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Demands

MAY 2, 1961

for Excess Grants
(Railways)

14966

[Mr. Chairman.]

during the financial year ended on the 31st day of March 1959, in excess of the amounts granted for those services and for that year, be taken into consideration".

The motion was adopted.

Mr. Chairman: The question is:

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

The motion was adopted.

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

Shri B. R. Bhagat: I move:

"That the Bill be passed".

Mr. Chairman: The question is:

"That the Bill be passed".

The motion was adopted.

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14.23 hrs.

DEMANDS FOR EXCESS GRANTS
(RAILWAYS)*, 1958-59

Mr. Chairman: The House will now proceed with discussion and voting on the Demands for Excess Grants in respect of the Budget (Railways) for 1958-59.

DEMAND NO. 8—REVENUE-WORKING EXPENSES OPERATION OTHER THAN STAFF AND FUEL

Mr. Chairman: Motion moved:

"That a sum of Rs. 21,95,125 be granted to the President to make good an excess on the grant in respect of 'Revenue-Working Expenses Operation other than Staff and Fuel' for the year ended the 31st day of March, 1959."

DEMAND NO. 12—REVENUE-DIVIDEND PAYABLE TO GENERAL REVENUES

Mr. Chairman: Motion moved:

"That a sum of Rs. 36,06,932 be granted to the President to make good an excess on the grant in respect of 'Revenue-Dividend payable to General Revenues' for the year ended the 31st day of March, 1959".

DEMAND NO. 19—MISCELLANEOUS CHARGES-DEVELOPMENT FUND

Mr. Chairman: Motion moved:

"That a sum of Rs. 412 be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Charges—Development Fund' for the year ended the 31st day of March, 1959".

The Deputy Minister of Railways (Shri S. V. Ramaswamy): These are being presented as a result of the review made by the Comptroller and Auditor-General and the Public Accounts Committee of the Railways' Appropriation Accounts for 1958-59 and the consequential recommendations of the Committee in the following terms in para 4 of their 33rd Report, Vol. I:

"The excesses referred to in para 4 of the Report be regularised by Parliament in the manner prescribed in article 115 of the Constitution".

14.24 hrs.

[MR. DEPUTY-SPEAKER *in the Chair.*]

There are 6 items. Of these, 4 are small items. One is for Rs. 347, another for Rs. 412 and the third for Rs. 26,619. Apart from the 4 small items, two major items are Rs. 21,95,125 under Demand No. 8—Revenue—Working expenses—operation other than staff and fuel—and Rs. 36,06,932 under Demand No. 12—Revenue—Dividend payable to General Re-

*Moved with the recommendation of the President.

venues. Explanatory notes have already been circulated to hon. Members. I need only mention these two items, namely, one under Demand No. 8 involving Rs. 21 lakhs and the other under Demand No. 12. Taking the first, the excess as shown in the appropriation accounts was Rs. 21.23 lakhs, but the excess recommended for regularisation by the Public Accounts Committee is Rs. 21.95 lakhs or a little more than 1 per cent of the grant. The difference of Rs. 0.72 lakh represents certain expenditure pertaining to this Demand incorrectly booked under other demands. Therefore, for purposes of regularisation, this amount has now been included under this demand. There are other items also of slight variations and these are more in the nature of adjustments.

As regards Demand No. 12, the excess was mainly due to the revision of the *ad-hoc* capital at charge as on 15th August 1947 and ex-State Railways' capital at charge as on 1st April 1950 resulting in more dividend becoming payable (Rs. 21.92 lakhs) and also partly to the actual capital outlay for the year being more than what was anticipated in the revised estimates. Such small variations in actual figures of capital outlay from earlier estimates are largely unavoidable.

Hon. Members are also in possession of the 33rd Report of the Public Accounts Committee where these items are mentioned in Vol. II—Appendices. We have brought these Demands and the Bill according to the recommendations of the Public Accounts Committee for regularisation. I hope the House will approve of them.

