

Speech of Shri Jagjivan Ram
(Minister for Railways & Transport)
introducing Railway Budget
for 1957-58 on 19-3-1957

Mr. Speaker,

Sir, I rise to place before the House the annual financial statement in respect of Railways, showing the estimated receipts and expenditure for the year 1957-58.

2. As the Hon'ble Members are aware, the voting of the Demands for Grants for the whole year 1957-58 is being left to the new Parliament, which will shortly be inaugurated. I propose to ask this House only to vote such supplies as may be necessary for meeting the estimated expenditure for the first five months of the coming financial year. The annual financial statement gives, however, the estimates for the whole year, to facilitate the grant of supplies for the first five months. Following the precedent in 1952-53, a White Paper is being circulated with the budget documents, in which most of the subjects normally mentioned in the budget speech have been dealt with. It is, therefore, not necessary for me to deliver any long speech on this occasion and I propose to touch upon only a few important points bearing on the finances of the Railways and their operation and administration.

3. I shall first deal with the financial position of the Railways in the year 1955-56, which is the latest year for which completed accounts are available, the actual surplus was Rs. 14.22 crores against Rs. 9.58 crores anticipated in the revised estimate. This improvement in the surplus was due to the receipts being Rs. 2.19 crores higher and the expenditure Rs. 2.45 crores lower than the anticipations in the revised budget. The additional surplus earned has been credited to the Development Fund.

4. In the current year, the revised estimates of gross traffic receipts have been placed at Rs. 5 crores more than the budget, this increase being primarily due to higher earnings from passenger traffic. Under working expenses, there is a net increase, compared to the budget, of Rs. 5.04 crores, due chiefly to the increase in the statutory prices of coal and in building materials and labour rates etc., not anticipated at the time of the budget. This increase has partly been covered already by supplementary demands voted by the House in the December session, and, as regards the balance, fresh supplementary demands will shortly be presented by me for the consideration of the House. The dividend payable to general revenues is Rs. 1.98 crores less than the budget, and this, along with other minor variations, has resulted in an increase in the surplus, of about Rs. 4 crores. It is proposed to credit this extra amount to the Development Fund.

5. Turning now to the estimates of the coming year, the total gross traffic receipts have been placed at Rs. 368.50, crores, on the basis of the present level of fares and freight, including the 64 per cent supplementary charge on parcels and goods. In framing this estimate an increase of three per cent in passenger traffic and five per cent in goods traffic over the current year has been assumed in the light of the present trends and future anticipations. The working expenses are expected to increase over those of the current year by Rs. 14.82 crores, of which Rs. 4.6 crores are due to the increased cost of operation reflecting the anticipated increase in passenger services and goods traffic, about Rs. 3.32 crores due to more repairs to rolling stock, and the balance mainly on account of additional expenditure on staff, which includes a provision of Rs. 2.20 crores for the payments, with retrospective effect from 1st April, 1956, arising from their adjustment of cadres for certain categories of staff, which was recently announced by me. Under miscellaneous expenditure an increase of about Rs. 3 crores is expected, mainly on open line works chargeable to revenue. The dividend to general revenues is expected next year to be Rs. 43.79 crores, against Rs. 37.69 crores in the current year. The surplus will come to about Rs. 21.43 crores, which is proposed to be credited entirely to the Development Fund.

6. I would like to tell the Hon'ble Members that the earnings estimate taken in the financial statement for the next year is only tentative. As they are aware, the question of reviewing the freight structure of the Indian Railways was remitted in July 1955 to a High Level Committee, which includes two Members of the House, and it is expected that they will finalise their recommendations and submit their report shortly. It is the intention of the Government to consider and implement the recommendations as far as practicable within the next financial year and this, as the Hon'ble Members will appreciate, may affect the earnings estimate which has now been incorporated in the budget for the next year. The extent to which the level of rates of different commodities will be modified by the recommendations of the Committee and to what extent the earnings estimate will be affected thereby cannot obviously be anticipated at present. It is hoped, however, that when the

budget is presented again 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.

