we have come before this House for its approval to a slight upward revision in fares and freights.

Hon. Members wanted to know about the assessment of the goods traffic. I find Mr. Mathur is not here. Last time when I came before this House I indicated that the anticipated additional goods traffic to the tune of 12 million tonnes would not materialise and we might realise only something like 4.5 million tonnes of additional traffic. At that time actually when the January figures had come to us the increase in the originating goods traffic was to the tune of 3.8 million tonnes. In the months of February and March, which period is known to be comparatively a more busy season, the anticipations have not materialised. In these months of February and March there was a progressive shortfall each month by about 75 lakh tonnes.

As regards the increase, we had already achieved it to the tune of 3.8 about 75 lakh tonnes.

million tonnes upto the end of January, 1967. We had anticipated that we would naturally get another one million tonnes additional together during March and February, but instead there was a shortfall of 1.5 million tonnes. This shortfall resulted in our realisation being limited to million tonnes. Mr. H. C. Mathur made a pertinent point on this and said that even as late as January we were not able to make a precise estimate of what the earnings from goods traffic would be. In all humility I would submit that we did make very objective and correct assessment, but unusually these two months also proved to be slack. These months are normally a boom period. This indicates how the economy of the country has been undergoing certain stresses and strains. That could also be further illustrated by this: the developing economy that we are passing through and in the process of our building up certain capacities for originating goods traffic, there has not been a steady improvement or a steady rate of growth. During the Third Plan period the additional goods traffic showed at times steep fall and then a spurt. In the first year of the Third Five Year Plan, we realised about 5.8 million tonnes additional goods traffic. During the second year we had 13.8 million tonnes additional. During the third year it came down to 8.2 million tonnes additional. In the fourth year it dropped down to 1.2 million tonnes and in the fifth year it again registered a rise to the figure of 13.3 million tonnes. In the first year of the Fourth Five Year Plan it again dropped down to 2.5 million tonnes. The spurts were there. At the same time there were still shortfalls also. In other words, the economy of the country did not show an uniform trend of rise. There have been various reasons. If we take note of the overall industrial growth in the country, that also showed a progressive decline. From about eight

nt increase in the industrial growth, it came down last year to the figure of 2.5 per cent. So, the economy of the country has been put to certain strains. My hon. friend wanted to ask something.

SHRI NIREN GHOSH (West Bengal): I wanted to say that perhaps it would further go down.

SHRI C. M. POONACHA: Madam, during this period my hon. friend would no doubt remember that we passed through certain difficult situations. We had two difficult years when we were threatened on our borders and that put a tremendous strain on the economy of the country v/hole, Jet alone the Railways. So far as the Railways are concerned I am proud to say that the Rail-gave a very good account of Ives during those very difficult and trying times.

During the Plan periods as well, if we could make a brief assessment of the Plan programmes, the Railways have fulfilled them much more successfully than any other sector of our economy. For example, the total investment at the end of the 1<sup>st</sup> Plan was of the order of Rs. 1102 crores, Rs. 1370 crores at the end of the Second Plan period and Rs. 3844 crores at the end of the Third Plan period. Passenger traffic originating in millions has gone up from 1275 to 2097. The passenger traffic in million kilometres has gone up from 68,517 to 96294. The originating goods traffic tonnage has risen from 93 millions to 203.1 millions. The net tonne kilometres have risen from 44,117 to 1,66,784. This would indicate as to how the Plan programmes have been very successfully implemented by the Railways. The Railways have done an excellent job and all that was expected of the Railways during the period of the three Five Year Plans has been fulfilled. The Railways have given a very good account of themselves, of which the nation—as some hon. Members have said—is really proud.

