

16.30 hrs.

KERALA APPROPRIATION No. 2)
BILL, 1965.

The Minister of Planning (Shri B. R. Bhagat): On behalf of Shri T. T. Krishnamachari, I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Kerala for the services of financial year 1965-66.

Mr. Deputy Speaker: The question is:

"That the leave be granted to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Kerala for the services of financial year 1965-66."

The motion was adopted.

Shri B. R. Bhagat: I introduce† the Bill.

Shri B. R. Bhagat: On behalf of Shri T. T. Krishnamachari, I beg to move†:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Kerala for the services of financial year 1965-66, be taken into consideration."

Mr. Deputy Speaker: The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Kerala for the services of financial year 1965-66, be taken into consideration."

The motion was adopted.

KERALA APPROPRIATION (No. 2)* take up the clause-by-clause consideration of the Bill.

The question is:

"That clauses 1 to 3, the Schedule, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted

Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill

Shri B. R. Bhagat: I move:

"That the Bill be passed."

Mr. Deputy Speaker: The question is:

"That the Bill be passed."

The motion was adopted

12.33½ hrs.

RESOLUTION RE: RAILWAY CON-
VENTION COMMITTEE

The Minister of Railways (Shri S. K. Patil): Sir, I beg to move:

"That this House resolves that:

(i) A Parliamentary Committee consisting of 12 members of this House to be nominated by the Speaker be appointed to review the rate of dividend which is at present payable by the Railway Undertaking to General Revenues as well as other ancillary matters in connection with the Railway finance *vis-a-vis* the General Finance and make recommendations thereon by the 30th November, 1965; and

(ii) that this House recommends to the Rajya Sabha to agree to associate 6 Members from the Rajya Sabha with the Committee and to communicate the names of the members so appointed to this House."

*Published in Gazette of India Extraordinary, Part II, Section 2, dated 10-5-65.

†Introduced/moved with the recommendation of the President.

Mr. Deputy-Speaker: Motion moved:

"That this House resolves that:

(i) A Parliamentary Committee consisting of 12 members of this House to be nominated by the Speaker be appointed to review the rate of dividend which is at present payable by the Railway Undertaking to General Revenues as well as other ancillary matters in connection with the Railway finance vis-a-vis the General Finance and make recommendations thereon by the 30th November, 1965; and

(ii) that this House recommends to the Rajya Sabha to agree to associate 6 Members from the Rajya Sabha with the Committee and to communicate the names of the members so appointed to this House."

The time allotted is 2 hours.

Shri S. K. Patil: Normally, it would not be necessary for me to make any remarks in the beginning, but it has become necessary for this reason namely that the background and the history of this should be known to the House but some of the hon. Members here were not the Members of this House on the last occasion when this question had come up before the House in its periodical manner. That is the only reason why I have chosen to take a very brief time of the House to narrate the history that has led on to the resolution for the appointment of the committee now.

As the House is aware, the Central Legislature adopted in September, 1924 what was known as the Separation Convention which separated railway budget and finances from the general finances of the Central Government and laid down certain guiding principles for the financial relations between the two. Under this Convention, a depreciation fund was constituted for financing the replacement and renewal of railway assets and

a basis was formulated about the interest payable by the railways on the capital invested by the Central Government and for the division between the railways and general finances of any surplus that is left over. This Convention with a few adjustments, some of them made *ad hoc*, continued after the world depression and the Second World War and till Independence.

The first detailed review of the working of the Convention was made by the Railway Convention Committee of 1949, and a Convention Resolution was adopted by the Constituent Assembly of India (Legislative) in December, 1949. The next review was made five years later by the Railway Convention Committee of 1954. But the five-year-period covered by this resolution was extended with Parliament's approval by a further year up to 31st March, 1961, to ensure synchronization of the Convention period with the Five Year Plan period. The present convention was recommended by the Railway Convention Committee of 1960 and adopted by Parliament by a resolution in December, 1960. It is current up to 31st March, 1966. A parliamentary committee has, therefore, to be constituted now to review the working of the present convention and to suggest the basis to be adopted for the next quinquennium from 1st April, 1966 to 31st March, 1971, coinciding with the Fourth Plan period, so that it will be coterminous with the Fourth Five Year Plan.

