

**Speech of Shri Jagjivan Ram
introducing the Railway Budget
for 1957-58 on 14th May, 1957**

Mr. Speaker,

Sir, I rise to present the statement of receipts and expenditure of the Railways for the year 1957-58. The estimates of expenditure for the current financial year already presented by me on 19th March 1957 to the then Lok Sabha for a 'vote on account' remain practically the same, except for a few minor alterations which have been made in individual demands. These alterations are brought out briefly in the Supplement to the Explanatory Memorandum on the Budget and in detail in the explanatory notes in the Demand Book. On the earnings side, however, I have certain new proposals to make for the consideration of the House, and these affect the financial picture substantially.

2. The Honourable Members are aware that the Ministry of Railways had originally prepared their Second Five Year Plan for an estimated outlay of Rs. 1,480 crores. That was considered as the minimum required for the creation of the necessary extra rail transport capacity for goods and passenger traffic. An increase of 30 per cent in passenger services, and an additional 60.8 million tons in goods traffic over that generated by the end of the First Five Year Plan, making a total of 180.8 million tons was thought necessary in keeping with the targets fixed for, other developmental projects and schemes in the General Plan. The Railway Plan also provided for the construction of 3,000 miles of new lines. Due to the limited overall financial resources of Government, however, the Railways were allotted only Rs. 1,125 crores of which Rs. 375 crores were to be found by them over the Plan period from their own resources. To conform to the reduced allotment, the scope of the Railway Plan had necessarily to be cut down and, after eliminating most of the new lines except those essentially required for the projected expansion in steel and coal production, it was found possible to cater within the funds allotted for an increase of only 15 per cent in passenger transport and a total of 162 million tons in goods transport. The reduction in the target of passenger transport capacity restricted the possibility of any substantial relief of the over-crowding in our passenger trains during the period of the Plan. While the prospect of the continuance of the present state of over-crowding was undesirable, the enforced reduction of the provision for extra goods transport from 180.8 million tons to 162 million tons was much more serious from the point of view of the country's developing economy. After reserving capacity for 25 million tons on account of coal and other raw materials required for the new steel plants and expansion of the existing ones, 6 million tons more coal for other consumers and 4 million tons more for cement, a very meagre margin was left for the increase in the general merchandise traffic, including increases in trade and the output of all other industries and agriculture.

3. The experience of the first year of the Second Five Year Plan has made it abundantly clear that the demands on rail transport during the Plan period are likely to exceed even the original estimate of 180.8 million tons. It is, therefore, manifest that the allotment of Rs. 1,125 crores, which includes financial provision for carrying only an additional 42 million tons of traffic, will be quite inadequate. To cater for a higher volume of traffic a substantial expansion of the Railway Plan has become inescapable, and such an expansion must be planned, straightaway as the execution of the line capacity and signalling works essential for moving the higher quantum of traffic will take their own time. On a rough basis it is anticipated that an additional amount of over Rs. 100 crores at the present price levels would be required to carry 180.8 million tons. Apart from the demands of the larger quantum of traffic, which the Railways must carry as the Plan develops, the rise in the cost of labour and essential materials like steel, cement etc. since the Plan was prepared, has already made the allotment of Rs. 1,125 crores insufficient for creating, capacity even for the increase of 15 per cent in passenger transport, and 42 million tons of goods traffic, and it is estimated that achieving the physical targets originally included in the Rs. 1,125 crores Plan will itself require an extra amount of about Rs. 100 crores.

