

**Speech of Shri Lal Bahadur Shastri
introducing the Railway Budget
for 1954-55 on 19th February, 1954**

MR. SPEAKER,

Sir, I rise to present to the House, the Budget for the Indian Railways for the year 1954-55. As on the last occasion, a text of my speech in Hindi will be supplied to Hon'ble Members along with the budget papers which also include a Hindi translation of "the Budget of the Railway Revenue and Expenditure of the Central Government for 1954-55."

2. I shall first report the financial position of the Indian Railways as disclosed in the completed accounts for 1952-53. The actual gross traffic receipts and ordinary working expenses for the year were Rs. 270.56 crores and Rs 186.96 crores against the revised estimates of Rs. 269.55 crores and Rs. 188.85 crores respectively. After allowing for contribution to the Depreciation Reserve Fund and payments of miscellaneous expenditure and Dividend to General Revenues, the actual net surplus stood at Rs. 13.19 crores against the revised estimate of Rs. 9.48 crores. A sum of Rs. 12.00 crores out of the surplus was appropriated to the Railway Development Fund and the balance of Rs 1.19 crores to the Revenue Reserve Fund.

3. I shall now deal with the Revised Estimates for the current year. The total gross receipts are now estimated at Rs. 272.00, crores compared with the Budget Estimate of Rs. 272.28 crores. The small reduction of Rs. 28 lakhs is due to a difference in the method of estimating and does not, portend any change in the anticipated trend of either passenger or goods earnings that I had assumed at the time of presentation of the last budget.

4. The original estimate of Working Expenses, viz., Rs. 190.99 crores is, however, expected to go up by Rs. 6.64 crores to Rs. 197.63 crores. This increase is mainly, due to the implementation of the recommendations of the Gadgil Committee to treat 50 per cent. of the Dearness Allowance paid to the employees as pay and to the increased diversion of coal by sea for the Southern, Central and Western Railways to enable more coal and other commodities to be moved by rail in response to industrial and other public requirements. The former accounts for an extra expenditure of Rs. 3.15 crores, and the latter for an increase of Rs. 1.39 crores. The balance is attributable to increased provision required for protection works against flood damages, for additional temporary works for the Kumbh Mela and for increased repairs and maintenance of rolling stock, machinery and electric installations. As a result, the surplus for the current year will now stand at Rs. 3.18 crores as against Rs.9.31 crores estimated in the Budget.

5. I shall now come to the Budget Estimates for the year 1954-55. In framing these estimates, I have had to allow for certain financial and accounting changes, which are proposed to be introduced on the Railways with effect from 1st April, 1954. As Hon'ble Members may recall, following the regrouping of Railways, certain inter-zonal and inter-departmental adjustments in accounts were done away with. Last year during the Railway Budget discussions, several Hon'ble Members expressed concern regarding the effects of the changes and desired to retain as before the picture of the financial results of individual railways unimpaired. In consultation with the Comptroller and Auditor General, it has now been decided to restore in essence the earlier procedure under which railwaywise financial and operating results will be available. Each Railway Administration will henceforth be in a position to make a comparative assessment of its own financial results and economics of working. The Budget Estimate for the year 1954-55 has been prepared after taking these changes into account.

6. The estimates of passenger earnings for 1954-55 have been placed at Rs. 101.51 crores, which is only nominally higher than the Revised Estimates, but slightly lower than the original estimates for the current year. A certain amount of decrease has to be allowed for, as the additional earnings due to the Kumbh Mela will not be available in the net year. The acquisition of the Barsi Light Railway from 1st January 1954 and the slightly better prospects in view of the fairly good monsoon and favourable agricultural season are, however, anticipated to bring in increased passenger earnings.

7. As regards goods earnings, there are reasons to be more optimistic on account of the increasingly encouraging trends of industrial production. During the first nine months of 1953, the average general index of production was 133.8 representing a rise of 5.4 per cent over the corresponding figure for 1952. The forecast of agricultural production is also reassuring. The tonnage of goods carried during the first six months of the current year, both on the Broad Gauge and the Metre Gauge, has recorded a slight improvement over the corresponding period of 1952-53. I have, therefore,

placed goods earnings at Rs 148.6 crores, which is only one per cent higher than the Revised Estimates for 1953-54.

8. The overall estimate for gross receipts has thus been placed at Rs 273.25 crores against Rs 272.0 crores in the Revised Estimates for 1953-54.

9. The Budget Estimates for Ordinary Working Expenses for 1954-55 have been placed at Rs 194.31 crores, being Rs 3.32 crores lower than the Revised Estimates for the current year. The decrease is due partly to credits for freight charges on stores used on works, and partly to reduced provision for repairs and maintenance and for special items like the Kumbh Mela and the diversion of coal by sea. There are other minor factors contributing to the decrease which are, however, offset by the provision for annual increments to the staff, which cost the Railways nearly a crore of rupees every year.