While it is for the committee which is to be formed by this resolution to consider in detail how the present convention has actually worked and what changes, if any, are required in it, I may say at this stage that on the whole, the arrangements approved by Parliament in December, 1960, have worked very satisfactorily. The basic principles of the Convention adopted by Parliament have been carried out in full and with the specific approval of Parliament there have been two

subsequent modifications made. The first of these specific modifications was to raise the contribution to the depreciation fund over the five years by Rs. 30 crores from Rs. 350 crores to Rs. 380 crores, Rs. 10 additional crores being provided in each of the three years 1963-64, 1964-65 and 1965-66. The second modification involved enhancement of the rate of dividend payable to general revenues from 4.25 per cent originally recommended to 4.50 per cent with effect from 1963-64 and again, as an *ad hoc* measure from 4.5 per cent to 5.75 per cent, the latter rate being applicable only to fresh capital made available from 1st April, 1964. These modifications were made in the context of the need of the general exchequer for additional resources for the defence effort and in view of the currently increasing rate of interest on Government borrowings.

The Third Plan period has been marked by an increase in costs due to the liberalisation of the pay and allowances to staff, the increase in prices of coal, steel, cement and other important materials and the effect of upward revisions of the customs and excise duties. This inevitably threw upon the railways the burden of raising greater resources. The original financial targets pertaining to the railways in the Third Plan are nevertheless expected to be realised by and large. The expenditure on replacement and renewals is now anticipated to be about Rs. 342 crores against Rs. 330 crores originally envisaged and the appropriation to the depreciation fund now stands at Rs. 380 crores against Rs. 350 crores anticipated earlier. The appropriation from the revenue surplus to the railway development fund is expected to be higher than the anticipated withdrawal of about Rs. 134 crores for developmental works. In consequence, there have been no occasions during the current Plan period to augment the development fund by the drawal of temporary loans from the general revenues such as became

unavoidable in the Second Plan. The dividend liability is anticipated to be fully met including Rs. 40 crores extra over that envisaged in the Third Plan, the increase being mainly due to increase in the rates of dividend amount in 1963 and again in 1964.

Nevertheless, as I have brought to the notice of the House in my budget speech this year, during the budget debate, the railways have recently entered a period of greater financial stress. There have been post-budget developments too such as the substantial increases in customs and excise duties; the further liberalisation of dearness allowance announced some days ago consequent on higher cost of living placed by itself an additional burden of over Rs. 13 crores on railway revenues

The measures necessary for keeping railway revenues on a sound and stable footing as in the five year period now ending will, no doubt, receive the fullest consideration of this Committee.

I hope the Report of the Committee will be made available to Parliament by about the end of November 1965 and considered by Parliament in time for its implementation to begin in the budget year 1966-67, the first year of the Fourth Plan.

With these words, I commend the Resolution to the acceptance of the House. If any other information becomes necessary to be conveyed in the course of the debate, I shall do so while replying.

श्री बड़े (खारगोन) : उपाध्यक्ष महोदय, रेलवे मिनिस्टर पाटिल साहब आज हाउस के सामने जो रेजोलूशन लाये हैं इसी बारे में सन् 1963 में हाउस के सामने एक प्रस्ताव आया था कि डिवीडेंड का रेट 4.25 से बढ़ा कर 4.50 कर दिया जाय तो उस अवसर पर माथुर साहब और फक एन्धनी

[श्री बड़े]

के जो दां भागण हुए थे उन में से मैं आज यहाँ पर कोट करना चाहता हूँ। मायूर साहब ने उस वक्त यह कहा था :—

"I think that the railways must contribute about Rs. 100 crores to the general revenues. I say that the increase in dividend from 4.25 per cent to 4.50 per cent is not only fully justified, but the Railway Minister must have a target of raising this to 6 per cent.

श्री फ्रेक एन्थोनी ने यह कहा था :

"You should pay no dividends until you have made up all your arrears of depreciation. Your allocation to depreciation is hopelessly inadequate."

उस पर उन्होंने आपत्ति उठाई थी और यह कहा था कि जब तक डेप्रीसियेशन फंड पूरा होता नहीं है तब तक आप को डिबिडेंड लेने का कोई अधिकार नहीं है। पहले की रेलवे कन्वेंशन कमेटी की रिपोर्ट देखें तो उस से मालूम होता है कि उन्होंने पांच साल के पीरियड के लिए डिबिडेंड का रेट 4.25 रखवा था लेकिन उस को न मानते हुए आप ने बीच में मोशन कर लिया और रेट बढ़ा कर 4.50 कर दिया। डिबिडेंड पर विचार करते समय हमें यह देखना चाहिए कि रेलवेज के जो नवोन नवोन आविष्कार हो रहे हैं, नई नई लाइंस खुल रही हैं वह प्राफिट में चल रही हैं अथवा नहीं, अगर वह मुनाफे में नहीं चलती हैं तो फिर रेलवेज से डिबिडेंड लेने का शासन को अधिकार नहीं है। मैं मंत्री महोदय से एक सवाल पृष्ठना चाहता हूँ कि थर्ड प्लान, सैकेंड प्लान में जो नई-नई रेलवे लाइंस डालनी थीं वह क्या पूरी की पूरी डाल दी गई है। दूसरे क्या वह मुनाफे में चलती हैं? अगर वे मुनाफे में चलती हैं तो फिर डिबिडेंड का सवाल आता है वरना उस का कोई सवाल नहीं होता चाहिए।