In this connection we should also take into account the fact that there have been certain shortfalls with regard to our anticipation. Particularly the shortfall occurred so far as goods traffic is concerned. As for passenger traffic, the steady increase is being maintained. Even in the year that closed we have earned Rs. 2.5 crores more by way of passenger earnings. The shortfall of Rs. 13 crores occurred in respect of goods traffic for which I have earlier given certain figures showing the unsteady nature of the growth of traffic. It has been said that it is due to the incompetence of the Railways to compete with road transport that this shortfall has resulted and that the Railways have yielded custom to road transport. It may be true to a marginal extent, but in substance it is not so. The shortfall in traffic has been in the industrial sector with Hard to steel, coal, cement and other bulk commodities. No doubt though there has been a marginal shortfall so far as high-rated traffic is concerned. Even here as a result of the implementation of our three Plan programmes, there has been a great fillip given to road transport. The construction of roads has gone up. The National Highways have come to a network of 15,000 miles of National Highways has been built in this country during the Plan period. The manufacturing capacity of trucks has been stepped up of late. I checked up the figures. We are now producing over 24,000 pieces of heavy duty trucks per year. All that is coming into our economy. The State Governments also have developed their road transport system through the State highways—and village communications. Therefore now far more facilities are available to the community to move goods by road. Also road transport has certain advantages over the Railways inasmuch as they can deliver goods quickly and speedily though their rates may be higher. They have this advantage that they can refuse custom. They do not have the common carrier responsibility.

[Shri C. M. Poonacha.]

They have the freedom what to accept and where to move. That freedom is available to the road haulier. So he is able to pick up high-rated traffic only to a distance to which he would like to move it, not like the Railway which cannot refuse any goods that are offered for transport and has to carry. Therefore the Railways are increasingly left with the bulk commodity to be transported over long distances, and the short distance high-rated cargo is slowly passing on, slipping out from the Railways to the road transport. This is a phenomenon which is in evidence in all the developed countries. Take, for example, the United States . . .

SHRI NIREN GHOSH: One clarification about passenger traffic. The First Class and Second Class coaches, their construction and maintenance cost and passenger earnings through these coaches—there is a disparity there. Can you work out the figures in crores? What is the load in the Railways due to construction and maintenance of these coaches and the passenger earnings from these coaches?

SHRI C. M. POONACHA: I shall come to that point later. I am on this main point. So far as the road transport concerned. It is in fact taking a sizeable portion of goods traffic from out of the Railways. This is happening in the United States. This has happened in the United Kingdom, and it is in evidence so far as our country is concerned. In the overall development there are certain inherent competitions developing and in the interests of the community and looking at the facilities that are made available, there need not be any regret; but so far as the sharing of the goods traffic between the road transport and the Railways is concerned, there is going to be, and bound to be, a certain amount of competition which is unavoidable. This is now confronting all the Railways all over the world. Till recently we have not had

a perfect road system developed; we have not had the various truck manufacturing capacities built up; we have not had the tyre manufacturing capacity built up; we are now producing the fuel here. Therefore, the road transport is getting certain additional facilities, and naturally they should in the overall share a certain percentage of the traffic that is available for movement in the country as a whole. It is nothing very strange that is happening, though I do accept the fact, I do recognise the fact. The Railways have also to take note of it and improve their methods of handling goods traffic so that they would not completely yield this custom to road transport. They will have to maintain their capacity to transport the high-rated traffic, and as such they will have to do a bit of salesmanship and attract custom to themselves. This fact I fully recognise.

As for the other point to which the hon. Member referred, it was in respect of the wagon and engine utilisation. My hon. friend, Mr. Sinha, and Mr. Mathur were pointedly referring to this point. They said that there has not been a proper utilisation of the assets that we have now created. We have built up our wagon capacity, we have "built up our diesel and electric loco capacity and also the numbers of locos have increased tremendously, but the utilisation has not been up to the mark. I have had these things checked up. I have gone into them a little more carefully. So as the diesel engine utilisation is concerned, hon. Members would be aware that the diesel engines are used mostly for goods traffic, and on the main trunk routes we use the diesel locomotives for the fast mail, Express and Deluxe trains; but mostly they are used for goods traffic which give an advantage to improve on the speed and also improve the carrying capacity. In that the utilisation has been steadily improving I will give the utilisation of the diesel engines over a three-year period, in 1963-64 it was 322 kms.,

in 1964-65 it was 339 kms.; in 1965-66 it has gone up to 353 kms. which really compares very favourably with the utilisation so far as most of the progressive countries are concerned.