10. To appropriation to the Depreciation Reserve Fund is proposed to be maintained at the same level as in the current year, *viz.*, Rs. 30 crores. After providing for a net miscellaneous expenditure of Rs. 8.08 crores and a dividend of Rs. 35.50 crores to the General Revenues, the surplus expected to accrue in 1954-55 is placed at Rs. 5.14 crores.

11. Hon'ble Members will have noticed the trend of continued increase in the working expenses of the Railways and the progressive diminution of the Railway surplus. The steep fall in the passenger traffic of the Railways which occurred in the year 1952-53 has, I hope, been halted and although there has been a slow improvement of the position, I cannot see, in the present conditions, any indications to expect in the near future, a marked spurt in passenger traffic. At the same time working expenses have been going up owing to factors over which we have but little control. The Budget Estimates for 1954-55 show an increase of nearly Rs. 50 crores over that for 1948-49. Except for a sum of Rs. 10 crores, which is due to the taking over of the State Railways, the bulk of this increase is attributable to the liberalisation of benefits to staff. The fuel bill accounts for an increase of about Rs. 7 crores. This is consequent on expansion of services to meet the demands of traffic.

12. I shall now turn to the estimates for Works, Machinery and Rolling Stock. The Revised Estimate for the current year is being placed at Rs.77.88 crores against the Budget Estimate of Rs.79.61 crores, involving a reduction of Rs. 1.73 crores. Before coming to the Budget Estimates, I would briefly refer to the progress made under the First Five Year Plan. During the first two years, *viz.*, 1951-52 and 1952-53, the Railways actually spent a sum of Rs. 131.04 crores and a sum of Rs.77.88 crores is likely to be spent during the current year. This leaves a balance of Rs.191.08 crores out of the Rs. 400 crores allocated to the Railways in the Plan. Arrangements have been made to step up expenditure on works and also to increase the procurement of rolling stock during the remaining two years of the Plan so as to ensure our reaching the target. Hon'ble Members will find included amongst the Budget papers a booklet dealing with the developmental works carried out during the first two years of the Plan and such other works as are proposed to be carried out during the remainder of the Plan period.

13. The House will be interested to have some details regarding the progress of developmental works budgetted for during the current year. Hon'ble Members will recall that the construction of five new lines was proposed to be taken in hand during the current year, Out of these, satisfactory progress is being made on the construction of Champa-Korba line. Work on Gandhidham-Kandla link has already commenced. The work on Khandwa-Hingoli, Gop-Katkola and Gua-Manoharpur lines is expected to start in the near future.

Among other constructions, Chunar-Robertsganj line is being shortly opened for goods traffic and is expected to be ready for passenger traffic by May 1954. The diversion of the Railway line *via* Chandigarh, the new Capital of the Punjab, has been completed, as also the Budni-Barkhera double line. A portion of Sanganer Town-Toda Rai Singh Extension, *viz.* from Sanganer to Tordi Sagar, has been completed and opened for traffic. The Madhepura-Murliganj line is expected to be completed during 1954-55. Out of the 96 miles of Quilon Ernakulam Railway, the Ernakulam-Kottayam Section, 37 miles long, is expected to be opened for traffic in 1955.

Arrangements for collection of materials and equipment required for the construction of the Ganga Bridge at Mokameh and the ancillary training works have also been completed.

As regards the dismantled lines, the following have been restored during the current year :-

(i)Shoranur-Angadipuram (part of Shoranur-Nilambur).

- (ii) Vasad-Kathana.
- (iii) Balamau-Madhoganj (part of Unao-Madhoganj).
- (iv) Madura-Usilampatti (part of Madura-Bodinayakanur).

In addition, the restoration of Nagrota-Jogindernagar and Bhagalpur-Mandarhill branches has been almost completed and they will be opened for traffic shortly.

14. The Budget Estimates for the year 1954-55 in regard to Works, Machinery and Rolling Stock of Railways have been placed at Rs. 95.00 crores, including works chargeable to Revenue. This represents an increase of about 17 crores over the revised estimates for the current year. The total provision for Works, including new constructions and construction of staff quarters is Rs. 37.64 crores. The provision for Rolling stock is Rs. 52.58 crores. Provision has also been made for a sum of Rs. 1.20 crores for investment in road services.

15. The Budget Estimates for Works provide for an increased outlay of about 17 per cent over the revised estimates for 1953-54 and about 44 per cent over the actuals for 1952-53. A limit to the execution of schemes included under these works is set by the shortage of materials, particularly rails and sleepers. Steps have recently been taken to augment the supply of rails by imports and the budget estimates have been framed accordingly.

