

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

RESOLUTION RE RECOMMENDATION OF THE RAILWAY CONVENTION COMMITTEE

THE MINISTER OF RAILWAYS (SHRI JAGJIVAN RAM): Sir, I beg to move the following Resolution:

"That this House resolves that the period for the continuance in force of the recommendations of the Railway Convention Committee 1954 approved by this House by a resolution adopted on the 21st December, 1954, be extended by one year up to the 31st March, 1961."

Sir, this is a very simple Resolution and I do not propose to take much time of the House. The House is aware that Railway Finance was separated from General Finance on the basis of a Resolution passed by the then Legislative Assembly in 1924 in the following terms:

"In order to relieve the General Budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carryout a continuous railway policy based on the necessity of making a definite return to General Revenues on the money expended by the State on Railways"

Pursuant to this Resolution, the Railway Budget became a separate entity and Railway Reserve Fund, Depreciation Fund and later on Development Fund were created. Periodical Convention Committees of Parliament are set up and they make their recommendations. The last recommendations of the Convention Committee were in 1954, which were approved, as is clear from the Resolution that I have just now moved, on the 21st December, 1954. In the ordinary course I would have approached Parliament for setting up another Convention Committee, so that the recommendation of the Convention Committee would have been

available well in time before the expiry of the present Convention. The last Convention Committee itself thought that it would be proper if all aspects of Railway Finance were before the next Convention Committee, so that it could make very objective recommendations. There are one or two factors which are at present rather uncertain. The new freight structure was introduced only in October last and the full impact of the new freight structure could not be assessed at present. Some time will have to be given for that, so that realistic estimates of the results of the new freight structure could be made.

Then again, as the House is aware, the Pay Commission is sitting and we are expecting the recommendations of the Pay Commission also. It is very difficult to say what the recommendations of the Pay Commission will be, but in any case they will have a bearing on the Railway Finance also.

Apart from this, another advantage in giving one year extension to the present recommendations of the Convention Committee will be that the recommendations of the Convention Committee and the Plan period will be coterminous. That will be a great advantage. Therefore, taking all these factors into consideration, it was thought that it would be desirable and advantageous if the period of this Convention is extended by one year and, therefore, I have come to the House with this Resolution.

Sir, I move.

Mr. DEPUTY CHAIRMAN: Motion moved:

"That this House resolves that the period for the continuance in force of the recommendations of the Railway Convention Committee, 1954 approved by this House by a resolution adopted on the 21st December, 1954, be extended by one year up to the 31st March, 1961."

Dr. R. B. GOUR (Andhra Pradesh): Mr. Deputy Chairman, when the hon.

Railway Minister, is coming to the House to seek extension of the life of the Railway Convention Committee, I think it is fair on our part to ask and it would be just on his part to tell us as to what has been done to the recommendations of the Convention Committee. After all, if Committees are to be appointed but their recommendations are not to be implemented, then we shall have to agitate only. What else can we do? We are not in power to get things done. Now, Sir, it was decided that Railway Finance should be separated from General Revenues. It was also decided that they would be paying four per cent. to General Revenues. But at the same time, there is an amount as big in magnitude as Rs. 100 crores, for which no physical assets are seen, and it was the Railway Enquiry Committee that suggested in 1947 that this amount should be written off in the capital. Now, the Railway Convention Committee also suggested that this should be written off. We would like to know why that amount is carried on from year to year as a dead weight on the finances of the railways. After all, these are days of cost accountancy. I do not know if the Railway Administration is short of cost accountants, is short of personnel, to look into this matter and take a decision on it and implement it. Now, with regard to this Rs. 100 crores that has been suggested by all these Committees to be written off, I would like to know from the hon. Minister how long the Railway Board want us to wait for the implementation of this thing.

Now, Sir, we have gross revenues to the tune of Rs. 400 crores, and we also find that the suspense account is about Rs. 50 crores. Well, we do expect a suspense account in such a big undertaking as our Indian Railways, but 12 1/2 per cent. suspense account is something that cannot be explained. The question is how then are we managing the accountancy of railway funds, to carry from year to year such a big sum as 12 1/2 per cent. of the total gross revenues as suspense

account? Now, I would like the hon. Railway Minister to tell us something on that score also.

Then, Sir, certain developmental activities have been taken up under the Development Fund of the railways. True, on the South Eastern Railway much has been done. But we also know to our cost that this Rajkharsawan-Barajamda doubling has been a pretty costly affair for us. It was not up to the required specifications. We also know that some of the railway officials, particularly the Deputy Chief Engineer in charge of construction, and the District Engineer of the South Eastern Railway are under suspension today pending certain enquiries. But what I want to draw the attention of the hon. Minister to is that we have a very bad experience of prosecutions in this respect. Now, enquiries are there, departmental or otherwise, and they must be obviously and they are generally followed by prosecutions. Now we know how prosecutions have taken place. I think invariably in all these prosecutions, in spite of the fact that the crime has been established, the criminal is let off. Generally acquittals are taking place. That means your preparations for the prosecution are not proper. You leave loopholes in the preparation of the prosecution itself, even though your enquiry establishes the charges. For example—I am not going into many examples because we can give any number of examples. Now, we know that the General Manager and the Deputy General Manager of the ex-Saurashtra Railway were charged with misappropriation of certain funds or something like that. We also know that in your enquiry the charges were established. But at the same time we know that they were acquitted. Why? In your enquiry charges are established, and in the court the person against whom charges have been established is acquitted, the acquittal is granted.