SHRI N. SRI RAMA REDDY (Mysore) : Is it per day?

SHRI C. M. POONACHA: Per engine per day. Similarly on the metre gauge also from 225 kms. per day the figure has gone up to 283 kms. per day.

Let us come to the question as to why there has been a slight reduction or a sort of static position so far as the wagon utilisation is concerned, which was referred to by my hon. friend, Mr. Kumaran. Mr. Kumaran referred to page 38, page 39 and page 36 of the Review of the Performance of the Indian Railways. There the engine utilisation has shown a slight decrease in respect of the number of goods locomotives utilised for moving one million net tonne kms. of freight traffic per day. During 1938-39 we used 27 locos. That has come to about 20 locos now. That is better utilisation, but it has stood there and not improved. That was his point. Similarly on page 39 he said that the net tonne kms. moved per annum per tonne of capacity has also come down. In 1938-39 it was 9800. It has come up to 16,000. But from 16,000 he said it has come down to the figure of 15,000. This is a fact. The reason is, as I was mentioning in the other House, we have built up certain capacity to feed the heavy industrial complexes of this country, the steel belt, the coal belt, and so on, and on the top of it we have the long distance foodgrains high priority movement and Iron ore transport for export. In these we do not get return traffic for the wagons. By the very pattern of movement and feeding of industries they do come empty, and therefore there is a slight decline so far as wagon utilisation is concerned. This is so in all the progressive rail-tray systems all over the world.

SHRI NIREN GHOSH: One question about the diesel locos. We import diesel oil in order to run these locos. Should we not restrict it to the extent of our indigenous resources? Secondly, as foreign exchange drain is taking place as a result of this importation of diesel locos and in view of the position we are in, would the Government also consider to clarify whether we can build ourselves complete diesel locos? Until then we do away with the importation of components, as this is a heavy drain on our national resources.

SHRI P. K. KUMARAN (Andhra Pradesh): One clarification.

SHRI M. N. KAUL (Nominated): Madam, we are sorry we are disturbed. This is an intricate argument the Minister is developing. By constant interruptions not only the Minister but the hon. Members are also disturbed.

SHRI P. K. KUMARAN: Just one point. Regarding this return of empty wagons, that was a permanent feature. Does the Minister know that while manufacturing open wagons for these you neglected manufacturing covered wagons so that there is a shortage of covered wagons? Thus they are suffering for traffic.

SHRI C. M. POONACHA: Referring to my hon. friend's point about the importation of diesel oil, we required about 6 lakh tonnes of diesel oil every year. This has been carefully gone into and our country's capacity to produce diesel indigenously to meet the demand of the Railways has been programmed, and within three years there will be indigenous diesel oil produced to be used on the Indian Railways. So far as the diesel locomotives are concerned, at the moment it is 38 to 40 per cent indigenous content, but by 1970 we would reach the figure of 98 per cent indigenous components. So the object of manufacturing these diesel engines indigenously is taken note of and programmes have already been drawn up in this respect. The Heavy Electricals at

[Shri C. M. Poonacha.] Bhopal are manufacturing some of these parts and the electrical components. By 1970-71 I could say that diesel loco manufacturing would be entirely indigenous except for a very small percentage of most essential items which we may not be able to manufacture in the country, but 98 per cent of them would be indigenous.

Coming to the question of wagon utilisation, I was on the point that covered-wagons are for a limited purpose. When do we need covered wagons? When there is a food shortage and when we want to move foodgrains over long distances during the monsoon period, then the demand for covered wagons rises very high. We have a certain number of covered wagons; we have a programme, But that is on a certain known basis. Where abnormal circumstances arise, we would feel a little bit of shortage of covered wagons because of the very huge quantities of foodgrains that will have to be transported during abnormal conditions outstripping the position of covered wagons that are with the Railways.