Shri T. B. Vittal Rao (Khammam): I expected the Deputy Minister in his introductory remarks to throw some light on these Demands for excess grants. But I am thoroughly disappointed with his remarks.

Shri S. V. Ramaswamy: Everything is contained in the Public Accounts

Committee's Report. I need not repeat them.

Shri T. B. Vittal Rao: Everything is contained in the Public Accounts Committee Report. I hope the remarks and observations made by the Estimates Committee and the Public Accounts Committee are taken seriously by the railways.

As regards Demand No. 6—Ordinary working expenses—operating staff—the excess of Rs. 2,618 under 'charged' occurred due to certain payments decreed by courts having been provided for under 'voted'. This misclassification was discovered later. I will come later to the comments I have to make on this. It is further stated:

"The imperative need for observance of the statutory provisions regarding correct treatment of 'voted' and 'charged' expenditure has been impressed on all concerned, with a view to avoiding recurrence of such cases".

Putting down a mere statement does not solve the problem. All these things have to be vigorously pursued. I will elaborate a little later on that.

Similarly under Demand No. 9, the amount involved is Rs. 1.44 lakhs relating to 'charged' having been booked under 'voted'. Again it is stated under Demand No. 8 that certain expenditure pertaining to it was incorrectly booked.

These mistakes about the classification of various expenditure under 'voted' and 'charged' have arisen out of the incorrect observance of a constitutional provision. The constitutional provision has to be very strictly adhered to. The mistakes creep in; that is to say, the persons dealing with the accounts on the railways do not realise the difference between 'charged' and 'voted' items of expenditure. It is rather unfortunate that a charged item is made into a voted item, not once but twice and

[Shri T. B. Vittal Rao]

thrice. Does it reflect any credit on the Accounts Department of the Railways? Is it the manner in which you maintain the accounts? The Railways have got their Audit, Accounts, Test Audit and another audit and all these and yet these mistakes come. There are checks and counter-checks provided; and yet this happens. The efficiency should be increased because I find that it has deteriorated considerably. Therefore, the situation calls for quick overhauling of the entire Accounts Department of the Railways.

I will mention, in this connection, the recommendations made by the Estimates Committee in their 31st Report—March 1956. I raised this issue in my budget speech and the Deputy Minister who replied to the debate did not care even to mention that.

Shri S. V. Ramaswamy: Perhaps there was not such time left.

Shri T. B. Vittal Rao: For other Members, perhaps, there is a time limit. For the Minister at least there is no time limit. This is a very important thing. I have seen, during the Budget debate, Ministers taking an hour and forty minutes in replying to the debate. This is an important issue that was raised.

Mr. Deputy-Speaker: Even after that some limit comes.

Shri T. B. Vittal Rao: What I mean to say is that what we raise in this House should be taken a little more seriously. I do not want to go into my own comments. I would like to draw attention to the Report of the Estimates Committee, made as long ago as 1956, in their 31st Report when they dealt with the question of Accounts of the Ministry of Railways. I only invite the attention of the hon. Minister to para 97. Paragraphs 96 to 98 make very interesting reading. Very caustic remarks have been made about the way in which the

accounts are maintained in the Railways. I would just read one or two paragraphs. It is essential in order to reiterate and emphasise what the Estimates Committee have said. They say:

"The Committee are, therefore, of the view that the functions at present attached to the office of the Financial Adviser and Chief Accounts Officer should be bifurcated. There should be two separate Heads of Departments, the Chief Accounts Officer being concerned only with the compilation of the accounts according to the prescribed rules and for effecting the necessary check on the receipts and expenditure. Relieved of his financial functions, the Chief Accounts Officer would then be in a position to devote his entire attention to pulling up the arrears in compilation, including the Provident Fund, effect early settlement of all outstanding claims, including purchase Bills etc. and see that the accounts are available in time for the administration to make an effective use of them for the control of Expenditure" and this is very important—"in all of which matters the position has been repeatedly pointed out in Audit to be unsatisfactory."