SHRI H. P. SAKSENA (Uttar Pradesh): Because the trying Judges were acquitting Judges.

SHRI AKBAR ALI KHAN (Andhra Pradesh): The point is, there is a difference between an administrative enquiry and a judicial enquiry. In a judicial enquiry the benefit of doubt is given to him.

DR. R. B. GOUR: I do not agree with him. Probably barristers of your type are responsible for launching the prosecution. That is why you leave loopholes in the case itself.

SHRI P. S. RAJAGOPAL NAIDU (Madras): Because friends like Dr. Gour interfere with the prosecution witnesses.

DR. R. B. GOUR: There is no question of friends like me dabbling with the prosecution witnesses. My friend, Mr. Rajagopal Naidu, and others like him may do because they may be interested in getting the acquittal.

MR. DEPUTY CHAIRMAN: It is a mutual compliment.

DR. R. B. GOUR: Sir, this is a very serious case. The reason why I am reminding you of these cases is this. In the South Eastern Railway they are making a very serious enquiry today. This point I want very seriously to urge on the Railway Minister. Either your enquiry is wrong or there is something wrong with your prosecution. There is something wrong in the Railway administration when they are arguing the railway's case in the courts, when they are conducting the railway's case in the courts. That is my view.

MR. DEPUTY CHAIRMAN: You are not a lawyer.

SHRI P. S. RAJAGOPAL NAIDU: My friend forgets for a moment that the departmental enquiries are conducted by the departmental officers but the prosecutions are conducted by the police.

DR. R. B. GOUR: I agree that it is the Home Ministry, but let the Railway Ministry tell us as to how we should agitate against the Home Ministry to see that the culprits in the

railways are brought to book. That is what I want. After all this is a very important point that in the preparation of the case somebody is doing something. Then in that case you amend your system. You make the first enquiry. Somebody else prepares the case for the prosecution. Well, if there is that anomaly, if there is that sort of dichotomy, it is for you to decide. After all I do not think that the Government of India lacks that sort of co-ordination between the Railway Ministry and the Home Ministry. If they lack that co-ordination, it is all the more worse for the country, it is all the more worse for the Government itself.

Then I want to ask another question. A certain gentleman of the Western Railway is under forced leave today. Unfortunately that very gentleman had also something to do with the famous Kalka firing. This gentleman must not return to his post unless and until you have finally decided the whole matter for which he has been asked to go on forced leave.

SHRI AKBAR ALI KHAN: It is a personal matter. Personal matters should not be referred to.

DR. R. B. GOUR: I have not mentioned any person's name. I do not know why my friend is getting excited.

Then I would like to ask the Railway Minister this: Are the Railway Board developing railways or are developing private capital in this country? You want diesel engines. The entire order for these engines is placed with TELCO, TEXMACO and Hindustan Motors. We know what TELCO is, how TELCO has swindled funds.

SHRI JAGJIVAN RAM: No order has been placed with any firm.

DR. R. B. GOUR: Then tell me if you do not want to do it.

MR. DEPUTY CHAIRMAN: Don't put him a hypothetical question.

DR. R. B. GOUR: It is not a hypothetical question. Let them tell us that they are not placing these orders with TELCO, TEXMACO and Hindustan Motors. Let them tell us what they propose to do. After all we need these diesel engines. Let them tell us how they are going to get these diesel engines. TELCO, TEXMACO and Hindustan Motors—if they are not to manufacture these diesel engines, how then are they going to get them?

श्री टी० पांडे (उत्तर प्रदेश): कृपा करके आप मेरे एक प्रश्न का जवाब दीजिये। अगर कोई प्राइवेट फर्म जनता की सहूलियत के लिए अच्छा काम करे, तब भी रेलवे डिपार्टमेंट उसको सील कर दे, क्या यह आश्वासन आप चाहते हैं?

डा० राज बहादुर गोड : मैं आपसे इस मसले पर बहस ही नहीं करना चाहता। सवाल यह नहीं है। सवाल यह है कि डीजेल इंजन्स की जरूरत पूरी करने के लिए क्या हम टाटा और बिड़ला की ही मदद करने वाले हैं या कोई और दूसरी सूरत निकालने वाले हैं, जैसी कि डिफेंस मिनिस्ट्री ने सूरत निकाली है कि हम खुद ट्रक्स मैन्युफैक्चर करेंगे। यही मेरा कहने का मतलब है। इसमें ज्यादा मेरा झगड़ा है ही नहीं।

Then I want to draw the Minister's attention to another fact. You want dieselisation. You are thinking in terms of getting diesel engines. What about diesel oil? I think even the Fuel Economy Committee suggested dieselisation. Then the Fuel Research Institute suggested that you must have combined plants of low temperature coal carbonisation and of processing coal tar for diesel oil manufacture. The other day I put a question and Mr. Shah Nawaz Khan was kind enough to tell me—I may be mistaken, it may be Mr. Ramaswamy, one of the Deputy Ministers—that they do not

have such a proposal. Railways are expected to know where diesel oil is going to be produced. I do not know why the Railway administration is not trying to use its developmental reserves in order to get into manufacturing diesel oil also.