4. The two items of extra expenditure just mentioned add up to well over Rs. 200 crores. As my predecessor, Shri Lal Bahadur Shastri, explained in February 1956 when proposing the present 64 per cent supplementary charge on goods and parcels freight, the Railway revenue resources, computed on the basic level of fares and freights in force were estimated to amount during the Plan Period to only about Rs. 325 crores including the contribution of Rs. 225 crores through the Depreciation Reserve Fund, the expenditure on open line revenue works, interest on Railway fund balances and Revenue surpluses, leaving a gap of Rs. 50 crores to be filled in order to make up the Railway contribution of Rs. 375 crores envisaged in the Plan. On present estimates it seems that the Revenue surpluses at the basic fare and freight rates may be somewhat higher and that the levy of the supplementary charge of 6¼ per cent would bring in about Rs. 71 crores extra over the Plan period. It is, however, quite clear that, on the basis of the present supplementary charge of 6¼ per cent on goods and parcels freight, the resources that will be left over

after filling the initial gap of Rs. 50 crores will not amount to more than a small proportion of the extra amount of over Rs. 200 crores which has to be found if the Railways are to cope with the anticipated demand of goods transport by 1960-61. There is now universal recognition of the fact that transport capacity cannot lag behind other developments envisaged in the Plan and that the very success of the Plan would depend on the timely creation of the additional transport capacity. It is, therefore, essential that the necessary wherewithal to meet the extra expenditure has to be found as early as possible.

5. In March last, in presenting the Budget, I stated that the report of the Freight Structure Enquiry Committee was expected shortly and that when the budget was again presented in the new House, it would be possible to give an indication of the recommendations of the Committee and the effect of the implementation of those recommendations. I regret to say that it has not been possible for me to do so. The report in its final and complete form was received only recently. The task assigned to the Committee was a difficult one and I would, on behalf of the Government, express our deep gratitude to Shri Ramaswami Mudaliar and his colleagues on the Committee for the thorough manner in which they have dealt with this intricate subject in their report. While the recommendations of the Committee envisage an appreciable rise in the general level of freight rates, various aspects dealt with in the report have far reaching implications and the recommendations, particularly those related to the augmentation of freight rates, call for a detailed study. It is anticipated that a complete examination of the recommendations and the preparatory work like the amendment of the Goods Tariff and the preparation of mileage tables which must precede the introduction of the new freight rates are not likely to be completed until the end of the current calendar year. As we are already well into the second year of the Plan, the augmentation of resources to meet the extra expenditure on rolling stock and works can brook no further delay otherwise the Railways may be too late in creating the capacity required to carry the additional traffic load which, it is quite certain now, will devolve on the Railways during the Plan period.

6. It is proposed, therefore, to enhance, as from the 1st July 1957, the supplementary charge on goods and parcels traffic from 6¼ per cent to 12½ per cent, certain commodities being exempt as at present. I have not made any changes in the passenger fares as my colleague, the Finance Minister, is considering this matter.

Consequent on the increase of the supplementary charge it is estimated that the additional earnings will be about Rs. 11.3 crores for goods traffic and Rs. 1.2 crores for parcels traffic per year. But since the increase is to take effect only from the 1st of July, the extra earnings for this financial year are expected to be only about Rs. 9½ crores. It is hoped that towards the end of the current year it will be possible to introduce a selective variation in freight for goods traffic based on the recommendations of the Freight Structure Enquiry Committee and withdraw the flat supplementary charge.

7. Taking the increase in parcel and goods earnings into account, the total surplus for the current financial year is now estimated at Rs. 30.83 crores, which will be credited to the Development Fund.

8. Although the view has been pressed, both in this House and elsewhere, that concessions for passenger traffic should be reduced or withdrawn in the context of the prevailing overcrowding and the need to enhance earnings, I do not at the moment propose to cancel any of the existing concessions. In fact, I propose extending the concession of a single ticket to cover a blind passenger and his attendant, which applies at present only to blind persons under the care of recognised institutions, to all blind persons. A similar concession is being extended to patients suffering from tuberculosis for their journeys for admission to and on discharge from hospitals and sanatoria. Both these concessions will, of course, be subject to production of appropriate certificates to avoid misuse.