This is not my own comment. This is what the Estimates Committee say. Further on, they say:

"The Chief Accounts Officer can also then take up the question of training of the staff required for the increasing activities consequent on the implementation of the two Plans."

Further, in paragraph 98, they say:

"As for the Financial Adviser, relieved of the increasing day to day problems of compilation of accounts and prompt payment of dues, he will be in a position to

see that effective financial advice is available to the administration and that the Budget is compiled promptly, and without overlooking the important factors affecting it. He will be able to devote his attention to a close control and review of expenditure and to the application of improved techniques such as correlation of expenditure with performance etc."

This is very essential, exercise of effective control over expenditure so that we can correlate expenditure with performance. In the Railways they have been able to get off because one cannot correlate performance with expenditure as we can do in various other industries. If it is power generation, we can easily say that with so much of investment we can generate so many kws. If it is the coal industry, we can say so much of investment is required for an additional ton of coal. But, in the Railways no such thing is possible. Therefore, the Estimates Committee have recommended that there should be close control exercised over expenditure so that there will be correlation of expenditure with performance.

"He will also be able to effect without delay all the changes in forms and procedure in accounting and finance that have now become necessary. Moreover, the transport economic research cells which are proposed to be created under his control would need his close supervision if they are to develop on useful lines. These very important functions cannot be well left to an officer of the Junior Administrative rank as at present."

Therefore, the Estimates Committee have come to the conclusion that the functions of the Financial Adviser and Chief Accounts Officer should be bifurcated and there should be separate Financial Advisers and Chief Accounts Officers. The Ministry have not considered very seriously this recommendation of the Estimates

Committee. When the Estimates Committee make their recommendations they are very careful. They take into account the various observations made, and after examining so many witnesses they come to a conclusion. I do not know when the decision will be taken to bifurcate these two offices.

Then, I come to the other Demand, Demand No. 8—Ordinary Working Expenses—Operation other than Staff and Fuel. Rs. 16 lakhs out of the excess of Rs. 21.95 lakhs is due to finalisation of more claims towards the close of the year.

I would like to examine the performance of the Railways in this respect; that is with regard to the settlement of claims, for goods damaged or lost in transit. Rs. 16 lakhs are provided for it. What was the position in 1957-58 and in 1958-59? I am giving the figures to the nearest thousand. In 1957-58 the claims settled were Rs. 489 thousand. In 1958-59, it was Rs. 463 thousand. What was the finalisation? During the close of the year they have become so active with the result that the claims settled during the year 1958-59 were less by 26,000, compared to the figures of 1957-58. This is the kind of improvement we are making from year to year. An excess Demand of Rs. 16 lakhs is asked for the finalisation of certain claims at the end of the year and this is the position with regard to that. That is, we have settled less claims; and yet this Excess Grant is asked for.

Then, coming to the claims outstanding in 1957-58, they were 42,592 while in 1958-59 they were 44,084. We are progressing in the reverse direction. Instead of the goods offered for transport being properly looked after and taken to the destination, in this year, we have an increase of claims. The net amount paid by the Railways on account of goods or parcels lost or damaged during 1957-58 was Rs. 3.27 crores; and in 1958-59, it was Rs. 3.13

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crores And, now, we will have Rs. 3.13 crores plus this Rs. 16 lakhs; it will be 3.29 crores.

Now, the Railway Minister has introduced a Bill where there will be carrier's liability.

I do not know what will be our performance in that respect and how much money of the tax-payers will be incurred for the loss of goods in transit, which is as a result of not exercising proper check and not exercising that much of vigilance in transport of goods and parcels as it necessary.