DR. H. N. KUNZRU (Uttar Pradesh): What are the developmental reserves?

DR. R. B. GOUR: You are investing in road transport, you are investing similarly . . .

DR. H. N. KUNZRU: What are the developmental reserves that the hon. Member spoke of?

DR. R. B. GOUR: I am sorry I may not be able to tell you off hand but they have got it.

SHRI JAGJIVAN RAM: What have we got?

DR. R. B. GOUR: Funds.

SHRI JAGJIVAN RAM: Where?

DR. R. B. GOUR: In the Railways. Don't you have money? Are you not participating in road transport? It was suggested to you, and it was not denied, that Railways also must participate in such manufacturing concerns with funds where diesel oil will be manufactured, just as you are participating in road transport undertakings. You are participating in and giving finances to road transport undertakings. It was suggested to you that you must come forward with others, Central Government and State Governments, in such combined plants. You have not yet taken a decision on that. You don't say 'yes' or you don't say 'no'. When will you take that decision regarding manufacturing diesel oil? I do not think you are going to beg the Finance Ministry to give you foreign exchange for importing diesel oil, when the possibilities of manufacturing it through the processing of coal tar are there. That is what I want to ask you.

[Dr. R. B. Gour.]

Lastly, I would like to ask this. You have increased the depreciation reserves from Rs. 30 to 35 crores. Later on you yourself have increased it from Rs. 35 to 45 crores, depreciation allocations. Now I would like to ask, why did you not show the same magnanimity in respect of amounts to be spent on passenger amenities? They stand at Rs. 15 crores for the entire Five Year Plan. You know that for these three years after spending so much of amount the actual benefits accruing to the passengers will not be as much as you expected when you allocated the amount.

After all, prices are rising every day. Therefore, may I ask the hon. Minister if he has any suggestion to make, any idea of considering this question of raising these three crores of rupees that he wants to spend on passenger amenities? He has raised the depreciation reserves. He has made it from thirty to thirtyfive and then to fortyfive crores. I would like to ask him why this matter was not given consideration—the expenditure on passenger amenities. I hope the hon. Minister will agree with me that there is much to be done on the score of passenger amenities. You know, even if you want to construct some latrines or some bathrooms on the railway stations, the cost is going up. They put the expenditure at Rs. 3 crores. Certainly the cost structure, the price structure in the country today has gone up. Therefore, on this score also may I ask him if he really wants that something should be done?

Then he promised long ago—about, I think in 1956—that the number of higher grades will be increased. I do not know what has happened to that promise or when it is going to be implemented. He said it would be given retrospective effect from 1956. What has happened to it? The number of higher grades, well, they are there where they were. That is another point that he must tell us about.

One policy they have changed and it is good. Earlier they were thinking in terms of new railway lines only to open up the mining areas. Now it is good that they have changed it and made it more flexible. Wherever passenger requirements or requirements of industry and commerce are there, they will also think in terms of building new railway lines. In fact, they have done it and the grants are sought for new railway lines elsewhere, where no mining areas are involved. Then I would like to ask: When this question of development of railway lines comes up, have they really given serious thought to the problems that have arisen since the reorganisation of States in the light of the developing economy of the country? Now I do not want to go to other States, but of my own State I would like to ask the Minister. Our State—Andhra Pradesh—is a State that has been reorganised twice, that is, first when the Andhra State was formed and later on when Andhra Pradesh was formed. Now, we in Andhra Pradesh have got to integrate Telangana and Andhra areas—in fact, Telangana, Rayalaseema and Andhra areas—into one administrative unit. This requires certain changes, certain developments, in order to integrate the flow of passenger traffic and goods traffic. This is very essential. I would ask the hon. Minister to look at the map and tell me whether or not the Secunderabad-Macherla-Nellore railway line will actually open up the entire area, cutting across Telangana and other parts of the area. Particularly, after this Nandikonda, where irrigation is coming up, this link has absolutely become essential for the integration of passenger traffic and also flow of goods in Andhra Pradesh. Similarly, I would ask him to open up the entire area of Guntakal on the one side, Kurnool on the other and Cuddapah and Nellore on this side. The whole area has to be opened up. I would ask him if he has got this idea, if he ever gave thought that here is a reorganised State facing new problems of integration, facing problems of development, of new communications

to really integrate the flow of goods and traffic. Well, this is a problem which they never think about. Therefore this whole question of new railway lines is not given serious attention to. That is my complaint.

