

1962-63—

**MOTION FOR ELECTION TO THE  
INDIAN CENTRAL SUGARCANE  
COMMITTEE AND PROGRAMME  
THEREOF.**

**THE MINISTER OF FOOD AND  
AGRICULTURE (SHRI S. K. PATIL):**  
Sir, I beg to move the following  
Motion:—

"That in pursuance of the provisions contained in rule I of the Rules and Regulations of the Indian Central Sugarcane Committee, this House do proceed to elect, in such manner as the Chairman may direct, one member from among the members of the House to be a member of the Indian Central Sugarcane Committee."

*The question was put and the motion was adopted.*

**MR. CHAIRMAN:** I have to inform Members that the following dates have been fixed for receiving nominations and for holding election, if necessary, to the Indian Central Sugarcane Committee:—

1. No. of Members to be elected—  
One.
2. Last date and time for receiving nominations—2nd May, 1962 (up to 3 P.M.)
3. Last date and time for withdrawal of candidature—3rd May, 1962 (up to 3 P.M.)
4. Date and time of election—4th May, 1962 (between 3 P.M. and 5 P.M.)
5. Place of election—Room No. 63, First Floor, Parliament House, New Delhi.
6. Method of election—Proportional representation by means of the single transferable vote.

**THE BUDGET (RAILWAYS), 1962-63**  
—General Discussion—*continued*

**THE MINISTER OF RAILWAYS  
(SARDAR SWARAN SINGH):** Sir, I am grateful for this opportunity of placing certain aspects about the railway system before this august House. I have kept myself in touch with the discussions that have been going on in this House during the last three sittings. I have attended a part of the session myself, my colleague, Shri Shah Nawaz Khan, has been present throughout, and I have had an opportunity of glancing through the various speeches made on the floor of the House. I am grateful to the hon. Members, belonging to various parties and coming from different parts of the country, who have given such careful and detailed consideration to the problems that face the Railways and who have made suggestions with a view to improving the working of the Railways. My colleague, Shri Shah Nawaz Khan, intervened in the debate yesterday, and in the course of his intervention he placed before the House certain aspects relating to the working of the Railways. I would venture to place before the House an aspect which has been agitating the minds of various hon. Members who have participated in the debate, namely, the financial aspect of the Budget proposals. It is true that in the Budget proposals, we have asked for additional revenue resources by increasing the passenger fares and freight charges on goods. It is, therefore, quite natural that this hon. House and the country should know in a little more detailed manner, the financial picture and the financial arrangements that are in vogue in the Railways. We have first to see whether any of the items that are shown on the expenditure side could be avoided. Is there anything with regard to which there is scope for slashing down? And if, as a result of the examination, we come to the conclusion that the outgoings, in the form of operational expenditure and

in the form of other contributions, are inescapable, then the question will remain as to how to ensure the sound financial position of the Railways and how to ensure their continued solvency.

Some reference has been made to three important items which, besides the normal operational expenditure, are shown as outgoings on the expenditure side. These are: (i) contribution to the Railway Depreciation Reserve Fund; (ii) contribution to the General Revenues by way of 4.25 per cent on the capital-at-charge and (iii) contribution from the annual surplus to the Development Fund. An explanation is, therefore, due as to what these contributions mean, whether they can be avoided and whether they are based on sound financial reasons. It may be recalled that this aspect was gone into in very great detail in this House when the recommendations of the Railway Convention Committee were discussed and a formal Resolution approving those recommendations was adopted by this House. Therefore *prima facie* whatever has been desired by this hon. House is sought to be carried out in showing these outgoings in the Budget estimates as they have been placed before Parliament. But even then, I think, in all fairness I should attempt to give some explanation, although a brief one, to show whether these outgoings, apart from the parliamentary sanction, are really justified and are based on sound financial considerations. It becomes necessary because some hon. Members have hinted that contributions on these scores, under one head or the other, could perhaps be done away with or could be reduced, and therefore there is no necessity for augmenting the resources by increasing the passenger fares or freight charges on goods. So far as the Railway Depreciation Reserve Fund is concerned, it has to be remembered that the present contribution to the Depreciation Reserve Fund is not such as to create any large funds or Reserve which in

case of any future distant contingency, might be utilised for the replacement of rolling stock or other assets but is for keeping the Railways going currently. It is not the normal quantum of depreciation charges which are deducted from revenue to build huge amounts which, later on at some distance of time might be utilised, but this is a necessity here and now; this aspect has to be very carefully understood by us.

Sir, we have, in the Budget papers, given some figures to indicate the expenditure from this depreciation reserve fund. It will be seen that the actual outgoings from the depreciation reserve fund over the last several years have reduced the outstandings in this depreciation fund to a very small amount. The House would like to enquire as to what are the types of outgoings that go out of this depreciation reserve fund, and an explanation in this respect is due. So far as credit to this depreciation reserve fund is concerned, the average annual provision of Rs. 70 crores in the Third Plan period was approved by Parliament on the recommendation of the Railway Convention Committee in 1960, the year-wise appropriations being Rs. 65 crores, Rs. 67 crores, Rs. 70 crores, Rs. 73 crores and Rs. 75 crores to yield an average of Rs. 70 crores annual accretion, against the earlier provision of Rs. 45 crores made annually during the period 1955-56 to 1960-61. This is, Sir, about the quantum of the provision. The increased provision is just about sufficient to meet the cost of replacement of worn-out assets programmed as being necessary in the Third Plan period. In making the provision, allowance naturally has to be made for the present-day high prices at which the new assets have to be acquired in replacement of the old ones. The charging of the entire replacement cost to the depreciation reserve fund, which is built up from revenue is only legitimate, as there is no addition to the total railway