9. I am sure the House would be interested to know the progress already made in the implementation of the Railway plan of Rs. 1,125 crores, and I would invite the attention of the Honourable Members to the introductory section of the White Paper on the Railway Budget for 1957-58, which gives the details of the progress made in the year 1956-57 and that programmed in the current financial year. Put briefly, a sum of Rs. 193 crores had been provided in the Budget for 1956-57 for expenditure on Works, Plant and Machinery, and Rolling Stock, against which the Railways' final estimates in the last week of the year amounted to Rs. 178 crores, the short fall being almost entirely on the Works side. The revised estimate of expenditure on civil engineering works in 1956-57 was nearly Rs. 11.8 crores less than the original estimate of Rs. 88.16 crores, and, the final estimates fell short even of the revised estimate by nearly Rs. 6.6 crores. While this last surrender of funds was partly because the on account payment proposed to be made for the purchase of the Bombay Government plant in the Chola Powerhouse could not materialise due to the negotiations

not having reached any finality, it has become apparent from an analysis of the civil engineering expenditure during the last year that by far the greater portion of the shortfall was due to the shortage of materials, particularly permanent way items like rails, sleepers and fittings and signal and interlocking stores and equipment. It will be appreciated, however, that some time is required to gear up the construction organisation to the desired tempo and it was not possible to do so in the very first year of the Plan. However, all the factors contributing to the shortfall have been carefully examined and are being further tackled with a view to ensure better progress in this and the coming years towards full implementation of the Plan.

10. Considering the acute shortage of essential materials, particularly steel required for permanent-way, bridge girders, cement etc., the progress made on new constructions has been quite satisfactory and the projects have been executed with commendable despatch. During the year 1956-57, the 24 mile long Champa-Korba and 26 mile long Fatehpur-Churu branch lines were opened to traffic, as also the 37 mile long Ernakulam-Kottayam section off the Quilon-Ernakulam link, making an aggregate of 87 miles of new railway lines. The construction of eight other projects totalling 524 miles is in progress. Recently, a link between Chandrapura and Muri, a distance of approximately 43 miles, has been sanctioned and the work is expected to get into full swing immediately after the monsoon. The 7 mile link between Gandhidham and New Kandla, which was opened for goods traffic last year has now been opened to all traffic. Work is also in progress on nearly 700 miles of doublings, of which about 370 miles are on the South Eastern Railway, 116 miles on the Western Railway and 78 miles on the Southern Railway. At the close of the last financial year more than 1,50,000 men were working on the various projects.

11. Approved surveys totalled 2,800 miles during 1956-57, of which the field work on nearly 2,000 miles is still in progress. Of the surveys sanctioned in 1955-56 or which were already in progress, those for the Madhopur-Kathua, Baraset Hasnabad and the Mangalore-Hassan lines and for the avoiding lines in the Delhi area have been completed. Surveys for the Guna-Ujjain portion of the Gwalior-Ujjain and the Nizamabad-Ramagundam, Muzaffarpur-Darbhanga, Robertsganj-Garhwa Road, Rampur-Haldwani, Bhaili-Bhadran and Sojitra-Dholka and Kadur-Chikmagalur-Sakhleshpur projects are nearing completion. Those for the Sambalpur-Titilagarh, Sitamarhi-Sonbarsa, Bangalore-Salem, Trivandrum-Tinnevely-Cape Comorin, Vellore-Conjeevaram, Kotah-Chitorgarh, Udaipur-Himmatnagar, Satna-Rewa-Gobindgarh, Nipani Sakleshwar-Ghataprabha, and Bukhtiarpur-Rajgir projects and the branch lines in the Karanpura and Kathara coalfields are still in progress.

12. The proposal for a second road-cum-rail bridge over the Jamuna at Delhi, with an avoiding line between Tughlakabad and Ghaziabad is under detailed examination and the survey of the railway alignment is expected to be completed shortly. Model experiments are also being conducted by the Central Water and Power Research Station at Poona on the suitability of the site proposed for the bridge. Approval was also given to surveys for the conversion of the Kurduwadi-Miraj Narrow Gauge and the Poona-Miraj-Kolhapur Metre Gauge sections to Broad Gauge. An urgent reconnaissance survey was also conducted of the Jaldhaka and Torsa River crossings on an alternative Assam Link route.