Now, I was coming to this point that for the purpose of feeding the steel mills with raw materials and for taking out the finished goods, we have certain special types of wagons which could not be switched over to other purposes. Having built up that capacity and having fed those industries fully, if there is a switch in the pattern of transport it will be difficult. For instance, now suddenly we are required to move heavy quantities of foodgrains from Madras to Bihar. This is not the usual pattern. The usual pattern has been from Calcutta to Bihar. But rightly or wrongly, the Calcutta Port is such that we have constant problems and difficulties there which Calcutta is not able to cope with. Whenever we want to handle bulk foodgrain unloading programmes, Calcutta gets a bit difficult and as such, the unloading will have to be done at ports where facilities exist. Now, the bulk of the unload-

ing, rightly or wrongly, is at Madras and from Madras to Bihar the Railways are expected to undertake the high priority foodgrain movement. This has upset the transport of certain other commodities. Similarly, when we move iron ore for export, special wagons are manufactured. And now we are moving heavy quantities of iron ore for export. On the return journey to the same destination, it is very unlikely that they will get return cargo. As I said, if you would look into the figures and the percentages that have been worked out, there would *no* doubt be an indication that the wagon utilisation ratio is slowly coming down. That is because of the pattern of traffic that we are handling and the abnormal situations in which the Railways are put under special conditions.

Now, we are running three trains a day from Andhra to Kerala. It should be done in covered wagons. We do not have so many covered wagons. All the movements from Madras to Bihar will have to be in covered wagons. There was also an urgent demand to move seed paddy from Andhra to Bihar and that also had to be in covered wagons. So, there is a limit to the covered wagon availability. Over and above that, we are making arrangements to cover them with tarpaulins and all sorts of things and handle the transport in time to meet certain situations which arise now and then.

The Railways, as I was saying, do not have control over everything. When the monsoon season fails, there is a strain on the Railways; when a certain agitation takes place, the vulnerable object is the Railways: whenever there are bandhs, the Railways are affected and whenever there are difficulties at the ports, the Railways are affected. So, there are ever so many extraneous matters which affect the smooth and efficient functioning of the Railways and we are subjected to so many of these hardships and handicaps. And in spite of that, as I was mentioning earlier, we have functioned in a way as to meet



the situation to the best of our ability.

Again, I was coming to this point that so far as this closed circuit movement is concerned, in respect of coal, steel, finished products from steel mills and export of iron ore and food-grains, out of the 203 million tonnes of goods that we handle, about 112.8 million tonnes are in this sector. That is, more than 55 per cent of our goods traffic is to be handled in this closed circuit, more or less, in which the empties do not get the traffic on their return journey. They have to be worker empty to the places to feed certain important requirements of the industry or of the country in general.

Another point which the hon. Member referred to was that the Railways have fallen short of their performance so far as the road transport is concerned. I was mentioning that earlier. It is true that road transport is picking up some high-rated cargo. We are now organising a vigorous salesmanship and we want to attract this high-rated cargo to the extent possible to see that the revenue earning tonnage is not lost to the road transport system.

So far as investments are concerned, my hon. friend, Mr. H. C. Mathur, made this point that we are flushed with money, that is, we are overcapitalised and as such, there is a tendency, so far as the Railways are concerned, to be a bit slack. As for the Indian Railways, let us remember that the investments are not merely on the track and the rolling-stock; we have three production units, the Chittaranjan Locomotive Workshop, the Varanasi Diesel Works and the Perambur Works. These production units are also part of the Indian Railways unlike in other countries. In the UK, in the USA and in Japan, there are the private sector producers who manufacture the locos, the diesel engines, the electric locos and coaches and what not. But here, everything has to be organised by the Railways themselves. Much of our capital has