[Sardar Swaran Singh.]  
assets. This is an important aspect which is not always kept in view. The withdrawals from the depreciation reserve fund since 1957-58, taking also the revised estimate figure of 1960-61 and the budget estimate figure of 1962-63, average Rs. 62 crores annually. This level of drawings in the period 1957-58 to 1960-61, against the annual accretion to the fund of only Rs. 45 crores, necessarily involved drawing upon the previously accumulated balances in the fund, with the result that the balance in the fund at the end of the Second Plan period was barely Rs. 20 crores. This, Sir, is a very important aspect. It is a fact that there were certain accumulations in the depreciation reserve fund, and over the last several years the addition to the depreciation reserve fund did not keep pace with the actual expenditure from the depreciation reserve fund, which, I may add, is under accounting heads approved and audited by the Auditor-General and which were also gone into very carefully by the Railway Convention Committee. As a result thereof, for any sound financial picture to remain, it is necessary that we make adequate provision in the depreciation reserve fund; and the recommendation of the Railway Convention Committee in this respect, which has been approved in their wisdom by this august House, is the criterion that has been adopted, and I only want to add that that is a correct decision. Even in the current financial year the outgoings according to the present estimates from the depreciation reserve fund, on very necessary and essential requirements, are of the order of the actual accretion thereto, thus showing that this is not an accumulation of resources for some future contingency but just enough to meet almost the yearly requirements on replacements. Therefore, there is no scope for any beating down, or any lowering, of the level of our contribution to the depreciation reserve fund.

Then, another item with regard to which a suggestion was made, not perhaps after giving due consideration, is that the contributions to the general revenues could perhaps be suspended for the time being. Actually it was suggested that a moratorium could be declared. Now I have given very careful consideration to that aspect. If we on the railway side say that we do not pay even the interest charges on the capital-at-charge, then by any standards this is not sound finance. After all, we have to remember that, in order to carry out our expansion programme—in order to carry out our huge development programme—it is necessary to incur fairly heavy expenditure, and hon. Members must have noticed that provision on capital requirements in the present budget estimates is of the order of Rs. 295 crores. This is the highest that has ever been provided in the history of railways in any single year. How can we expect the country, namely the general taxpayer, to go on giving money for capital investment if the finances of the railways are not sound enough to pay back even the interest charges on that capital investment? Therefore, apart from the fact that this contribution at the rate of 4.25 per cent on capital-at-charge has been recommended by the Railway Convention Committee and has been approved by Parliament, it is, I would like to add, just elementary financial soundness to stick to an arrangement of this type if we want to keep our railways in good trim with regard to its financial performance. This contribution of 4.25 per cent on capital-at-charge cannot by any yardstick be regarded as excessive. We have to take into consideration the interest charges that are prevalent in the country, the rate of borrowing by Government, the rate of borrowing even in the external markets, to finance our development programmes in the country. It is a fact that some of the external loans that we have incurred

1962-63—

bear interest charges which are considerably higher than our average rate of interest with regard to loans raised in the country. Now railways do not separately pay any interest charges on the capital advanced to the railways. Therefore, in all fairness, the contribution by the railways to the general revenues, in the form of a certain fixed percentage, namely 4.25 per cent on capital-at-charge, is a legitimate charge, is a valid charge, and this is something which should not at all be grudged.

Then, Sir, besides the two items, we have got a provision of Rs. 23 crores as contribution to the development fund from the annual surplus. This also requires an explanation. The matter will be quite clear to the House if I were to explain to them what are the types of expenditure that are incurred from this Development Fund. These are various types of works which do not add to the revenues, which do not add to the assets, and therefore are a legitimate charge which has to be met from current revenues. It is only an accounting method. It could as well be explained on the operational side. So, it is only a way of expressing and this way of expressing has been adopted with the cognisance of the Auditor-General, so that the picture might be clear before the country, before Parliament, and they might be able to apply their minds and may be able to suggest if there are any possible savings that could be effected under those various heads with regard to the expenditure incurred from a Fund of this type. So far as this Development Fund is concerned, this is fed from the annual Railway surplus and is designed to meet the cost of works for providing amenities to Railway users, the cost of staff welfare works costing more than Rs. 25,000 each as well as operating improvements found necessary from time to time such as improvements in signalling, train control equipment and other safety measures, improvement in watering arrangements, etc. which cannot be assessed as directly

securing a financial return. These works legitimately should be financed from the revenue surplus as they pertain directly or indirectly to operating efficiency. The programme of expenditure on works chargeable to the Development Fund in the Third Plan involves annually Rs. 23 crores, which is about the same as in the Second Plan period, and the House will appreciate that the curtailment of such an essential expenditure is not feasible, as indeed was emphasised by the Railway Convention Committee, 1960. The ploughing back of surplus revenue to finance such works, is in keeping with the latest trends in commercial practice.

