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Manuscripts and photographs, if any, sent therewith, if not accepted for publication, will be returned only if the sender so desires and encloses the usual stamped and self-addressed envelope.

All contributions should be addressed to the undersigned so as to reach him not later than the 30th of a month for inclusion in the next month's Journal, which is published on the 15th of every month.

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The Railway Budget

It was indeed a prosperous budget that Shri Lal Bahadur Shastri, Minister for Railways and Transport, presented to the Parliament on 23rd February, 1956; for, even without taking into account the proposed surcharge on goods (which is the only increase in rates proposed in the budget for 1956-57), but including the increased appropriation to Depreciation Reserve Fund, a surplus of about Rs. 11½ crores is anticipated for 1956-57 after providing for the Dividend to General Revenues. With the changes proposed, the surplus for the year (after payment of Dividend, is placed at about Rs. 23 crores; the gross traffic receipts including the surcharge being estimated at Rs. 345 crores and the total working expenses including Appropriation to Depreciation Reserve Fund, and Dividend to General Revenues, being Rs. 322 crores. The surplus for 1954-55 was Rs. 9 crores and that for 55-56 (Revised Estimate) Rs. 9½ crores. This is, therefore, an era of continuous prosperity for the Railways; and this is as it should be, having regard to the general prosperity of the country, industrial and otherwise. The main ground for the proposal to levy a surcharge which is fixed at one anna in the rupee on all freight traffic with the exception of grains and pulses, fodder, manure, Khadi, newspapers, newsprint and books, is that finance is required for the Second Five Year Plan for the Railways. The consumers of Rail Transport, being the beneficiaries of the expenditure on works incurred in the Second Five Year Plan, cannot grudge to pay this additional freight, but from the point of the consumers of goods, the extra freight is bound to be reflected in the prices of goods, and this is particularly so in the case of steel, cement, etc., where the prices are fixed or regulated by Government taking into account the costs to the industry concerned. To this extent it may be a vicious circle as the Railways themselves are also large consumers of steel, cement, etc., particularly for the schemes included in the Second Five Year Plan.

The increased Appropriation to Depreciation Reserve Fund from Rs. 35 crores to Rs. 45 crores is also justified by the Minister for Railways as necessary to provide finance for the Railway sector of the Second Five Year Plan. Taking the flat rate of 1/60 of Capital Cost for Depreciation, the contribution to Depreciation Reserve Fund would be only Rs. 15 crores, but having regard to various factors, not the least important of which was the mounting price level for replacement of assets, the Railway Convention Committee (1949) increased it to Rs. 30 crores which was raised to Rs. 35 crores effective from 1955-56. The further

ACKNOWLEDGMENTS

The following Journals and Magazines have been received since the last issue:

Northern Railway Magazine—February 1956

Western Railway Magazine—February 1956

Chartered Accountant—February 1956

Southrailnews—February 1956

Railcoach—February 1956

Indian Railway Gazette—March 1956

Accountants' Journal, New Zealand—Jan. 1956

Australian Accountant—January 1956

Careers & Courses—March 1956

Wednesday Review—W. E. 29-2-1956

Railway Herald—W. E. 27-2-1956

Monthly Railway Statistics (Rly. Board)

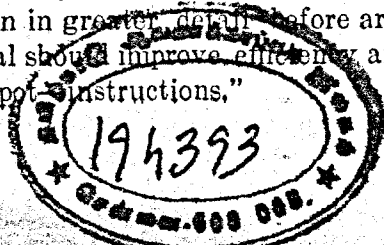
— July '55

Educational Review—February 1956

increase of the contribution to Rs. 45 crores may appear to be rather a high jump but when it is remembered that, apart from the outlay on assets charged to Capital Account, at present day prices, huge sums are spent from Depreciation Reserve Fund and Development Fund for substantial improvements to existing assets and creation of new assets, the increased contribution to Depreciation Reserve Fund at Rs. 45 crores cannot be considered excessive or unreasonable, even from the strictly accounting and financial point of view.

The budget for 1956-57 being for the first year of the Second Plan period, the Minister for Railways naturally devoted a substantial part of his budget speech to the contents of the Plan Frame and the achievements of the first Five Year Plan. The Railways have certainly done very well in not only having worked up to the target of Rs. 400 crores in the First Five Year Plan, but even exceeding it by about Rs. 32 crores, though the bulk of this expenditure was in regard to the purchase of rolling stock and not for provision of increased facilities such as line capacity works, new constructions, etc. In the Second Five Year Plan, owing to the curtailment of the plan frame from Rs. 1480 crores to Rs. 1125 crores, an increase of only 3% per annum in passenger miles and 10% per annum under goods has been provided for, and no provision is stated to be possible to alleviate overcrowding. This is hardly satisfactory from the public point of view, as the public would naturally expect relief from overcrowding and full transport facilities before any provision is made either for extra traffic on existing lines or for construction of new lines. After all, the cut in the Plan frame is not considerable, being less than 25% and if efforts are made to carry out the plan works in the most economic manner possible, with the utmost efficiency, making use of improved methods or processes, it may not be difficult to get better value for the money and make more facilities available for the same amount spent. In this connection, the Government's decision to institute a scheme for Workers' participation in the management of Railway Workshops is noteworthy. This is no doubt in tune with the modern methods of personnel management in industry, particularly in the West, but to be successful in the present conditions prevailing in this country, the co-operation of labour should be unstinted; and we shall watch with interest to what extent production in the workshops is increased and economy effected in expenditure on labour and stores. Even if each Workshop is able by such labour participation schemes, to increase the monthly turn out by one or two POH and IOH of engines, etc., the financial advantage to the Railway will be appreciable indeed.

The proposal to add to the top organisation in the Railway Board by creating at least four posts of super-Directors, etc., to enable the Members to get relief from desk work and to undertake more touring may not perhaps bring about that amount of efficiency at the top as is expected; and it is worth while considering the proposed solution in greater detail before arriving at a final decision. In any event, the proposal should improve efficiency and co-ordination, and not give room for conflicting "spot instructions."



Second Five-Year Plan

[Extract from a "Draft Outline" of the Second Five-Year Plan published by the Government of India in regard to Railways.]

All forms of transport have to be expanded, but the greatest burden falls on the railways which have been rightly described as the nation's life-line. With a capital of about Rs. 960 crores and a total mileage of about 35,000, Indian Railways are the largest national undertaking, and will always be one of the principal foundations on which the national economy rests. They were subjected to a great deal of strain during the decade which preceded the first five-year plan. The past few years have therefore been devoted more to rehabilitation and modernisation of the rolling stock and to meeting new needs as they arose than to the extension of the railway network.

The success of the railways in fulfilling the targets set for the first plan has placed them in a position to organise themselves to cope with the requirements of the second five-year plan. At the beginning of the first plan, the stock of the railways consisted of 8209 locomotives, 19,225 coaches and 222,441* wagons. The railways expect to procure during the plan period 1609 locomotives, 4837 coaches, and 61,773 wagons. These will be used partly for replacement of over-aged stock which can no longer be put to service. Among the principal projects completed during the first plan are the construction of 380 miles of new lines, the restoration of 430 miles of dismantled lines, the conversion of 46 miles of narrow gauge lines into broad gauge, the Chittaranjan Locomotive Works which have already produced 332 locomotives and the Integral Coach Factory which went into production in October 1955. Among projects in progress are the electrification of the Calcutta

suburban lines and the main line up to Burdwan, the Ganga-Bridge, the construction or restoration of 427 miles of lines and the conversion of 52 miles of metre gauge into broad gauge lines.

The principal task for the railways in the second plan is to meet the increasing demands for both goods and passenger traffic. Having regard to the production targets in various fields, the volume of goods traffic is expected to increase by about 51 percent, from 120 million tons at the end of the first plan to about 181 million tons in 1960-61. The railways expect to make a big contribution towards meeting the increasing demands by large-scale procurements of rolling stock, increases in line capacity and improvement in operational efficiency. But it is at present surmised that with the funds allotted to them, they may not be in a position to carry all the additional traffic expected to be generated during the plan period and the facilities provided by them may fall short of requirements by about 10 per cent in respect of rolling stock and by about 5 per cent in respect of line capacity. In regard to passenger traffic, the plan provides for an increase of 15 per cent in passenger train services over the five-year period. This will enable the railways to meet the anticipated increase in passenger traffic but will not afford relief needed in overcrowding. Relief, however, may be expected in respect both of goods and passenger traffic by the retention of replaced over-aged stock which is found in serviceable condition. The position will be kept under review and necessary adjustments in the railway plan will be made in line with developments in other sectors.

The second important task of the railways during the second plan is to construct new lines. The programme

* In terms of 4 wheelers.

provides mainly for new lines required in connection with major industrial projects like steel plants, coal mines, etc. In all, about 850 miles of lines will be constructed during the plan period. If additional funds become available later, it may be possible to extend this programme and take up some more lines for opening up backward areas.

In the second plan, the railways expect to achieve further progress in the rehabilitation of over-aged, obsolete assets, which was the main objective of the railways during the first plan. The railways expect to have on line, at the end of the first plan, 9,262 locomotives, 2,66,049 wagons and 23,779 coaches. Of these about 32 percent locomotives, about 19 percent wagons and about 26 percent coaches will be overaged and due for replacement. During the second plan, 2,258 locomotives 1,07,247 wagons and 11,364 coaches will be obtained, of which 1,352 locomotives, 23,852 wagons and 6,447 coaches will be for the purpose of rehabilitation of overaged stock. The percentage of overaged stock to total stock on line will thus be reduced to 18.3 in the case of locomotives, 8.5 in wagons and 10.5 in coaches.

The plan provides for a large programme for the renewal of obsolete track. Speed restrictions have to be imposed on lengths of line laid with obsolete track and these result in slowing down movements and reducing line capacity. The arrears of track renewals from the first plan, together with the renewals which become due in the second plan period will aggregate to about 13,000 miles. The plan provides for the renewal of 1,600 miles of track each year or a total of 8,000 miles over the five year period. This will enable the railways to reduce considerably the mileage over which speed restrictions have to be maintained.

The railway plan lays special emphasis on line capacity works and programmes relating to electrification and improved

signalling. The plan provides for the doubling of 1600 miles and the conversion of 265 miles of metre gauge lines into broad gauge. Additional crossing stations, loop lines, extensions of loops at a number of stations and extensive remodelling of a number of yards will also be undertaken. In sections of the railway system where line capacities have reached saturation point, plans for electrification will be carried out. These envisage the electrification of about 800 miles. It is proposed to provide diesel motive power on 1293 miles of railway lines. With a view to ensuring safety of operation and improving line capacities, provision has also been made for installation of improved signalling including automatic signalling.

Attention has been given during the first plan to the need to make travel, especially for passengers using the third class, more comfortable by providing additional amenities. Within the resources available, this programme will be pursued during the second plan. Adequate provision is also being made for staff welfare schemes. As the largest single employer in the country, the railways have to give due priority to this programme. The total number of railway personnel is expected to increase from about 10.5 lakhs at the end of the first plan to over 12 lakhs at the end of the second plan. About 60,000 quarters, including those at the townships required in connection with new workshops are expected to be built during the second plan. About 6,000 houses are expected to be added at the new crossing stations and on newly built lines. As part of the welfare programme, 13 hospitals and 65 dispensaries with about 1,600 beds will be added during the second plan period.

A railway development plan of the dimensions indicated above will make heavy demands on trained personnel and much administrative strengthening and reorganisation will be needed. The plan

will also call for careful co-ordination with other forms of transport as well as with industrial and other projects in the plan. Even though the railways will use the internal production capacity of

the country to the maximum extent, foreign exchange of the order of about Rs. 425 crores will be needed and imports of steel will be a material factor in the actual fulfilment of the plan.

Budgets of Governments, etc.

At a United Nations "Workshop" meeting held in Mexico City, some time ago, the subject of budget reclassification problems in Central America and the Antilles, was discussed. The meeting was organised jointly by ECAFE, United Nations Technical Assistance Administration and the U.N. Bureau of Economic Affairs in New York.

A similar meeting was held recently at Bangkok, where the Government budgets, particularly their arrangement, interpretation and presentation, were discussed by treasury officials, economists and statisticians. The trends of their discussion, the conclusions that they arrived at, and the changes that were proposed in the presentation and composition of the data contained in the Government budgets, should be of interest to Railway Accountants also.

The experts from India and 16 other Asian and non-Asian countries stressed the importance of proper budget management for analysing and planning of economic development, policy formation, and for furthering public understanding of the economic policies pursued by Governments.

They considered in detail if and to what extent schemes for reclassification of Government accounts by a supplementary economic and functional grouping could be applied in Asian countries. These schemes, contained in a U. N. Manual for classification of Government accounts, were presented to the Bangkok meeting in a provisional form.

The experts expressed their considered opinion that the manual represented a "remarkable achievement" and that it should be finalised as soon as possible but they also suggested that for Asia the scheme should be still further simplified and a minimum classification terminology worked out and presented in an easily intelligible form.

Proposals for such a scheme were put forward at the Bangkok meeting and the delegates proceeded to design proposals for a scheme based on a minimum classification terminology.

This scheme, it was agreed, is to be presented to Governments as a basis for experiment and after it has had a fair trial of about 18 months, a further workshop meeting is to be held to review progress made and difficulties encountered.

The meeting, it was felt, should be preceded by consultations between the ECAFE Secretariat and individual countries. The experts pointed out that the re-classification schemes did not envisage a radical reconstruction of conventional budget accounting already existing in all countries in the region.

However, proposals for economic and functional grouping as put forward would increase general usefulness of government accounts by bringing out more clearly and conveniently the economic implications of government transactions. The Workshop expressed the opinion that such "policy accounts" could be produced with only a modest amount of additional work.