13. The Honourable Members will observe from the details that I have just given that surveys of a large mileage have already been completed and those of other lines aggregating again to a considerable mileage are also in progress. When all these survey reports are received and examined, some of the lines might be eliminated on financial and other considerations. But even in regard to the rest, I see no prospect of their construction being taken in hand during the Second Plan period due to shortage not only of funds but of materials also. In these circumstances there can be no point in undertaking any fresh surveys, thereby dissipating our man power, which is so urgently required for speeding up approved Plan projects. It will not, therefore, be prudent to sanction any new surveys during the year 1957-58, unless they are connected with an approved development project or required urgently on operational grounds or on strategic considerations.

14. Of the twelve dismantled lines the restoration of which was approved by the Central Board of Transport, eleven had been restored by 1955, and approval was accorded in 1956-57 to the restoration of the Rohtak-Gohana portion of the Rohtak Panipat Link, the only remaining line. Owing to the limitation of funds in the Second Five Year plan it has not been possible to consider the restoration of more lines.

15. The House is already aware of Government's anxiety to stabilise and strengthen the railway route to Assam. In 1947 the railway connection to Assam was cut off and the Government took immediate action to re-establish it along the narrow strip of Indian territory through the Northern Districts of Bengal by constructing three new railway links to join the old railway sections in this area. The old portions Bagrakote to Mal and eastward to Madarihat were built early in the century as

branch lines by the ex-B.D. Railway, mainly to serve tea gardens. Before embarking upon any large scale measures to strengthen the old lines or present day requirements, Government appointed a Committee of experts to suggest measures for stabilizing the Assam Rail Link route. Their report has now been received and is being studied. In the meantime all possible measures have been taken to keep the lines of communication intact. A very senior and experienced officer has been posted with special staff to assist in maintenance work during the coming monsoon and to start upon construction work for strengthening the route as soon as the working season begins.

16. Honourable Members will have seen a reference in the White Paper presented in March last to the electrification of certain sections of the Indian Railways during the Second Five Year Plan. There is a provision of Rs. 80 crores in the Plan for the electrification of about 800 miles of the Indian Railways, the sections included in the Plan being the Calcutta suburban area and the main line sections from Burdwan to Gomoh on the Eastern Railway, Igatpuri to Bhusaval on the Central Railway and Tambaram to Villupuram on the Southern Railway. The necessity has since become apparent of extending electrification to the sections from Gomoh to Moghalsarai, Asansol to Rourkela, and Rajkharwan to Barajamda, involving an additional mileage of about 500. The Plan was formulated on the assumption that the electrification would be on the direct current system adopted on the existing electrified sections near Bombay and Madras. In view, however, of the successful operation of electrification on the single phase alternating current system on the French National Railways, followed by the reported decision of many other advanced countries to adopt this system, investigations were made of its feasibility for main lines in India. These investigations were considerably facilitated by the kind loan by the French National Railways of the services of their electrical engineering experts. I take this opportunity to express the gratitude of the Government of India to the Government of France and to the French Railway authorities for this valuable assistance. It has now been decided tentatively to adopt this system for main line electrification on Indian Railways also, due to its operating and financial advantages over the direct current system, and the technical details of this system are now under investigation.

17. As in previous years, sustained efforts will continue in the current year to make railway travel more pleasant and comfortable, and a provision of Rs. 298 crores has been made for the purpose. A survey has now been completed of the amenities available at all stations and the extent to which they will have to be supplemented to reach the minimum standards of amenities prescribed for such stations. I need hardly mention that the full implementation of these measures will take time, depending upon the availability of materials.