Apart from this, we have also to examine a suggestion which was vaguely made by one hon. Member, that the Railway Convention Committee had suggested that a loan could be taken from the General Revenues, which could be repaid later. Well, that is a suggestion which, if feasible, could be adopted. I have given very careful consideration to that aspect, and I cannot really commit the future resources of the Railways with regard to the repayment of loans incurred for expenditure of this type which does not add either to the revenue or to the revenue earning assets. Now, a loan, if it has any meaning, has to be repaid. Therefore, when the expenditure is incurred from a loan taken from the General Revenues, then we must have resources to service that loan, pay it back, or to pay the interest charges. So, if no new assets are created and if no new revenues are added, then it will not be sound finance to incur a responsibility of a financial nature by taking the loan. It is correct that the Railway Convention Committee had suggested that a loan could be taken. It is one thing to say that a loan can be taken; it is quite another thing that a loan should be taken only to meet certain contingencies. For instance, if there are short amounts and there is the likelihood of their being met in the next

[Sardar Swaran Singh.] financial year or a year later, then a loan can be justified. So, the mere fact that there is an enabling provision in the Railway Convention Committee's Report that a loan can be taken, is no justification for saying that a loan should be taken unless, of course, a loan can be justified on other financial considerations. Therefore, we come to the inevitable conclusion that, so far as the outgoings are concerned, there is no scope for cutting down any of the items that are shown on the expenditure side.

It was vaguely hinted that economies could be made, or perhaps it was also suggested that some of the salaries of the higher paid staff could be cut down. But on a careful analysis and on going into the figures, those hon. Members who have made this suggestion will readily find that these are not feasible suggestions. If we look at the number of the so-called upper class employees in the Railway Administration, where there are as many as 11½ lakhs of employees, the total number of Class I and Class II officers is only a little over four thousand persons. Mind you, in Class I and Class II, their scale starts from even Rs. 350 or so. So, it is not as if I am giving the number of people who are actually getting salaries above Rs. 1,000, or in the neighbourhood of Rs. 1,500 or so. Now, the total pay bill of all gazetted officers is a little over Rs. 5 crores. So, even if you slash their pay by 50 per cent. which we cannot in good conscience suggest, even then, the total accrual to the exchequer would be only of the order of Rs. 2½ crores. So, if it satisfies any feeling, or is considered a social measure, that is a different aspect altogether which could be considered on its merits if and when it is made . . . .

SHRI AKBAR ALI KHAN (Andhra Pradesh): The suggestion was about the Railway Board and its staff.

SARDAR SWARAN SINGH: The Railway Board and its staff cannot

give us Rs. 23 crores. Let us face the facts as they are, because the additional revenues that I am asking Parliament to vote and to agree to, is of that order. Now, if there is any scope for economy, either in the Railway Board or anywhere, this hon. House can have an assurance that I will not fail in exploring that.

SHRI BHUPESH GUPTA (West Bengal): Why do we have the assurance now? May I ask the hon. Minister whether before he budgeted for additional income, he considered this matter, whether internally by economy, by reducing the very high salaries of the high officials of the Railway Board, by cutting down expenditure, there, he could meet some of the needs.

SARDAR SWARAN SINGH: I am afraid, Sir, that the switch of the ear-phone of my friend was not on when I was trying to give the figures. He talks of the salaries of the highly paid staff of the Railway Administration. I gave him some figures which do not require reconsideration, and I am sure that if he had heard the figures, he would not have raised this question again. This point was very carefully considered at the time when these proposals were framed and we came to the definite conclusion that no significant savings could be made by adopting the types of suggestions which are now being made by the hon. Member. I am prepared, I am really discussing, thinking aloud with the House, when I say this. If you look at the total pay bill, which represents the outgoings for meeting the salary bill of Class I and Class II officers—which, mind you, bring us to the level of salaries ranging from even Rs. 350 or Rs. 400 upwards or Rs. 500 upwards; those are the scales—their total pay bill is of the order of a little over Rs. 5 crores, maybe about Rs. 5 or Rs. 6 crores. So, how can you make any significant impact upon the resources of the Railways by cutting down their pays or by reducing the number of officers? And now, this is a favourite subject

particularly with my friends in that bloc over there. I do not know whether they class themselves there as a bloc or a party. They go on changing their names also, Sir. But this is quite a favourite thing with them, and I know why they are bothered so much. Because we have given additional dearness allowance, probably they do not want that an impression should be created in the country that the addition to the passenger fares and goods freight is directly connected with the additional dearness allowance that is being paid. Therefore, there is this favourite device of saying that economy could be effected either in the office of the Railway Board or by cutting down the salaries which are payable to the higher paid staff in the Railways or by reducing the posts.

Now these aspects are always kept in view, and they are very carefully scrutinised at various levels. Actually it was complained, I think—may be in the other House, may be here—that the Railway Board have placed an embargo on the recruitment of certain types of employees, and it was said: "Oh! there is an embargo, and no new people can be employed."

SHRI BHUPESH GUPTA: Does it put any embargo on its own expenditure?

SARDAR SWARAN SINGH: Whether it has placed an embargo on its expenditure or not is there to see. It is a simple matter; it does not require much logic. Therefore, Sir, the point for consideration is that, when we come to our Parliament for additional revenue, all these processes are very carefully gone into, and if there is any possibility of effecting economies and saving resources on that score, they are first carefully gone into, before we come for additional revenue.

SHRI SUDHIR GHOSH (West Bengal): About our so-called high salaries the hon. Minister might like to inform Mr. Gupta that the Chairman

of the Railway Board in England gets a salary of £24,000 a year.

SHRI BHUPESH GUPTA: What does the white elephant cost in our country, the white elephant called the Railway Board?

SARDAR SWARAN SINGH: There are not many white elephants in the country.

SHRI BHUPESH GUPTA: There are a few and that is enough.