Report of the Estimates Committee

Separation of Railway Ministry

The 19th report of the Estimates Committee of the Lok Sabha presented to the Sabha on the 21st February '56 has recommended bifurcation of the present Ministry of Railways and Transport into two separate ministries under the charge of separate ministers; it also suggested the appointment of a high power technical Committee to study the problem of the Re-organisation of Railway Zones. The Committee do not suggest any radical change in the Central controlling authority of the Railways immediately as it would affect the progress of the Second Five Year plan. They, however, feel consultations between the various Ministries and the Ministry of Railways should not necessarily result in abnormal delays. A special watch by the Organisation and Methods Division over the cases requiring prior consultation with other Ministries will go a long way in minimising delay.

In view of the huge expenditure under the Second Five-Year Plan, the Railway Board should be strengthened by one additional member in the opinion of the Committee. He should be a member in charge of Civil Engineering work and thus relieve the Chairman to be free to co-ordinate the work of the various members and to advise the Minister on policy matters. He should also be in charge of the Planning Section of the Railway Board and the Efficiency Bureau.

The other recommendations of the Committee are:

(1) Periodical meetings at regular intervals between the Railway Board and the General Managers of all Railways to ensure better co-ordination.

(2) Frequent tours by the Chairman and Members of the Railway Board to

enable them to study important problems on the subject and giving their advice to the General Managers and Heads of Departments and keep contact with the representatives of the trade and industry and the general public and appreciate their difficulties.

(2) The transfer of the Vizagpatan Port to the Ministry of Transport.

In regard to the Zonal Consultative Committees on the various Railways, the Committee felt that the present body was too unwieldy and suggested that there should be a Council of Advisers consisting of not more than five individuals to advise the General Managers in the different matters pertaining to the administration of the Railways. It was also suggested that the President of the recognised Railway Union should be included in such a Council so that questions pertaining to staff matters might also be discussed at the meeting of the Council which should be held once a month. The other Members should be selected by the Railway Minister from amongst retired experienced administrators and prominent public men with business experience and legislators who have specialised in transport problems in this country.

The Committee also recommended the shifting of the Headquarters of the Western Railway to a station served by both the B.G., and M.G. lines; and till such question was scrutinised and examined in all aspects, the Senior Deputy General Manager of the Western Railway should be posted at a station on the Metre Gauge, say, Ahmedabad or Ajmer, and should be in over-all charge of the Metre Gauge section there. Similarly, the Senior Deputy General Manager of the Southern Railway should be placed on a

station more centrally situated on the Metre Gauge section of the Railway.

While recommending the expeditious introduction of the Divisional system on all Railways, it was suggested that the 4 districts of the Western Ry. at Jamnagar, Junagadh, Bhavnagar, and Abu should be converted into at least three divisions.

The Committee also suggested the consideration of assigning the work of day-to-day administration and co-ordination to a separate wing in the Railway Board's Office. They further desired the abolition of the post of Director—Rail Movement, Calcutta, and the Tank Wagon Controller, Bombay,

Irregularities in Defence Services Expenditure

The Audit Report of the Defence Services for the year 1953-54 was presented to the Lok Sabha on the 22nd Feb. '56. Many financial irregularities have been brought out therein and a few outstanding items are reproduced below as indicating a commonness of such in all departments of government and the consequent need for effective action to prevent their continuance indefinitely.

1. While there was already a surplus of motor-vehicles, a sum of about Rs. 7 crores was spent by the Defence Services in 1953-54 for purchasing additional motor-vehicles.

2. Stores of an obsolete pattern valued at over Rs. 25 lakhs were purchased owing to the failure to specify clearly what was wanted to meet the indent. Further, there were many cases where stores in excess of requirements had been obtained and held in surplus stock owing to incorrect assessment of requirements at the time of placing the indents.

3. A project was ill-conceived and without proper technical appreciation; and consequently, the purchase of 16 tanks for reserve storage of petrol in September 1952, at a cost of Rs. 7 lakhs was found unnecessary and are lying unused since January 55; 12 of them even from the time of purchase.

4. In a Works Project, stores worth about Rs. 18.93 lakhs were acquired while only Rs. 10.95 lakhs worth of stores were required and actually used. In another

case, stores were procured for a work even before approval. The works were ultimately not sanctioned and an infructuous expenditure of Rs. 28,191 being the to and fro transport charges of the surplus stores was incurred.

5. An infructuous expenditure of Rs. 1,27,832 was incurred by an Ordnance Factory in manufacturing 120 ingot moulds for another factory. The order was ultimately cancelled as the moulds manufactured by the Factory were found not suitable.

The Audit report emphasized the need for evolving a better mechanism of budgetary control. The position in regard to lapses of appropriations had not shown any improvement. The savings on the budget as a whole were nearly 25 crores; but the lapses of funds immobilised large sums of money which could have been utilised for more beneficial purposes by the Government in other Departments or spheres of activity. The Report stated: "The savings of Defence Capital outlay continued to be abnormally high, being nearly 2/5 of the total amount voted. This indicates the tendency to over-estimate despite the known limitations as regards the availability of supplies and the spending capacity of the Services." The Report also criticised the tendency to increase the tempo of expenditure in the last month of the year which was "nearly three times the monthly average of the first eleven months."

The Report further stated that more than 5,000 orders placed by the Services from 1947-48 onwards on Ordnance Factories up to the end of March 1952 are awaiting execution.

Audit discovered in 1954-55 payment in eleven cases of double claims of travelling allowances for the same journey to Air-Force Officers. In all these cases, the officers had certified that they had not preferred claims before for the same journey. What action had been taken against the offending Officers is however not mentioned in the Report. It is signi-

ficant particularly in view of the fact that one officer had submitted on the same day two claims in respect of the same journey; two other officers received payment of their original and second claims for the same journey on the same day; and another officer preferred double claims on two occasions.

[It is also to be ascertained whether there was a system of pre-audit in these cases and if so, why they were undetected at the time; or in the alternative, if such pre-audit system is not in force, why it should not be introduced forthwith to prevent such double payments.]

Editor, R. A.

Divisional System Vs. Departmental System

The question of Divisional system Vs. Departmental system on Railways, is as old as the Railways themselves, and there are arguments both for and against each of these systems of organisations on Railways. An interesting article on this subject appears in the Railway Gazette, London, dated January 6, 1956, in which the systems in operation in the different countries are briefly described. In the description of the organisation in India, however, the Eastern Railway is shown as strongly functional in organisation along with the Central, Southern and Western Railways. So far as the Eastern Railway is concerned, however, the Divisional system has been in operation for a long number of years. At the present time, the orthodox Divisional system, which is in force on the Northern and the Eastern Railways, is being extended on the same pattern to the other Railways in India. The following extracts from the article will, therefore, be read with interest by Railway Accountants:—

"There are commonly held to be two classical forms of Railway organisation, namely, Departmental and Divisional. Basically, departmental organisation envisages co-ordination of the various functions at the highest level, whereas

with divisional organisation the co-ordination takes place at lower levels. In the former case a number of functional officers at the general headquarters accept responsibility for the organisation and working of their own departments through the whole railway, co-ordination taking place through a general manager or board of general managers. Divisional organisation involves the splitting up of the railway into territorial areas and the acceptance by a single officer of complete responsibility for the operation, running, permanent way and rolling stock in his area.

Arguments as to the most suitable of these two forms of organisation are almost as old as railways themselves. Co-ordination at the top ensures that a specialist officer is responsible for each function through the entire railway, which leads to uniformity of policy in the various areas into which the railway is divided. In addition, the demand for staff is likely to be less with a departmental than with a divisional form of organisation. Co-ordination at a lower level, however, makes possible expeditious and fully co-ordinated local decisions, but suffers from the fact that no single officer can be expected to be fully familiar with all functions. On the

other hand, a more intimate knowledge of local conditions must be advantageous in making decisions.

In practice, the position is rarely simple or clear cut. In the case of railways of limited size, there is little need for co-ordination below the highest level, and a departmental form of organisation is to be expected. Where the larger systems are concerned, a compromise form of organisation is frequently adopted, aimed at combining the best features of both the departmental and divisional methods.

ORGANISATION OF BRITISH RYS.

Before nationalisation at the beginning of 1948, the four main-line railways in Britain were organised, in large measure, on a departmental basis. The London Midland & Scottish Railway and the Great Western Railway were highly departmental in character, functional officers at the general headquarters having direct access to corresponding functional officers at Division level. The Southern Railway, too, was essentially organised on departmental lines, except that the divisional principle was applied in the appointment of a Traffic Manager responsible for both operating and commercial functions. The London & North Eastern Railway had Divisional General Managers who took responsibility direct from the Chief General Manager for all functions in their respective areas. On the other hand, these Divisional General Managers had departmental functional officers who were directly responsible for the duties of corresponding functional officers at the next lower (District) level.

After nationalisation, the British Railways became largely departmental in organisation. The Railway executive consisted of a number of functional Members to whom corresponding functional officers at regional levels were responsible on matters of principle. The Chief Regional Officers were, in functional matters, largely co-ordinating links.

This situation was greatly changed as a result of the passing of the 1953 Transport Act. The Chief Regional Officers became Chief Regional Managers at the end of 1953, and General Managers on January 1 of last year. They are now responsible for the day-to-day management of all departments in their Regions, within the terms of overall policy and financial control as laid down by the British Transport Commission. They report to the Area Boards, which are responsible inter alia for seeing that the policies of the Commission are being followed and for maintaining good relations with transport users; but the General Managers also have the right of direct access to the small central staff of British Railways at Commission headquarters.

OTHER COUNTRIES

The departmental organisations exist in the Railways of the following countries:—

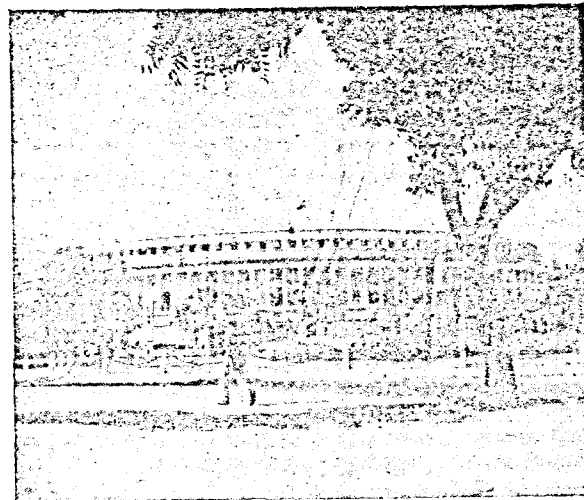
Netherlands, Portugal, the Luxembourg National, Belgian National, Italian State, Australian, New Zealand, Franco (departmental - cum - divisional), Swiss, Swedish and Danish State Rys. (departmental-cum-divisional).

The divisional system appears to exist in the Railways of the following countries:—

German Federal Railways in Western Germany, Australian Federal Railways, Spanish National Railways, Russian Railways, Japanese National Railways, South African Railways, Canadian Railways and most of the Railways in U. S. A.

Of course, in certain organisations, divisional system is in force upto a certain level and the departmental system above that level. But it all depends upon the size of the organisation, the nature and volume of traffic, the territories traversed etc., to determine which system would serve the public interests most.

Railways in Parliament



LOK SABHA :

Damages by violence

The Deputy Minister for Railways, Sri O. V. Alagesan, stated on the 17th February that damage to Railway property caused by violent mobs during January amounted to Rs. 54,32,900 on S. E., Central, and Western Railways. South Eastern Railway suffered heaviest damage by the burning of 31 bogies and 4 inspection carriages including the Governor's saloon, in addition to the burning of Puri Station. The value of damage on this Railway is Rs. 54 crores; Central and Western Railway suffered to the extent of Rs. 24,900 and Rs. 8,000 respectively.

Hindi Sign-Boards in Stations

The Deputy Minister for Railways stated that Hindi in Devanagari script would be used in station name-boards in addition to English and the Regional Language. In cases other than Station name-boards, he stated that individual Railways followed their own practice.

Overcrowding on suburban Railways

Mr. Shah Nawaz Khan, Parliamentary Secretary to the Railway Minister, while replying to Mr. T. B. Vittal Rao, said that the report of the Committee investigating overcrowding at Bombay, Calcutta and Madras was likely to be received by the end of March and that Government would also consider the recommendation of the Estimates Committee that office hours in these cities be staggered in consultation with State Governments and business organisations so that the peak periods might be spread out.

Discussion on the Railway Budget : Rajya Sabha

The Budget was discussed in the Rajya Sabha for three days from 29th February to 2nd March and many members took part therein. On the second day, Mr. O. V. Alagesan, Deputy Minister, intervening in the debate stated that steps had been taken to strengthen the security organization on the Railways and that they had borne fruit. The claims amount which stood at about Rs. 3,18,00,000 in 1952-53 came

down to about Rs. 2,55,00,000 in 1954-55. Further, losses were considerably reduced, if not eliminated. Regarding overcrowding, he said: "For the present we are forced to put up with this not very satisfactory state of affairs. We are doing everything possible with the available coaches and locomotives to mitigate the suffering." He continued: "It is unfortunate that national property has been so heedlessly destroyed. I do not wish to condemn anybody for this, but after all that has happened, let us think of devising some means by which this does not recur. I do not believe whole sections of people could be reformed by punitive measures. I would, however, suggest that the people where damages were caused should come forward to repent and make voluntary contribution for reconstructing what has been damaged."

At the end of the third day's discussion, Mr. Lal Bahadur Shastri, Railway Minister, replied to the debate and the following is a summary of his speech :

He referred to the suggestion made by Mr. B. C. Ghose that capital expenditure to which moratorium applied should have been separately shown. He said that the amount of capital expenditure on constructions on which no interest was being paid up to the end of 55-56 was 6.22 crores and that up to the end of 56-57 was 18.76 crores. Then the interest on capital to which moratorium applied would be about 10 lakhs at the end of 55-56 and 51 lakhs at the end of 56-57.

Goods Trains : There has been greater drop in speed on the Central, Western and Southern Railways mainly due to the heavy Engineering works that are going on in the coastal region in order to increase line capacity.

Efficiency Bureau : Full note of the suggestions of the Efficiency Bureau to effect improvement in the speed of Goods Trains has been taken.

Overcrowding at Sealdah : Electrification of Sealdah suburban services has

already been provided for and the work will be taken in hand very shortly. **Remodelling of yard.** The yard at Tatanagar is being remodelled and along with double line facilities, the present platform would be cut out and additional platforms built in new places with also a station building.