18. As already stated, acute shortage of construction materials of almost all descriptions, and more specially, steel, cement, pipes and signalling equipment, prevailed during 1956-57. I mentioned last March that steps were being taken in conjunction with other Ministries for improving the procurement of rails, sleepers etc. It has subsequently been decided that the Ministry of Railways should take over the procurement of the specialised railway items of steel requirements, and a mission is being sent out to Europe and other countries to expedite the procurement of rails, sleepers, etc., the shortage of which is seriously hampering the implementation of the Railway Plan. The procurement of wooden sleepers has been considerably promoted by exploiting the usage of a greater variety of new species with and without treatment, by the relaxation of specifications, by increased supplies from the Andamans and by initiating measures for exploring the possibilities of the import of timber sleepers from Burma, Australia, Thailand, Malaya, Indonesia and Brazil. In spite of all these efforts, wooden sleepers can meet only about one-third of our total requirement of sleepers, and the Railways have, therefore, been forced to use metal sleepers, which also cannot be procured in sufficient quantities. It is proposed now to use concrete sleepers also, in big yards to start with.

19. The House must be aware that the Government of India, have approached the World Bank for a loan to help finance the Railway Plan, and that, following the conversations in Washington last winter between the World Bank and a mission of Railway officers, a team of experts was sent out by the World Bank to study conditions on Indian Railways on the spot. This team has submitted its report to the World Bank, and a mission including two Members of the Railway Board is proceeding to Washington immediately to finalise the loan negotiations. It is hoped that the loan will provide substantial relief from the foreign exchange difficulties besetting the Railway Plan.

20. During the year under review there was serious damage due to abnormal floods, especially on the Northern, Northeastern, Central and Southern Railways. There were two cases of unfortunate accidents to trains, carrying passengers at railway bridges due to the bridge approaches being washed away by high and unprecedented floods, one near Ariyalur on the Southern Railway and the second near Mahbubnagar on the Central Railway. Commissions of Enquiry were appointed to investigate into the causes

of these accidents. The Commissions' reports have been received and very carefully studied and the conclusions of the Ministry thereon are embodied in the Notifications, which have been published for general information.

21. Turning now to other aspects of railway administration, I had occasion to mention in my reply to the Budget discussions in March that two or three alternative proposals were being considered for the introduction for railway staff of the pension system of retirement benefits in place of the existing provident fund-cum-gratuity system. I am now in a position to say that definite proposals have since been formulated, which I intend discussing in the near future with the representatives of organised labour.

22. Another matter mentioned during the March Session was the improvement of the channels of promotion of members of the Class IV staff in their own class and into the Class III Service. A committee has since been appointed to review the channels of promotion of these staff, with Shri G.D. Tapase as Chairman, and a number of senior officers representing the Railway and Posts and Telegraphs Departments and the Planning Commission and two representatives of labour, as members. The committee is expected to start work immediately.

23. The question of improved housing and other amenities for Railway staff has been in the forefront, both in the first and in the second Five Year Plans. A little over 40,000 staff quarters were built during the first Five Year Plan. About 15,000 quarters were built last year, 15,000 quarters more are again programmed for the current year and it is anticipated that at the end of the second Five Year Plan 64,500 new quarters will have been added to the number at the commencement of the Plan. The policy is to provide quarters not only for essential staff, who are liable to be called out for duty at any time of the day or night and, therefore, required to live near the places of their work, but also to other staff in areas where housing is difficult due to lack of private enterprise. In addition to building new quarters, improvements to existing quarters have been undertaken on a large scale, such as by substitution of better types of quarters for the old, and provision of amenities like water-borne sanitation and electrification.

24. Though education is the responsibility of State Governments, Railway Administrations have, in the interest of the children of staff at stations where educational facilities were inadequate, opened a number of schools which are being maintained entirely from railway revenues. The necessity for the expansion of these facilities has formed the subject of discussion between the National Federation of Indian Railwaymen and the Railway Board, and a survey of large colonies has just been completed for the purpose of estimating the additional number of primary schools that should be opened to cater for the needs of the children of railway employees. Negotiations with local bodies and State Governments are at present being conducted to settle the terms on which the primary schools that are required will be opened.