Then, Sir, we have in Ramgundam a broad gauge line. It is a growing industrial centre. Recently, coal mines have been opened. We have a thermal power station. Now round about Ramgundam several factories are coming up. It is growing into a big industrial area. Similarly, at Nizamabad, we have the sugar factory. There is the irrigation project at Nizam Sagar. And a newsprint factory is proposed to be built up there. There was a suggestion by the old Hyderabad Government also that Ramgundam and Nizamabad must be connected. Otherwise, what is happening is, Kothagudium and Ramgundam are coal centres on broad gauge. Nizamabad is 100 miles away from Hyderabad on the meter gauge. The result is, if you want to bring coal from these centres, you have got to come to Secunderabad, tranship it to the meter gauge and get it to Nizamabad. In fact, coal is costlier in Nanded than it is in Hyderabad. These are the new railway lines required for industrial development. These are the new problems that have arisen and are facing the economy of the State. Do you give thought to these problems when you think of developing new lines? Well, you have suggested, Sir, that much of the Rajasthan railway line is going to be done by shramdan. You give us an offer. We will give you a lot of shramdan when these new railways are to be laid. The point is, newly reorganised States, their developing economy, their growing requirements, their changing circumstances in terms of the growing traffic and flow of goods, these are not taken into consideration in the reorganisation of either your administration in the form of zones or divisions or in the question of the development of lines. Therefore this problem must be very seriously thought of.

Now, unfortunately, I do not know—we in Andhra Pradesh do not know—how to agitate; Andhra Pradesh has no pull in this regard. I do not know what happens. But whenever we raise the question about it, either we are considered to be too parochial or we are considered to be anti-national; all Southern fellows are anti-national. That is the unfortunate understanding about us in the country. Only some gentlemen are for the unity of India. I say, whenever we raise this question, whenever our men become ministers here, if we go and ask them, they say, "Oh! I am not now an Andhra Pradesh man; I have become an all-India man." Suddenly he becomes an all-India man when he comes here. I do not know whether we are also all-India men or not. But the question here is, there are certain problems that must be squarely faced. The State is facing problems; industry and commerce in our State are facing them and therefore there is no question of evading this issue in the name of unity of India and all that. The problems are there. You tell us how you are going to solve these problems. You advise us how you wish us to solve these. When you talk of development of railways, why do you ignore us? Here is the developing economy of a newly organised State. Here are its requirements. How do you want us to solve these problems? We will agitate again and again unless and until we get a satisfactory reply to all these problems.

SHRI H. P. SAKSENA: Mr. Deputy Chairman, Sir, one clarification that I need is this that we have been listening to speeches about this Railway Convention Committee for the past fifteen minutes or so. I have not yet been able to know what the object and purpose of forming this Convention Committee is. The object and purpose as I could understand was that all aspects of the Railway administration would be placed before that Convention Committee. If this was the object, then I am justified in enquiring as to how many times meetings of this Conven-

tion Committee were held, what its recommendations were and how many of them were either accepted or rejected.

MR. DEPUTY CHAIRMAN: In 1954 it made a recommendation. It meets once in five years.

SHRI H. P. SAKSENA: Once in five years?

MR. DEPUTY CHAIRMAN: In 1954 it made a recommendation. A fresh Committee should have been appointed now. The hon. Minister is extending the life of the Convention Committee by one more year.

SHRI H. P. SAKSENA: That I am in perfect, complete agreement with.

DR. R. B. GOUR: You agree without understanding what it is?

SHRI H. P. SAKSENA: I agree, but I do not have Birlas and Tatas on my brain as my friend, Dr. Gour, has, and therefore I look upon both these concerns as the agencies for the development of the country. Therein lies the difference between my understanding and his understanding.

So, Sir, this was the only clarification that I needed and I am perfectly satisfied. Let me tell the hon. Railway Minister—and quite seriously—that there was a time when this Railway administration used to be looked upon as the 'Maa-Baap' of the country. That pattern of the Railway administration has, to my mind, completely changed, and I know. Just as I have been repeatedly telling the House, that I am a representative of the untouchables, similarly I am a representative of the poorest among the poor. Therefore,

3 P.M. in that capacity I receive hundreds of petitions and applications of the young educated unemployed for appointment in the railways, but they are not getting it. But I have not yet been able to find out the panacea or the treatment for this pernicious disease. I hope the hon. Railway Minister will very kindly adopt a more sympathetic attitude towards the poor.

Now, Sir, so far as the development of railways is concerned, my friend, Dr. Gour, wanted some railway in his jurisdiction or in his home jurisdiction or area to be developed and yet denied that he was parochial or provincial. That is a very strange reasoning and attitude. It is very difficult to delve into it deeply and to reconcile these two statements. On the one hand he is fond of—especially after the reorganization of the States—Telengana and Andhra Pradesh to be developed, and yet he tells us that he is not parochial.

DR. R. B. GOUR: If I do not ask for anything, then I am an all-India man.

SHRI H. P. SAKSENA: This is a very strange reasoning which can be comprehended only by him, but not by the House to which I belong.

So far as the extension of the period of the Convention is concerned, I am in perfect agreement and I support it.

