

ESTIMATES COMMITTEE

TWENTIETH REPORT 1955-56

MINISTRY OF RAILWAYS

RAILWAYS' SECOND FIVE YEAR PLAN— SPECIAL REPORT

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LOK SABHA SECRETARIAT
NEW DELHI
February, 1956.

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SECRETARIAT

Shri S. L. Shakdher—*Joint Secretary*.

Shri H. N. Trivedi—*Deputy Secretary*.

*Elected Member with effect from the 7th December, 1955 vice. Shri R. Venkataraman resigned,

INTRODUCTION

I, the Chairman, Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Twentieth Report on the Ministry of Railways on the subject, "Railways' Second Five Year Plan—Special Report".

2. In their Seventeenth and Eighteenth Reports, the Committee had dealt with at length the different aspects of "Operation on Indian Railways" and "Railways' Second Five Year Plan" respectively. The copies of the Seventeenth and Eighteenth Reports were forwarded to the Deputy Chairman of the Planning Commission. This Report is a Special Report on the further development in regard to these Reports and gives the copies of the following correspondence:

- (i) D.O. letter No. 35-EC-II/55 dated the 23rd December, 1955 addressed to the Deputy Chairman and Members of the Planning Commission, forwarding two Reports of the Estimates Committee on the Ministry of Railways on the subjects, "Operation on Indian Railways" and "Railways' Second Five Year Plan".
- (ii) D.O. letter No. PC/DCH-7/56 dated the 5th January, 1956 in reply to the above from the Deputy Chairman, Planning Commission.
- (iii) D.O. letter No. 35-EC-II/55 dated the 30th January, 1956 to the Deputy Chairman, Planning Commission.
- (iv) D.O. letter No. PC/DCH-50/56 dated the 7th February, 1956, in reply to the above from the Deputy Chairman, Planning Commission.

3. The Committee wish to express their thanks to the Deputy Chairman of the Planning Commission for giving a detailed reply indicating the provisional allotment made by the Planning Commission for the Railways in the Second Five Year Plan and their reasons for keeping this allotment lower than the Railways' estimate of Rs. 1,480 crores. They are glad to learn that so far as the first year of the Second Five Year Plan is concerned, the Railways have been practically allowed all that they require, and that in the next two years also, it will be possible to make adequate provision for the Railway plan in accordance with the expanding needs.

BALVANTRAY GOPALJEE MEHTA,

NEW DELHI;

The 18th February, 1956.

Chairman,

Estimates Committee.

COPY OF D.O. LETTER No. 35-EC-II/55 DATED THE 23RD DECEMBER, 1955 FROM SHRI BALVANTRAY GOPALJEE MEHTA, CHAIRMAN, ESTIMATES COMMITTEE, TO THE DEPUTY CHAIRMAN (AND MEMBERS) OF THE PLANNING COMMISSION.

My dear Shri Krishnamachari,

I enclose herewith one copy each of the two Reports on the Ministry of Railways on the subjects, "OPERATION ON INDIAN RAILWAYS" and "RAILWAYS' SECOND FIVE YEAR PLAN", prepared by the Estimates Committee and presented to the Lok Sabha today.

A detailed study of the operation on Indian Railways by the Estimates Committee has revealed the following disconcerting features:

- (a) Despite the increase in the number of passenger trains in the post-war period, the overcrowding, particularly in third class passenger trains and suburban trains, is serious. Additional coaching stock and other facilities are necessary to introduce more trains to relieve this overcrowding.
- (b) In spite of progressive increase in coal and goods loading, the availability of rail transport is totally inadequate to meet the current demands of traffic. The outstanding registrations (i.e. the number of wagon load consignments awaiting clearance) have shown a phenomenal rise. Additional wagons and increased capacity in the shape of expansion of marshalling yards, terminal yards, the break-of-gauge points and increased capacity on the various sections to carry more trains are urgently necessary to cope with the situation.
- (c) The Railways have not yet been able to complete the process of rehabilitation. Apart from a substantial percentage of overaged rolling stock, there are arrears of 7,389 miles of track awaiting sleeper renewal and 7,233 miles of track awaiting rail renewal. On 1-4-1955 as many as 1,784 miles of track were under speed restrictions due to heavy arrears of renewal.