Bottlenecks at Bezwada : The capacity for movement of wagons over the Bezwada-Madras section has increased from 350 to 450 a day and this has been augmented by other steps to 500 wagons a day.

Requirements of Officers : The estimated requirement of officers for the second five-year plan is 555 for Construction and 776 for Maintenance including normal "wastage" of 414 officers. A more definite idea of the requirement of the officers would be available after the plan is finalised. In the meantime, it is proposed to recruit 133 officers in 1956 and 125 in 1957. It has therefore been proposed that the capacity of the Staff College, Baroda, should be increased to 100 at a time so as to cater for the training of the larger intake of probationers and officers during the next three years. With the proposed recruitment it is expected that cadres would be full by 1959 and it would then be possible to provide more refresher and promotion courses at the Staff College so that the standard of efficiency among the officers throughout the Indian Railways could be raised by proper training.

Training of non-gazetted Staff : It is estimated that 40,000 workshop staff and 1,20,000 other staff would be required for maintenance purposes during the second five-year plan. Of these nearly 10,000 would be skilled workshop staff and about 60,000 other class III staff. It is expected that nearly 4,000 class III staff would have to be given initial training at a time during the next few years and about 1,900 staff already in service who are directly concerned with the safety of train operation or come into daily

contact with the public would have to be given refresher course. Provision is also to be made for giving promotion course to some categories of staff. A conservative estimate of the Training requirements of the staff other than technical staff would be about 6,000 at a time as against the present total capacity of about 3,500; that is, the existing capacity would have to be almost doubled. Regarding technical staff there are practically no training schools in the Railways, with the exception of the Eastern Railway and the two new construction units of Chittaranjan, and the Perambur Integral Coach Factory. It is estimated that nearly 8,000 apprentice mechanics would have to be trained annually for meeting the requirements of additional staff and normal "wastage" during the second five-year plan. In addition, 7,500 skilled artisans would be required annually. Of these, nearly half could be found by giving training to the existing semi-skilled staff and basic tradesmen. * * *

The latest direction to the various Railways was that they should urgently make arrangements for providing refresher courses in the regions, divisions or districts to the staff concerned with the safe operation of trains or who came in daily contact with the public. A proposal to have a Fuel Economy Institute is also under consideration by the Board.

Statutory Authority:—I am the last person to discourage any new idea or proposal which would be in the interest of the Railways. But there is a strong difference of opinion on this subject even in the House. By setting up such an authority, Parliament would lose the control it has at present on the Rly. set-up.

Decentralisation of Power:—I am wholly in agreement with Mr. Kunzru in so far as decentralisation and evolution of power is concerned. We are working in that direction through the process of divisionalisation of Railways and I want this process to be completed in a year's

time on most of the Railways. I might also say that I do not want to create another situation which might on a minor scale resemble that pertaining to the SRC. Even on the question of selecting Headquarters of the Divisions just at present, there are so many demands, letters and telegrams pouring in. If a committee is appointed to go into the whole question of regrouping, it would mean agitation, pressure and what not. It might really become difficult to assess the position correctly and judge it mainly from the purely technical point of view. I do not therefore, consider it necessary at present to set up any technical committee to deal with the matter.

Personnel of Railway Board:—We have been thinking about strengthening the Railway Board set up in the context of the Second Five-Year plan. I would like to indicate that we propose to have at least four additional officers with higher rank than the present Directors to be put in charge of Civil Engineering, Construction, Mechanical Engineering, Commercial and Accounts and working under the present Board and the Chairman. They will have to be given adequate freedom to function in their spheres almost independently. This will give an opportunity to the present Members to move about more freely and supervise and direct works on the Railways.

Anti-corruption work:—I may assure Mr. H. C. Mathur and the House that I want to pay the fullest attention to this problem. The step of setting up an organization at the top under the Board with which I may also like to keep direct contact to some extent, is a fairly important one in this direction. It will co-ordinate the activities of the Anti-corruption organization on the Railways and supervise and direct their work. I have every hope that this organization will prove effective and produce definite results.

Subjects of Moment

Provident Fund — Immunity From Attachment

On a question referred recently to a 11 Bench of the Madras High Court in case arising in an insolvency proceedings, the High Court expressed the view that the immunity attached to the money compulsorily deposited in the Provident Fund, under Section 3 (1) of the Provident Fund Act, 1925, would not continue after it was paid into the hands of the subscriber or the depositor.

There could be only one answer to this question. Their Lordships observed, namely, that it would not, for the reason that the money that was paid over could no longer be described as compulsory deposit. Money belonging to one could be said to be in deposit only with another person or authority. It could never be deposited in the hands of the very person to whom the money belonged. The answer to the question referred to them was that immunity under Section 3 (1) of the Provident Fund Act did not attach to the monies paid over to the subscriber or depositor from his provident fund.

Insufficient Time Allowed for Submission of Tenders

It was found that in certain cases the time allowed for submission of tenders fell short of the prescribed period and the Public Accounts Committee commented on the advisability of guarding against the danger of contractors freed from the restraint of a competitive tender system, holding out for unjustifiably high rates. The Railway Board have issued orders that the Railway Administrations must ensure that the prescribed period of notice is given in all cases barring only in the most exceptional circumstances.

House-rent allowance to Non-Gazetted Railway Staff

With effect from January 1st 1956, the Railway Board have sanctioned

grants of House Rent Allowance to non-Gazetted Railway Staff employed at Tanjore, Vellore, and Rajahmundry at the following rates.

Below Rs. 55 — Rs. 5 per month;
Rs. 55 to Rs. 100 — Rs. 7 per month;
above Rs. 100 — amount equal to the amount by which the pay falls short of Rs. 107.

Accommodation Works :

Section 11 of the Indian Railways Act deals with the liability of the Railways for the provision of "accommodation works". Briefly, "accommodation works" are those works which are necessitated at the time of construction of a Railway line to provide facilities to the owners of private lands, local bodies, etc., in compensation for the disturbances caused to the facilities existing at the time. Thus the provision of a level-crossing where the Railway line cuts an existing road, a road-overbridge, etc. would fall under the category of "accommodation works" to be provided at the cost of the Railways. As to whether and what facilities are necessary, the State Government is to decide and this is intended to ensure that no exaggerated or excessive demands are made by interested parties. There is a statutory time limit of 10 years from the date of opening of the line for such demands on the railway for accommodation facilities and no demand on the railways after this period is a statutory liability of the railways. There appears, however, to be an exception to this time-limit and the owner-occupier, local authority and State Government are vested, under Section 12, with the power to demand the execution of reasonable facilities by the Railway even after the time-limit of ten years, but subject to the consent of the Railways. This position appears rather anomalous as, if the consent of the Railways is given, even were the statutory time-limit of ten years is

exceeded, the limit becomes of no value. Where there is a difference of opinion between the State Government or the party and the Railway, the Central Government is to be approached.

There was, some years ago, an interesting case bearing on this point in regard to a bridge-construction at Madurai, where the Railway contested its liability to bear the charges.

Officiating Allowance:

A question has arisen whether a Railway servant, who, while officiating in a higher post/posts, proceeds on leave on average pay/privilege leave and in whose case the period of such leave is allowed to count for the purposes of increment etc. in terms of the orders contained in Board's letter no. F (E) 52 Re-3 (1) dated 20th May 1952, can be granted officiating allowance if before completion of 22 days duty in the same officiating appointment he again proceeds on leave on average pay. The Board have since considered the question and have decided that where it can be certified that but for the second spell of leave the railway servant would have continued to officiate in the higher post

or posts, officiating allowance should be granted in such cases.

(R. B. Letter No. E54 PA 4/2 dated 3/4-11-55.)

Recruitment of Class IV Staff:

The Railway Board have issued instructions to the G.M.s of all Indian Railways to ensure that the system of placing of names of approved candidates who had worked as substitutes etc. against short-term vacancies on a waiting list for appointment in turn to temporary and permanent vacancies, is placed on a satisfactory position and also to arrange to check up that this system is being scrupulously followed so that no cause is given for the impression that appointments are made out of turn. (R. B. No. E65 RC 1/91/3 dated 5-12-55.)

Grant of house-rent allowance without reference to place of residence:

The Board have extended the concession of granting House-rent allowance to non-Gazetted Railway servants without reference to place of residence up to 31st December 56.

(R. B. No. E (S) 55 CPC/AL/38 dated 14-1-56).

Personnel

Protection from reversion from the Senior Scale post has been given to the undermentioned Assistant Accounts Officers, officiating as SAOs, in pursuance of the Hon'ble Minister for Railways' assurance that Class II officers officiating in the Senior Scale for a period of three years and over, will not be reverted:—

1. Sri M. Krishna Rao, Central Rly.
2. Sri T.S. Panchapakesan, Central Ry.
3. Sri H. S. Mukherjee, Western Rly.
4. Sri S. K. Dutta Roy, Eastern Rly.

Anti-corruption Officer:

The designation of the Anti-Corruption

Officer on Railways has been changed into Vigilance Officer.

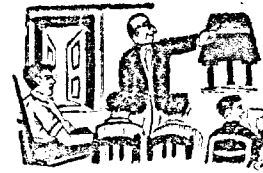
Railway Security Force:

The name of the Railway Security Force has since been changed into Railway Protection Force.

Promotions:

The following Senior Accountants have been promoted to officiate as Asst. Accounts Officers on the Central Rly.

- | | |
|------------------------|----------------|
| 1. Sri S. Ramaswamy | from 24-10-55. |
| 2. Sri S. Ramachandran | " " |
| 3. Sri G. M. Sundaram | " " |
| 4. Sri N. Viswanathan | from 12-11-55. |
| 5. Sri T. R. Sankaran | from 25-11-55. |



Readers Forum

Recovery of Electric Current Charges

The procedure in regard to recovery of electric current charges from Railway employees and outsiders prevalent in the South Eastern Railway cannot be said to be effective.

The entire work of maintenance of electric accounts of the South Eastern Railway (i.e., billing and watching the recoveries) is done in the Khargpur Accounts Branch.

The procedure in connection with the above in force at present and the improvements in regard to the same are detailed below.

In the South Eastern Railway, the cost of electric current realisable from railway employees, outsiders and Government Departments is debited to a suspense head "Misc. Adv. Elect." by credit to the respective heads—H 3240, 2401 etc. Electric recovery lists are submitted to the bill-compiling Officers for effecting recoveries through the salary bills (except for running staff, all other salary bills are audited at the head offices). After recovery is effected, credit is passed on by the Books Section of the head office through DATCS. The entire responsibility for watching the clearance of debits rests with Khargpur Accounts Branch. In such cases where the vouchers in support of recovery are not traceable, the entire amount is kept under "Deposits Ordinary" by the Books Section of the Head Office, since the DATCS cannot be accepted without any supporting vouchers. For this simple reason, the suspense balance under "Misc. Adv. Elect." is inflated. From the above it will be observed that, while the salary bills are audited at head office, the clearance of balance under "Misc. Adv. Elect." is watched by Khargpur Accounts Branch.

In order to guard against the inflation of suspense balance under Misc. Adv. Elect., Khargpur Accounts Office is compelled to accept the DATCS for the amount kept in Deposit Ordinary by the head office without any supporting vouchers. For this reason the credit thus accepted is kept separately as unlinked since it is not possible to adjust the credit against the debit in the absence of supporting vouchers. The unlinked credit thus accepted is sometimes more than half of the debit balance under Misc. Adv. Elect. In order to adjust such unlinked credit, considerable time will have to be devoted by the staff of Khargpur office at head office for getting particulars of recoveries of the credit from salary bills.

The above procedure for watching of recoveries and clearance of suspense balance is defective due to the reasons detailed above, and the following remedial procedure now in force in the Eastern Rly. is suggested for adoption on the S. E. Rly. also.

After the bills are prepared every month for the cost realisable from the Railway employees and outsiders, one DATC should be prepared for each accounting unit for the total amount realisable from employees coming under the accounts control of the unit and submitted to the respective accounts offices with the supporting bills.

So far as outsiders are concerned, credit should not be accounted for till the amounts are recovered from them. A separate register for these bills should be maintained and each bill should be entered in this register and attested by the Accountant when these are sent out to the consumers.

M. KRISHNA RAO

[Note: The Eastern Railway procedure is obviously a good one, as the debit to Misc.

Adv. will be posted by the recovery watching sections who can easily link the credits (recoveries) with the debits. In this connection, it would appear that, on some Railways, the suspense head is not operated for this purpose, the recoveries being credited to final head of account, and the recoveries being watched through recovery Registers which are initially posted on the basis of the recovery statements sent to the pay sheet-checking or other internal check section by the Electric Accounts Branch. *Editor, R. A.]*

* * *

Appendix III-A Examinations, 1955

STORES ACCOUNTS PAPER—WITH BOOKS

The candidates for the above Examination have sent a copy of their memorandum on this subject addressed to the Director of Finance, Accounts, Railway Board, with a request for its publication in this Journal. The summary of their points is reproduced hereunder :-

1. The questions were of an unusual type and style and above the general ability and average intellect and calibre expected of the candidates.

2. The answers to most of the questions could not be obtained even with the help of the Departmental Code.

3. The entire Stores Accounts structure and procedure is concentrated therein and being too tough is very likely to arrest the progress of candidates towards success after years of long struggle and hard work by studying the entire Railway Literature.

4. Question I is lengthy and requires considerable time to give a standard answer. Question II is also lengthy though of a usual type. Question III is quite difficult because of the controversies as to the source of supply in the absence of specific rules and practice, particularly in regard to the last few items. Question IV is technical. Question V is of an unusual character and involves tedious and controversial adjustments. Question VI does not involve any accounting procedure. It is beyond the scope of average candi-

dates even for those who have a deep knowledge of the subject. Question VIII is purely practical and difficult to be attempted by one having only theoretical knowledge. Question IX requires an exhaustive knowledge and thorough insight into Departmental regulations. The expression of one's own comments, whether supported by rules or otherwise, is likely to be viewed with prejudice by the Examiner. Besides, each part is an independent question and therefore likely to involve much time. Question X is not clear as to what exactly the Examiner desires; whether periodical verification or actual method of detailed verification. Question XI is out of the way and the Departmental Manual does not render any help.