gone into that. As such to say that all this capital has gone to the Railways in rolling-stock and track, that heavy investment taken place and thereby we are over-capitalised is not strictly correct. As a matter of fact these production units in which we have invested more than Rs. 83 crores by now, have just started yielding results. Capital investment has taken place; results have yet to come. They have now come to a stage to meet the entire demand of the Indian Railways in so far as electrical locos, diesel locos and coaches are concerned. As far as wagons are concerned, they are with the private industry and the capacity, so far as the private industry is concerned, has also been adequately built up. We have now come to a stage where we are not only meeting our requirements but we would also be in a position to export. We are now looking around for export possibilities, for exporting locos, wagons and coaches and we have enquiries on hand in this regard so that very soon the Indian Railways and the allied industries that are connected with them will be in a position not merely to spend foreign exchange, but also to earn foreign exchange in substantial quantity.

My hon. friend, Mr. Kumaran, referred to the figures—referred to page 39—very rightly. But I would have liked him also to read the portion below in the same page, where a comparative analysis is given with other railways. So far as the net tonne kilometres moved per annum per tonne of capacity are concerned, we compare favourably; we come only next to Japan. Unfortunately, my friend would not like to read that portion. But he went on to read the other portion where there was a little bit of static performance and the progress was halting, and he took advantage of that, without referring to that portion in this very book, wherein we have furnished that information.

[THE VICE-CHAIRMAN (SHM AKBAR ALI KHAN) in the Chair]

[Shri C. M. Poonacha.]

It is also a natural phenomenon that the rate of growth would be quite fast up to a point and after that, in our economy and in other economy, you reach a sort of plateau. And when you reach the plateau you are more or less static there. I. P.M. Nothing can grow progressively to infinitum . . . , <

SHRI P. K. KUMARAN: We have reached a crisis in planning. Hence the problem.

SHRI C. M. POONACHA: Certainly not. Your analysis is wrong, Mr. Kumaran.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): We are trying to export also.

SHRI P. K. KUMARAN: There is no market in the world now.

SHRI C. M. POONACHA: A point was made about overcrowding in the railways. The overcrowding in the railways is a problem with which, I am afraid, we have got to live with.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): How long?

SHRI V. V. RAMASWAMY (Madras) : Eternally.

SHRI C. M. POONACHA: It happens to be so if we were to look to eternity for our life.

Sir, We have the airways, the roadways and the railways. The capacities everywhere have been tremendously augmented during the past several years. Let us look to the bus travel. Overcrowding is there. Let us look to the air travel. The same story. The travel-mindedness of the society in general is going up so fast that with the resources we have, we are unable to catch up. Of course, if we can spend money to that extent, if we have all the wherewithal, probably we can do that. But there are certain limiting factors. The travel-mindedness of the people of our country as well as in other countries is growing so fast that the facilities for travel are not able to cope with the demand.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): In the third class also, can you not limit, Mr. Poonacha, the issue of tickets in consonance with the accommodation available?

SHRI C. M. POONACHA: Sir, we are trying to do that to the best of our ability. But in spite of that it is not possible. We have some of these big *melas* like the Kumbha. Then we have the seasons. So every time there is one or the other thing which throws a heavy strain on the railway capacity to carry passengers. Supposing we say that we are not going to issue tickets to third class passengers beyond the capacity. Then we would be actually inconveniencing a very big section of our people who do want to travel or who want to go on business.

SHRIMATI YASHODA REDDY (Andhra Pradesh): Mr. Vice-Chairman, Sir, may I tell you that the Railway Administration has been so impartial not only about third class but also first class that even when there is no accommodation the issue of tickets without reservation. Day before yesterday I had this experience. They issued a first class ticket without reservation. I am glad they are impartial not only to third class but even to the first class.

SHRI C. M. POONACHA: You may rightly blame the Railways. I am not taking shelter. But the demand is so heavy. It is so pressing that we just cannot avoid.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): On abnormal occasions you cannot avoid it.

SHRI C. M. POONACHA: It is our desire to restrict it to the capacity that we have. But the demand is so many and so much that when they do not have other modes of travel, they travel by rail ...