16. The provision made for rolling-stock reflects a heavier programme for procurement than has been usual in the past. Hon'ble Members are aware that orders for a large number of locomotives have been placed abroad recently to accelerate the rehabilitation of the Railways. In order to appreciate the urgency for procurement from the point of view of our power position, Hon'ble Members should remember that during the five year period ending 31st March 1956, about 1,000 locomotives will become overage in addition to a considerably larger number of overage locomotives which existed at the time of the commencement of the Five Year Plan. As a result of the measures that have been taken, it is expected that a total number of about 1,600 new locomotives will be received during the Plan period. This should result in an overall improvement in the power position of the Railways.

It is only appropriate that I should acknowledge here the assistance received by us from Canada under the Colombo Plan for a supply of 120 broad gauge passenger locomotives and from the Government of the United States under their Foreign Assistance Programme for another supply of 100 broad gauge locomotives.

17. In the plan for increased procurement the objective of utilising indigenous resources to the maximum extent continues to guide and regulate all orders placed in accordance therewith. It is my intention to step up the production target of the Chittaranjan Locomotive Works from 120 to 150 and thereafter to 200 of average sized locomotives in the course of the next four years through the introduction of such measures as judicious multi-shift working, additional equipment and training of more skilled staff. The target of the Tata Locomotive and Engineering Company is 50 locomotives a year. They have hitherto produced and delivered 50 locomotives in all, but they are expected to reach their target in 1954-55.

18. As regards wagons, practically all the increased procurement has been planned on indigenous production. In previous years the installed capacity was assumed to be about 7,800 wagons per annum. Owing to the prospect of increased off-take in the next 5 years new manufacturers have come into the field and established manufacturers have agreed to expand their production capacity. In view of this, orders for about 11,000 wagons will be placed against the 1954-55 programme with the manufacturers in India. I should also add here that we expect to receive 5,000 wagons under the Foreign Assistance Programme of the Government of the United States.

19. In my budget speech last year, I had informed the House that no new orders for passenger coaches are being placed abroad. The same policy is being pursued this year. The capacity of the Hindustan Aircraft Limited and our workshops has been stepped up to meet our requirements. The construction of the Integral Coach Factory at Perambur to manufacture passenger coaches is making satisfactory progress. It is expected that coach body-shells will start coming out of this factory during the second half of 1955.

20. I have decided to set up a Committee to advise how the manufacture of certain special type wagons, Narrow Gauge Locomotives and other stock and fittings, which are still being imported, can be established in the country. The findings of the Moolgaonkar Committee set up by the Minister for Commerce and Industry show that considerable idle capacity exists in the Engineering industry, and this seems to be a

suitable moment for an investigation as to how far this idle capacity can be used to make the country self-sufficient in the matter of production of railway materials and rolling stock. It is expected that Indian industry will rise to the occasion and take to the manufacture of specialised Railway items in increasing numbers. The possibility of making full use of the Railway Workshops in this connection is also being referred to two senior railway officers for examination.

21. The House is already aware that a number of new major works are under construction. It is proposed to concentrate on the execution of the works already in hand instead of undertaking new major works in 1954-55 as it is more economical to complete expeditiously the works in hand. There is also the danger that a large number of new major projects may lock up money and result in diversion of material and equipment which may delay completion of all other works. All the same, certain new major works will be undertaken in the Budget year. A major project that has been included is the electrification of the suburban services in the Calcutta area and I have decided that the work on the electrification of the Howrah-Burdwan main line section of the Eastern Railway should be commenced forthwith. Provision has also been made to expedite the traffic survey for a rail connection to Garo Hills in Assam, in order that the final location survey may also be taken up during the budget year. In addition, the construction of the Pathankot Madhopur Broad Gauge line, 7.06 miles in length, is proposed to be undertaken to facilitate movement to Jammu and Kashmir State. The line is estimated to cost about Rs. 35 lakhs.

22. We have under consideration a few proposals for new constructions. Surveys for these were arranged to be undertaken in the current year. One of these is the proposed Indore-Ujjain Broad Gauge line. The others are the rail connection to Etah, the Mangalore-Hassan, Diva-Dasgaon, Teldanga-Khajuria-Malda, Bhavnagar-Tarapur and the Fatehpur-Churu lines. The question of providing electrification for the operation of the Quilon-Ernakulam line is also under consideration. Extension of electrification to Tambaram Villupuram section of the Southern Railway is also receiving attention. The survey reports for a few have been received while others are still to come. Decisions regarding the construction of these projects must be deferred till all the survey reports have been received and examined. Should it be found possible to commence, consistent with the availability of finance and materials, the construction of any more new lines during 1954-55, I shall not hesitate to come to the House with a Supplementary Demand in connection therewith.