The Indian Railways will, therefore, have to make a supreme effort to complete the process of rehabilitation expeditiously. They will have to plan on a sufficiently large scale to improve their equipment and facilities in an adequate measure to enable them to discharge their functions properly.

The Committee hope that adequate provision will be made for the rehabilitation and expansion of the Railways. while finalising the Second Five Year Plan of the country.

With kind regards.

Yours sincerely,
(Sd.) BALVANTRAY GOPALJEE MEHTA.

II

COPY OF D.O. LETTER No. PC/DCH-7/56 DATED THE 5TH JANUARY, 1956
FROM THE DEPUTY CHAIRMAN OF THE PLANNING COMMISSION TO
SHRI BALVANTRAY GOPALJEE MEHTA, CHAIRMAN, ESTIMATES COMMITTEE.

My dear Shri Mehta,

I thank you for your letter No. 35-EC-II/55 dated the 23rd December, 1955 and the copies of the reports sent therewith. I have gone through the reports with interest. In regard to your comments on the Railways' Second Five-Year Plan, all factors to which you have invited reference were fully brought out in the course of our discussions with the Railway Board and the Planning Commission considered them. The necessity for the adequate expansion of railway facilities both for passenger and goods transport was fully appreciated, but in the allocation of funds to the Railways, the Planning Commission also had to keep in view the difficult problem of foreign exchange and the uncertainties of steel supplies apart from the claims of other sectors on the available financial resources. The Commission have proposed an outlay of Rs. 900 crores for the Railways in addition to Rs. 225 crores which will be available from Depreciation Reserve Fund in the Plan period as against the Plan-frame provision of Rs. 625 crores excluding Rs. 175 crores as contribution from the Depreciation Reserve Fund. The Commission appreciate that the proposed increased allotment will not provide the Railways with all the facilities they desire. The position will be as follows:

In regard to Passenger traffic, with the proposed outlay, the Railways, it is hoped, will be in a position to provide for an increase of 3% per annum in passenger miles carried. In addition, under the rehabilitation programme, 4392 B.G. and 1422 M.G. overaged coaches, which is 37% and 15% of the stock on line on 31-3-56, will be replaced by the new type of stock with modern amenities which will mostly benefit third class travellers. The 15% increase in the passenger train miles during the plan period may not give much relief to the existing state of overcrowding, but it is hoped that a certain number of replaced coaches and passenger locomotives may be found in sufficiently serviceable condition to be retained in service to add to the facilities for dealing with the increased passenger traffic and for reducing overcrowding to some extent. It has to be appreciated that Railways' urgent need for handling goods traffic has to be balanced against the facilities required for dealing with increased passenger traffic within the available resources, and for this reason, it has not been found possible to provide completely for all passenger and goods transport requirements.

In regard to goods traffic, the Railway Board had originally provided for facilities to deal with 51% increase in goods traffic during the Plan period. Under the present allotment, the line capacity will be increased by 46% and the proposed additions to the rolling-stock will provide for an increase of 40% in goods train miles.

In terms of the originating tonnage, out of the 61 million tons increased capacity in the second plan period, the line capacity will be increased to deal with 50 million tons, but the additions to the rolling-stock might suffice for moving 42 million tons. Again, as with the passenger traffic, it is expected that the heavy rehabilitation programme may provide an appreciable number of replaced stock both locomotives and wagons in sufficiently good condition to carry additional goods traffic over and above the 42 million tons for which specific provision has been made.

