

PRESENTATION OF THE RAILWAY BUDGET FOR 1952-53

Shri L. E. Shastri (Minister of Railways and Transport): I have the honour to present the railway estimates for the year 1952-53 for the consideration of this House. In doing so, I am only conscious of my limitations, particularly those imposed by the time factor. I have had very little time for preparing myself for the presentation of the budget. I am, however, fortunate inasmuch as that the estimates for the year were considered and reviewed by my able predecessor, Shri Gopalaswami Ayyangar, before their presentation to the Parliament in the month of February. I am sure, the House will join with me in paying a tribute to him for his sound commonsense, vision and imagination in putting through comprehensive financial and administrative reforms, the effect of which is being progressively reflected in the improvements visible all round in the management and operation of the Indian Railways.

I do not wish to inflict a long speech. It is hardly necessary. My predecessor had recounted only in February this year, the salient features of the financial administration of the railways during the current year as anticipated in the budget estimates. He had also reviewed the other major aspects of railway operations. The White Paper which was then presented gave a review of the development of rail transport in India, the diverse problems which the railways have had to contend with and the plans which have been initiated to resolve them to enable the Indian Railways to fulfil their appropriate role in the economy of new India. The budget papers circulated to the Members deal in detail with all aspects of railway operation and administration and in particular, the Financial Commissioner's Explanatory Memorandum, as now revised, summaries the whole position. I shall, therefore, confine my observations to the two or three major developments since the presentation of the Estimates in February.

As the Members are aware, the process of integration of Indian Railways and the formation of the six administrative zones was completed on April 14 last with the inauguration in Delhi of the Northern, North-Eastern and Eastern Railways by the Prime Minister. The scheme for welding together the numerous railway systems in India to form one co-ordinated railway system, divided into an adequate number of major zonal administrative units, on the basic

considerations of administrative and operational efficiency, as also of ultimate economy had received general support in the country, and the formation of the Southern, Western and Central Zones was welcomed by the States Governments, trade and industry, labour and the public. It is a matter of some regret that the last phase of this great administrative reform, namely the formation of the remaining three zones should have occasioned bitter controversy, sometimes acrimonious in certain quarters. In completing the integration of railways in the Northern and Eastern sectors of India, the Railway Ministry have naturally endeavoured to secure the greatest measure of agreement from the States Governments concerned and the Trade and Industry of these States, keeping all the time in view the paramount needs of administrative and operational efficiency. When the Railway Ministry's tentative plan was circulated in January 1952, various suggestions were received from the States Governments concerned to suit their individual peculiar needs and the requirements of trading and commercial interests in their States. These suggestions were conflicting and not susceptible wholly of reconciliation. The concern of Government was to evolve a plan which, while giving due and appropriate consideration to these representations, would not merely maintain, but improve the operational efficiency and further, preserve the basic principles of regrouping, viz., the economic affinity of contiguous regions and the natural flow of traffic. Any plan which places the over-all needs of the country and the community above all other considerations must necessarily conflict with some purely local or regional preferences and sentiments while synchronizing with those of some others. I am confident that I am voicing the feelings of all the sections of this House—that the people of this young Republic today are capable of rising above narrow, parochial and provincial sentiments and prejudices in the larger interests of the unity, solidarity and prosperity of the nation as a whole (*Hear, hear*). I regret and deplore the suggestion, therefore, that we have sacrificed efficiency, economy and the principles of integration on political and provincial considerations. Ample justification for the decision taken has already been afforded. I trust the House will bear with me if I were to restate some of them, perhaps in a slightly different form.

The North Eastern Railway, as now constituted by the amalgamation of

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the old O.T. and Assam Railways, is purely a metre gauge system and there can be no question of locating its headquarters at any station other than one on the metre gauge system. Once this position is conceded, as it indeed must be, the only other major issue on which there was a difference of opinion was the inclusion of the Allahabad Division in the Northern Zone.

In connection with the retention of the Allahabad Division in the Eastern Zone, a great deal has been said in the Press and in the various memoranda received by the Railway Board during the last few weeks, allegedly based on opinions like those of the Wedgwood and Kunzru Committees. In arriving at the decision that the Allahabad Division should be integrated with the Northern Railway, Government naturally gave the fullest and the most careful consideration to all such opinions to the extent of their validity in the altered conditions prevailing today. The case for the retention of the Allahabad and Lucknow Divisions and perhaps also the Moradabad Division, with the Eastern Railway was urged by some primarily to facilitate the provision of an adequate number of empties to the coalfields. The point made by them was that the inclusion of these two or three Divisions in the Eastern Zone would give it elbow room and operational flexibility to achieve this end. The proponents of this view, however, themselves conceded that the combined resources of these three Divisions could not produce more than 400 empties against the 1,000 required daily at Moghalsarai and that only by restricting the loadings of all other commodities in these Divisions. Coal is a basic raw material of all industries and its regulated flow to consuming centres all over India is of the utmost importance to the economy of the country. Any disturbance naturally creates a major all-India upheaval. The East Indian Railway attached, therefore, the utmost importance to this movement and being without any powers over movements beyond its territorial jurisdiction, it resorted to the expedient of restricting loadings in contiguous Divisions to ensure the supply of the required number of empties to the coalfields to avoid any criticism of its administrative and operating efficiency. It has to be considered whether the unified Indian Railways could either take such a limited view or allow this position to be perpetuated by continuing to penalise these Divisions alone for the