23. I shall now turn to another class of open line works included in the estimates for the Budget year relating to augmentation of line capacity. Certain sections have during recent years become so congested that they are unable to cope with the current and anticipated traffic. The line capacity of these sections can be improved by doubling the lines, building more crossing stations, extending loops, improving the standard of signalling and interlocking and by creating additional facilities in marshalling and transshipment yards. The provision for certain major works which come in this category of open line works, included in the budget for 1954-55 is Rs. 3.3 crores as against Rs. 2.1 crores in the budget for the current year. Works for the purpose of augmenting line capacity are being or will be undertaken during the year on the following important sections :

(a) Siliguri-Alipur Duar section of the Assam Rail Link, the capacity of which is proposed to be more than doubled from 160 to 350 wagons per day.

(b) Bezwada-Madras Section of the Southern Railway on which a sum of Rs. 4 crores is being spent, including Rs. 80 lakhs for the remodelling of the Bezwada yard and Rs. 2.09 crores for the conversion of Gudur-Renigunta Section from metre gauge to broad gauge. The capacity of the section will be increased from 300 to 420 wagons per day.

(c) Central India Coalfields *via* Katni-Marwara, where movement will be stepped up from 265 to 350 wagons per day.

(d) *Via* Chheeki on to the Central Railway, where movement is proposed to be increased from 190 to 240 wagons per day.

(e) Raichur-Arkonam Section, for running additional goods trains.

(f) Anara-Jaychandi Pahar-Burnpore section and Sini-Gomharria section, the doubling of which is being carried out, for the movement of raw materials for increased production of steel.

24. During the current financial year, the Railways are spending nearly Rs. 4 crores on construction of staff quarters and a provision of Rs. 4.60 crores has been made in the budget for the next year. The total provision made in the budget on staff quarters and staff amenities is Rs. 5.84 crores.

25. The House is aware that a committee was set up in 1949 to review the convention relating to the separation of Railway Finance from General Finance. As a result of the recommendations of the Committee, the Constituent Assembly of India (Legislative) passed a resolution defining, *inter alia*; the relationship between Railway Finance and General Finance and prescribing for a period of five years

commencing from 1950-51 an annual dividend payable to General Revenues at 4% on the Capital invested in Railways. The resolution laid down that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it, any adjustment considered necessary, having regard to the revenue returns of the undertaking, the average borrowing rate of the Government and any other relevant factors. I shall, therefore, be inviting the House in this session to set up a committee to go into the matter.

26. I have endeavoured to indicate broadly to the House the principal features of the developmental programme during the budget year. Although we are doing our best to improve and extend rail transport facilities in the country, I am aware that much more needs to be done. Considering the vast areas in our country which are awaiting economic exploitation through the introduction of satisfactory transport facilities, I feel it is necessary to adopt a bold policy of development and expansion of the railways. The prospects of any fresh financial resources are none too bright. As a result of factors which have increased working expenses, there is likely to be a short fall in the amount which the Railways are expected to find from their own resources for the execution of the Five Year Plan. Against a sum of Rs. 320 crores to be contributed by the Railways towards the resources of the Plan, the contribution for the first three years is likely to be Rs. 165 crores only, and, it is estimated that there will be a shortfall of about Rs. 60 crores. Also, there are certain other factors which may lead to further increase in Working Expenses. I am examining in the above context the implications and practicability of certain suggestions for adjustments in our fare and freight rate structure which, it is claimed, are necessary for a developmental economy.

Then there is the need for maintaining and if possible accelerating the pace of construction of new lines. The present high levels of cost of material and labour involve unremunerative investment at least for some time to come. The balances in the Development Fund are rapidly dwindling. How are these new constructions going to be financed? The only way in which such construction seems to be possible is to provide for a recovery of charges on the basis of inflated mileage for a limited period so that the projects may not be financially burdensome. This device may also profitably be adopted in cases where a shorter route is provided reducing the cost of transportation substantially, the whole of which need not be passed on to the consumer.

27. Owing to a large reduction in the bulk and long distance movements of imported food grains from the Ports and less haulage of railway coal, there was a decrease in the net ton-miles oil Broad Gauge system during 1952-53. This directly had an adverse effect on the returns of goods traffic with the result that the composite index of efficiency for the Broad Gauge Railways dropped from 102.6 in 1951-52 to 101.7 in 1952-53. There was, however, an improvement in the number of passenger and goods trains run and in the wagons and overall locomotive haulage. There was an improvement in almost all aspects of performance on the Metre Gauge Railways and the composite index of efficiency rose from 93.3 in 1951-52 to 95.9 in 1952-53.

The punctuality of trains further improved during 1953 and the percentage of trains not losing time has been 81.9 in the first nine months of 1953 as against 80 in the corresponding period of the previous year, and on the Metre Gauge system, it was 81.4 in 1953 against 80.6 in 1952.