The rehabilitation programme of the Railways for rolling-stock and track under the present allotment is considered quite satisfactory. The ratio of overaged rolling-stock to the total stock on line will be reduced considerably as indicated below:—

Ratio of overaged stock to stock on line

	B-G.			M. G.		
	Locomotives	Wagons	Coaches	Locomotives	Wagons	Coaches
1950-51	23%	14%	29.5%	31%	35.7%	45%
1955-56	32.5%	17.5%	25%	24.6%	16.6%	27%
1960-61	16.2%	6.8%	10.4%	21.0%	11.6%	9.7%

The Plan provides track renewals at 1600 miles per year. This will cover both arrear and normal renewals and it is expected that by the end of the second plan period most restrictions due to obsolescent track will have been removed.

You will appreciate that there are some uncertainties in a plan of this magnitude. It is the intention of the Commission to make periodical appraisals of the transport requirements in the light of the developments in the various sectors of the plan and to take steps within the resources available to ensure, as far as possible, that the progress of the plan is not impeded by inadequacy of the rail transport.

With kind regards,

Yours sincerely,
(Sd.) V. T. KRISHNAMACHARI.

III

COPY OF D.O. LETTER No. 35-EC-II/55, DATED THE 30TH JANUARY, 1956,
FROM SHRI BALVANTRAY GOPALJEE MEHTA, CHAIRMAN, ESTIMATES
COMMITTEE TO SHRI V. T. KRISHNAMACHARI, DEPUTY CHAIRMAN,
PLANNING COMMISSION.

My dear Shri V. T. Krishnamachari,

I am thankful to you for your detailed D.O. No. PC/DCH-7/56, dated the 5th January, 1956. I note that the provisional allotment of Rs. 1,125 crores has been made by the Planning Commission for the Railways in the Second Five Year Plan against their estimate of Rs. 1,480 crores. You have stated that, while making this allotment, the Planning Commission also had to keep in view the difficult problem of foreign exchange and the uncertainties of steel supplies apart from the claims of other sectors on the available financial resources. The Estimates Committee had noticed that, even during the First Five Year Plan, several important works of Railways were held up due to late or non-supply of steel. The question of steel supply during the Second Five Year Plan, therefore, came up before the Estimates Committee also. We had discussions with the representatives of the Ministry of Commerce and Industry as also the Railway Ministry separately and jointly. The representatives of the Ministry of Commerce and Industry assured us that, if the Railways were in a position to accept Thomas Quality steel and steel in Millimetre sections, it would be possible for the Ministry of Commerce and Industry to meet the demands of the Railways in regard to steel to the full extent. We, therefore, asked the Railway Ministry to examine these points and come to a quick decision. We were glad to learn that the Railway Ministry have since agreed to accept Thomas Quality steel and steel in Millimetre sections. In view of this decision, the uncertainties of steel supplies will be practically eliminated. In the light of this revised position, I hope that the Planning Commission will be able to find some ways to increase the allotment to the Railways.

In regard to passenger traffic, the initial target of the Planning Commission for the Second Five Year Plan was an additional 30% of passenger miles. This is now to be reduced to 15% only. Improvement in economic life, industrialisation and the inevitable increased urbanisation, apart from the growth in population, will take up almost all the 15% increase provided for and will give no relief to the present scale of overcrowding, which might even be aggravated. I cannot say to what extent it will be safe to keep overaged passenger stock running, which will be so difficult and expensive to maintain. If no relief is afforded in respect of the condition of overcrowding, it is likely to cause much disappointment to the public.

In regard to goods traffic, it is seen that the Railways would be able to carry only 42 million additional tons as against 61 million tons, which had been estimated. This consisted of 25 million additional tons for steel, raw materials and coal required for steel production, 13 million tons of other coal, 5 million tons of additional cement and about 18 million tons of other general goods for which