SARDAR SWARAN SINGH: The elephants are all grey, and their cost is not much. It is really the elephants which science and technology produce, which cost much more than the proverbial elephants.

The point which has to be borne in mind is that we cannot also have a state of affairs where we turn down a demand for, say, additional dearness allowance where it is just and proper. Therefore we have conceded that that should also be met. Now all things cost more; machinery, replacements of equipment, etc., and wages cost more, and therefore the outgoings on this account have to be more, and they have to be borne by someone, if not by the railway users, namely the passengers or those who transport their goods, by the General Revenues, I am not sure whether I will have, or the Government will have, the support of our valuable critics if we take funds from the general resources, which also will have to be paid by the country, namely, the general tax-payer, if not the actual railway user. Whether that will be a better arrangement is a matter about which I will not make any comment. I feel that, in all fairness, the proper approach should be that, in an undertaking of this type, which is not only a utility undertaking but also a commercial undertaking, the responsibility should be squarely borne by it in the matter of finance. It is on this basis that the financial position of the Railways has

[Sardar Swaran Singh.]  
acquired a certain good name for its soundness, and this has enabled foreign lending agencies to advance loans. This is taking place at a time—in the historical development of this means of transport—when many other Railways in many other parts of the world are finding it extremely difficult to make the two ends meet. I had an important visitor the other day, who was saying that the U.S.A. is seriously thinking of doing away with certain high-cost railway systems, that many of the companies are thinking of cutting down their services. It must have been read by some hon. Members that a great deal of hard thinking is going on in the U. K. It is not only that they have increased—over the last five years—their revenues by increasing the freight charges and passenger fares roughly by about 50 per cent; they are also seriously considering the question of closing down some of their railways. Now I do not want to compare our stage of development with these countries. They have other means of transport—river transport, sea transport—and they have got adequate road transport—a number of them; even air services are there for high-rated goods. But, in our present stage of development in the country it is very necessary that our Railway system should continue to serve the growing needs of industrialisation and development of the country, and it is therefore necessary that we should take adequate steps to keep it financially sound, to keep its finances in good order. That is why the Railway Convention Committee made those recommendations and that is why Parliament accepted the recommendations of the Railway Convention Committee. Now having said that, on the outgoings side there is no scope for cutting down any item or quantum of expenditure. I want to assure the House that there are no hidden items as sometimes hinted at by hon. Members. Therefore, we have to see that, if there is a gap, how to make good that gap.

Now, I have made the proposals, and there I have attempted to spread out the increased burden in as equitable a manner as I could possibly think of. Now there were several approaches to this problem. Could the whole of the additional revenue be raised wholly from passenger fares? That could be one approach. Could the whole of it be raised from a freight increase on goods? That could be another approach. But, after careful consideration of the effect of this increase on the economy of the country as a whole and on the capacity of the users, whether they are passengers, or those who offer goods for carriage, we have come to the conclusion and the answer is in the picture that we have presented—reluctantly, I would like to add, because no one likes to increase the burdens. If they could be avoided, they should be avoided, but if they are inevitable, then it becomes the responsibility of the country that they should be borne after understanding the implications which flow from such additional burdens.

Now, so far as freight increases are concerned, I presume that there have not been any trenchant criticisms, if I may use that expression. All that has been vaguely hinted at, is that it may slightly increase the cost of living and it may affect industrialisation. Food has been mentioned in that connection, but, Sir, I shall venture to show that the additional burden on this score is not much.

Take for instance foodgrains. Now, whatever may be the distance and whatever may be the type of food, whether it is rice or whether it is wheat, in no case is the additional burden likely to be more than a rupee per ton—105 nP. to be more exact, because there is the already existing additional 5 per cent. surcharge. Now 105 nP is the additional burden per tonne for carrying, say, wheat, from Punjab, which is a surplus area, to Bombay, or from U.P. or Punjab to Calcutta, or rice from Orissa to Calcutta, or rice from

Andhra to Bombay, or rice from Tamil Nad or Andhra Pradesh to Kerala—these are the main directions in which food is transported. Now the cost of food, all of us know; the price of wheat can be taken roughly to be Rs. 16, and rice can be taken roughly to be Rs. 20—25 per maund. Now the proposed additional freight on food, whatever may be the length of the distance over which it is transported, say, it is from the grain markets at Moga or Hapur to Bombay or Calcutta, is not more than 4 nP per maund. Now on a commodity costing, say, Rs. 20 a maund, the additional freight is 4 nP. You can calculate what it comes to. Therefore, to raise an argument of a theoretical nature and to invoke certain outmoded expressions like spirals, or prices chasing the increases, and the like, does not help us, I think, and if they are viewed in the proper perspective, then the picture arises that this additional burden is not such which could be, or should be, grudged.

**SHRI BHUPESH GUPTA:** Who is chasing whom? Is the hon. Minister chasing the Railways, or are the Railways chasing the hon. Minister?

**SARDAR SWARAN SINGH:** There is the joint effort by Railways and by me to chase the hon. Member. To do so is my earnest desire, and I intend to continue that effort knowing that it is a hard mission.

**SHRI M. GOVINDA REDDY (Mysore):** He is incorrigible. Where is the hope?

[THE DEPUTY CHAIRMAN in the Chair]

**SHRI AKBAR ALI KHAN:** May I ask through you, Madam, what would be the amount so far as foodgrains are concerned? And I venture to suggest that, so far as foodgrains are concerned, the freight levy may be removed.