The resources of all the Railways were pooled to make arrangements for the Prayag Kumbh Mela, and 374 Special Trains were run to Allahabad area to cope with inward Mela traffic and 344 Specials were run to clear the Mela traffic up to 6th February, 1954. In addition, 510 Shuttle trains were run within the Mela area to facilitate local movement of pilgrims.

A revised procedure for arranging movements in an order of preference for various Commodities was introduced in August 1953. While ensuring planned movements for essential commodities, it was intended to provide movements for all commodities in varying quantities as may be necessary in the interests of local economy of the areas served. The procedure has so far worked satisfactorily.

28. Hon'ble Members will recollect that it was proposed to create an Efficiency Bureau in the Railway Board for the purpose of studying operation, workshop, marshalling yard and other statistics with the object of improving progressively efficiency and economy on Indian Railways. The setting up of this Bureau had to be deferred, as it was felt that some time should be allowed for the Railways to settle down after Regrouping. This Bureau has now been set up for investigating and eliminating outmoded and costly practices and for evolving suitable techniques for efficiency measurements in diverse fields of railway operation and management.

One of the reasons which affected performance is the delay at various changing and transshipment

points. Wagons start from the originating stations at the due time but they are held up on the way. I have arranged that the Efficiency Bureau assisted by a senior Railway Officer, will make an investigation into this specific question and make recommendations for reducing these delays to the minimum.

29. Last year, I said, I would make available to Hon'ble Members a review of the working of the regrouped Railways. I have accordingly arranged to circulate along with the budget papers a pamphlet presenting this review and certain statistics of operation. The data available, however, are only for a limited period and do not permit of reliable comparisons being made. It is, therefore, difficult to make a correct assessment of the position on the basis of the facts and figures now available, and some more time, it seems, must elapse before we could be in a position to do so. The reorganised Railways must of course measure up to the usual standards of performance.

30. We have been, for the past several years, adhering to a systematic policy and programme of improving amenities for passengers. In the budget year it is my intention to see that more of these amenities are provided at the smaller and wayside stations. In order to implement this, the Railways have drawn up a detailed scheme to be given effect to within a prescribed period. Platform facilities are being improved at nearly 500 stations by lengthening and raising of existing platforms, better surfacing, providing cover etc. Waiting facilities are being augmented and improved at nearly 300 stations. More than 100 stations are being electrified and lighting at 100 other stations is being improved. Foot over-bridges are being provided at about 35 stations.

The House will recollect that last year I had appointed a Committee of Senior Officers to study the travel conditions and passenger amenities on the ex. Assam Railway portion of the North Eastern Railway. A sum of Rs. 5 lakhs more than the usual share has been allotted to this Railway during 1954-55 so as to enable them to start implementing straightaway the recommendations of this Committee so far accepted.

31. It has been my consistent endeavour to associate public opinion wherever public interests are concerned. A Passenger Amenities Committee has been set up on each Railway in order to examine and lay down the order of priority for executing works relating to amenities. The Committee is essentially a representative body consisting of non-officials as well as railway officials.

32. The House is already aware of the steps taken by the Railways to improve the standards of comfort and convenience for the lower class passengers. With the abolition of first Class, it has been possible to increase and improve lower class accommodation. I am glad to state that the fears entertained in some quarters about the effects of the abolition of First Class' on earnings have proved to be without foundation. Hon'ble Members may also remember that First Class traffic has never been paying to the Railways. Accordingly, to the extent that upper class accommodation can be replaced by lower class, the net earnings of the Railways should improve.

I am conscious of the difficulties the Third Class passengers have still to face in various sections of the Railways. The new Third Class coaches of the Hindustan Aircraft Limited and of the Swiss make are, we believe, an appreciable improvement. The seats have been widened and are more comfortable. Fans, better lights and improved lavatories have been provided. The new coaches that will now be put in service are being manufactured keeping this standard in view. The old coaches whose life is not above 20 years are also being provided with fans. It will be my endeavour to provide more and more amenities to Third Class passengers. Although it may take time, our object is to reduce, as far as possible, the difference that exists today between the lower and higher classes.

33. The Railway Administrations have continued their efforts to reduce overcrowding in passenger trains. Even though passenger traffic has tended to be no higher than in the previous years, new trains have been added and existing train services extended where possible. During the period April 1953 to November 1953 190 new trains were introduced and 126 trains were extended. The passenger train mileage during 1952-53 was 97.6 millions as against 96 millions in 1951-52. The additional train services introduced during the first 8 months of the current year recorded an increase daily of 7,450 train miles on the broad gauge, 4,656 train miles on the metre gauge and 397 train miles on the narrow gauge.

During 1952-53, 184 broad gauge and 135 metre gauge Third Class coaches have been put on the line. While the number of third class passengers decreased from 1,163 millions in 1951-52 to 1,120 millions in 1952-53, the number of seats provided for third class passengers increased from 856 thousand to 864 thousand over the same period. I expect that the position will further improve with the fresh additions and replacement of coaching stock.