lapses of the other zones involved in the movements. I do not for a second under-rate the importance of coal movement in the context of our national economy, but I do maintain that this will be better secured by the co-ordination of traffic on an all-India basis and by the realisation by all the zones involved in the movements, of their responsibilities in the matter. On this concept, which logically flows from the recent integration, arrangements have been perfected to secure better and more effective co-ordination. A Deputy Director of the Railway Board is now in position at Moghalsarai. He will be in constant touch with all the zonal administrations and with the Railway Board to ensure the flowback of an adequate number of empties through Moghalsarai into the coalfields. This, however, is being achieved not by penalising any particular Division or section of the Indian Railways, but by an over-all regulation and adjustment of traffic throughout the Railway system. I submit, Sir, that this is undoubtedly an improvement on the arrangements in force before integration.

There has been a certain amount of controversy with regard to the future of the Sealdah Division also. In the tentative plan put forward by the Railway Ministry it was intended that this Division should be attached to the Northern Metre Gauge section to give it an access route to the Port of Calcutta. It was felt at the time that this arrangement would facilitate the flow of traffic both in and out of the Port of Calcutta, even though the attachment of a short Broad Gauge link to an entirely Metre Gauge system was not an ideal operating plan. The business interests of Bengal protested against this provision and the Bengal Government was inclined to support their viewpoint. They were of the opinion that this Division should continue with the Eastern Railway for the unity of the Broad Gauge system in Bengal. After a careful consideration of these representations, Government came to the conclusion that the point made by Bengal should be conceded. On a re-examination and review of the tentative plan, it was felt that for maintaining the uninterrupted flow of traffic to and from the Port of Calcutta, it was necessary to provide for a wider and a more effective measure of co-ordination over all the riverine interchange points of traffic than was envisaged in the original plan. As under no practical scheme could all these points be brought under the control

of a single zonal railway, the only effective arrangement was the constitution of a machinery in Calcutta with powers to regulate traffic over all these alternative points, having regard to the capacity available from time to time and in relation to the traffic awaiting movement. An officer of the status of a Director of the Railway Board designated "Director, Rail Movements" is already in position and has taken over-all charge for regulating traffic in this area.

To allay the misgivings in the minds of the staff, I would reiterate the assurance given by the Prime Minister and my predecessor that by reason of the formation of these three zones, there will be no retrenchment and no non-gazetted staff will be transferred without their consent. It is needless for me to state that it will continue to be the constant endeavour of the Railway Ministry to preserve the rights and privileges and the legitimate prospects of all Class III and Class IV staff. The organisational arrangements including the location of offices are, therefore, being adjusted to this end.

May I appeal once more to my friends in this House and outside to bring an objective analysis and appreciation to bear upon this problem of administrative re-organisation? I am confident that on this approach, we will all agree that the measures taken have for their objective the larger interests of the country.

Consequent upon the formation of the three new zonal railways, some changes have had to be made in the Budget showing these new Railways as sub-heads of grants in lieu of their constituent units which appeared as such in the Estimates presented in February last. With the completion of the process of integration of Indian Railways into a single unified undertaking, it has also been considered necessary to make some alterations in the financial and accounting structure of the Railways. Hitherto, the earnings and expenditure were worked out separately for each Railway system in a meticulous manner involving a lot of avoidable expenditure. The reason for this arrangement was mainly historical as each Railway system was originally incorporated as a Company and had both an independent administrative and financial existence. With the completion of integration, the whole conception of the Indian Railway system has changed radically in so far as there is now only one railway undertaking in India, the recently constituted six zones being merely

administrative units. A natural corollary to this new concept is that the accounts of the Indian Railways should be compiled for the system as a whole and not for its various constituent units; this would be unrealistic. It has, therefore, been decided to eliminate from the financial accounts unnecessary inter-departmental and inter-railway adjustments, such as adjustments on account of freight charges on carriage of railway stores, including fuel, by rail which inflate the figures, both of earnings and expenditure. Similarly, the adjustments carried out at present between the Railways on account of manufacture, repair and overhaul of rolling stock at workshops of one railway for another are proposed to be discontinued with effect from the current financial year. In consequence of these decisions the gross traffic receipts of the Railways, which were placed at Rs. 298.47 crores in the Estimates presented in February 1952, will be reduced by Rs. 16.31 crores with the reduction of a corresponding amount on the expenditure side.