**SARDAR SWARAN SINGH:** I should like to say that foodgrains already enjoy a concessional freight. We have

to see what is the additional burden, and if the additional burden is not much, let us not be moved by pure sentiment. There is a concession that I have already given with regard to food, because the minimum that is 50 nP., is up to 40 kilometres, and the next slab is only after 160 kilometres. That is, the additional 105 nP. will not start from 80 kilometres as in the case of other goods for longer distance. Therefore, whatever could be the concession that could be legitimately expected with regard to foodgrains I have already incorporated in the proposals.

Madam, normally a family purchases, say, a maund or a maund and a half of foodgrains depending upon the size of the family, and an addition of 4 nP. or 6 nP. per month to the budget of a family is not such as should make people so nervous. I judge the correctness of my argument like this. When it produces a violent effect in the mind of my hon. friend, Shri Bhupesh Gupta, and he feels uneasy in his seat, then I feel the point that I am making has gone home, he is not so comfortable that he can quietly sit in his seat. So applying this test also I feel that this additional levy of 4 nP. per maund on a commodity costing Rs. 16/- if it is wheat, costing Rs. 25/- if it is rice, and Rs. 35/- or Rs. 38/- if it is sugar, is not much.

**SHRI BHUPESH GUPTA:** You are putting these levies. Mr. Morarji Desai is doing so in respect of other commodities. Two of you together are almost surrounding the people with additional levies. You should take these things as a whole.

**SARDAR SWARAN SINGH:** Not the two of us, but the whole Government. It is a governmental decision, individuals apart.

**SHRI BHUPESH GUPTA:** Two spokesmen in the Government, especially now.



**SARDAR SWARAN SINGH:** At any rate, we are two against one. The point, Sir, is that the responsibility of bridging the gulf is upon us, and not upon Mr. Bhupesh Gupta. Therefore, the House is satisfied, and I feel that I have attempted to explain, that the picture that I have ventured to place before the House, leaves no doubt for slashing down anything. And if there is a gap, that gap has to be bridged. How to bridge it? I have given the answer. I know that the responsibility for that answer is not upon Mr. Bhupesh Gupta, or the Members of his bloc or flock, but it is upon us, and therefore it is our intention to discharge that responsibility and to discharge it to the best of our ability.

So far as freight increases are concerned, the argument that thereby food is likely to become more costly is not correct at all. A cursory glance of the fluctuations of prices of food articles like sugar, rice or wheat, in any of the principal grain markets of the country—Punjab, Uttar Pradesh, Andhra Pradesh, Orissa, Madhya Pradesh, will indicate that 4 nP a maund probably, is not even noticed. I am not talking of 25 or 50 nP a maund. Any variation to the tune of 4 nP is normally not even reported in any price quotations that are given by various grain markets. Therefore, Madam, it may be a good weapon for exploiting the sentiments of the people, but when it is examined in the background of logic and facts, it should be viewed in its proper perspective and not in any fit of sentiments.

**SHRI EBRAHIM SULAIMAN SAIT** (Kerala): What about taking strong measures against ticketless travelling to augment the railway income?

**SARDAR SWARAN SINGH:** I have not finished yet. But I might cut short that argument lest it should go on troubling the hon. Member. I do not think that tightening of measures for checking ticketless travel will give

me Rs. 23 crores. I wish it could. And if, for instance, by adopting any measure which the hon. Member might suggest now or later, I could stop that thing and increase the revenues, nothing prevents me from reducing the fare. If, as a result of these methods, I can raise another Rs. 23 crores, I will be very glad to do that, and I hope I will have the support of the hon. Member; I will cut down the fares and the freight charges.

**SHRI BHUPESH GUPTA:** But has it occurred to you that raising the fares may give an incentive to ticketless travelling?

**SARDAR SWARAN SINGH:** Let us hope not, if I have the co-operation of my friend, Shri Bhupesh Gupta, who claims so much influence amongst the masses of the people and who claims to have the monopoly of representing the people—he thinks we do not represent them and he alone is the representative of the people—I would appeal to him to use his vast influence with the so-called teeming masses, whom he claims to represent, to be more co-operative and not to indulge in ticketless travelling. That is all that I can say. But that does not mean that I depend upon his assurance alone. My efforts to stop ticketless travelling and to tighten up the checking and other methods will continue.

**SHRI SONUSING DHANSING PATIL** (Maharashtra): He should start with his influence on the workers and not the masses.

**SARDAR SWARAN SINGH:** I should like to add that, and pass it on to Mr. Bhupesh Gupta. But the trouble with Mr. Bhupesh Gupta is that he does not always keep the switch of his ear-phone on. He switches it on and off, depending upon the type of discussion.

**SHRI BHUPESH GUPTA:** Madam, when words of wisdom drop from their lips, not only does my ear-phone work but it works better.

**SARDAR SWARAN SINGH:** I feel flattered when I have that assurance from the hon. Member.

Therefore, so far as freight charges are concerned, they do not add any great burden on the food-grains which was an item that was specially mentioned by some hon. Members of the House.

Then, Madam, there is this question of addition with regard to other commodities. The virtue of increase by a flat rate, even over longer distances has increased the telescopic effect, because the increase, say, on Rs. 15/- becomes Rs. 16/- and Rs. 30/- becomes Rs. 31/-. Therefore, the telescopic effect has been increased by this flat rate of increase above certain distances which, I think, should be appreciated by the patrons of the Railways who transport goods over longer distances.