34. The improvement referred to in my last year's budget speech regarding disposal of compensation claims for goods lost or damaged has been maintained. The average time taken in settling compensation claims during 1952-53 has been brought down to 71 days. As a result of priority being given to settlement of old outstanding claims, their number has also been reduced.

35. It has been possible to take definite steps to improve Watch and Ward and the security organisations of the Railways following the appointment of the Security Adviser to the Railway Board and it is proposed to appoint for each zonal Railway, a Security Officer of the rank of a Deputy Inspector General of Police who will have direct access to the General Manager. It should lead to a better system of co-ordination between the police of the States and the Government Railway Police. Training schools are being opened in each zone for training of men and officers of Watch and Ward and refresher courses are also being introduced for those already in service. Special rules and regulations are under preparation for meeting the menace of pilferage and thefts on railways. I am glad to announce that the Home Ministry is considering measures to co-ordinate with us in this matter. It is hoped that substantial improvement will take place in the near future.

36. Hon'ble Members may recall my reference to the proposal to revise the constitution of the Local Advisory Committees on Railways in the context of regrouping and with a view to securing better representation of the vast body of railway users. The proposal has been implemented in the course of the year and there is at present a Zonal Railway Users' Consultative Committee at the Headquarters of each Railway along with Regional or Divisional Committees. These Committees, which are of a more representative character than the previous Local Advisory Committees, serve as a valuable organ of public opinion. A National Railway Users' Consultative Council has also been formed at the Centre and its first meeting was held in October 1953 to discuss several important matters.

37. I would ask the indulgence of the Hon'ble Members for making a reference to the recent unfortunate accidents to passenger trains, which have been the cause for concern to them no less than they have been to me. The occurrence of these accidents within a short time has been an unfortunate coincidence, but it should not cause any undue apprehension or alarm. Yet it is the duty of the Administration always to remain vigilant and alert and to see that the incidence of accidents on the Railways is kept down. With this objective, I have set up a Committee with Shri Shah Nawaz Khan, Parliamentary Secretary, as Chairman, and the Chief Government Inspector of Railways and a retired General Manager as Members. The terms of reference to the Committee are:

- (a) To study the reports of enquiries into all train accidents on all Indian Railways which have taken place since 1st January 1953 and to analyse their causes;
- (b) To examine how the recommendations made by the investigating officers have been dealt with and those accepted by the Railway Board or the Railway Administrations have been implemented; and
- (c) To make recommendations with a view to reducing incidence of such accidents.

The Committee has already started work and should submit its report by the end of April 1954.

38. A Hindi section has been opened in the Railway Board's office which deals mostly with Hindi correspondence and also helps in Hindi or English translations of official documents and other papers. A standardised nomenclature of different terminologies on the Railways is also being progressed with a clear direction from me that they should be as simple as possible and easily understandable. Railway Administrations are also setting up machinery to reply in Hindi to Hindi letters received in their offices.

39. Our Research and Testing Centre at Lucknow, with the sub-centres at Chittaranjan and Lonavla, have started doing useful work. Investigations at these centres are being confined, to start with to those problems, which are of immediate importance to Railways and on which studies and tests are likely to yield positive results of practical value within a reasonable time. The work done during the past year has increased our knowledge of the forces which locomotives exert on the track, particularly on curves and turnouts, under Indian conditions. This, it is hoped, will lead to more economical designs of permanent-way, both from the point of view of initial cost and of maintenance.

40. The drive instituted by the Railway Board for bringing down the value of stores balances to which I had made particular reference last year has been yielding encouraging results. The value of the balances, which stood at Rs. 63.41 crores on 31st March 1952 was reduced to Rs. 57.20 crores at the end of March 1953. A further reduction of Rs. 4 crores is anticipated by the end of 1954-55.

41. In respect of maintenance of Rolling Stock, the utilisation of workshop facilities progressively improved on the Railways since 1950-51. The number of standard unit repairs to Broad Gauge

locomotives increased from 1971 in 1951-52 to 2153 in 1952-53. Similar improvement was noticed in repairs to Metre Gauge locomotives and Broad and Metre Gauge carriages and wagons.

42. I would like to inform the Hon'ble Members that the Railway Board have issued instructions early this year to extend the use of Khadi on Railways. Railways have been asked to purchase their requirements of certain articles like bed sheets, table-covers, dusters, hand-towels and durries in khadi only and, in order to ensure purchase of genuine khadi, supplies are being obtained through the All India Khadi and Village Industries Board. Railways have readily adopted the use of khadi where it has been found not unsuitable.