Since the presentation of the Budget and the passing of the "Vote on account" in February last, the financial position has been further reviewed in the light of later statistical material now available. As a result, it has been found possible to accommodate within the over-all allocation of funds, certain additional works which will accelerate the removal of transport bottlenecks on certain sections of the Railways. It has also been found possible to increase substantially the provision originally made for labour welfare, particularly housing. The Railways have set for themselves a standard of housing for labour at Chittaranjan, which has elicited appreciation as the ideal housing for labour anywhere in India. As the largest employer of labour in this country, it has been the constant endeavour of the Railway Ministry to create conditions of work commensurate with the status of labour in the economic and social life of our welfare State. The House will undoubtedly appreciate that the fulfilment of this new policy throughout the Railway undertaking is a formidable task and has of necessity to be phased over a period of years. We have formulated comprehensive plans for not merely building new houses with improved amenities, but also undertaken the remodelling and renovation of existing houses to bring them up to standard. In this matter, as in many others, we had inherited practices and standard which

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could no longer be countenanced as being appropriate to the conditions that should exist in our largest nationalised undertaking. In the old Company days, passenger amenities, particularly in the lower classes, were neglected and housing of labour attracted very little attention and was generally considered infructuous expenditure. Some of the colonies which we have thus inherited are, if I may be permitted to quote the Prime Minister, a disgrace to the country. I wish to assure this House that the Railway Board is only too conscious of its responsibilities in this matter. Within the limitations of its resources—material, man-power and financial—plans are being implemented to reproduce standards akin to those of Chittaranjan—over the whole field of railway housing. This attitude finds concrete expression in the large provision made under housing and labour welfare in the estimates.

Before I conclude, I should refer to certain other important developments in the inter-budget period. The House is aware that all the important facets of railway operations are being reviewed by high-powered committees. The Indian Railway Stores Committee has already reported and the Fuel Committee's final report is expected shortly. The principal recommendation of the Stores Committee related to the transfer of procurement responsibility of specialised railway stores to the Ministry of Railways. But before this recommendation could be implemented, it became necessary to secure the acceptance of this by the Works, Production and Supply Ministry and certain adjustment in the existing procurement machinery had also to be carried out. As a result of inter-departmental discussions, it has now been agreed between the Ministries concerned to transfer the procurement of specialised railway stores to the Railway Board. This, it is expected, will result in considerable improvement in the utilization of repair facilities in the railway workshops and in an acceleration of workshop output. Non-availability of adequate quantities of spares and components was interfering with the planning of production, which impediment will now be quickly removed. It has also been agreed that the inspection of specialised equipment will be taken over by technical railway officers, as they are better equipped not merely to accept the work executed as being up to the standard required, but are also com-

petent to allow modifications or alteration of designs to facilitate production within the country. The interim report of the Fuel Enquiry Committee has also been received and the indications are that their final recommendations will result in considerable economy in the fuel consumption of the Indian Railways, thereby giving appreciable savings in the operating expenses.

As has already been announced, the Indian Railways will celebrate its Centenary in 1953. It is proposed to organise a Railway Exhibition at Delhi in connection with the celebrations which will not merely give a historical representation of development of rail transport in this country, but will also exhibit the principal items of railway equipment in use, thus affording industries in India an opportunity of considering the feasibility of establishing manufacture in a large measure than at present. Provision has also been made in the Budget Estimates for the construction of a long overdue appropriate passenger station at New Delhi with all modern facilities for the travelling public, including retiring rooms for lower class passengers.

I thank you, Sir, and the House for the patient hearing given me. Need I assure the House that it will be my constant endeavour to maintain the steady progress achieved in operating efficiency, to foster better and closer relations and understanding between labour and administration and to continue to improve the scale of amenities made available to the travelling public and labour. I am confident that I will receive support and encouragement from this House and from the members of the public outside and the willing co-operation and loyalty of all categories of railway employees, to enable me to fulfil my heavy responsibilities as the custodian of the largest nationalised undertaking.

**MOTION ON ADDRESS BY THE
 PRESIDENT—conclid.**

Mr. Speaker: We will now proceed with the further consideration of the Motion of Thanks and the Amendments. I believe we have nearly 2 hours or at least 1½ hours to carry on the discussion further.

Shri H. N. Mukerjee (Calcutta North-East): I am grateful for the opportunity which I have at last been given to participate in this