SHRI AKBAR ALI KHAN: Sir, may I speak for a minute if you do not mind?

MR. DEPUTY CHAIRMAN: Yes.

SHRI AKBAR ALI KHAN: Mr. Deputy Chairman, Sir, when the reorganisation of Hyderabad took place, as I submitted earlier, there was an amount of about Rs. 6 to 8 crores which was taken over by the railway department. Of course, in that, Telengana, the Marathwada portion and the Karnatak portion had a proportionate share. I am obliged to the hon. Railway Minister that he was very kind enough to supply me some information regarding that. The sum and substance of that information was that for development purposes during the Plan, most of that amount has been spent.

DR. R. B. GOUR: On whose development?

SHRI AKBAR ALI KHAN: My submission is that the development plan and planning was itself under a certain programme. Suppose these amounts were not given by the Hyderabad Railway administration; even then those programmes, according to the planning, would have been completed. This amount should have been treated as a special fund to develop railways in these three localities. A portion of it has gone to Mysore, a portion has gone to Bombay and the balance spent in Andhra Pradesh. So, that is the point. I think in view of the points that my learned friend, Dr. Gour, has urged, although we may have many a time differ, this time I am in full agreement with the situation that he has given about Andhra Pradesh, because in view of this integration, the position is that real integration—economic and other integration—is not being implemented simply because one of the reasons—I would not say that is the reason—is lack of facility of traffic and trade routes and so on.

SHRI H. P. SAKSENA: Adversity makes strange bed fellows.

SHRI AKBAR ALI KHAN: Thank you. I always respect you, but, I think, sometimes you have also been a very good bed fellow with my friends. We are here to place our views whichever we think are right, it is quite different when the question of voting comes in. But so far as this question is concerned if anything reasonable comes from the other side, we will welcome it most.

I do not have much time, but I do want that in view of the urgent demand of Ramgundam, in view of the urgent demand for a railway between the newly created Andhra State area and the old Hyderabad area—Telengana—it is of imperative importance that the matter should be looked into by the Railway Minister, by the Railway Board and by the authorities concerned. I do feel that the zonal arrangement did not take

into consideration this aspect of the problem when it was implemented, and I do hope, in view of our submission, this matter will be looked into, and if necessary some special arrangement will be made. Thank you.

SHRI JAGJIVAN RAM: Sir, I will say that . . .

DR. R. B. GOUR: Sir, Mr. Kunzru wants to speak. He is a Railway expert.

DR. H. N. KUNZRU: Sir, I have not much to say on this point. The proposition placed before us by the Railway Minister is a very simple one. We can, of course, if we like have again the debate that we had in connection with the Railway Budget and the Railway Appropriation Bill. But I think that this occasion should be used only to make suggestions with regard to the points that the Convention Committee should take into consideration when it is established later.

Sir, this is a matter of great importance. I do not pretend that I have given adequate thought to it, but there are just two points that I want to refer to. The contribution that we make to the Depreciation Fund, though it appears to be large, is, according to the Railway Freight Structure Enquiry Committee, not as much as it should be. We contribute Rs. 45 crores annually to the Depreciation Reserve Fund. But the Railway Freight Structure Enquiry Committee has shown very clearly that this is inadequate and that unless it is increased, the railways will find themselves in a difficult position. I know that the railways have to make a contribution to the General Revenues, and that whenever the report of any Convention Committee has been discussed here, the general feeling in the House has been that the railways are not making an adequate contribution to the General Revenues. This is a very big question which cannot be considered in the course of this debate. But, I wish,

[Dr. H. N. Kunzru.]

Sir, that the next Convention Committee should go very fully into this matter so that all the factors relating to this question may be laid clearly before both the Houses of Parliament. Let us not be under any misapprehension on this point. While minor adjustments may be made, I do not think, Sir, that the need for railway development is as great as it is at the present time. It is possible to increase the contribution paid by the railways to the General Revenues if you want to increase it. At present, Sir, the railway contribution is assessed on the basis of the formula recommended by the Enquiry Committee and subsequently approved by the various Convention Committees. The railways pay 4 per cent. on the capital at charge. This includes the interest to be paid by the Central Government on the funds, on the capital invested in the railways and gives them at the same time a surplus which cannot but be considered as fair at the present time. If taking all factors into consideration, you want to increase the railway contribution to the General Revenues, I am afraid that the railway authorities will be compelled to raise freights and fares further.

A great deal has been said about the railways being a commercial organisation. They cannot be regarded entirely as a commercial organisation because they have, from time to time, to undertake projects which cannot when they are undertaken or in the near future be described as revenue-earning projects. Again, Sir, if the contribution to the Depreciation Fund is increased substantially, as it should be, in accordance with the opinion of the Railway Freights Structure Enquiry Committee, the surplus at the disposal of the railways will, I feel, disappear. To imagine that the railways after paying a dividend of 4 per cent. on the capital at charge retain a large surplus, at least a portion of which should be made use of by the tax payer at large, will then prove somewhat illusory.