43. With a view to affording equal opportunities to the residents of the various Regions served by the Indian Railways and to accelerate the process of recruitment of Class III staff, two more Railway Service Commissions have been set up – one with headquarters at Allahabad and the other at Madras. The Allahabad Commission has taken over recruitment for the Northern Railway and the ex-O.T. portion of the North Eastern Railway. The new Commission at Madras has taken over recruitment for the Southern Railway, the Integral Coach Factory and the Secunderabad Division of the Central Railway.

44. In presenting the Railway budget last year, I had indicated my intention to set up a Committee of Members of Parliament for conducting an enquiry into the prevalence of corruption on the Railways. This Committee was appointed in September 1953 with Pandit Hirday Nath Kunzru as Chairman and commenced its work in October. The Committee have issued a questionnaire to various interests to elicit their views and have visited certain places. Meanwhile, Pandit Kunzru has been appointed a member of the States Reorganisation Commission and the Committee had thus to lose his valuable services. I am, however, glad to announce that Acharya J.B. Kripalani has kindly agreed to guide the deliberations of that Committee in his place.

45. Although for reasons stated earlier, I have not found it possible to offer at present any relief in the matter of freights and fares generally, I would like to inform the House that the following travel concessions are being introduced :-

(i) Circular Tour Tickets for distances of 1,500 miles and over at concessional fares of 3/4 the public tariff rates for second, inter and third classes. These concession tickets will apply not only to the standard circular tours notified by railways but also to circular tours suggested by parties themselves and approved by railways.

(ii) Round Tour Tickets for Students available for 45 days at the usual concessional rates when they undertake travel in parties of not less than four instead of in parties of not less than ten as at present. The existing concession for educational tours in parties of not less than ten will also apply to such students travelling in parties of not less than four.

(iii) Students Concessional Monthly Tickets in non- suburban areas, for students proceeding daily from their homes to attend schools or colleges and returning therefrom. These monthly tickets will be issued from stations not more than 30 miles distant from the station of the school or college attended, on payment of 12 single journey fares.

(iv) Concessional Hill Station return tickets at 1½ single journey fares to certain selected hill stations during April to October for second, inter and third classes, available for three months from all stations from which the chargeable distance is 150 miles or more.

(v) Besides the above concessions, the power given to the General Managers to introduce return tickets in their zone, continues to be vested in them and I am sure, wherever practicable, they will introduce them and no separate sanction will be necessary for that.

46. I shall now refer to certain matters pertaining to the Railway services :

(i) *Merger of Dearness Allowance with Pay* – Hon'ble Members are aware of the recommendations of the Gadgil Committee and I need hardly go into the details. The Government have accepted these recommendations which will involve an additional expenditure of about Rs. 3 crores per year - approximately.

(ii) *Appointment of Ad Hoc Tribunal* – The negotiating machinery at all levels has functioned well. Many issues including complicated ones have been ironed out successfully. I wish there were more frequent meetings and talks at Divisional or Regional and Zonal levels which would help in resolving many problems in the initial stages.

The House is aware that in case no agreement is arrived at on certain points at the Railway Board's level, there is provision for reference to an *Ad Hoc* Tribunal for consideration and recommendation to the Government. Accordingly certain important issues which remained unresolved for some time have been referred to a Tribunal. In July 1953, Government announced its decision to set up an *Ad Hoc* single

member Tribunal, consisting of Shri Shankar Saran, a former Judge of Allahabad High Court, and referred to him five specific points. It is hoped that as a result of the deliberations of the Tribunal, the points in dispute would be satisfactorily settled.

(iii) *Seniority of staff of the integrated Railways* – The question of fixing combined seniority of Class III and IV staff of the regrouped Railways had been under consideration of Government ever since re-grouping was undertaken. After careful consideration of the recommendations made by the Seniority Committee appointed on each of the six Zonal Railways and the views expressed by the National Federation of Indian Railwaymen, certain principles have been formulated for determining the seniority of the staff of the integrated railways. The basic criterion, subject to certain specified exceptions, for determining the relative seniority of staff of integrated Railways will be the length of service in the grade, both officiating as well as permanent. The Railway Administrations have been instructed to frame seniority lists in accordance with the principles formulated and to complete the work as expeditiously as possible.

(iv) *Selection posts.* – At the time of presenting the Budget in the House last year, I mentioned that the question of improving the procedure for making selections and of specifying the level up to which promotions will go solely by seniority, subject to an employee not being declared unsuitable, was engaging the attention of Government. This matter has since been finalised. Under the amended rules which have been communicated to all the Railway Administrations for guidance, there will, in future, be only two categories of posts—selection posts and non-selection posts. All posts in the grade of Rs. 200-300 and above will be treated as selection posts. Also certain specific categories which involve supervision and a degree of personal responsibility in the grade of Rs. 150-225 may be included in the list of selection posts. Further, a scale of weightage to be given to various factors like ability, seniority etc., in making selections, has been prescribed. The question of what further instructions should be issued for the guidance of Selection Boards is under examination.