अगर मुनाफा नहीं हुआ तो डिबिडेंड लेने का कोई अधिकार नहीं रहता है। पहले डिबिडेंड 4.25 परसेंट था फिर 4.50 हो गया और अब न्यू कैपिटल के लिये 5.75 हो गया है। रेलवे कन्वेंशन कमेटी के और केवल पार्लियामेंट में एक रेजोलूशन पास कर के आप ने एकदम से डिबिडेंड का एमाउन्ट 360 से 380 करोड़ कर दिया। बीस करोड़ इनकम बढ़ा ली। अगर रेलवे कन्वेंशन कमेटी का निर्णय नहीं मानना था तो फिर एक कमेटी के नियुक्त करने से फायदा क्या है। सन् 1960 में रेलवे कन्वेंशन कमेटी ने इस बारे में अपनी रिपोर्ट दी थी और उस के मुताबिक रेलवेज को जनरल रेवेन्यूज में 100 करोड़ कंट्रीब्यूट करना चाहिए था और दूसरे यह जो सवा चार परसेंट से साढ़े चार परसेंट की इन्क्रीज डिबिडेंड में की गई है वह भी जस्टिफाइड नहीं है। दरअसल जब तक कि डेप्रीसियेशन के तमाम एरियर्स पूरे न कर लिये जाय तब तक कोई डिबिडेंडस पे नहीं किये जाने चाहियें।

दरअसल जितनी सैकेंड और थर्ड फाइव इयर प्लान में नई-नई रेलवे लाइंस खुलने वाली थीं वह अभी तक खुल नहीं पाई हैं। हमारा मध्य प्रदेश इस बारे में बहुत पिछड़ा हुआ है। मध्य प्रदेश में बस्तर जिला एक ऐसा इलाका है जहाँ कि रेलवेज का पता भी नहीं है और वहाँ के लोगों ने रेलवे देखी तक नहीं है। वहाँ अभी तक सारा जंगल का जंगल पड़ा हुआ है। सारा अविकसित इलाका है। दरअसल सरकार रेलवे की सुविधाओं का विस्तार कलकत्ता, म्बई आदि बड़े-बड़े नगरों में ही कर रही है जहाँ कि पिछले ही यह सुविधा विद्यमान है। इसलिये रेलवे मंत्रालय को बजाय डिबिडेंड्स देने के ऐसे अविकसित इलाकों को रेल की सुविधा देनी चाहिए। अगर सरकार ने स्वतन्त्रता प्राप्ति के पश्चात् नई रेलवे लाइंस जहाँ कि

खुलनी आवश्यक हैं नहीं खाली है तो उसे डिबिडेंड रेट न बढ़ाने हुए यह जो पैसा सरप्लस आता है उसे नई रेलवे लाइंस खोलने के लिए लगाना चाहिए। जनरल फंड को इस प्रकार से देने को जो वृत्ति है उस में रेलवे का हैडिल नहीं बनना चाहिए। इसलिए मैं समझता हूँ कि रेलवे का फ्रेट बढ़ा कर और उस के मुताबिक सुविधा न देने की जो नीति चल रही है वह गलत नीति है। सपा चार परसेंट से साढ़े चार परसेंट कर दिया और अब 4.50 से 5.75 का कर दिया मैं समझता हूँ कि यह नीति गलत है। यह डेफरड डिबिडेंड के पेमेंट का सवाल कमेटी के सुपुर्द किया गया था। रेलवे कन्वेंशन कमेटी 1960 की रिपोर्ट के पृष्ठ 14 पर यह दिया हुआ है :—

“(a) Whether the deferred dividend should be paid from the sixth year onwards irrespective of the availability of a surplus net income from the new lines, in the same way as the current dividend on these lines is now being paid without reference to the net income from those lines;

(b) whether the deferred dividend should be paid only if the net income of these new lines leaves a surplus after the payment of the current dividend, in which case there may be a possibility of the prior of moratorium being extended indefinitely depending on the remunerativeness of the lines.”