Again, while there is urgent need for further railway development, you have to make up your mind as to how the required funds are to be found, whether any portion of those funds is to be contributed by the railways or not, or whether the Central Government and the Planning Commission will take upon themselves the responsibility of giving all the money required for future development. If the railways have to make a contribution, then they must be left with the surplus, they must be left with the prospect of increasing their revenues so that they may use the surplus that they obtain for the development of the railways. If, however, the Central Government wants to undertake that responsibility in full—and I may say in passing that it is not done so yet—then, obviously, in the present state of things it is not a practical proposition to ask that the contribution of 4 per cent. on the capital at charge should be increased.

Sir, there are one or two other points also which can be referred to in this connection but, perhaps, we shall have an opportunity of placing our views regarding them before the House when the Railway Minister comes before us next year and asks us to appoint some Members on the Railway Convention Committee. But although the present Resolution only asks us to postpone the appointment of the Railway Convention Committee, I have mentioned two points to which I attached importance because I think that the Railway Minister and the Railway Board should begin paying attention to these problems immediately. Of course, the railways can take steps in the current year—probably they will take steps—to collect all the data on the basis of which the Railway Convention Committee will be able to make its recommendations. They will have many more points to consider no doubt but these two points, I think, require very careful consideration because they are referred to in every debate on the Railway Convention Committee's Report and the House is left with the impression that

the railways somehow are concealing some factors which are not in their favour in order to defraud the General Revenues of what is legitimately due to them. Let full material be collected on this question and placed not merely before the Railway Convention Committee but also before the House.

You take the Report of the last Convention Committee. You may go through it from page to page and yet it will not add an iota to your basic knowledge of railway problems. I suggest, therefore, that the material that is collected on the two points mentioned by me should be placed in a digestible form before both Houses of Parliament along with the Report of the Railway Convention Committee.

SHRI JAGJIVAN RAM: Sir, I am thankful to Dr. Kunzru for making a few valuable suggestions. I myself did not purposely go into the recommendations of the Railway Convention Committee, their merits or demerits, or whether the contribution that the railways are making to the General Revenues is adequate or inadequate because these are the issues to be considered by the next Railway Convention Committee. We will take advantage of the suggestions made by Dr. Kunzru and start collecting data that can be placed before the Railway Convention Committee. It will be, of course, useful to the House, and advantageous to the railways also, if the memorandum that is submitted to the Railway Convention Committee is appended to the recommendations of the Railway Convention Committee itself as an appendix in a digestible form or if that is not possible, I will see that those materials are made available to the Members of Parliament. As to whether the contribution to the Depreciation Fund that we are at present making is adequate or not—many people have held that it is not adequate—I personally feel that we should increase it provided we have adequate earnings.

The other point that has been raised by my friend, Dr. Gour, was not quite

germane to the Resolution but I will try briefly to satisfy him as far as possible. The question of over-capitalisation by the railways had been an issue which had been considered by the various committees. The matter was being considered by the railways in consultation with the Finance Ministry. It has been recently agreed that about Rs. 100 crores—the precise amount is being computed—should be treated as over-capitalisation and dividend should not be charged on that. I may tell my friend Dr. Gour that no General Manager of the Indian Railways has been forced to go on leave.

DR. R. B. GOUR: Western.

SHRI JAGJIVAN RAM: If he has that information, his information is quite incorrect and wrong. He has raised the question of criminal jurisprudence. I am also a layman as he is, in matters of law, but it is a matter of common knowledge that our jurisprudence proceeds on the basis that the person accused has to be presumed to be innocent till his guilt has been proved.

DR. R. B. GOUR: Are all those whom the railways have accused are taken as absolutely innocent and they have been let off so far?

SHRI JAGJIVAN RAM: I am not talking of departmental action. Where we make departmental enquiry and we find that the guilt has been proved, we do take departmental action where the question involves criminal offence and we feel that the matter should be investigated by the police, the case is handed over to the Special Police Establishment; and if after making investigations and collecting the necessary evidence and material and after consulting the legal advisers, it is found that the case is one which can be proceeded with in a court of law, then prosecution is launched. One cannot be sure that all prosecutions that are launched will succeed in conviction howsoever earnest efforts we can make and we do make. Whenever we sanction a prosecution, we

[Shri Jagjivan Ram.]

make ourselves reasonably sure that the prosecution is likely to succeed. If we are doubtful that it is not likely to result in conviction we do not launch the proceedings, but even where we have taken all the necessary precautions, it all depends upon the courts and if the court is not satisfied, conviction is not given. We have been taking ample precautions to see that the money that is spent by the railways is not wasted and not misused but in a huge organisation like the railways, one cannot guarantee that there will be no cases where some lapses have been committed by some officer or the other; and whenever we find that some cases have taken place, we do take action. And I do not spare anyone, whether the man who has committed the lapse is a high officer or a low paid employee. Here is a case which has been mentioned by Dr. Gour when I was reasonably convinced that some *golmal* has taken place, I suspended the officer, though he happened to be a Gazetted officer—an Engineer-in-Chief.