25. In addition to the opening of primary schools in large railway colonies where educational facilities do not exist, it seems desirable that some provision should also be made for meeting the educational needs of the children of railway employees stationed at outlying places which have no schools in the neighbourhood and where the number of children of railway staff does not justify the opening of schools by or with the assistance of the Railway Administrations. I have decided tentatively that, to start with, one residential school with primary as well as secondary classes should be opened in each linguistic area to cater for the needs of employees posted outside their own linguistic areas or at stations where adequate educational facilities do not exist or cannot be provided. My intention is that such schools should be constructed and run on an austerity basis. An investigation into this problem is being commenced forthwith.

26. In his speech introducing the Budget for 1956-57 my predecessor mentioned the appointment of an officer in the Railway Board's Office to review the existing medical arrangements on Railways and to plan for future expansion. I am glad to say that this review has been completed and the plans for future expansion of medical facilities on Railways have been drawn up. An indication of the proposed expansion in some directions has already been given in the White Paper.

27. I would like to refer in particular to the facilities for the treatment of Railwaymen suffering from T.B. In tackling this disease early diagnosis and treatment are extremely important. To enable incipient T.B. infections to be detected and treated in the initial stages of the disease, it has been planned to set up 80 Chest Clinics, and of these 33 are already in operation. We are at the same time doing all we can to augment the facilities for the treatment of advanced T.B. patients in sanatoria. My predecessor stated in February, 1956 that 220 beds had been reserved for Railway employees in different Sanatoria. As has been mentioned in the White paper, this figure has now gone up to 646 beds sanctioned, which we propose to increase by March 1961 to about 1350.

28. In the past, the medical facilities provided on Railways concentrated mainly on the curative aspects of medicine. According to modern concepts the preventive aspect of medicine is equally important. This has been recognised on Railways by the decision to convert existing dispensaries into health units and to build new ones. The necessity for devoting whole time attention at the senior officers' level to health work has been recognised by the creation of a post of District Medical Officer of Health at the headquarters of each Railway.

29. The proposal to which a reference was made while presenting the Budget in February 1956 for the association of surgeons and physicians of repute with the headquarters hospitals of Railways is materialising. Arrangements are about to be completed for such specialists to be attached to the Northern Railway Central Hospital recently opened in Delhi.

30. The House is aware of the pre-eminent position, which the Railways occupied in the field of sports and athletics in the years gone by. For a few years during and after the war they were unable to devote much time and attention to such activities, but within the last four years they have, on the inspiration of my predecessor, Shri Lal Bahadur Shastri, entered the field again, and I am glad to say they have restored their old traditions by winning the National Championships in Weight lifting and Hockey. The championship in Hockey has been won after 27 years. More recently, the Central Railway won the Invitation Gold Cup, for which teams of all India repute compete by invitation. In the field of athletics railwaymen have set up and improved upon all India records and they have also represented the country in international games. On my suggestion, the Railways organised during Railway Week this year, exhibitions of photography, painting and handicrafts and also staged cultural programmes of drama, dance and music, in which a large number of artists drawn from among railwaymen and their families all over the country participated. I was greatly impressed by the wealth of talent among railwaymen and I expect such a cultural meet will hereafter be an annual event.

31. Thus it will be seen that every endeavour is being made within the existing limitation of funds and other resources to ameliorate the living conditions of the railway employees in all possible ways. In doing so, we have to bear in mind the general standard prevalent in our country and work with this - background. It must not be forgotten that we have undertaken a stupendous task in trying to raise the economic standard of millions of people as quickly as possible. This task can be successful only if all sections of our people give of their best, always bearing in mind the interests of the country above those of any particular group, section or state. The achievements of the Railways during the First Five Year Plan and the dedicated work which has enabled Railwaymen to record, striking improvements in Railway operation leave no room for doubt that, in this critical period in the economic evolution of new India, Railwaymen will be second to none in their devotion to duty and their spirit of sacrifice. I do not want to miss this opportunity to express my thankfulness to all railwaymen. I have full confidence that they will render even a better account of themselves in the fulfilment of the still bigger tasks lying ahead of them.