Now, Madam, coming to passenger fare, I am not very greatly surprised that there has been some criticism, some valid criticism . . .

**SHRI BHUPESH GUPTA:** Universally condemned.

**SARDAR SWARAN SINGH:** With respect to that, I join issue if the record is there. I think, however, that is not correct. Anyhow, we have to see whether this inescapable burden also could be passed on to freight. That is one aspect, and I think if you give careful consideration, in equity it should not be passed on to goods traffic alone. Therefore, we have to see whether this addition is fair. Now, if we come to the conclusion that it has to be borne by passengers, then, has it been equitably distributed between, say, the first class passengers and the second and third class passengers? That is one aspect which requires careful consideration.

**SHRI A. D. MANI (Madhya Pradesh):** Could I ask the Minister on a point of clarification? At present coal

is being carried below the actual working cost on the Railways. Why not raise the freight on coal? Coal traffic will give a very substantial revenue.

**SARDAR SWARAN SINGH:** I would request the hon. Member to consult Mr. Jaipuria. He raised a very vehement protest against raising the freight rate on coal. I am only suggesting that what he said is one aspect which we cannot ignore, because if we increase the cost of coal too much, then it goes into the cost of production of other materials since coal as a raw material is a necessary fuel in many industries; and if we can avoid it, our general policy has been to keep the price of coal as low as possible. The hon. Member is quite correct that the Railways actually are losing on the transport of coal, but that is a deliberate decision—one of the many decisions which the Railways have come to, which they are following, in order to help the economy of the country and that is a utility service apart from a commercial undertaking. That is a tempting suggestion as to whether the whole of the burden could not be loaded on coal alone but situated as we are, I think that coal occurrences being confined to certain parts of the country, we should look to the interests of users of coal at long distances because they are our countrymen and we do not want to encourage concentration of industries in one region. The temptation then would be that most of the industries based on coal would be all cluttered up and concentrated in areas either at the coal-fields or as near the coal-fields as possible. It will not be a very desirable development and, therefore, for good reasons, these telescopic rates for the haulage of coal over long distances have been adopted. I may add that another step which has been adopted by the Government is also somewhat in that direction. For instance, my colleague, Shri Morarji Desai, in his Budget proposals, has announced that a certain freight concession from general revenues will be

[Sardar Swaran Singh.]  
given to users of furnace oil, because at certain points which are far distant from the coal-mines there are difficulties in transporting coal; and to enable fuel users to switch over to furnace oil, these freight concessions have been announced. These are really broad matters of policy which have been adopted—and I would like to add humbly—correctly adopted, with a view to giving a fillip to the coming up of these industries in areas which are far distant from the coal-fields.

Coming back to passenger fares, we have to see whether there could be any other pattern, for instance, could we increase on first class more and could we reduce the burden on the second and third classes? Again I went into those figures, and I came to the conclusion that every 5 per cent. more increase in the first class fare gives me an addition of about Rs. 50 lakhs a year or so. Now I have made it 15 per cent. Even if I make it 20 per cent., it gives me another Rs. 50 lakhs only.

SHRI A. D. MANI: Make it 50 per cent.

SARDAR SWARAN SINGH: Even if I make it 100 per cent., it will not give me the money I require. I do not know whether the first class coaches would be utilised if I increase the freight by 100 per cent. Well, the hon. Member can perhaps say that because he might be able to afford it but there are many other users of first class, particularly those families travelling from here to Calcutta or Bombay, of a certain higher income group; whether there will be users from them if you increase it by 100 per cent., I do not know. I do not think that is a suggestion which could be considered in all seriousness.

SHRI AKBAR ALI KHAN: It will not fill up the gap even then.

SARDAR SWARAN SINGH: It does not. Therefore, howsoever unpleasant and unpalatable the conclusion,

may appear to be, this is the irresistible conclusion and I would like to add that this is a fair distribution of the burden which has to be borne by the community. The pattern that is suggested is the only fair and feasible proposition.

It might interest the House to know the effect of this on the average third class passengers. Just as I gave some figures with regard to food articles, even with regard to passengers, I would like to explain as to what is the likely effect of this.

The details of the very moderate increase proposed for season ticket holders were given fully in my Budget speech, and it is heartening to find that the proposals have been received with understanding and general approval. I would now like similarly to give further details regarding other third class passengers and the very limited incidence on them of the Budget proposals. Excluding about 7 lakh third class season ticket holders carried, on the average twice each day for a charge of not more than Rs. 1.1 lakhs per day, the Indian Government Railways carried about 31 lakhs of third class passengers daily other than season ticket holders on the average in 1960-61 and realised an income of just Rs. 34 lakhs from them. The Budget will merely have the effect of increasing the average fare paid by the third class passengers other than the season ticket holder by about 11 nP. from the present average of about Rs. 1.09. I should add that the picture to be drawn from the average figure indicated by me is far from being incorrect or misleading. In fact, nearly 85 per cent. of all passengers excluding season ticket holder—86.5 per cent. if third class passengers alone are considered—travel distances of 50 miles or less and the average fare paid by the 86.5 per cent. third class passengers is not more than 43 nP. each. So this will show you the effect in actual practice. A further 10 per cent. travel distances between 50

and 150 miles—so that fully 95 per cent. of all passengers, contrary to what is perhaps the common impression, travel less than 150 miles. Therefore this shows that the incidence is not that much. This is a fair and equitable distribution of the additional burden.