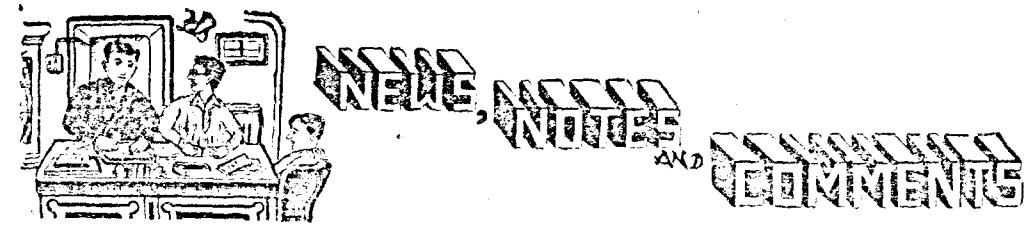
Question XII: With the abolition of the system of Grainshops the question seems to be unnecessary. Question XIV: Here again the Departmental code was not helpful in getting the answer.

5. "In these circumstances the memorial requested great lenience in the marking of the answers and thus prevent heavy failures."

[Note:—It is but natural to expect a candidate to be dissatisfied with any type of paper; but the degree of such dissatisfaction varies with the number of questions which are too general for him to tackle. It is wrong on the part of candidates to expect the *with books* paper to contain questions which could be answered by a mere reference to the Codes or Manuals. The curriculum definitely lays down that this practical paper would be severely set so as to assess not only the extent of the candidate's knowledge, but also to assess his commonsense, powers of arguments and dealing with situations as they arise when he is posted to positions of responsibility.

One thing may however be stated that when questions requiring comments or analysis are set, sufficient time must be allotted for the candidates to think about them and to marshal their ideas; and further, the percentage of such questions to the total number he is to answer should also be fair and not excessive.

Ed., R. A.]



Heavier Movement of Goods Traffic

The Railway Board has laid down new targets according to which the Indian Railways will carry 10 to 20 per cent more goods traffic during the next busy season than they expect to carry during the current season.

In pursuance thereof, a large number of works has been sanctioned to expand sectional and transshipment capacity in different parts of the country where transport bottlenecks have during recent years hindered the free flow of traffic. The cumulative results of all improvements may be gauged from the tonnage lifted in the first nine months of the current year which was 8½ per cent higher on the B.G. and 18 per cent higher on the Metre Gauge than during the corresponding period for last year.

Ganga Bridge Project

President Rajendra Prasad laid the foundation stone of the Ganga Bridge Project near Patna on the 25th February. This rail-cum-road bridge is one of the world's largest under construction and incorporates several unique features. This bridge will link up north and south Bihar and is very important in Bihar's economy, as it will ensure the free movement of the essential commodities such as steel, coal, cement etc, from south to north Bihar. The Bridge, when completed, will be able to take at least 20 trains a day in each direction and is expected thus to clear about 1400 wagon loads. The Railway track will be carried by a welded floor system bearing on the bottom booms while the Roadway will be carried on an upper

floor with a clearance of 7 feet 9 inches for the Railway moving dimensions. The Girders have been designed for Railway Main Lines B.G. standard. The estimated cost of the whole scheme including Railway diversions, construction of tranship and loco sheds, equipment, staff colonies, and a 16-bed hospital is about Rs. 15 crores. The foundation and piers are expected to be finished by the end of June 1957. The Bridge is to consist of 14 spans of 403 feet 4½ inches each and 4 shore spans. The deepest well for the pier will be 180 feet below the bed. About 12,000 tons of steel are expected to be used in this project.

Carriage Cleaning By Contract

An article in the Railway Gazette, London, dated 30-12-55, states that cleaning of passenger Carriages is done *on contract* and not departmentally, in the Railways of several countries, (French National Railways, Netherlands Railways, and Italian State Railways). It would be worthwhile trying this on the Indian Railways also, as it would most probably be financially advantageous to the Railways. In fact, it may be remembered substantial savings are reported by the Southern Railway by changing over to contract-cleaning in the case of departmentally managed Refreshment Rooms.

Railway Stores Stock Control

The control of railway stores stock by conventional stock card methods has always required a considerable staff and is apt to lag behind when a depot is

unusually busy or in times of staff shortage. An electronic machine described by Dr. B. V. Bowden, Principal, Manchester College of Technology, in a paper read recently to a conference of the British Institute of Management, appears to offer a solution to this difficulty. The machine was designed for a Chicago mail order firm selling some 8,000 gift and household items by catalogue. Orders range from 2,000 a day to 15,000 a day according to season. The stock was recorded on cards kept by 60 tally clerks and, even so, work fell behind at rush periods. The machine designed to meet this situation is small and simple. It consists of a magnetic drum memory and a small arithmetic unit to which are attached 10 input units resembling small desk adding machines. There are 10 operators in place of the previous 60 clerks. Orders are tapped out on the keyboards by quantity and catalogue number and are automatically deducted from the total for that item already fed into the machine. Each night the machine runs off automatically a complete report on every item in the catalogue, showing not only the inventory but also the day's sales. It can also indicate in a special way those items which are moving rapidly or not moving. This machine might well be adapted to railway requirements.

(With acknowledgments to the Ry. Gazette, London.)

Shipping Corporation

Mr. O. V. Alagesan, Deputy Minister for Transport, announced in the Lok Sabha on the 24th February that the Government of India propose to acquire the entire capital and management of the Eastern Shipping Corporation now owned jointly by Government and private enterprise; and that the Government also proposed to set up very soon a second Shipping Corporation for the India-Red Sea, India-Persian Gulf, and Haj Pilgrim traffic.

Workers' Participation in Management

The Railway Ministry is considering a proposal to send a team, including representatives of railway workers, on a study tour to foreign countries where workers' participation in management has been tried, said Shri Lal Bahadur Shastri, Union Railway Minister, in the course of his Budget speech in the Lok Sabha.

A scheme would be drawn up to associate workers in the management and in the running of the railway workshops. The Railway Board would be asked to select two or three workshops on the Indian Railways to give the scheme a trial. The National Federation of Indian Railwaymen would be consulted in these matters.

It had also been decided that workers should be given greater powers and responsibility in matters directly concerning their own welfare.

Remodelling of N. E. Railway Workshop

The Railway repair workshop at Izzatnagar, on the North-Eastern Railway, is to undergo extensive remodelling in order to equip it for the much larger outturn required during the Second Five Year Plan period.

The remodelling scheme, expected to cost approximately Rs. 1.86 crores, covers extension of accommodation available in the workshops, and also purchase of new equipment to deal satisfactorily with modern locomotives, carriages and wagons.

The remodelled workshop would be in a position to give periodic overhaul to 104 locomotives, 2,400 passenger coaches and 3,000 goods wagons per year, in addition to intermediate overhaul to 98 locomotives per annum.

Remodelling of the Izzatnagar workshop is one of the links in a chain of remodelling of railway workshops on the North Eastern Railway in connection

with expansion during the Second Five Year Plan period.

lopment programme during the Second Five Year Plan period.

Remodelling of Ajmer Railway Workshop

The 69 year old railway carriage and wagon workshop at Ajmer, on the Western Railway, built initially for the ex-Rajputana-Malwa Railway, is to be remodelled as part of the railway deve-

The remodelling scheme, estimated to cost Rs. 1.08 lakhs will more than double the repair capacity of the workshop, and enable it to undertake the periodical overhaul of about 2,000 passenger coaches and 3,600 goods wagons per annum.

Railway Statistics

The following extract from a Press-release indicates that Railways during the first Five Year Plan have touched new peaks of traffic and carried more goods and passengers than ever before during the official year 1954-55.

A comparison is made under various categories between the figures for 1953-54 and 1954-55. It is hoped that this tabular statement will present the position in an easily intelligible manner.

1953-54.	PARTICULARS.	1954-55.
270.36	Gross Traffic Receipts (in crores of Rs.)	236.78
100.00	Passenger Earnings	102.62
147.18	Goods Earnings (includes Wharfage, demurrage etc., 2.24 crores)	153.69
23.18	Other Traffic	25.47
201.47	Working Expenses	205.87
30.00	Appropriation to Depreciation Fund (excludes CLW chargeable to capital 37 lakhs of Rs.)	30.00
85.06%	Operating Ratio	81.77%
	Net Revenue: Payment to General Revenues	34.96 Crores
	Net Surplus to Development Fund	9.10 Crores
	Goods Traffic Handled in million tons	107*
	in million ton miles	32,136*

* Highest levels ever reached.

1953-54	PARTICULARS.	1954-55.
	Wagons loaded for the public etc.	
9,926	Average per day—B.G.	10,656
6,191	Average per day—M.G.	6,485
	(In both cases, there has been an increase, 7 and 5 per cent respectively.)	
	Wagons loaded including departmental etc.	
11,726	Average loads per day—B.G.	12,515
6,910	Average loads per day—M.G.	7,211
	(These show an increase of 7 and 4 per cent respectively.)	
441	Net ton miles per wagon day—B.G.	483
194	Net ton miles per wagon day—M.G.	194
	(This gives an improvement of 9.5% over B.G.)	
<i>Passenger Traffic :</i>		
	Number of originating passengers (millions)	1,259
37,549	Passenger miles in millions	38,649
	Passenger Train Miles Daily Average increase over 53-54 : B.G. 3,239	
	" " " " " M.G. 2,184	
5.10 pies	Average Receipts per passenger mile	5.18 pies
	Goods Ton Miles increase over 53-54: 9%. This was achieved by an average of 18 tons more on B.G. and 6 tons more on M.G. per goods train, resulting in a net increase in net ton miles per train engine hour of 52 on B.G. and 9 on M.G. Total goods train mileage in 54-55 was only 98.8% of that in 53-54.	
11.3 pies	Average Receipts per freight ton mile	11.1 pies
	Other items of information are as under :	
	Capital outlay : on 31-3-54	Rs. 878.46 Crores
	on 31-3-55	Rs. 910.91 Crores*
	* Note :—Includes Rs. 9.33 Crores of capital raised by Companies and District Boards	

1953-54.	PARTICULARS.	1954-55.
On 31-3-54	Route Mileage :	on 31-3-55
33,852	Government Railways	34,152 miles
553	Minor Railways under non-Government Agencies	553 miles
	Miles opened : New Lines	97.17
	Dismantled lines restored	227.22
	TOTAL	324.39
	Miles under construction : 488.83 miles	
	(including restoration of dismantled lines 79.22 miles).	
	Stores purchase : Total value of purchases :	
	Indigenous material	Rs. 83.65 crores
	Direct Imports	11.28 crores
	Foreign Stores through Indian agents	12.74 crores
	TOTAL	107.67 crores
	Value of Railway Equipment and Stores ordered during the year :	
	Directly	52.64 crores
	Through Railway Board	28.10 crores
	Through Ministry of Works, Housing and Supply	58.74 crores
	Through other Ministries	.50 crore
	TOTAL	139.98 crores
1953-54.		1954-55
3,76,680	Number of Claims settled	3,87,761
68,859	Unsettled claims at the end of the year	60,471
68 days	Average time taken in settlement of claims	61 days
	No. of Staff Quarters built during 1954-55 :	
	Type I/A (Class IV Staff)	7,093
	Type II/B, III/C, IV/D. (For Class III Staff)	12,633
	Temporary types	117
	Flats for officers	33



STUDENTS' CORNER

Block Account

Origin—In pursuance of the recommendations of the Railway Convention Committee 1949, accepted by the Government of India, a separate Block Account in respect of all Railway Assets whether financed from Capital or Revenue came to be introduced from 1st April 1950, separate Block Accounts being kept for commercial and strategic lines. Thus from 1-4-1950, two sets of accounts came into existence, one set of accounts going by the name of Loan Account representing the loan (share) Capital or Capital-at charge of the Railway Undertaking and the other as Block Account representing all the physical assets of the Undertaking whether financed from Loan Capital or Revenue. We will first deal with the Block Account.

2. Features :—(a) The Block Account should include the following asset heads :

- (i) Expenditure on Capital Account,
- (ii) Expenditure from Development Fund,
- (iii) Expenditure from Revenue under the heads Open Line Works Revenue and New Minor Works,
- (iv) Expenditure from Depreciation Reserve Fund, Development Fund and Open Line Works-Revenue relating only to the betterment or improvement in the assets replaced, i.e., the excess over the cost of replacement at current prices inclusive of the inflationary element of an asset by a like asset OR its original cost, estimated, if not known, whichever is greater,

(v) Expenditure on any Assets which may have come to Railways without financial adjustment or from a source not covered by items (i) to (iv) above.

Exception :—The following items will not be included in the Block Account :

(i) Works such as temporary (kutchha) quarters which were created during the War and allowed to be retained at the debit of Revenue after the War was over.

(ii) Assets of a temporary nature which are to last for a period of six months or less as defined in Railway Board's letter No. F(X) II-48/Fu5 dated 21-3-1950. But the works which were temporarily created as incidental to main works should be included in the Account.

Note :—The intention of retaining the head of "New Minor Works" is that the expenditure under this item although chargeable to Open Line Works-Revenue should be kept distinct from the other expenditure chargeable to Open Line Works-Revenue.

(b) In cases where misclassifications between the various Revenue Heads of Account and Open Line Works Revenue are detected after the submission of the Capital and Revenue and Finance Accounts, a foot-note regarding the correct position may be given in the Block Account and the correct figures should be suitably inserted in the body of the Block Account also. (No rectification of such mistakes is permissible in terms of Para 807 (3) (a)-A.I.) For the purpose of rectification of the misclassification in such cases for purposes of Block Account, financial adjustment is not necessary.

(c) The improvement element in respect of unsanctioned Works should be included in the Block Account on an approximate basis in the first instance

and necessary re-adjustments, if any, made in the Block Account for the year in which the detailed estimates are sanctioned.