7. Coming to the Works, Rolling Stock and Machinery budget, the railways expect to spend Rs. 178 crores in the current year against Rs. 193 crores originally provided, or a shortfall of Rs. 15 crores. The shortfall on the works expenditure is of the order of about Rs. 12 crores, which would have been much more but for the inclusion of certain new items in the revised estimate for the current year, such as the additional payments to TELCO in the current year amounting to about Rs. 31 crores. This year has been one of constant anxiety due to acute shortage in the availability of essential materials like steel, cement, track materials, etc. The next year's budget for Works, Rolling Stock and Machinery has been fixed at Rs. 218 crores, which provides for all new lines and important line capacity works required for carrying the additional traffic connected with the increased production of steel and coal. The extent to which the works programme for next year can be carried out will again depend a great deal on the timely availability of critical materials in sufficient quantities. This is a vital question for railways, and the Railway Board, in conjunction with the other Ministries concerned, are considering measures for improving the procurement of rails, sleepers, etc., and, while certain steps have already been taken to economize on the use of steel, cement, etc., further investigations are going on in this direction, as also on the use of alternatives, where possible and economical.

8. I would invite the attention of Hon'ble Members to the introductory note to the White Paper, which brings out in a concise manner the achievements of the railways in the first Five Year Plan and the progress already made in the implementation of the Second Plan. The Second Plan provides for the construction of about 842 miles of new lines at a cost of Rs. 66 crores, which would involve the construction of a number of bridges. In addition, there is a separate provision of Rs. 15 crores for the construction of new major bridges. There is also the provision of about Rs. 350 crores for rehabilitation, of which Rs. 118 crores are for rehabilitation of track and bridges. With this substantial provision in the Plan for rehabilitation of existing bridges and construction of new bridges, it is essential that, in executing these works, the fullest advantage is taken of the latest achievements in the science of hydrology. Indian Railways have to their credit pioneer works in the field of hydraulic engineering, specially in the branch of hydrology concerned with the determination of waterways in the design of bridges and of river training and control. This branch of the science, as many others, has progressively advanced, and a considerable amount of information and data has now accumulated in various regions of the country. Lately, a number of big river valley projects have also been undertaken all over India, which also would have a bearing on the subject. The time has, therefore, been considered opportune to collect and compile all the knowledge now available in the science of water engineering and hydrology and make it available to railway engineers engaged in the task of bridge construction and bridge rehabilitation as envisaged in the Plan. The Ministry of Railways have; therefore, appointed a high level committee of engineers with Dr. A. N. Khosla, ex-Chairman of the Central Water and Power Commission and now Vice-Chancellor of Roorkee University, as Chairman, in order to prescribe appropriate designs and formulae for waterways and other instructions for the upkeep of bridge structures, protection works, etc.

9. In the White Paper, mention has been made of our endeavours for attaining some degree of self-sufficiency in the production of the railways, requirements in the country. As the designs for these are constantly improving, and no self-sufficiency can be achieved without a proper technological background, there was need to further strengthen the present research, design and standardization organization and I am taking suitable steps to do so.

10. In the sphere of railway operation in the current year, one satisfactory feature is the increase of about ten per cent in the originating tonnage handled by railways over the last year and the relatively freer movement of traffic all over the country, particularly through most of the break-of-gauge transshipment points and at Moghalsarai, details of which have been given in the White Paper. Equally heartening is the improvement in the utilization of rolling stock, particularly wagons. There has been a steady increase in passenger and goods train miles, and net ton miles per wagon per day on the broad gauge have increased to the record figure of 541 never attained before in the country.

11. I am glad to be able to say that staff relations have, generally been satisfactory during the year. Matters of interest relating to the staff have been detailed in the White Paper and I need not repeat them here. There is one subject, however, which I should like to mention. It has been noticed that, in the matter of promotion of class IV employees to higher classes, the present rules are rather restrictive, and for certain categories there is no avenue of promotion at all. I shall have this matter examined to see how the opportunities for advancement could be improved for these employees, consistently with efficiency.

12. Before concluding, I wish to record my appreciation of the assistance and co-operation I have received, even during the, short period that I have been in charge of this Ministry, from all railwaymen. The responsibility, which has devolved on them under the impact of the Five Year Plans is enormous, but I am confident that they will rise equal to the task set before them.