May I crave your indulgence so that I may try to finish in another 5 or 10 minutes before I go to the other House?

Now having given the financial picture, there is very little more to be said by me, because my colleague, Shri Shah Nawaz Khan, who has longer association with the Railway Administration and also has a greater experience of the working of the Railways, has placed certain facts before the House and has attempted to explain the performance of the Railways and the expectations for the future. There is one aspect which I would like to very humbly place before the House. I can well understand the natural expectation and desire of hon. Members, coming as they do from various parts of the country, for additional railway facilities, and if I may be pardoned, there is hardly any constituency with regard to which a proper case cannot be made out for an additional railway line or a new link or other facilities. Now these demands or suggestions from hon. Members are a guarantee that those demands are desirable but all desirable things cannot always be done. The limiting factor is the resources that are available for development and for expansion. In this context, some suggestions 1 P.M. were made as if Government have got no transport policy. These expressions are catchy—no transport policy, lack of co-ordination, lack of mutual consultations, bottlenecks and so on. This sort of expressions have somehow or the other, become catchy, and there is a strong temptation normally to import them and to use them. But we have to keep

in view the whole development plan of the Railways. That development plan, if I may recall it to the House, was discussed in great detail in Parliament, in this House and the other House and finally the Five Year Plan has been approved. We must always remember that, if we were a country with huge resources, then we could plan in a very liberal manner with regard to transport, maybe, with regard to development of power, expansion of education, roads and what not. But whatever the Railway Plan, it must try to adjust itself within the National Plan. This is the basic thing which we have to remember. And the National Plan has certain objectives, namely, that there should be so much of steel at the end of the Plan, so much of cement, so much of coal production, so much development of natural potential, so much of textiles or other goods, so much more foodgrains, so much more of transport of goods; and so on. These are envisaged in the plan and they are provided for, and all these have a certain relation, certain rhythm in relation to one another. As has been often explained on the floor of the House, it is not as if various isolated projects are just put together to produce a volume. That is not the way how plans are evolved. There is backward and forward thinking. We have to think about how much more steel will meet our total requirements, or how much more power and so on. We have to see how much coal will be required, and examine whether we can produce that much. Can we get all the resources needed and so on? And all the rest flows from that. Therefore, so far as this Railway Plan is concerned, it is part of the National Plan which has already been placed before the House. There may be some room for adjustment here and there, and it has also been mentioned that the Plan is a flexible one; as we march forward, if there are any minor alterations within the overall resources, those adjustments would be welcomed and those alterations could be made, whether it is about Railways or any other sector of our economy or deve-

[Sardar Swaran Singh.]  
lopment. I have no hesitation in saying that there is a view, and a fairly strong view, that in the Third Five Year Plan that is framed and that has already been placed before Parliament, the transport effort that is required to be put in may turn out to be of an order higher than what is envisaged in the Plan, whether it is transport of goods or the provision of other services, and some thinking is already going on for revising upward the targets that might be achieved with regard to transport capacity. If, after taking an overall view, it is found feasible to augment the resources that are placed at the disposal of Railways, then at that time we can consider what would be the most effective way of utilising those additional resources for creating the additional transport facilities. Therefore, while accepting the demands or suggestions for additional lines or connections as desirable, may be even as necessary in certain cases, I have to say that when we are planning, we have to fit it all in within the overall National Plan. And here there are limitations which, I think, in the present development of the country, are desirable because we have to take an overall view and the overall development of the country.

My colleague, Shri Shah Nawaz Khan, yesterday gave some picture with regard to the amount of coal. I would only like to say one thing. I do not want to repeat what he has said. I would only say that a feeling is sought to be created in the country as if, during the current year, that is, during the year 1962-63, there are likely to be cuts in the actual supplies of coal as compared to supplies that were effected during the last year, that is to say, during 1961-62. That confusion, if I may use that expression, has been caused because, according to the new policy that has been adopted, the actual allotments are on a more realistic basis. Formerly, the allotments were far in excess of the actual performance, and in many cases the al-

lotment was 2,500 wagon; when the actual movements came to only 1,500 or 1,700 wagons. Now what we have done is that the actual allotments should have some relation to the actual performance. Therefore, the paper allotments might have been cut in certain cases. But the actual physical supplies for all the users throughout the country are not likely to be less compared to what they got during the year 1961-62. Therefore, the fears that have been expressed on that score, that this industry and that industry, the chemical industry or any other industry, is likely to be hit by the new coal movement programme, are not well founded. It will be our endeavour—and I hope that we will achieve that objective—to see that no user of coal in any part of the country will actually get less during the year 1962-63 compared to what he got during the last year. Many will get more.

SHRI SITARAM JAIPURIA (Uttar Pradesh): What about the new industries that are coming up?

SARDAR SWARAN SINGH: As I said, that will be covered by the expression I used now, that many will get more. Therefore, let us not envisage a gloomy picture. Let us not take a gloomy view of the position. I think, with the new transport capacity that is created, by electric power, movement by block rakes, movement to a single point destination, to dumps, as you may call it, or other arrangements, the position should improve. There is the stepping up of production from Madhya Pradesh and Maharashtra and the Andhra Pradesh coalfields, the additional movement of coal by sea, and the additional utilisation of furnace oil as a result of the concession which has been announced by my colleague, Shri Morarji Desai. And there are the additional number of wagons that are progressively pressed into use as production catches up. These are factors which are bound to produce a significant impact upon the total

transport performance of the Railways. Therefore, let us look forward with a certain measure of confidence that this transitional phase which was a difficult one, is slowly being got over and that the essential requirements of the country will be met increasingly. There may be shortfalls here and there. But my hope is that the essential users, for instance, the steel plants, the washeries, the power houses, the railways themselves, will have enough supplies. There is to be this transport by sea. The entire movement from the outlying coalfields, those coalfields other than the ones in the Bengal-Bihar region, will be stepped up. There may be a limit with regard to the movement from the Bengal-Bihar area. I have given some figures in my Budget with regard to the additional movement even from the Bengal-Bihar area, and if we take a coordinated view of all these various efforts that are being made, I think the fuel position during the current year, is not likely to be as gloomy as certain hon Members have hinted.