(d) The credits on account of "Receipts on Capital Account" should be shown separately against the head instead of being merged in the figures shown against the heads enumerated in column (1) of the Form of Block Account.

3. (a) Description :—The Block Account is to be maintained in Form G. 1003 and in this Account are shown particulars of expenditure incurred during the year against the various classes of assets as under :—

- I—Preliminary Expenses
- II—Land
- III—Structural Engineering Works.
- IV—Equipment
- V—Rolling Stock
- VI—General Charges
- VIII—Miscellaneous
- IX—Suspense
- X—Purchase of Railway Lines.
- XI—Investments in shares of Commercial concerns
- XII—Receipts on Capital Account.

(b) The particulars in regard to the total expenditure to end of previous year, expenditure incurred during the year under the headings shown below and the total to end of the year are furnished in the statement against the various classes of assets enumerated in para 3 (a) above.

Headings under which expenditure incurred during the year is exhibited

- (i) Expenditure charged to Capital financed from the Loan Account.
- (ii) Expenditure financed from other sources, viz.
 - (1) Development Fund,
 - (2) Depreciation Reserve Fund on improvement of assets replaced.

(3) Revenue-Open Line Works and New Minor Works.

Note :—The figures under the items (ii) (1) and (3) above include the original cost of assets and/or improvement of assets replaced.

4. Compilation :

Column 1 :—The various classes of assets by which particulars are required to be exhibited in the Block Account (vide details under 3 (a) above) are enumerated in this column.

Column 2 :—*Total expenditure to end of previous year* :—The heading is self-explanatory. The figures to be shown under this column will be the same as those shown in the last column of the Block Account for the previous year.

Note :—This column includes :

- (i) Expenditure from the Betterment Fund from the 1st April 1946.
- (ii) Expenditure from the Betterment Fund and Open Line Works Revenue (representing cost of additions and improvement cost of assets replaced from the 1st April 1949).
- (iii) Expenditure on New Minor Works from the 1st April 1940, i.e. the date from which the limit was raised from Rs. 1,000 to Rs. 10,000.

Column 3 :—*Expenditure charged to Capital financed from the loan Account* : This will correspond to the amount exhibited on the assets side of Part-I Capital Statement (Loan Account) as representing the difference between the figures as at end of the year under review and similar figures at end of the previous year and can be reconciled with the figures shown in the schedule accompanying the Capital Account Current for March (Final).

Columns 4 to 7 :—*Expenditure financed from other sources such as Development Fund, Depreciation Reserve Fund (Improvement of assets replaced), Open Line Works and New Minor Works* :—Columns 4, 6 and 7 include the original cost of assets and/or improvement

of assets replaced. The cost of improvement element should be worked out in terms of Para 1004-G.I. and shown in the estimates so that the percentage of expenditure on the improvement portion could be readily applied to the actual expenditure. The percentage of improvement entered at the top for each work in the Works Register will facilitate the working out of the improvement element at the end

of the year for the purpose of Block Account. A few instances are given below showing how the improvement portion is to be assessed for the purpose of Block Account. In all these cases, the estimated 'cost of replacement at current prices of an asset by a like asset', may in no circumstances be less than the cost of replacement calculated in the manner laid down in Paras 1005 to 1023-G. I.

Sl. No.	Particulars of assets etc.	Portion to be included in the Block Account.
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(i) *Renewal of Rails:*

- (a) Renewal of track by a different weight of rail.

Difference between (1) the replacement cost of the new material and (2) the estimated original cost of the material already in the track, or the cost of similar materials at present day cost, whichever is greater.

Note:—The word "cost" represents the cost of material only and does not include labour charges.

- (b) Replacement of rails which were second-hand when originally put on the line.

The sum of (i) the difference between the first & second hand price of the replaced rails at the time they were originally put on the line and (ii) the excess over the cost of replacement by a like asset, with the proviso that the total thus worked out does not exceed the excess of the cost of the replacing rails over the original cost or the present cost of replaced rails, whichever is greater.

(ii) *Renewal of Girders:*

Girders duplicated or strengthened by adding materials instead of replacing them by new ones.

The amount should not exceed what it would have been if the girders had been replaced by new ones of necessary strength. The cost of the additional earth-work carried out in raising the road-bed in the approaches of Railway Bridges on account of replacement of girders by others of greater depth will be included in the Block Account provided the deeper girders give stronger bridges.

Sl. No.

Particulars of assets etc.

Portion to be included in the Block Account.

(iii) *Renewal of Boilers:*

- (a) Replacement of a saturated boiler by a new Superheater boiler without involving any increase in tractive effort.

The amount shall not be more than 10% of the cost of the new Superheater boiler.

- (b) Replacement of a Saturated boiler by a new Superheater boiler of high capacity.

The amount is to be worked out taking into account the cost of replacement at current prices which should be estimated on the basis of the tractive effort of the most powerful engines to which the boilers (both replacing and replaced) could be fitted.

- (c) An existing boiler converted to Superheater by the use of additional fittings.

The cost of additional fittings such as superheater etc.

- (d) Renewal of Rolling Stock parts:

- (i) Renewal of complete wheels and axles of carriages and wagons.

Amount to be calculated on weight basis according to the formula prescribed in Para 1005-G.I. for Rails.

- (ii) Locomotives converted to Superheated steam.

10 per cent of the cost of new cylinders.

(iv) *Renewal of Machinery:*

Replacement of machinery involving improvement.

The excess over the present day replacement cost of a like asset. If the present day cost of a like asset is not available, the same should be worked out by increasing the original cost of the replaced asset by 75% per cent for this purpose.

Column 8: This column records the total of columns 4 to 7.

Column 9: This represents the total of columns 3 and 8.

Column 10: The column is intended to record the value of assets acquired by the Railway without financial adjustment on their first transfer to the Railway. Any expenditure incurred by the Railways on such assets after transfer to them is to be shown in columns 3 to 7.

Column 11: The final total of columns 2, 9 and 10 against each of the various classes of assets is shown in this column.

[* 75% seems to be inadequate under present conditions.—Ed. R. A.]

5. *Annexure to the Appropriation Accounts*: The Annual Appropriation Accounts should be supported by a Block Account, Capital Statement in two Parts — the first part comprising the Loan Account and the Second Part statement of Block Account including Loan Account — and the Balance Sheet.

(a) *Capital Statement Part I — Loan Account*: This is prepared in Form G. 627. The particulars required for compiling this Statement are extracted from the Schedules accompanying the (Final) Capital Account Current for March. The figures at end of March of the year under review are shown in juxtaposition to the similar figures at end of March of the previous year.

(b) *Capital Statement Part II — Statement of Block Account including the Loan Account*: In this statement, as in Part I, figures at end of March of the year under review are shown in juxtaposition to the similar figures at end of March of the previous year. The figures are exhibited under the following heads:—

(i) *Assets side*: (1) Fixed and Floating Assets as in Part I — Capital Statement (Loan) Account.

The heading is self-explanatory. The Final totals appearing in the Loan Account will be shown against this item.

(2) Assets financed from Depreciation Reserve Fund, Development Fund and Revenue.

The figures required for this purpose are extracted from those shown in the Block Account maintained in Form 1003-G. I. referred to in earlier paras against the various classes of assets enumerated in Para 3 (a) above. The final total as per this statement will appear in the Balance Sheet as the first item both on the "Liabilities" and "Assets" sides.

(ii) *Liabilities side*:

(1) Capital invested as in Part I — Capital statement (comprising the Loan Account).

(2) Depreciation Reserve Fund.

(3) Development Fund.

(4) Revenue (Open Line Works).

The amounts to be shown against the above items will be PER CONTRA to those appearing against similar headings on the Assets side.

(c) *Balance Sheet*: This is being dealt with separately.

T. P. VENKATARAMAN

Jr. Acctt., Central Budget Section,
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RAILWAY BUDGET AT A GLANCE

		(Rupees in crores)			
		Actuals 1954-55	Budget 1955-56	Revised Estimate 1955-56	Budget 1956-57
Gross Traffic Receipts	..	286.78	292.50	314.10	345.00
Working Expenses	..	206.09	206.80	214.41	224.30
Net Miscellaneous Expenditure	..	6.63	7.49	8.95	13.04
Appropriation to Depreciation Reserve Fund.	..	30.00	35.00	45.00	45.00
TOTAL	..	242.72	249.29	268.36	282.34
Net Railway Revenues	..	44.06	43.21	45.74	62.66
Divided to General Revenues	..	34.96	36.07	36.16	39.67
Net Surplus	..	9.10	7.14	9.58	22.99

Speech of Shri Lal Bahadur Shastri introducing the Railway Budget for 1956-57 on 23rd February 1956

FINANCIAL RESULTS FOR 1954-55

2. I shall first outline the financial picture of the Indian Railways as it has emerged from the completed accounts of the previous year. Gross traffic receipts for 1954-55 actually amounted to 286.78 crores, recording an improvement of 3.98 crores on the revised estimate, mainly under goods earnings. Ordinary working expenses came to 205.87 crores, the increase of 3.1 crores on the revised estimate being due mainly to heavier expenditure on repairs and maintenance, and an increase under suspense. With a saving of about 1.7 crores under miscellaneous expenditure and other minor variations, the surplus rose to 9.1 crores against the revised estimate of 6.57 crores, and the entire amount was credited to the Development Fund.

REVISED ESTIMATES FOR 1955-56

3. Turning now to the current year, the traffic trends, which showed signs of improvement towards the end of last year, have continued to be encouraging. Passenger traffic has improved by about 7½ per cent. in terms of passenger miles with heavy traffic on account of marriage parties, the Indian Industries Fair, etc., and the revised estimate of passenger earnings has now been placed at 108.5 crores against 104.5 crores in the budget. An increase of 2½ crores is also anticipated under other coaching earnings, mainly on parcels traffic. There has been a substantial increase in goods traffic, in spite of interruptions during the year due to the severe floods in the north and cyclones in the east and the south. The revised estimate of goods earnings has, there-

fore, been placed at 180 crores, which is 16.1 crores more than the budget. With an improvement of 50 lakhs in sundry earnings and variations in suspense, the total gross traffic receipts for the current year are now estimated at 314.1 crores.

4. There is a corresponding increase of about 7½ crores under Ordinary Working Expenses. About three-fifths of this increase is on repairs and maintenance, which partly reflects the heavy damage done by floods and cyclones, and partly the increase in repairs to rolling-stock and machinery, arising out of the higher level of traffic and increased out-turn from the shops. The rest of the increase is mostly under operational demands and generally reflects the increase in the tempo of activity on the Railways, in the process of gearing up for the big effort that they will be called upon to make during the Second Five Year Plan, which, even in the reduced scale, is nearly three times as heavy as the First Five Year Plan.

5. It is proposed to increase the contribution to the Depreciation Reserve Fund from the budgeted figure of 35 crores to 45 crores for special reasons which I shall explain presently. There is an increase of 1½ crores in miscellaneous expenditure, mainly due to a larger allotment for Open Line Works chargeable to Revenue, and sundry increases under surveys and miscellaneous establishments.

The net result of all these variations is that the surplus is now expected to be 9.58 crores against the budget estimate of 7.14 crores.

It is proposed to appropriate this increase of 2.44 crores to the Development Fund.

In recent years, naturally the Railway Budget has increasingly been influenced by the progress of the Five Year Plan. Not only does it register the progress in the railway segment of the Plan, it also reflects to a degree the effects of the rest of the Plan on railway extensions and improvements. It will, therefore, be appropriate, before proceeding to the budget Estimates for 1956-57, to refer briefly to the implementation of the First Five Year Plan on Railways that is now coming to an end, and the magnitude and implications of the Second Five Year Plan that is due to commence in the next financial year.

FIRST FIVE YEAR PLAN

6. The central objective of the First Five Year Plan was rehabilitation of railway assets, which had fallen heavily into arrears during almost two complete decades before the commencement of the Plan and the cumulative effect of this was very considerable. There were also pressing demands from the public for the restoration of dismantled lines and the provision of more passenger amenities, and from the staff for more housing and welfare measures. The allotment made to the Railways originally was only 350 crores, which was later raised to 400 crores. I am glad to inform the House that not only has this allotment been fully utilised, but the actual expenditure is likely to be of the order of 432 crores which figure has received the approval of the Planning Commission. Rolling Stock has accounted for over 240 crores spread over the purchase of 1,589 locomotives, 4,837 coaching vehicles and 61,773 wagons on additional as well as on replacement account. All the lines recommended for restoration by the Central Board of Transport, except one, have already been re-opened to traffic. Five new lines which were in progress at the beginning of the Plan as well as seven more sanctioned during the Plan have been completed, and considerable progress has been made on a number of other

new lines commenced during the Plan. The Chittaranjan Locomotive Works, which was expected to produce 268 locomotives, during the Plan period, has actually produced 337 locomotives, i.e., an improvement of 25 per cent. over the target. The Integral Coach Factory at Perambur is making good progress and, as the House is aware, production therein was inaugurated by the Prime Minister in October last. The Ganga Bridge construction is well under way and good progress has also been made in the provision of facilities at the Vishakhapatnam Port. The Railways can surely look back on their achievements during the First Five Year Plan with some satisfaction and embark upon the Second Five Year Plan with confidence.

SECOND FIVE YEAR PLAN

7. I now come to the Railways' Second Five Year Plan. Originally, the Railway Board had prepared a plan costing 1,480 crores, on the basis of an increase of 30 per cent. in passenger transport—15 per cent. for increased traffic and 15 per cent. to alleviate overcrowding—and 60.8 million tons in goods transport, assuming that the demand at the end of the First Five Year Plan will be 120 million tons. The Planning Commission, whose task was none too easy have, in the context of the overall requirements to be met by the limited financial resources of Government, indicated that the allocation for the Railway Plan will be only 1,125 crores, of which 375 crores will have to be found by the Railways from their own revenues during the Plan period. It has been agreed also that, if the resources of the Railways exceed this figure, they will be allowed to expand the Plan outlay accordingly.