an increase of 5% per annum had been envisaged. In fact, we felt that even this 5% annual increase provided for in the case of general goods was very much on the low side, since there is such an urge in the country to produce more and more in every sphere of activity. If, therefore, the Railways' transport target is now to be put at only 42 million tons, and if steel, coal and cement are required to be carried in full, there will be little additional transport left for general goods. It appears certain that the target for steel production will not be lowered. It is also understood that additional capacity for cement production has been fully licensed already. It is, therefore, clear that any additional transport to be utilised for general goods can be mainly shared with coal within the remaining 13 million tons. I do not know how much additional capacity can be generated by keeping some of the overaged stock in commission even after their economic life has been finished, but this cannot be considerable. In any case, the increased efficiency aimed at by the Railway Board was to be achieved mainly with the improved rolling stock and, therefore, keeping a large quantum of overaged assets would hamper efficient running of trains and one would, therefore, offset the other. The Railways would, therefore, inevitably need more funds to produce the extra transport, that would be so vitally needed.

With regard to keeping in use a much larger quantum of overaged stock than had been contemplated by the Railway Board, we were given various arguments against it and many of them had great force. No doubt these have been repeated before you also. Railways' locomotives work in links and any weaknesses by way of old stock are bound to react on the performance of the particular link as a whole. It would have been very satisfactory, therefore, if the ratio of the overaged stock to stock on line were to become what you have shown without their having to keep any more overaged stock in use.

I have also looked into the question of track renewals again. As you must have seen from the Seventeenth Report of the Estimates Committee, the Railways have something like 7300 miles of track renewal in arrears. If you add to this another 5000 miles or so of track renewals falling due in the Second Plan period, the total would come to about 12,000 miles. According to the programme indicated by you, the Railways will now be able to renew only 8,000 miles leaving about 4,000 miles of arrears in track renewals by the end of the Second Plan. They may still have to keep an appreciable mileage under speed restrictions even by the end of the Second Five Year Plan, a contingency, which cannot be faced with equanimity.

You have said little about new lines. It is learnt that now only 800 miles will be constructed during the whole Plan period and these will be mostly for steel and coal development. This will cause another serious disappointment all round.

I hope you do not mind my writing all this to you. We are all very much interested in transport not becoming a bottleneck in the successful implementation of the Second Plan and in railways

opening up backward areas for ensuring their development. In view of all these factors, I do hope that it would be possible for the Planning Commission to find some ways of increasing the allotment of funds for the expansion of Railways in the Second Plan. I am glad to learn from the concluding portion of your letter that periodical appraisals would be made and steps taken to ensure that the progress of the Plan is not impeded by inadequacy of rail transport. In this connection, I would like to commend a certain point of view that seems to have been put forward by the Railways, viz. that their annual allotments should be relatively very much greater in the first three years so that they could complete their line capacity works and operational lines well in time to take on the impact of the heavy additional traffic, which would be generated when the Steel Plants come into production.

With regards,

Yours sincerely,

Sd/- BALVANTRAY GOPALJEE MEHTA

IV

COPY OF D.O. LETTER No. PC/DCH-50-56, DATED THE 7TH FEBRUARY, 1956, FROM SHRI V. T. KRISHNAMACHARI, DEPUTY CHAIRMAN, PLANNING COMMISSION TO SHRI BALVANTRAY GOPALJEE MEHTA, CHAIRMAN, ESTIMATES COMMITTEE.

My dear Balvantray Mehta,

Thank you for your letter No. 35-EC-11/55, dated the 30th, January, 1956.

The points which you have made are all very much in our minds and we are anxious to ensure that the railways obtain the funds necessary to enable them to carry out their task. So far as the first year of the Second Five Year Plan is concerned, the railways have been practically allowed all that they require, and it is hoped that in the next two years also, it will be possible to make adequate provision for the railway plan in accordance with the expanding needs. I need hardly reiterate that in a plan of the magnitude we envisage for the next five years, there are many uncertainties. The transport requirements will depend upon the extent to which the targets in other sectors of the plan are realised. It is, therefore, that the Commission intends making periodical appraisals of the requirements of the railways in line with development in other sectors.

With regards,

Yours sincerely,
(Sd.) V. T. KRISHNAMACHARI.