(Shrimati Yashorfa Reddy stood in her seat)

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Please sit down. You have had your chance.

SHRI C. M. POONACHA: It is not so simple. The people want to travel but we have limited capacity. The demand is so much that it results in overcrowding.

MISS M. L. MARY NAIDU (Andhra Pradesh): Then why raise the fares and freights? That is what we want to know.

SHRI C. M. POONACHA: That does not mean that we are earning more on passenger traffic. The other demands have gone up so much that this Rs. 2.5 crores of additional passenger earnings do not meet the gap of Rs. 38 crores of shortfall. Again, it is not merely

SHRI M. RUTHNASWAMY (Madras): What about other solutions, more double tracks, more carriage

SHRI C. M. POONACHA: That may be an answer. Let us not merely object to overcrowding. As my hon. friend mentioned, there be uniform gauge, broad gauge, all over. That would create additional capacity and then we may be able to minimise this overcrowding. Let us have fast trains and let us have more frequent trains.

SHRI P. K. KUMARAN: May I suggest one thing, Sir? Even this overcrowding can be evenly distributed if the trains are run more frequently the hon. Minister was comparing our position with Japan's. On the Japanese Railways ten minutes' detention to a passenger train is treated as accident. Half an hour's detention to a goods train is treated as accident. Here even five hours' detention is treated as normal.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): The labour is more efficient there.

SHRI C. M. POONACHA: That is true. I am not saying that these difficulties could not be minimised. These difficulties could be improved. The demands are such that it is difficult to come with the situation with limited capacity, that we have at present. My hon. friend gave a

those figures. *Dui.no* -he vgar 1966-bi, 124 new trains were introduced and 80,000 passenger-kilometres per day were added.

(*Interruption*) I think you may put a separate question as to where they are running. These are facts. Last year, to cope with the seasonal demands, we had worked as many as 3,157 special trains. Well, there is a limit to this thing, but we will continue to do all these things and we will continue to speed up the trains. There again, speeding up the trains is not such an easy question. The track strength will have to be first stabilised before you can take a train at speed. The Indian Railway, as my friend, Dr. Antani, has been telling, is miniature, in the sense that we have all varieties of railway systems which have just now been integrated. We had all these problems of teething troubles and what not. It has come to a stage now where it is operating as one unit and with this, we have been able to provide facilities to the of our ability. Taking into consideration the country's economic demands, the requirement is left more for the goods traffic and we have invested heavily on that. We have created more capacity so far as the goods traffic is concerned than for the passenger traffic. It is a fact that so far as the passenger traffic is concerned, developments in the same proportion have not taken place. Probably we may have to do that and that would be the effort of the Railways—to improve the capacity and speed up the train? and create facilities for passenger traffic. I was on the point of goods traffic and, as I was explaining, so far as the goods traffic is concerned, there have been spurts and there have been shortfalls. The Railway finances can be very greatly disturbed by this because whatever is the demand, there is not seen to be any fall in the operating costs. On the other hand, it is steadily increasing, while the revenues are subject to certain ups and downs in relation to overall economic activities of the country. After all, the railway, as I was mentioning, are an index of the

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economic activity of uie country. It is noc  
someuung separate, it cannot be juctged.  
out of con.ext. It shotucl oe viewed only  
in the context of wnat is happening, in  
relation to the occasional booms, the  
successive difficult periods and so on  
Variations are bound to be there. To meet  
the situation, we have come with certain  
proposals. Hon. friends, Mr. Kumaran  
and othe.s, remarked that this is going to  
be inflationary. I am still of the view .hat  
it is not so because if we look into the  
impact of the slight increase that we have  
proposed, it is just 5 percent so far as the  
Third Class passenger is concerned. The  
highest addi tional burden would be not  
more than 60 paise for a distance of 515  
kilometres. This cannot be said to be very  
high. Then about the goods traffic, I have  
made certain analyses and the increase  
per each Hem of certain specific,  
specialised commodities would not be  
more than a fraction of 1 per cent. What  
is the transport element? The transport  
cost is less, than 10 per cent of the cost of  
a material, and the increase is somewhere  
about 3 per cerit of this 10 per cent. It is  
not as Mr. Kumaran said, the gwala  
comes and adds 2 paise more and passes  
it on to the consumer. It is not true. This  
additional fare is capable of being  
adjusted within the present price-structure  
range and it should not give rise to any  
increase so far as the cost of the materials  
is concerned. But there are peoole who  
keep on continuously raising the prices.  
Even if the Railways did not increase the  
fares, some are putting up the prices. It is  
not as if this is the only s'raw that is  
going to break the camel's back. It is not  
so.