Then, the average time taken in the settlement of claims was 49 days in the year 1957-58, and in the year 1958-59 it was 52 days. So, the efficiency of the railways has increased, because they take three more days on an average for settling the claims! Therefore, there is something wrong with the working of the Railway Ministry. With regard to the following year—1959-60—the average time taken was again 52 days. The amount paid on account of goods and parcels lost or damaged during 1959-60 is Rs. 3.74 crores. If this is the way the railways progress, I do not know to what stage we will reach. Therefore, I would like to impress upon the Railway Minister that a proper check and vigilance should be exercised. They must realise what large amounts we are voting in this House for railway protection force, vigilance cells, anti-corruption department & so on. On the one hand, we are sanctioning extra amounts for incurring extra expenditure on account of these new departments; on the other hand, the payment of claims is also on the increase.

In the debate on the demands for excess grants in regard to the Central Budget, other than railways, which was just over, we had very interesting revelations. In the general budget a demand for excess grant of Rs. 11,490 was made. Do you know why? Do

you know who is responsible for this? The responsibility for that is on the railways, for raising a debit slip. They have clearly stated it; "due to the balanced raising of debit by the railways." And what was the purpose of the debit? It is on account of the maintenance, interests and depreciation charges of the President's air-conditioned saloon. These are items of regular expenditure: maintenance of saloon, interest on the cost of the saloon and depreciation charges. These are not unforeseen items. Why were not these debits raised in time? I fail to understand.

Then there is another item. The railway freight on the transport of opium was raised, and that is why they are asking for an excess grant. I cannot understand why there should be this delay in raising this debit also. Is it also an unforeseen expenditure? Did some calamity happen and is the delay because of that? Unless some overhauling is done with regard to the accounts department, I am afraid things will go from bad to worse.

I have also to say one or two cases in which there was a demand for the settlement of claims for compensation for the passengers injured while travelling or for the dependents of the passengers killed. There was a case of workmen's compensation. There was a case in which a railway worker died as a result of an accident in Vijayawada. The compensation amount, which is a statutory claim under the statutory provision, which has to be paid under the Workmen's Compensation Act, was not paid in time. They go on taking time. Then, out of disgust, I referred the matter to the Minister of Labour and Employment, as long ago as December last. Till now, the Labour Minister has been sending me replies to the effect that they have asked the Railway administration and the Railway Board to furnish particulars. It is

now four or five months. Still, the railways are not furnishing the particulars. Therefore, I would strongly urge that some drastic steps should be taken with regard to the working of the railways and the maintenance of accounts. It is a matter of voted items. They say that they have impressed upon all the authorities concerned that these are very important matters. This is a statutory provision, and all these items of work should be impressed upon the various officers who are in charge of the work of maintenance of accounts in the railways.

Shri S. V. Ramaswamy: Shri Vittal Rao has raised a number of points. As he himself has read from the explanatory note, these are all small items. Some of these items are for Rs. 300 or Rs. 400. There have been some mistakes in this regard. It is not wholly foolproof. That is why the Auditor-General is there, when somebody makes a mistake, to discover the mistakes. Of course, there should not be a mistake. That is the ideal position. The ideal condition is that there should be no mistakes. Not that we are providing mistake for the Auditor-General to discover.

Shri Prabhat Kar (Hooghly): If there is no mistake, then there is no need for the Auditor-General!

Shri S. V. Ramaswamy: I do not argue that way—namely, that we provide or commit mistakes so that the Auditor-General may discover them. But it does happen, human nature being what it is. With all the imperfections of the human institution, sometimes these mistakes do happen. Luckily, these are with regard to small items and so I do not think it is necessary for me to argue at length. But we have taken note of this and we have issued instructions that this broad division of charged and voted items must be kept in mind and that there should be no mistake committed hereafter.