8. The Railway Plan has, therefore, been reviewed, and it has been found that, within the revised allocation, it will be possible to provide only an additional transport capacity of 15 per cent. for passenger traffic and 47 million tons of goods. The total goods movement during the current year is likely to be 115 million tons, against an estimated demand of

120 million tons, leaving a gap of 5 million tons, which is also to be covered by the expected increase, and, therefore, the net increase during the Second Five Year Plan would be of the order of 42 million tons, against the original estimate of 60.8 million tons. While this increase is expected to meet fully the additional traffic load of 25 million tons on account of coal and other raw materials required for the expanding steel industry and its finished products, 6 million tons more coal and 4 million tons more cement, I am afraid it will leave a meagre margin for increases in trade and output in other sectors of our economy. It is also feared that the small increase of 3 per cent per year in passenger train miles now planned will not help much to relieve overcrowding as long as passenger traffic continues to grow as anticipated.

9. The Planning Commission, no less than the Railways, are concerned at the prospect of a shortfall in passenger and goods transport capacity from the targets originally envisaged in the Plan. We are, however, most anxious to step up the capacity.

10. An assessment of the earnings and expenditure of Railways during the Plan period shows that, against the 375 crores which they are required to provide, their resources would amount only to 325 crores, made up of 225 crores to be contributed through the Depreciation Reserve Fund during the Plan period, and 100 crores from Revenue including expenditure on open line works, interest on Railway fund balances, and Revenue surpluses, which will be very small since a large proportion of the additional traffic will be low-rated and the dividend liability to General Revenues on account of increases in the Capital overhead will rise very steeply during this period. The gap of about 50 crores has to be filled to avoid a further restriction in the scope for the development of the transport capacity, and the Railways must, therefore, endeavour to increase their earnings so as to meet the contribution required of them, and, if possible,

something more, in order to reduce the margin between the present lower targets and the original targets of transport capacity.

11. It is in these circumstances that I have to approach you to agree to a surcharge of one anna in the rupee on all freight traffic, with the exception of grains and pulses, fodder, manure, khadi, newspapers, newsprint and books. This will add 11.6 crores to our earnings during the ensuing year and will, I hope, ultimately help in building up capacity to the original targets. I have proposed a flat increase instead of a selective variation in the basis of charge, which, I feel, would not be desirable while the Freight Structure Enquiry Committee is already examining this question. The increase in freight in the case of individual movements will, however, be small and should cause little or no hardship. The incidence of increase in goods freight will, on the average, be in the neighbourhood of 8 pies per maund or less than a quarter pie per seer.

12. In the case of parcels moving at full parcels rates, the surcharge for a lead of 300 miles, for example, will be about one and half pies per seer. The increase will be only about half a pie per seer on vegetables which move at half parcels rate generally for distances up to 200 miles and on fruit which moves at quarter parcels rate for distances up to 600 miles.

13. A substantial portion of the allotment under the Plan is intended to be utilised on the provision of rolling stock for carrying the extra traffic, including new stock required for sections to be electrified. Another large portion of the allotment is for line capacity works designed to relieve pressure on trunk routes on which traffic has already reached saturation point, and for electrification or dieselisation of certain routes which cannot take more traffic under steam traction. The Plan provides also for enhancing workshop and stores capacity for the increased holdings of rolling stock, and expansion of goods sheds, improvements in signalling and inter-locking, safety measures

and increase in stores holdings incidental to the large works programmes and the higher level of traffic as well as for the projected increase in the capacity of the Chittaranjan Locomotive Works.

14. The reduction in the Plan allotment will, however, fall heavily, initially at any rate, on new line constructions other than those integrally connected with the increase in coal and steel traffic. In the context of our developing economy, however, we should look ahead boldly and not take a pessimistic view. The Planning Commission have assured us that the position will be kept under constant review and necessary adjustments will be made in the allotment to Railways as the Plan progresses. In no way less important is the co-operation forthcoming from the people, either in the form of voluntary labour or contribution in the form of land and money. I, therefore, propose to proceed with the survey of new lines on the original programme of 3,000 miles so that the construction work may be commenced immediately funds become available.

15. The extra load that would fall on the Railways, due to anticipated increase in traffic and the general upsurge of activity anticipated during the Plan period, will indeed be very substantial. I am glad to tell the House that the Railway Board and the Railway Administrations have already applied themselves vigorously to the tackling of the manifold problems that will arise out of the actual implementation of the Plan. An all-out effort is being made to build up capacity on the Railways for handling this load, on the works side as well as on the administration and operating sides. The programme of recruitment and training of staff required on the Railways under scores of categories has already been intensified.

16. Advance procurement of materials which are in short supply, like steel, etc., is also being planned in consultation with the Mini-

stries and other interests concerned, and it has been decided to send a high-level delegation of officials abroad to procure the requisite quantity of steel, the shortage of which has been causing us some concern.

17. Now I would like to say a few words on some of the financial aspects of the Plan. On a rough break-up of this expenditure of 1,125 crores, it has been worked out that there will be an increase of 680 crores under Capital; a withdrawal of 293 crores from the Depreciation Reserve Fund, and expenditure of 92 crores chargeable to the Development Fund, and of 60 crores chargeable to Revenue for open line works. Against the anticipated withdrawal from the Fund, during the period, of 293 crores, the balance in the Depreciation Reserve Fund at the commencement of the Second Plan is expected to be 101 crores. Appropriations to the Fund during the period have, therefore, to be so adjusted that there will be enough left in the Fund at the end of the period to finance at least one year's expenditure on renewals and replacements. In other words, the balance in the Fund should not be allowed to fall much below 50 crores. In order to ensure this, the contribution to the Fund is proposed to be raised to 45 crores from 35 crores per year recommended by the Convention Committee of 1954 on the basis of an anticipated withdrawal of 250 crores only in five years and agreed to by Parliament. Since this will be a modification of the Resolution of Parliament fixing the contribution at 35 crores per year. I would request the specific approval of the House to this. It is in this context it has been proposed that the contribution to the Fund for the year 1955-56 should be raised by 10 crores.

BUDGET ESTIMATES, 1956-57

18. I now come to the budget estimates for the next year. On the basis of the present trend of passenger traffic, the estimate under this head has been fixed for the next year at 111.4 crores—an increase of 2.9 crores over this year's revised estimate of 108.5 crores.

The budget estimate of other coaching earnings is being placed at 21.8 crores, an improvement on the current year of 1.3 crores, of which about one crore will be due to the supplementary charge of one anna in the rupee proposed on parcels.

The estimate of goods earnings in the budget year is placed at 205.5 crores on the basis of the anticipated increase in traffic and the supplementary charge of one anna in the rupee on goods freight, which I have mentioned earlier. Other sundry earnings are expected to amount to 6.40 crores, which is about the same level as the revised estimate for the current year. Allowing for an increase of 10 lakhs in traffic suspense, the gross-traffic receipts have been placed at 345 crores during the next year.

19. The estimate of ordinary working expenses for the budget year has been fixed at 224.1 crores, which represents an increase of nearly 10 crores over the revised estimate for the current year. Of this increase, about 6½ crores is on the wage bill, mainly for the staff required for handling the large increase in traffic and intensification of other activities. There is an increase of 1.4 crores in repair expenses in consonance with the increase in traffic and increased out-turn of rolling stock after periodical repairs from the workshops. The rise in the cost of steel also has contributed to the increase in working expenses. The fuel bill will go up by about a crore, and miscellaneous other increases total another crore.

20. It is proposed to spend about 3½ crores more on a larger programme of open line works chargeable to Revenue. With the heavier Capital expenditure on works, there is an increase of about 3.5 crores on the dividend payable to General Revenues. Taking all these factors into account, the net revenue surplus is expected to be of the order of 23 crores. It is proposed to credit the entire amount to the Development Fund.

WORKS, ROLLING STOCK, ETC.

21. The revised estimate for the current year of expenditure on works, machinery and rolling

stock, including open line works chargeable to Revenue, comes to 140.55 crores, involving an increase of about 14 crores over the budget estimate. This increase is mainly due to earlier deliveries of rolling stock and machinery than anticipated at the time of the Budget, the acceleration of certain works to increase line capacity and more expenditure on track renewals.

22. The estimates for the Works, Machinery and Rolling Stock Programme for the budget year have been placed at 199.8 crores. Of this, rolling stock accounts for about 79.6 crores, plant and machinery for 5 crores, construction of new lines and restoration of dismantled lines for 16.6 crores, track renewals for 19.7 crores, other open line works for 50.8 crores, investment in road services for 1.3 crore and expenditure on Vishakhapatnam Port for 1.1 crore. There is a large provision of 29.5 crores for building up reserves of difficult items of stores, so as not to hamper the progress of works. There is a credit, however of 6.81 crores for the transfer of the cost of Railway Collieries to the Ministry of Production, and of about 3.8 crores for released materials, so that the net expenditure will be of the order 193 crores.

NEW CONSTRUCTIONS

23. The progress made on new constructions has been satisfactory and the projects have been executed with commendable despatch notwithstanding shortages of essential materials, particularly steel, required for permanent-way and bridge girders. The Pathankot-Madhokpur line was opened to traffic in September 1955 and the Gop-Katkola Metre Gauge link in December 1955. The construction of the Champa-Korba, Qilon-Ernakulam, Khandwa-Hingoli, Noamundi-Banspani, Fatehpur-Churu, Indore-Dewas-Ujjain, Raniwara-Bhiladi and Gandhidham-New Kandla railway lines, totalling 454 miles, is in progress. Construction will be started very shortly on three new lines, aggregating 221 miles, required for the Steel work projects at Rourkela and Bhilai—namely, the Rourkela-Dumaro, the Bhilai-Dhali Rajhara and the Barkakana-Rourkela connections.

SURVEYS

24. In all, 2,000 miles of surveys for new lines were sanctioned during 1955-56. Of the surveys mentioned in the last year's Budget papers or which were already in progress then, those for Diva-Dasgaon, Tildanga-Khajuria-Malda, Kotah-Ajmer and Ramshai-Binnaguri have been completed and traffic estimates of the Garo Hills lines worked out. Surveys for the Mangalore-Hassan and Madhopur-Kathua lines are nearing completion and those for the Gwalior-Ujjain, Nizamabad - Ramagundam, Sambalpur-Titilagarh, Baraset-Hasnabad, Sita-marhi Sonbarsa, Bangalore-Salem, Trvandrum-Tinnevelli-Cape Comorin, Vellore-Conjeevaram, Kotah-Chittorgarh and Udaipur-Himmatnagar lines are still in progress. In addition, 11 new surveys were also sanctioned. These are the Satna-Rewa-Govindagarh, Rampur-Lalkua, Loharu-Pilani, Nipani-Raibag and Nipani-Sakleshwar-Ghataprabha, Kadur-Chikmagalur-Shkleshpur, Muzaffarpur-Darbhanga, Robertsganj-Garhwa Road, Bukhtiarpur-Rajgir, Bhaili-Bhadran and Sojitra-Dholka, avoiding lines in Delhi area, and branch lines in the Karanpura and Ramgarh Coalfields. The Loharu-Pilani survey has also been completed. The remaining surveys are in progress.

A proposal is also under examination for a second road-cum-rail bridge over the Jamuna at Delhi with an avoiding line connecting Tughlakabad and Ghaziabad. An aerial survey has been completed of the difficult country in the West Coast area from Dasgaon (to which a ground survey from Diva has already been done) up to Mangalore. The aerial photo mosaics are being studied with the object of exploring the possibilities of development of rail communication in the region.

During the coming year it is proposed to survey the following 15 new projects :—

- (i) A line from Bijuri to Khairadih with a branch line to Jhilimilli in the Central India Coalfields.
- (ii) Nellore to Maidukur.
- (iii) Kottur to Harihar.

- (iv) Manamadurai to Virudhungan via Arupukottai.
- (v) Chinnasalem to Chingleput via Kallakurichi, Tiruvannamalai, Wandiwash.
- (vi) Kosi Kalan to Alwar or Bharatpur.
- (vii) Dungarpur to Ratlam via Banswara.
- (viii) Bhavnagar to Tarapore.
- (ix) A Broad Gauge line into Saurashtra.
- (x) Hindumalkot to Ganganagar.
- (xi) Kurukshetra to Pohwa.
- (xii) Pandu-Amjanga-Darangiri.
- (xiii) Rudrapur to Nautanwa via Kushi-nagar and Deoria.
- (xiv) Jagadhri - Chandigarh - Rupar Ludhiana.
- (xv) Orai-Jalaun.

RESTORATIONS

25. Of the 12 dismantled lines the restoration of which was approved by the Central Board of Transport, 11 were restored with the opening of the Utratia-Sultanpur Section in June 1955. Of the remaining line, namely, the Rohtak-Panipat link, it is intended to take in hand the restoration of the Rohtak-Gohana portion in the coming year. Owing to the limited funds, it is proposed to undertake the restoration of only one more, namely, the Akbarpur-Tanda line. This is 11 miles long and will cost 12.4 lakhs approximately and will help in the rehabilitation of the handloom industry in that area.

NARROW GAUGE LINES

26. The working of Government-owned Narrow Gauge lines situated in the plains is under review, and it is hoped that the critical studies being conducted now will enable the Railways to formulate a long-term policy, spread over possibly 10 to 15 years, for their rehabilitation or conversion to the gauge of the contiguous railway systems in a manner closely integrated to the transport needs of the areas served and the economics of railway operation.