SHRI P. K. KUMARAN. You have increased the cost of Railway meals.

SHRI C. M. POONACHA: After this Budget was presented, the levy on di<sup>s</sup>\*I has been increased. That is *ttrs*<sup>in</sup>\* to out uo the cost by anchor 'Rs «4 or Rs. 70 lakhs. Now th<"=- is the Coal Waste Boam. The resort has just been received. If

there should be any increase on coal prices, every rupee increase on coal prices is going to cost the Kahways life>. i.7 crores. Wobocty knows what is round the corner. As I was mentioning, these things are not within the control of the Railways. That the fares should not be raised or the freight should not be raised but other increases should be met by the Railway\* is not such an easy thing to say. People say "Why don't you effect economy?" and all that. Here I may be permitted to say that the hon. Members have not taken care to go into the de-aiis. They do not go into the figures but only try to make a point. Even as it stands, have we realised what the position is? We have not contributed anything to the Development Fund; Rs. 20 crores we have not contributed. We said "All right, let us try to effect economy; we shall try to do something and earn and then contribute next year." We have not contributed fully to the Depreciation Reserve Fund. We have to contribute Rs. 15 crores for the Reserve Fund next year. This amount of Rs. 35 crores is staring at the Railway finances and at the Railway Administration. This has to be found. I have not come before this House to cover that gap. We are borrowing from the General Revenues with the Central Government to the extent of Rs. 18 crores to meet the developmental expenditure. Now what is this developmental expenditure? It is for passenger amenities, housing programmes and all these things. About Rs. 10 crores are required and that cannot be held back because one is not prepared to pay 2 paise extra fare. These are most essential things. We have got to undertake all the welfare measures. The medical facilities, the educational facilities, the service conditions, all these have put a progressively increased strain on the Railway finances continuously then the amenities are also there. All these have a bearing on the over-all finances of the Railways and earnings will have to be augmented to some extent, if not to the full extent.

fore, an attempt has been made and I have come before this House for their approval to the slight increase in the fares and in the freight rates as has been proposed.

Then a reference was made to the ticketless travel problem. We have been tackling this problem ever since the Railways came into existence, perhaps not with great success. Previously, Mr. Shah Nawaz Khan, when he was Deputy Minister for Railways, took up this problem himself and organised a certain drive against ticketless travel. My hon. colleague, Mr. Jamir, has now come forward to take up the same responsibility and he is now going to handle that problem and organise special squads and see to what extent we will be able to check this problem of ticketless travel. In the same way, we are also going to constitute a Parliamentary Committee to go into the Railway catering as it has come under some criticism by hon. Members. Now we would like to have the thing gone into by a committee of Parliament, of both Houses, and take a decision whether we should continue this departmental catering or leave it to the private contractors. Previously when Mr. Alagesan was the Deputy Minister, under his Chairmanship a Committee was constituted and the decision was taken to introduce departmental catering.

SHRI A. C. GILBERT (Uttar Pradesh): In 1966 a decision was taken by the Minister, as a trial, to have private catering at a few stations and Kanpur and Poona were selected, and instructions were issued. What has happened to that?

SHRI C. M. POONACHA: This particular case I will look into. I do not have the information. The question is whether departmental catering should be continued and extended or whether departmental catering should be completely abandoned. That is the point and for which we should like to be advised by a Committee of Parliament which we are going to constitute and after we receive their

report, we will take appropriate action in that regard.