SHRI AKBAR ALI KHAN What about a re-thinking on the present zonal arrangement. Are they to continue? May I request the hon Minister that he should give fresh thought to this problem?

SARDAR SWARAN SINGH Not only this problem but the problem of getting the best results by making organisational changes or reforms is a process which is a continuous and continuing one, not only in the Railway Board but throughout the Government. I would like to add that any suggestions that are made are very welcome. I have greatly profited by the suggestions that have been made, and I will see to what extent they can be actually implemented.

SHRI SHEEL BHADRA YAJEE (Bihar) Major General Shah Nawaz Khan, Deputy Minister of Railways, after visiting Tripura and Manipur, it seems, recommended

that new lines should be put from Silchar to Imphal. What is proposed to be done?

SARDAR SWARAN SINGH If he has recommended that, the recommendation will be a valuable one. And whether we can implement it and by what time, only our resources can decide.

SHRI BHUPESH GUPTA There is one minor question but important from the point of the region from which I come, namely, West Bengal. After a good deal of consideration and thought it was decided that Haldia should be linked up with Kharagpur. We now understand that suddenly this decision has been changed and now it has been decided to link Haldia with Panshkura although it is not to the advantage of any. Now, Madam, I would like to know whether it is true and, if it is true, why suddenly this has been done. Under what new considerations has this been done?

SARDAR SWARAN SINGH I think the hon Member will be sufficiently indulgent to concede that I have not had time yet to look into all these details. This was raised here, and it was also raised in the other House. I will look into it. If for operational necessity any change was required, I could not say, but if a change has to be made, it will not be made without looking into the various aspects. At some later stage I will be able to give precise information as to whether any change is contemplated, and if any change is contemplated, the basis for such a change.

SHRI SANTOSH KUMAR BASU (West Bengal) May I suggest in answer to Mr Bhupesh Gupta that if this linking up with Panshkura is effected very very undeveloped regions can be developed?

THE DEPUTY CHAIRMAN These are all suggestions and, therefore, they could go to the Minister.

[The Deputy Chairman.]

The House stands adjourned till 2.30 p.m.

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

The House reassembled after lunch at half-past two of the clock, THE DEPUTY CHAIRMAN in the Chair.

#### REPORT OF ASSESSMENT COMMITTEE ON C.H.S. SCHEME

SHRI M. P. BHARGAVA (Uttar Pradesh): *Madam Deputy Chairman*, I beg to move:

"That the Report of the Contributory Health Service Scheme Assessment Committee, laid on the Table of the Rajya Sabha, on the 27th March, 1962, be taken into consideration."

The House is probably aware that the Contributory Health Service Scheme came into existence in 1954 and it was envisaged at that time that when this scheme had been in operation for two years, a Reviewing Committee would be appointed to review the work of the Scheme and suggest further improvements. For some reasons, the appointment of this Reviewing Committee was delayed and it was only on the 4th March, 1961, that the Committee was appointed to review (i) the working of the Contributory Health Service Scheme and to report how far it has succeeded in improving the medical care facilities of Central Government employees in New Delhi and Delhi, (ii) to make a comparison between the medical care facilities available to the Central Service (Medical attendance) Rules and those provided under the Contributory Health Service Scheme, (iii) to determine whether the results achieved are commensurate with the expenditure incurred on the Scheme and (iv) to make an assessment of the quality of

the service received by the beneficiaries and their reaction to the Scheme.

The Committee inspected the arrangements both as a whole Committee and in parts because it divided itself into three sub-committees to inspect all the dispensaries. The Committee inspected all the 39 dispensaries working at that time in Delhi and New Delhi. The Committee had occasion to examine as many as 147 witnesses representing various interests, the beneficiaries, doctors, representatives of Staff Councils and others who received benefit from the Contributory Health Service Scheme. Among others, the Committee had the benefit of the advice of Col. Ayyar, Dr. M. S. Rao and Dr. Khosla—these are the Superintendents of the Safdarjang and Willingdon Hospitals respectively—and Dr. Tewari, who is the head of this Scheme. The Committee received 79 memoranda from various representatives of those who had the privilege of having benefits from this Scheme. The Committee held 32 sittings and discussed threadbare all the evidence which came before it from the various sources.

First of all, I want to put one point straightway, a point which was raised before the Committee and that is about the name, Contributory Health Service Scheme. Evidence showed us that people had an erroneous idea that since they were contributing to the Scheme, the Doctors had more or less become their paid employees and that they had every right to treat the Doctors as they liked. This was the erroneous idea which we gathered to be existing among some of the beneficiaries of this Scheme. On the other hand, the Doctors complained that this name was a misnomer—the word "Contributory" was a very misleading factor there—and so the Committee gave their thought to this matter, and I want to bring to the notice of the House their recommendations about the name of the