Shri Vittal Rao again mentioned about the separation of the finance and the accounts. We have accepted that in principle, but then to have two separate establishments means enormous cost. That is why we have devised a method by which there are two wings; one is under the Deputy Financial Adviser (Finance) and the other is under the Deputy Chief Accounts Officer (Accounts). They function almost so to say independently; though they are not given two separate departments their functions are separate and independent, and the purpose of the recommendation has been achieved without incurring extra expenditure.

We have intimated to the Estimates Committee also the procedure that we are adopting so that there should be no deficiencies in the present working and we shall see that deficiencies, if any, are made up.

Shri Vittal Rao commented upon the delays in the payment of compensation. My hon. friend has forgotten that the quantum of traffic has increased several fold. It is a matter of compensation being paid in rupees, annas and pies. He also forgets that in each case the prices had gone up. Taking these two factors into consideration, increase in the quantity of goods moved and increases in the value of the goods transported, the percentage and the compensation paid actually are less. Nevertheless, there is no complacency on our part. We are somewhat worried about the fact that from Rs. 3.55 crores in 1958-59 it has shot up to Rs. 3.99 crores—nearly Rs. 4 crores—in 1959-60. We are exercised over it.

My hon. friend again reminded us; you are going to assume the carrier liability. Yes. That is the reason why we should be very careful. Otherwise we will have to lose heavily. We are very particular about carrying the goods carefully. Necessary instructions have been issued. After all we are dealing with materials which have got to be built up to a proper

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level in which the sense of civic responsibility is realised and every employee, and every citizen, as a matter of fact, realises that the property entrusted to the railways is a thing which has got to be respected as such and not to be treated as if it is no man's property. Everybody must realise that we hold it in trust and there should be due care and attention has got to be paid for the proper transport of these things to be delivered to the consignee just as the consignor delivered it to us. There is a moral obligation. Everybody must do his duty by the country, by the railways and by the nation and it must manifest itself in a fuller measure. I do hope that as days go by, every employee, whether he is class one or three or any other class will realise that he is a public servant and as such he owes a duty to the railways to see that there is no avoidable loss incurred by the railways. All these instructions have gone and we are trying our utmost to keep down the payment or compensation and we are instituting a vigorous drive. We do hope that it will bear fruit. We thank Shri Vittal Rao for the remarks he has passed. With these remarks, I request that these may be passed.

Shri T. B. Vittal Rao: Then hon. Minister did not clarify one point. Why was there delay in raising debits with regard to the maintenance, depreciation, etc. of the President's Saloon? This is an item on the regular list. Why was there delay?

Shri S. V. Ramaswamy: I have not got the facts just now before me. I am subject to correction; there might have been some delay in putting up a Bill for the repairs or there might have been repairs in excess of the original anticipations and possibly there was delay. All these things have got to be taken in a broad spirit. Anyhow, we have come before the House for its sanction.

Mr. Deputy-Speaker: I shall put all of them together. The question is;

"That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President to make good of the amounts spent during the year ended the 31st day of March, 1959, in respect of the following demands entered in the second column thereof.

Demands Nos. 8, 12 and 19"

The motion was adopted.

14.55 hrs.

APPROPRIATION (RAILWAYS)
NO. 3 BILL*

The Deputy Minister of Railways (Shri S. V. Ramaswamy): Sir, on behalf of Shri Jagjivan Ram, I beg to move for leave to introduce a Bill to provide for the authorisation of appropriation of money out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March 1951 in excess of the amounts granted for those services and for that year.

Mr. Deputy-Speaker: I shall put the motion to the vote of the House.

Shri Prabhat Kar: At least when we pass it, we should have the quorum. There is no quorum.

Mr. Deputy-Speaker: Let the Quorum Bell be rung.

14.56 hrs.

[**MR. SPEAKER in the Chair.**]

Shri T. B. Vittal Rao: We are passing Rs. 58 lakhs.

[**Mr. Deputy Speaker in the Chair.**]

Mr. Deputy-Speaker: Now, there is quorum. The question is:

"That leave be granted to introduce a Bill to provide for the