TRANSPORTATION POSITION

27. While dealing with the revised estimates of goods earnings for the current year, I had mentioned that there has been a substantial increase in goods traffic. The position at the commencement of this year was that, in spite of an increase in the later half of 1954-55 compared to the previous year of 8.2 per cent. in the total wagon loadings on the broad and metre gauges taken together, outstanding registrations commenced mounting up from February 1955, and heavy arrears of loading had accumulated. A drive was instituted to liquidate these accumulations by still greater improvement in operating performance, on the one hand by optimum utilisation of existing line capacity and rolling stock and on the other by the acceleration of certain works designed to ease bottlenecks and increase the throughput. The 1st of November 1955 was set as the target for a 15 per cent. increase in movement capacity on all Railways taken together, made up of a 10 per cent. increase on the Eastern and Southeastern Railways which already accounted for roughly 45 per cent. of the wagon loadings and a 20 per cent. increase on the other Railways. Since wagons were short of requirements, steps were taken to improve their availability for traffic by a reduction in the number of wagons under repair, and by intensive utilisation. These efforts have borne fruit. The percentage of sick wagons in November and December 1955 came down to 4 per cent. on the broad gauge and 5.8 per cent. on the metre gauge, from 7 per cent. and 7.2 per cent. in the previous year. Capacity for movement over the Madras-Bezwada section has increased from 350 to 450 wagons a day, and the daily movements over the Ratlam-Godhra section have improved from 490 to 630 wagons a day. The daily transshipment position during the last three months at Viramgam has improved by 90 per cent., and at Sabarmati by 22 per cent., as compared to the corresponding period of last winter. Movements via Ghorpuri to South India are now free. Movement across the Ganga has been stepped up, notwithstanding

difficult river conditions resulting in frequent disorganisation of ferry crossings. The transshipment via Manduadih, particularly, has been stepped up and is 45 per cent. better than last year. As a further relief for movements of traffic to North Bengal and Assam, an agreement was negotiated with the Pakistan Railways for through bookings via their eastern route, and on an average about 50 wagons daily have been moving that way. The daily average number of wagons passing through Moghalsarai has stood during the last three months at 1,773 as compared to 1,602 last year, and the allotment of coal above Moghalsarai has been 1,320 wagons per day during that period, which is an improvement of 15 per cent. over the corresponding period of the last year. The cumulative result of all these improvements may be gauged from the tonnage lifted in the first 9 months of the current year, which was 8½ per cent. higher on the broad gauge and 18 per cent. higher on the metre gauge than during the corresponding period for last year.

The Railway Board have set a target of further improvement ranging from 10 to 20 per cent. during the coming year, and many works for development of sectional and transshipment capacity have been sanctioned and will be progressed rapidly so that these higher targets may be achieved during the next busy season. Before I leave this subject, I should like to mention two outstanding figures of operating performance in 1954-55. Net ton miles per wagon day during the year over the broad gauge reached the record figure of 483, which constitutes an improvement of 8 per cent. over the war-time peak figure of 451, the highest ever reached before. Net ton miles per day per engine in use on the broad gauge rose to 29,345—an improvement of nearly 9 per cent. over the best previous performance in 1941-42, the corresponding figure over the metre gauge being 12,851, which is nearly 4 per cent. over the best previous performance.

EXPERIMENTAL SCHEME FOR QUICK TRANSIT OF GOODS

28. It is proposed to introduce shortly, as an experimental measure, a special scheme for quick transit for consignments both in wagon loads and in smalls on important trunk routes. The basic features of the scheme are that the goods will be conveyed by express goods trains within a guaranteed period and that their movement will be specially watched. A small percentage of the normal freight will be levied extra for the service which will be refunded if the guarantee is not fulfilled.

RAILWAY PROTECTION FORCE

29. I mentioned last year that a Railway security organisation was being built up on each Railway, into which the Watch and Ward organisation would be absorbed, and that arrangements are being made for the training of staff to make the force a really efficient organisation. Officers of the rank of Deputy Inspector General of Police have been appointed on each Railway as Chief Security Officers and an Inspector General of the Railway Protection Force is attached to the Railway Board. Adequate arrangements have been made for the training of the personnel of the force in special training schools, and an armed wing of this force is also now being built up which is expected to be of substantial assistance in the protection of railway property and of goods entrusted to the Railways for transit. A Bill to give this force a statutory standing is also proposed to be introduced during the current session. As a result of these measures and the efforts of the Claims Prevention Organisations on Railways, there has been an improvement in the position in respect of compensation claims. I may incidentally mention that the amount paid as compensation in 1954-55 was about half a crore less than in the previous year.

PASSENGER TRAVEL CONCESSIONS

30. I would now refer to certain concessions we propose for the travelling public. We

should very much like to have reintroduced all the old travel concessions so that the public at large could be benefited, but I cannot overlook the fact that over-crowding is still substantial. The return tickets at 1½ fares for distances over 150 miles which were issued in the current year during the Dassehra, Diwali and Christmas holidays have proved very popular. Representations have, however, been made to me against the restriction on break of journey on these tickets, and accordingly it has been decided that, in future, journeys can be broken on these tickets on the outward trip. From a study of the monthly passenger traffic statistics it is seen that during certain periods in each year passenger traffic is low. We have, therefore decided that general return tickets for distances over 300 miles may be issued between 15th July and 30th September 1956 at 1½ single journey fares, and with a graded period of availability varying with the distance. This should go some way to meet the demand that has been voiced in this House from time to time for really cheap return tickets, without at the same time aggravating over-crowding. Another change we have proposed in the coming year, is to permit the concession now available to students travelling in groups of four between their homes and their educational institutions to be granted even to students when travelling singly, on production of the usual certificate. In regard to season tickets, certain Railways issue quarterly season tickets at 2½ monthly season ticket fares and it is proposed to extend this also to the Calcutta suburban areas on the South-eastern Railways, and to the Northern Railway and the old O. T. section of the North-Eastern Railway where it is not now in vogue.

THE RAILWAY FREIGHT STRUCTURE ENQUIRY COMMITTEE

31. As I indicated in my Budget Speech last year, a Committee has been set up to examine the Railway Freight Structure in all its aspects. The terms of reference of this Committee also include the examination of the existing statu-

tory provisions governing the liability of Railways as carriers and the constitution, procedure and jurisdiction of the Railway Rates Tribunal. The Committee has addressed itself vigorously to the task entrusted to it and has issued comprehensive questionnaires to elicit the views of State Governments and I expect their report will fully reflect the views of the public in regard to this important matter and take note of the changing pattern of the country's economy.

PASSENGER AMENITIES

32. I feel the House will agree with me that a sustained effort has been made during the last few years to make railway travel less irksome and inconvenient, specially for the third class passenger, and that although conditions are still far from satisfactory on certain sections, it is not because the Railways have spared any efforts in this direction but because the chronic shortage of materials and some shortage of capacity for the execution of works have handicapped them in their endeavour to overtake the progressive increase in the number of Railway passengers. The introduction of the Janata trains and of sleeping accommodation for the third class passenger has, I believe, given some relief to the long-distance traveller. I am deeply concerned with the continued overcrowding in the third class on some sections, especially on the North-Eastern Railway and the Metre Gauge Section of the Northern Railway. Data have already been collected regarding overcrowding and, on sections on which it is at its worst, new trains will be introduced, the run of the existing trains extended or the composition of rakes strengthened, to the extent engines and carriages become available. 24 Broad Gauge and 12 Metre Gauge rail cars expected to be received during the next year will also be introduced on some sections.

From the 2nd October last a new type of Janata corridor train, with a well-equipped dining car and a conductor to look after the convenience of passengers, has been introduc-

ed between Calcutta and Delhi, and I am informed that the reaction of the public to this has been favourable. Three more such rakes are now under construction which will ply between other important cities so that country-wide reactions to this type of coaches become available. A coach with only seating accommodation has recently been introduced for the benefit of first class passengers undertaking short journeys who are unable to find accommodation in the normal first class coaches, particularly for short night journeys during which they would find it difficult to obtain admittance to compartments bolted from inside by sleeping passengers.

As a token of the standard of service which the Railways would like to provide if they had adequate resources, and as a model to be kept in view for the future, it is proposed to introduce from 2nd October next a vestibuled fully air-conditioned fast train service, which would have only two classes, between Delhi on the one hand and Bombay, Madras and Howrah on the other. To start with, the service will be weekly or biweekly.

The House is aware that our objective has been to reduce the number of classes on the Railways to only two in addition to air-conditioned travel. In pursuance of that policy our present intentions are to abolish the existing third class and to re-name it as second class with sleeping accommodation in one or two separate coaches. This change would be in consonance with our objective of reducing class distinctions and I trust that the people travelling in the present second class would welcome closer contact with those travelling in the present third class. I would personally like to provide cushioned benches in these coaches but it seems it will have to remain a long-term objective.

CATERING

33. As regards catering, most of the recommendations of the Committee on Catering presided over by the Deputy Minister for Railways, have, in consultation with the

National Railway Users' Consultative Council, been accepted and implemented, and the House is aware that departmental catering has been started on a limited scale on Railways on which it did not so far exist, for example, at Delhi and Pathankot on the Northern Railway and Gorakhpur on the North-eastern Railway. It is proposed to extend it to a number of other stations in the next year. Our experience is that this change has given genuine satisfaction to the travelling public as the quality of food as well as of service has improved, and, with more experience in the line, further improvement is expected in a matter which so far has been a constant cause of irritation and complaint. While every effort will be made to see that departmental catering covers costs, the House, I hope, will agree that the improvement will be worthwhile even if there is a slight loss. I would welcome suggestions from all quarters towards an improvement of this service in all its aspects. Special efforts are being made to improve the quality of food which is taken by the large majority of the passengers and to see that it is wholesome.

RAILWAY USERS' CONSULTATIVE COMMITTEES

34. The Railway Users' Consultative Committees constituted at three different levels—namely the National Council, the Zonal Committees and the Regional/Divisional Committees—have been rendering valuable assistance to the Railway Administrations. The scope of the activities of these advisory bodies is being steadily expanded. Local consultative committees of users at important industrial centres are now being constituted. Besides, a separate Time Table Committee for each zonal railway and separate Suburban Passenger Amenities Committees are also being set up. The Zonal Passenger Amenities Committees are also being expanded specially to include ladies.

SOCIAL EDUCATION

35. I propose to intensify the campaign initiated early in 1955 for a scheme of social education in regard to general problems as well as problems peculiar to Railways. Publicity

media, such as posters, press notes and announcements through loudspeakers at stations have been used to invite the cooperation of the public to keep railway premises clean by depositing refuse in the receptacles provided, by developing the queue habit, by waiting for passengers to detrain before attempting to entrain and similar other matters. It is now proposed to provide loudspeakers at some more stations and even in some running trains. Such an experiment is being made in one coach on the corridor Janata Express train, the idea being to extend this to the other coaches with programmes carefully selected so as not to disturb the passengers. At stations, chiefly in third class waiting halls, the exhibition of documentary films is also proposed. A dual-purpose coach has been built in which films can be shown while the train is on the run and will soon be attached to one of our trains on which it will serve as a buffet-car-cum-Cinema coach. A small section is being set up in the Railway Board's office to organise the activities directed towards social education. With imagination and proper assessment of public taste, the scheme should be capable of being made both interesting and instructive, and thus help to ensure the cooperation of the passengers on the proper use and maintenance of the amenities provided.

RAILWAY CORRUPTION ENQUIRY COMMITTEE

36. The Anti-corruption Enquiry Committee submitted its report in July last and I would like to sincerely thank the Chairman, Acharya J. B. Kripalani, and the members for the pains they have taken in the compilation of this report. It is a valuable document with plenty of information and concrete and helpful suggestions.

The problem of weeding out corruption is an enormous one, and, although one might feel discouraged in tackling it because of its magnitude, the question must of course be seen in its correct perspective. The Railway Ministry will leave no stone unturned to fight and resist this evil, but it must get the help and coopera-

tion of the staff and the people at large, chiefly the users of the Railways. The need for this cannot be better summed up than in the words of the Committee itself.

"It is not enough for the public to say that, if bribes are not given, their work will not be done and they will be harassed. Citizens of a free country have the right—nay the duty—to insist that public servants render due service for which they are paid from public coffers. It is rightly said that eternal vigilance is the price of liberty. Our democracy will not work unless there is honesty and efficiency in administration. Under present circumstances this is not possible merely through governmental action. Citizens themselves will have to be vigilant and they must insist upon their rights. They should also be prepared to pay, if necessary, the price of such insistence with some temporary loss or inconvenience to themselves. A strong public opinion must therefore be created and a determined effort made to withhold payment of illegal gratification".

Out of 146 recommendations which required consideration by Government, decisions have already been taken on all except 14, which also are in the final stage of consideration, and 128 of these have been accepted by Government. One of the important recommendations was for an anti-corruption organisation to be set up on each Railway with a senior officer at its head. On examining this, I felt that there should be provision for a coordinating link, and I have, therefore, decided to set up one in the Board's office under the direction of an experienced administrative officer for overall supervision and the investigation of important cases. My intention is that the organisation on the Railways as well as in the Railway Board should work in close coordination with the Special Police Establishment, so that any case which can be better investigated by the Police could be handed over to them right from the start.

DIVISIONALISATION

37. The Eastern Railway was divided into two units from the 1st of August 1955, the old

Bengal Nagpur Railway section having been constituted into a separate unit called the South-eastern Railway. This decision was taken in view of the fact that the old Eastern Railway, which already had the heaviest work-load and served an area rich in mineral resources, would have to bear the main brunt of the vast developments imminent in the Second Five-Year Plan.

Experience of the working of the Regional set-up and the prospects of substantial development in traffic and work-load in the coming years have indicated the need for unified control of each area which is a feature of the Divisional pattern as obtaining on the Northern and Eastern Railways. Under this pattern, each Railway system is divided into territorial units of suitable size, the general administration of which is entrusted to a Divisional Superintendent, who functions in his sphere more or less as the General Manager does for the entire Railway. It is proposed to introduce this organisational change shortly on the Central Railway, to be extended thereafter to the Southern, Western, North-eastern and South-eastern Railways. It is hoped that this change will ensure fuller coordination and greater efficiency.

EFFICIENCY BUREAU

38. The scope of the activities of the Efficiency Bureau has been extended to cover some more important aspects of railway working such as civil engineering, repairs and maintenance and office organisation. The present procedure on Railway administrations for handling establishment work is now being studied by the Bureau, with a view to quicker settlement of staff dues and earlier disposal of representations made by the staff, thus removing a potent cause of staff grievances. The Bureau has also suggested ways and means of reducing the number of wagons awaiting repairs in sick lines and workshops, so as to increase the availability of rolling stock for traffic, and is also tackling the problem of more effective utilisation of wagon-time. Another problem which it is proposed to remit to the

Bureau is that of devising suitable tests on the basis of which merit certificates could be awarded for exceptionally good work, which could be taken into account for the grant of accelerated promotion.