कमेटी का यह मत है कि डेफरड डिबिडेंड छठे साल से आगे पे किया जाना चाहिए बशर्ते कि नई-नई लाइनों से होने वाली नेट इनकम करेंट डिबिडेंड पे करने के बाद सरप्लस छोड़े। क्या रेलवे मंत्रालय ने उस कमेटी के सुझाव और सिफारिश को माना है? जाहिर है कि जब आप ने जिननी आप को सैकेंड और थर्ड फाइव इयर प्लान में नई रेलवे लाइंस खोलनी थी वह नहीं खोली है तो आप को डिबिडेंड नहीं बढ़ाना चाहिए।

आप ने अपने एक्सप्लेनेटरी मेमोरेण्डम में सरप्लस एंड फंड्स के बारे में यह कहा है कि सारा सरप्लस जो कि 1965-66 में अंदाज किया गया है वह डेवलपमेंट फंड को क्रेडिट किया जा रहा है। पृष्ठ 18 पर आप यह लिखते हैं :—

“The entire surplus of 29.24 crores anticipated in 1965-66 is proposed to be credited to the Development Fund. The interest accruing on the balance in the fund will be 1.38 crores. The withdrawal from the fund in the Budget year is estimated at 29.00 crores. The year 1965-66 is expected to close with a balance of 27.03 crores in the fund.”

आप ने इस में जो यह लिखा है कि यह तमाम सरप्लस 29.24 करोड़ रुपये का जो कि सन् 1965-66 में एंटीसिपेट किया जाता है वह डेवलपमेंट फंड को क्रेडिट किया जाना है मैं समझता हूँ कि वह इंजनों और नई लाइनों के बारे में किया गया है। आज हमारे देश में लाइनों और इंजनों की हालत बहुत खराब हो गई है। क्या सरकार के पास नये इंजिन लाने के लिए और नई लाइनें डालने के लिए फंड्स नहीं हैं? जैसा कि श्री फ्रैंक एन्थनी ने कहा है, जब तक सरकार डेप्रिसेशन फंड को पूरा नहीं करती है, उस से नई मशीनरी नहीं लानी है और डेवलपमेंट की व्यवस्था नहीं करनी है, तब तक रेलवे कन्वेंशन कमेटी नियुक्त कर के हर एक दफ्ता रेट बढ़ाना ठीक नहीं है। अब तक यह स्थिति रही है कि शासन पार्लियामेंट में अपनी ब्रूट मैजोरिटी का फायदा उठा कर लगातार रेट को बढ़ाता चला आया है—उस ने 4.25 से बढ़ा कर 4.50 किया और फिर उस को भी बढ़ा कर 5.75 किया जा रहा है। अब तक जो उस के मन में आया, वह करता आ रहा है और फिर वह बहुत भोला बन कर कहता है कि हम रेलवे कन्वेंशन कमेटी की सिफारिशों को मानने के लिए तैयार हैं। मैं चाहता हूँ कि मंत्री मीड्य हम को एनल इ-टन करें कि मकेंड और थर्ड फाइव इयर प्लान

[श्री बड़े]

में रेलवेज के सम्बन्ध में जा टारगेट रखें गए थे, क्या वे पूरे कर लिए गए हैं, क्या नये इंजन और नये रेलवे लाइनें ठाल दी गई हैं, क्या डिप्रेशन फंड पूरा हो गया है; अगर नहीं, तो कितना कम रह गया है और उस में शासन को क्या क्या कमेशनज दी है। यह सुझाव देने के बाद वह रेलवे कन्वेन्शन कमेटी नियुक्त करें।

Shri D. C. Sharma (Gurdaspur):
Mr. Deputy-Speaker, Sir, I think I was a member of the Railway Convention Committee last time and I know how thoroughly we went into this question. But the speech which the hon. Member just now made shows that he does not look at the railways from the correct perspective. The difficulty for our railways is this: we take them to be a utility service; we take them to be a commercial service, we also take them to be a strategic service. We have also to think of the new lines to be opened, the new areas that have to be brought under the railways. We are doing all that. In this matter we are doing exactly the reverse of what Dr. Beecham is doing in the United Kingdom. Dr. Beecham has dismantled the uneconomic lines. He has done a lot of things in order that the railway finances are improved. My feeling is that our railways are entirely different from the railways which are operating in other countries of the world. For instance, there the railways are meant only for the carrying of goods but here they carry goods as well as men; I think they are more for men than for goods or equally for men and for goods. So, our railways have to be looked at from a new angle it has to provide for three essential things. The first essential thing is that it should provide for depreciation. What rate of depreciation is, is anybody's guess. You cannot adopt any hard and fast rule so far as the rate of depreciation is concerned. What is a superaged engine? What is the overaged compartment? What

is the overaged railway station? In all these things you have to adopt a rule of thumb method. You cannot adopt any scientific method. For instance, I know that there are some railway engines which are overaged. Still they are running. But at the same time I think the Railway Ministry has got to build up depreciation reserves so that it can embark upon new ventures and replacements and repairs. That is the first thing has got to be done.