(v) *Housing* – One of the urgent needs of the staff is adequacy of residential quarters. In places where staff quarters exist, the Railway Administrations are endeavouring to improve the standards of amenities provided. For example, where electricity is available, staff quarters of all categories will be electrified and where water-borne sewage is available, sanitary type of latrines will be provided. All-weather roads, street lighting and adequate drainage will be provided for. Attention is also being paid to the improvement of the old quarters progressively on a planned basis.

I would like the House to appreciate the efforts that have been made in recent years towards the construction of quarters for staff. In 1952-53, 5,666 quarters were built. By the end of the current financial year 9,710 quarters more will have been constructed and during 1954-55 it is proposed to build 8,722 quarters; of these 6,213 will be in principal cities and 12,219 at wayside stations.

(vi) *Medical facilities.*—The health of the railway staff has continued to receive particular attention of the Government. It has been decided to provide annexes or special additions exclusively for railwaymen suffering from tuberculosis, in certain selected Government and non-Government Tuberculosis Sanatoria in the country. A team of two officers, a Railway doctor and a Finance officer is carrying out investigations. This team has submitted a special interim report.

Our idea is to have at least one such annexe on each Railway in order to provide treatment, as far as possible, to employees nearer their State where it would be easier for their relatives to look after them. A start has been made to provide one annexe each on the Eastern and Southern Railways, and I hope annexes on other Railways would be selected and fixed up soon.

I have had under consideration for some time the question of improving generally the medical arrangements for Railway staff. A Chief Medical Officer has been investigating whether the Financial and other resources now made available for medical facilities to the staff are being used to the best advantage. Other measures for the improvement of the health services will be considered along with his report.

(vii) *Class II services.* – I had mentioned last year that steps were being taken to grant promotions from Class II to Class I service upto the full quota already in force. The seniority of all Class II officers, who came into the six zonal systems after integration, has since been fixed in accordance with certain principles adopted by the Railway Board, and necessary steps have been taken to expedite the promotions due. Out of 59 promotions due, 13 have already been ordered and 38 have recently been referred to the Union Public Service Commission.

At present Class II officers are considered for promotion to Class I, only if they are not over 50 years old. I have come to the conclusion that this age restriction should be removed and the

matter is being referred to the Union Public Service Commission. I have also decided to revise the existing rule regarding the weightage for seniority given to Class II officers on promotion to Class I. In future, the weightage for seniority would be calculated at half the continuous officiating and permanent service in Class II, subject to a maximum of five years. Past cases will not be re-opened, but the seniority, on promotions now being made and those that will be made in future, will be fixed on this basis.

I may add, in passing, that immediately after regrouping, it was decided to restrict permanent promotions to Class II to 50 per cent of the vacancies then available. This restriction was, however, removed in the middle of 1952 and confirmation in all available vacancies, except a total of six on all Railways together, are possible and have, in fact been made in most cases.

47. *Labour Relations.* – We have had another year of very cordial relations between labour and management which augurs well for the future. The formation of one organisation known as the “National Federation of Indian Railwaymen” during the current year by the integration of the two Federations, viz., the All India Railwaymen's Federation and the Indian National Railway Workers' Federation, is a healthy development and I am sure will prove beneficial. The passing away in tragic circumstances of Shri Hariharnath Shastri who worked hard to bring this about and whose selfless work in the cause of labour is well known, has been a great loss which we all mourn.

48. May I say a word here about the obligations of Railwaymen towards the users of the Railways? There are certain categories of staff who come in closer contact with the public than others in their day to day work and they have to be specially more careful. Last year, I had emphasised the need for railway employees changing their outlook in regard to their behaviour towards the using public. There has been some improvement but I must say that there is yet much scope for improvement in this direction. They have, in fact, to reorient their outlook in the fast changing context of our present day society. Class distinctions are fading out. Every citizen is becoming conscious of his equal place in the society and the more this consciousness grows the less would he be prepared to put up with any kind of differential treatment. In fact, the entire attitude of the Railwaymen to the common man has to be changed, whether he is a third class passenger or a small shopkeeper who wants to book his parcels or goods.

49. Before I conclude, I wish to record my appreciation of the assistance and co-operation I have received from the Railway Board, the General Managers of the Railway Administrations and all Railway officers and staff. The pace of economic development today is dependent on the provision of adequate transport facilities to satisfy the diverse requirements of agriculture, industry and commerce. The role of the railwaymen in meeting this challenge to their capacity and resources is thus of crucial importance. I am confident they will rise equal to the task set before them.

50. Permit me, Sir, to thank you and the House for the patient hearing you have given me and also for the support and encouragement I have always received in ample measure from this House and from the members of the public outside.