Then I do not know why the diesel engine has become a red rag to some of my friends. They say that under the Industrial Policy Resolution—some friend quoted that—the railways are to remain in the public sector. Yes, agreed. Railway transport is to remain in the public sector but that does not mean that every railway store is to be manufactured by the railway itself.

DR. R. B. GOUR: The point is not that. We did not establish Chittaranjan for nothing.

SHRI JAGJIVAN RAM: I am coming to that. I have got your point. It does not mean that every store that the railways require has to be manufactured by the railways. We are making earnest efforts to make the country self-sufficient in the matter of meeting the requirements of the railways, and we have made commendable progress in this direction. We have created capacity in the country by which we can reduce our imports to a

very large extent. Even the people in this country who know it, have admitted that the progress has been spectacular; but when I say this, I do not mean to say that all our stores we are manufacturing ourselves. We have created the capacity in the country in the private sector and in the public sector.

Take this question of diesel locomotives. My friend started by saying that we have given this order to such and such parties. It is entirely wrong and incorrect.

DR. R. B. GOUR: Proposed to give . . .

SHRI JAGJIVAN RAM: We have not yet ordered but when tenders were issued for the supply of a certain number of diesel locomotives and when it came to my notice, I suggested to the Railway Board: 'Why not we think of manufacturing the diesel locomotives in our own country'. And I got the tender amended to say 'If they will manufacture these diesel locomotives in collaboration with some Indian party, what the terms and conditions will be?'. Tenders have been received. They have suggested some Indian parties in collaboration with whom they want to manufacture diesel locomotives in this country and we are examining the terms and conditions.

DR. R. B. GOUR: This probably did not leak out in the press. That is the trouble.

SHRI JAGJIVAN RAM: This information had been given either in this House or in that House. It is not a secret thing. Even the three firms that have been mentioned were also mentioned in the House. There is nothing secret here. What I have decided is that if there is some capacity which, with certain additional equipment and machinery, can be utilized for the manufacture of diesel locomotives in collaboration with foreign experts, it will be advantageous to the country and we can produce the diesel locomotives earlier than in the case in

which we will have to set up an entirely new unit. Again one should not forget that the diesel engines are not required only for the railways. They can be used for other purposes also. Therefore it will be advantageous if these units that manufactured diesel locomotives and the engines for them have orders from other sources also, because the requirements of the railways are not such as to make the units economic if they were wholly dependent on railway requirements alone. So one has to take all these factors into consideration and I want to make it quite clear. "There is no question of partnership or any other thing. We require diesel engines and locomotives. Here are our specifications. Come and manufacture them and if you can produce at a reasonable price, we are prepared to purchase them from you." That is the only commitment on the part of the railways. I think, that is there, but I don't see anything in it to which objection can be taken, if we want the capacity in our country by which we can add to the self-sufficiency of the requirements of the Indian railways. The firms that have tendered are known. They have the experience of these lines. They have equipment and capacity in their establishments and by the addition of certain machines, can produce diesel locomotives.

DR. R. B. GOUR: And the necessary pull with the Government.

श्री हरप्रसाद सक्सेना : "पुल" की हमेशा इनको फिक्क रहती है ।

SHRI JAGJIVAN RAM: Well, persons who are open to pulls see others in the same light. My friend said, about upgrading. Perhaps he is not aware of the upgrading that was announced in early 1957. That has benefited quite a large number of railway employees and the proportion of higher grades has been increased in comparison.

DR. R. B. GOUR: My complaint was the same. It was announced in 1957,

promised in 1956 and not yet implemented. That is my complaint.

SHRI JAGJIVAN RAM: I have been watching the implementation of that also and though there had been some delay in implementation—and whenever any concession is given from a retrospective date, it always takes some time when one has to work it out.

I am satisfied that satisfactory progress has been made and only a very few cases remain in which the upgrading has not been given effect to and I am hoping that in the very near future, all the cases of upgrading will be completed.

After the reorganisation of the States, the transport pattern changed to some extent and there is no doubt about it that though it was not possible in every case to construct new railway lines, we have provided new trains or changed the timings of trains; the hon. Members will agree that even in Andhra we have made certain arrangements so that people from the different areas will have access to the capital.

SHRI AKBAR ALI KHAN: Is it anything recent?

DR. R. B. GOUR: He means the trains from Howrah to Secunderabad.

SHRI JAGJIVAN RAM: I said, after the reorganisation of the States, I have not said it is recent. I said after the reorganisation of the States we have introduced certain trains by which the capital could be accessible from different areas of the State. That applies not only to Andhra, but to Madhya Pradesh also which is not smaller in size, though it is less in population.

As regards the construction of new lines, Sir, I cannot say anything definite at the present moment. It all depends on the size of our Third Five Year Plan.

DR. R. B. GOUR: At least don't definitely reject it.

SHRI JAGJIVAN RAM: That also I cannot say, because I have not examined it. I would personally like to know that. It all depends, as I said, on the amount I can get for the construction of new lines. Personally I would like to get more railway lines constructed.

SHRI ABHIMANYU RATH (Orissa). Particularly in Orissa.