The second thing that it has got to do is to have a reserve fund. The Railway finances in our country are much more sound than the finances of any other public undertakings.

It is because they have tried to make good all those things which are needed in an undertaking which serves the needs of a nation of 45 crores of people. The developmental needs of the railways have to be taken into account. I know they are not being overlooked. A new line is being built from Madhopur to Kathua and similarly other lines are being built. You cannot stop these developmental activities; otherwise, railways will become stagnant, static, unprogressive and begin to decline and degenerate.

About dividend, when the minister raised the dividend, at that time I congratulated him. Somebody said it was an arbitrary decision taken without reference to the railway convention committee. But I feel it was a very wise sound decision, taken in order to meet the defence needs of India. Railways showed much more responsiveness to it than many other public undertakings. So, it goes to the credit of the railways and it does not detract from the report of the railway convention committee. After all, that report is not something sacrosanct, some gospel about which you cannot make any alteration or addition. The dividend was raised in order that the country may meet the challenge of China. I congratulate the railways for being able to do so.

16.58 hrs.

[MR. SPEAKER in the Chair]

But the railways should do something more in order that the housing facilities, the allowances and other amenities being given to their employees may be enhanced. For instance, some railway servants live in out-of-way places, 3 or 4 miles from the nearest habitation. The railways should look into their safe living. Railways are running some schools. It is a very good public utility service, but sometimes the railway schools do not compare favourably with the schools run by the Central Government or some State Governments. All these are amenities which railway servants should enjoy. While deciding about the dividend, the railway convention committee should take into account the fact that changing times require a changing attitude towards the benefits and amenities the employees should receive, towards the good things of life they should have. So, this convention has to make a three-pronged approach to this problem.

Mr. Speaker: Will he conclude in two minutes or continue tomorrow?

Shri D. C. Sharma: I will continue tomorrow.

17 hrs.

CALLING ATTENTION TO
MATTERS OF URGENT PUBLIC
IMPORTANCE

(II) ARREST OF SHEIKH MOHAMMED
ABDULLAH AND MIRZA AFZAL BEG.

Mr. Speaker: Some hon. Members have given notices of a Calling Attention Notice. They have been there when the Minister informed me yesterday that he was going to make a statement.

Shri Hem Barua (Gauhati): We gave our notice on Saturday.

श्री किशन वटवार्धक (सम्बलपुर) :

अध्यक्ष महोदय, मैं अश्लिष्टवर्गीय लोक गृहत्व के निम्नलिखित विषय की शीघ्र गृह-कार्य मंत्री का ध्यान दिलाता हूँ और प्रार्थना करता हूँ कि वह इस बारे में एक बतव्य दें :

“शेख अब्दुल्ला की गिरफ्तारी और स्थानबन्धना”

The Minister of Home Affairs (Shri Nanda): Sir, I have to report to the House that in the early hours of Saturday, the 8th May 1965, Sheikh Mohammed Abdullah and Mirza Afzal Beg on their return from abroad were served at the Palam Airport with orders under clauses (d) and (f) of sub-rule (1) of rule 30 of the Defence of India Rules requiring them to proceed immediately to Ootacamund in Madras State and to remain within the municipal limits of that place. These orders were served with a view to preventing them from acting in a manner prejudicial to the defence of India, civil defence, public safety and the maintenance of public order. Government had made the necessary arrangements for their journey and had also hired a suitable residence for their occupation while in Ootacamund. Sheikh Abdullah and Mirza Afzal Beg reached Ootacamund on the evening of the 8th May. Their activities during the last two months or so had made it clear that unless some restrictions were placed on their movement they would act in a manner prejudicial to the external and internal security of the country. It, therefore, became absolutely necessary to take the step we have taken.

The supporters of Sheikh Abdullah and the pro-Pakistani elements generally in Srinagar and certain other places in the Kashmir valley have indulged in lawlessness including arson and attack on public servants and property. The State Government have dealt with the situation with firmness combined with restraint and they are determined to deal effectively with any further attempts to interfere with the