There were various other points relating to extension of the railway system, railway line and new lines and all that. We will certainly go very carefully into all these suggestions made by Members and within the financial resources that we have at our disposal we will try to give our best consideration.

My hon. friend mentioned something about Gujarat. The Gujarat dieselisation programme we have examined. We have built one diesel loco shed.

DR. B. N. ANTANI (Gujarat). Only yesterday there was a derailment at Santhalpur. Goods carriages have been derailed. Well, will he only read the answers which are drafted by other people or will he go into these things?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): He is replying to your speech. Regarding this derailment we are all very sorry.

SHRI C. M. POONACHA: You are raising another point.

DR. B. N. ANTANI: This is an excellent, beautiful brochure on gradual reduction of accidents. Only yesterday, eleven goods train compartments were derailed at Santhalpur and the passengers had to wait in the open for one and a half days without any protection. There is no reply. Ratio this or that, ratio Japan—this is the reply we are getting. Are we to be subjected to nursery rhymes?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I am sure the Minister will look into it.

SHRI C. M. POONACHA: Dr. Antani explained earlier that he was associated with the Railways at one time. He seems to have lost grip of that subject now! I was on the point which he referred to about introducing more diesel locos in the Gujarat area. It was said that at Bhuj we have always had a loco shed and we are having another loco shed and we

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want to introduce diesel locos there but that sector is served more by metre gauge and we are currently importing some M. G. locomotives and we have a plan to dieselise some sectors in the Gujarat area. That point I was trying to meet. As for the accident, the accident has happened and in the Railways, whether here or in Japan or elsewhere, accidents are not completely ruled out. After all we depend upon machines, we depend upon human beings, we depend upon various other factors which do at times cause accidents. Now to say that there shall be no accidents hereafter would be only a miracle or a magic-wand performance of which I am not capable of.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): He means as less as possible.

SHRI C. M. POONACHA: That of course I agree.

Coming to the various suggestions, I was mentioning that we will certainly go into all these separately and try to do whatever is possible. As it is we have a programme for new lines in the Fourth Plan programme which list we have furnished in one of the papers we have given to the Members. According to that, there is a committed expenditure this year; probably, about Rs. 24 crores are going to be spent on new line construction, according to the phased programme. We will look into the other suggestions that have been made by Members and take them up as and when the finances of the Railways Budget and the general economy of the country would be also in a position to provide sufficient funds, But in the meantime I commend my recommendations and proposals to the House for its acceptance. Those in-charge are not going to weigh very heavily on the favour of the public or the Railway customers and the suggestions that have been made by Members, the Railways. I hope, will be able to give a better account of

themselves in the coming years as has been their tradition so far.

Thank you.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): The House stands adjourned till 2.30 P.M.

House then adjourned for lunch at twentyseven minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock THE VICE-CHAIRMAN, (SHRI M. P. BHARGAVA) in the Chair.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The Minister.

### THE COMPANIES TRIBUNAL (ABOLITION) BILL, 1967

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI K. V. RAGHUNATHA REDDY): Mr. Vice-Chairman, Sir, on behalf of Shri Fakhruddin Ali Ahmed I beg to move:

"That the Bill to provide for abolition of the Companies Tribunal and for matters connected therewith be taken into consideration."

Sir, this Bill that is before the House deals mainly with the abolition of the Companies Tribunal which had come into existence by the 1963 amending Act (53 of 1963). I will briefly indicate the reasons which led to its origin and also the subsequent reasons which had compelled us to come before this hon. House with the Bill that is presently being discussed.

Mr. Vice-Chairman. Sir, you will remember the recommendations made by Shri Vivian Bose in his voluminous report. He had pointed out a number of malpractices, misfeasance and other violations of law in relation to corporate management. With regard to certain specific instances also, the report, at that time, struck headlines. When the Government considered all these recommendations at that time, Government found that there were inadequacies in law