SHRI JAGJIVAN RAM: There are many such areas in the country, and some areas are even worse than those in Orissa. I have seen areas which from the railway facility point of view, are even worse than those in Orissa. I was recently in one area in Madhya Pradesh and the nearest railway station from certain points of that area—I mean the Nimar area is as far as 45 miles away. Personally speaking, if I had the resources, I would have ordered the construction of new lines. But we have to see what the size of our Third Plan is going to be and if the railways succeed in getting enough allotments from the Planning Commission, I will try my best to provide railway lines in the areas where there is the necessity and urgency for them.

DR. R. B. GOUR: What about the railway funds that were diverted?

SHRI JAGJIVAN RAM: My hon. friend raised the question of the integration of the erstwhile Indian States . . .

DR. R. B. GOUR: The Hyderabad State, not all the States.

SHRI JAGJIVAN RAM: But there was integration of other States also.

DR. R. B. GOUR: But most of them did not have their own railways.

SHRI AKBAR ALI KHAN: Only one or two of them had.

SHRI JAGJIVAN RAM: Shri Akbar Ali Khan raised this point on other occasions also and on a previous occasion I got the matter examined and in great detail also. And I sent

him a detailed reply. I am afraid I do not remember all the details. But all the fund that was meant for the development of the railways has been spent for that purpose.

DR. R. B. GOUR: But they have been spent on other railways, not on the railway lines in Andhra.

SHRI JAGJIVAN RAM: But the fund was used for the purpose for which it was meant. It has not been diverted to other purposes. That there should be construction of new lines in Andhra Pradesh is another matter. Now our entire finances are integrated and we have to consider all areas; when we have the resources the claims of all those areas should be taken into consideration.

SHRI AKBAR ALI KHAN: That would be a general question.

SHRI JAGJIVAN RAM: Of course, I have to take into consideration conditions in different parts of the country as a whole.

I would like to say one thing, since that pertinent point was raised by Dr. Katju, I mean Dr. Kunzru.

DR. H. N. KUNZRU: Not Katju, but Kunzru.

SHRI JAGJIVAN RAM: I am sorry. I have corrected myself. I would say that many people feel that the railways are a commercial undertakings. As I said in the other House, we are a commercial undertaking, but not entirely so. We are a commercial-cum-utility undertaking. And therefore, today we are constructing some lines even when we know from the very beginning that they will not be remunerative. We are also running quite a large number of trains which a purely commercial undertaking will not care to run. And a certain number of trains—I have been examining it—are running deficit. But we have been running them because we have to provide certain service to the community. Then again, there are certain sectors, certain sections and certain

lines where the whole line is being run at a loss. A purely commercial undertaking will probably think of dismantling those lines. A purely commercial undertaking will probably discontinue some of those train services. But we cannot do that, because we are not a purely commercial undertaking. We have to provide certain services, certain facilities to the community, even if we are running a loss. And if that stage comes, the community will have to think of subsidising the railways if they want the service. So this point should always be understood, that our railways are not a purely commercial undertaking. They are a commercial-cum-utility undertaking and we are trying to see that our railways function as a utility service also.

As I said in the beginning, the motion that I have placed before the House is a simple one and I do not propose to go into the details of the various recommendations of the Convention Committee, because that will be the legitimate charge of the Convention Committee when it is set up next year.

DR. R. B. GOUR: What about the expenditure on amenities for passengers? Why not raise it from Rs. 3 crores to some better figure?

SHRI JAGJIVAN RAM: We have provided this according to the recommendation of the Convention Committee and I would, if the finances permit, like to provide more and more amenities to our patrons. We have decided to provide the basic amenities. I cannot claim that at all stations we have provided them, but our endeavour is to do that, and if our resources permit, we will always try to augment the amenities that we have been able to give to our passengers. Sir, I move.

MR. DEPUTY CHAIRMAN: The question is:

"That this House resolves that the period for the continuance in

force of the recommendations of the Railway Convention Committee, 1954 approved by this House by a resolution adopted on the 21st December, 1954, be extended by one year up to the 31st March, 1961."

The motion was adopted.

THE APPROPRIATION (RAILWAYS) NO. 3 BILL, 1959

THE MINISTER OF RAILWAYS
(SHRI JAGJIVAN RAM): Sir, I move:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1959-60 for the purposes of Railways, as passed by the Lok Sabha, be taken into consideration."

Sir, during the general Budget discussion and in the budget speech I had said that certain railway lines are under consideration and it might be possible during the course of the session to take a decision. For the three lines which it has been decided to construct, I have approached the House for supplementary grants. The whole idea is to take advance action so that these lines which are included in the Third Plan can be constructed early in the Third Five Year Plan period. That is all I have to say.

SHRI N. M. LINGAM (Madras): What are those lines?

THE DEPUTY MINISTER OF RAILWAYS (SHRI S. V. RAMASWAMY): You can find them in the papers.

SHRI JAGJIVAN RAM: They are: The Diva-Panvel-Uran line, the Hindumalkot-Sri Ganganagar line and the Patharkandi-Dharmanagar line.

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill to authorise payment and appropriation of certain