RESEARCH ORGANISATION

39. I would like to say a word at this stage on the useful work which the Research Organisation of the Railway Board with its headquarters at Lucknow and sub-centres at Chittaranjan, Delhi and Lonavla has been doing. Their activities this year mainly cover trials on new locomotives and coaches to assess their performance and riding qualities, and experiments with substitute materials for steel in order to reduce the Railways' requirements of this vital commodity which is in short supply.

TOWARDS SELF-SUFFICIENCY

40. We have attached the greatest importance to making the Railways self-sufficient in the matter of rolling-stock and other equipment and I am glad that it has been possible for us to secure appreciable results. The production at Chittaranjan has already been increased and will soon be reaching the equivalent of 200 average sized locomotives per year, and, according to the scheme now approved, it will ultimately manufacture 300 locomotives per year. A scheme has also been approved already to accelerate the production of the Integral Coach Factory at Perambur, which will enable the target for the Factory to be achieved earlier than originally programmed. We have also invited the private sector to come forward and help the country in reducing its imported material for the Railways from abroad and the Railway Equipment Committee has informed us that they are in earnest to play their part. The progress we have already made towards self-sufficiency which is so vital, not only to the sound economy of the Railway, but also of the whole country, will be clear from the fact that last year this country produced 145 locomotives, 970 coaches and 10,689 wagons, against 63 locomotives, 791 coaches

and 6,388 wagons only two years earlier. Deliveries in the current year are expected to be even better. The proportion of stores of Indian manufacture purchased by the Indian Railways to the total value of stores purchases made also rose within the same period of two years from about 70 per cent. to about 78 per cent, while the percentage of stores imported direct has fallen from 16.8 per cent. to 10.5 per cent.

KHADI

41. The House will be interested to know that the use of khadi on the Railways is on the increase. Khadi was not being used so far for uniforms, but this summer about 186,000 railway staff will receive uniforms made of khadi. It is expected that the Railways will purchase next year over 1.3 million yards of khadi valued at about Rs. 27 lakhs. The quantity might have been more if it were available.

HINDI

42. We are adopting a constructive policy in the matter of teaching Hindi. There will hardly be anyone on the Railways who would not want to learn Hindi. In some places the staff have taken the initiative in conducting evening classes. Steps are under consideration for departments generally to hold half hour classes during working hours, which, I have no doubt, will be welcomed by the workers. In every training school and the Baroda Staff College, Hindi teachers have been, or are being, appointed.

Words in common usage for stations, offices etc. have been translated into very simple Hindi, retaining English words if they have become popular, and circulated to Railways as a standard expression for adoption.

Steps have been initiated to translate the various railway codes, manuals, forms, etc. into Hindi. As a first step, selected composite forms in English and Hindi are proposed to be put into use.

EX-STATE RAILWAY OFFICERS

43. It was stated in my budget speech in February, 1955 that the issues connected with the fitting in of officers of the ex-State Railways into service under the Government of India had been examined, and that orders, which we hoped would be acceptable to all the interests concerned, were being issued. It is regretted that, due to a variety of reasons, the issue of the orders was delayed. I am glad to announce that it is now possible to issue these orders. The main decisions are that

(1) on a review of the position, some more officers will now be fitted into the Class I service with effect from the date of integration;

(2) the declared date for the purpose of calculating seniority, already fixed for each permanent officer of the ex-State Railways initially absorbed in the Class I or Class II service, will remain unchanged;

(3) each permanent gazetted officer of the ex-State Railways who was absorbed in the Class III service as a result of the equation of posts, will now be given the option to continue to serve under the conditions previously laid down for such officer, or to be permanently promoted to the Class II service with effect from the date of the Federal Financial Integration. Temporary gazetted officers, who were recruited with the expectation of permanent absorption in the gazetted ranks, will be absorbed permanently in the Class II service against vacancies as they occur, provided they are considered suitable. Probationers recruited for appointment as gazetted officers will similarly be absorbed in the Class II service, subject to satisfactory conclusion of their training;

(4) a special quota of 16½ per cent. of the annual recruitment to the Class I service will be reserved for the promotion of the ex-State Railway officers previously on a common cadre but absorbed now in the Class II service from 1st April 1950 or earlier date. Each officer will be given a chance to have his suitability assessed by the U. P. S. C. and there-after the quota will lapse.

STAFF REQUIREMENTS FOR SECOND FIVE-YEAR PLAN

44. An appreciable number of gazetted posts on Indian Railways have remained temporary for a number of years in the expectation that the number could later be reduced. Work has, however, been increasing continuously in complexity as well as in intensity. There has also been an inadequacy of leave reserve posts. The situation has recently been reviewed on the eve of the Second Five-Year Plan, and an adequate gazetted cadre for the present requirements, including provision for leave and deputation reserve posts, is being sanctioned. This will enable permanent recruitment to be stepped up. It is planned to make good the shortfall against the current sanctioned strength within two years.

At the same time recruitment of temporary officers is being made for all departments which will have to bear the brunt of the Second Five-Year Plan. The appointment of 120 temporary engineers is at present in hand, and the recruitment of another 150 engineers is being planned. Full opportunities for promotion are also being provided to staff in service, and some of the shortage of officers is being met by the re-employment of retired officers, who, by virtue of their experience and their maturity, will provide a desirable backbone to the temporarily expanded cadres.

As envisaged last year, a planning organisation has already been set up in the office of the Railway Board as also at the railway levels, and posts for planning and execution are being sanctioned as required for each railway administration.

TRAINING OF STAFF

45. The necessity for imparting adequate training to recruits to the various railway services and arranging refresher courses for employees in service is constantly in our mind. The existing training institutions are inadequate and their expansion is necessary. It is, therefore, proposed to make a provision in the Second Five-Year Plan of 3 crores for the initial expenditure on these. In the meantime,

a special officer in the office of the Railway Board has been appointed to review the existing facilities, to plan for the permanent expansion of the training facilities, to cater for the normal and special requirements of Railways during the Second Five-Year Plan and to arrange for setting up temporary centres for training and refresher courses on each Railway pending the completion of the permanent arrangements. Refresher courses for staff on an extended scale have just been started on all Railways. The number of employees requiring such refresher courses is considerable. It is proposed that every-one of these employees should go through a refresher course within the next two years.

The problem of the recruitment of technically trained personnel and the technical training of candidates for appointment as artisans, as technical supervisors and on other technical jobs, particularly in view of the requirement of the Second Five-Year Plan, is of considerable importance. Steps have already been taken to increase the annual training capacity at Chittaranjan from 270 to 360, and at Perambur from 201 to 260 and further expansion is being planned. It is proposed very soon to recruit candidates for training as artisans and as technical supervisors for the workshops that will be set up during the Second Five-Year Plan. An officer on special duty has also recently been appointed to set up training establishments for the training of junior technical personnel required for the execution of projects during the Second Five-Year Plan.

MEDICAL FACILITIES FOR RAILWAY STAFF

46. As visualised by me last year a medical officer has been appointed in the Railway Board's office to review the existing medical arrangements on Railways and to plan for future expansion.

Under the scheme which I mentioned two years ago, for providing accommodation for railwaymen suffering from tuberculosis, 220 beds have by now been reserved for railway servants in certain selected sanatoria all over

the country, and negotiations are at present proceeding for the reservation of 75 beds more. A scheme has also been sanctioned for setting up chest clinics at the more important railway hospitals for early diagnosis and treatment of tuberculosis.

It is also proposed to attach to the new hospitals at New Delhi and at Bombay specialists in diseases of the eye, ear, nose and throat, the chest and teeth, as well as fully equipped laboratories for pathological examination. A proposal is also under consideration for the association of surgeons and physicians of repute with Railway headquarters hospitals.

Maternity and child welfare centres, which were being run at the cost of the Staff Benefit Fund on the Railways, have now been taken over by the Railway Medical Department at an estimated cost to the Railway Revenues of about a lakh per year, in order to relieve the Staff Benefit Fund of this item of expenditure, and also to ensure the provision of adequate facilities at these centres.

A similar measure is the extension of free medical treatment facilities in Railway hospitals and dispensaries to certain dependent relatives of employees.

STAFF BENEFIT FUND

47. In pursuance of the proposal which I mentioned last year, the annual *per capita* contribution of one rupee to the Staff Benefit Fund has been doubled during the current financial year, so that the contribution from Railway Revenues to this Fund now amounts to about 20 lakhs. Simultaneously, the Fund has been relieved of expenditure on the maintenance of maternity and child welfare centres and some expenditure on relief of distress due to sickness in the family. With the increased resources, Railways should be able to increase the tempo of the assistance from this Fund. A proposal is under consideration for awarding about 1,000 scholarships varying from 15 to 50 rupees per month in deserving cases to children of railway employees drawing pay up to a

specified limit to assist them in the prosecution of technical education.

RELATIONS WITH THE NATIONAL FEDERATION OF INDIAN RAILWAYMEN

48. The relations between the National Federation of Indian Railwaymen and the Railway Board throughout the year have been cordial. The House is possibly aware of the fact that, at a meeting that was held between the Federation and the Railway Board in July 1955, it was possible within the short space of four days to come to an agreement in respect of three of the five terms of reference to the *ad hoc* tribunal. Of the two remaining items, the one relating to the distribution of posts in various grades covers a wide field and is of great interest to railwaymen, the other being a comparatively minor one. It is my firm conviction that differences of opinion can best be resolved by discussions across the table, and I trust that a meeting for this purpose will soon be arranged between the Federation and the Railway Board.

The load of work and the responsibility of railwaymen is increasing simultaneously with the complexity of the problems which they have to deal with. There will be a further increase in these directions during the coming years. The fact that a larger number of employees at the lower levels of the Class III services now shoulder heavier responsibility can be recognised by a redistribution of posts in the lower grades so as to effect an appreciable reduction in the posts in the lowest grade with a corresponding increase in the numbers in the higher grades for categories like office clerks, train clerks and others, and by appropriate adjustment in the case of station masters. It is proposed to take concrete steps early in this direction. The exact pattern that such redistribution should follow needs detailed examination and discussion between the representatives of the Federation and the Railway Board.

PARTICIPATION OF WORKERS IN THE MANAGEMENT

49. The question of participation of labour in management has been exercising our mind for some time now. All Railway employees are servants of the State and all are partners in this vast undertaking. It is my earnest wish that all grades of staff interest themselves in thinking of improvements in all phases of our activity. Many may have constructive ideas, and useful suggestions from them will be welcome. I need hardly assure them that these suggestions will receive consideration and suitable rewards will be given for those which are accepted. I consider, however, that more positive opportunities for participation in the management of this undertaking should be provided for workmen in the lower cadres. We have decided to take a few important steps in this direction. A scheme will be drawn up to associate workers in the management and the running of the Railway workshops, and the Railway Board will be asked to select two or three workshops on Indian Railways to give it a trial. A proposal is being considered for sending a team, including representatives of workers, to other countries where such participation of workers in management has been tried. The Federation will also be consulted in these matters.

It has also been decided that workers should be given greater power and responsibility in matters directly concerning their welfare. There are already the Staff Benefit Fund and Labour Advisory Committees and canteens managed by the staff on a co-operative basis. The Railway Board have now been directed to increase the elected element in each of these Committees and to give them the fullest possible freedom to take decisions. Further, a proposal of the National Federation of Indian Railwaymen for the association of labour in the implementing of programmes for the construction of houses is scheduled for discussion by them with the Railway Board in the near future.

VANDALISM ON RAILWAY PROPERTY

50. I think I shall be failing in my duty if I do not briefly refer to the recent disturbances in some parts of the country which have led to the infliction of serious damage on the Railways. It is a tragic thing for people wantonly to destroy the nation's property, in other words their own property. It has been our experience that, whenever any commotion or disturbance of the peace takes place, the Railways are chosen as the easiest target of attack. In the recent disturbances as many as 40 coaches were destroyed due to mob violence. I want that the conscience of the people should wake up in regard to this very vital matter. There will always be some mischief-mongers afoot to take advantage of particular situations to indulge in all kinds of anti-social activities, but the people in general and our youth in particular should see that they are not allowed to have their way.

I would also like to refer to the problem of misuse of the alarm chain apparatus in regard to which I would solicit the fullest public co-operation. During the calendar year 1955 there were over 40,000 cases of trains being stopped by the pulling of alarm chains, the largest number of cases being on North-eastern and Eastern Railways. While there might have been justification in some cases there was none in most of them, and I trust those who indulge in this pastime would realise the injustice they do to the hundreds of their fellow travellers and the dislocation they cause not only to their own trains but also other connected train services.

51. I owe it to the Railway Board to thank the Chairman and the other Members sincerely for the way they have discharged the heavy and most difficult responsibilities shouldered by them. They have shown great tact and ability in administering the Railways, which has led to the solution of many thorny and difficult problems. They have now to direct and guide the Railways in the successful execution of the budget. Railway pro-

grammes ever undertaken. This is a heavy charge indeed, but I think they will consider it as a great privilege and opportunity to serve the country and the Railways in the changed conditions of today. At the same time I feel that the present set-up of the Board requires strengthening and proposals towards this end are under my consideration. The former status of the post of Secretary, Railway Board, has already been restored.

I must also acknowledge the conspicuous role of railwaymen as a whole in helping to increase the efficiency of the Railways in spite of many handicaps. Drawbacks and shortcomings could no doubt be pointed out against railwaymen and the Railways. The fact, however, cannot be denied that Railway staff have tried to discharge their duties in tune with the spirit of the times and that they have done very well indeed. They cannot afford, however, to be complacent because in the multifarious and complicated nature of their work they might err at any moment, and hence an attitude of vigilance and watchfulness on their part is always essential.

In unity lies the real strength of railwaymen. It has pained me to see that the trends in the field of Railway labour have not been quite happy for some time past. I am glad, however, that persistent efforts have been made to maintain the old unity although they may not have been fully successful. Still I believe that where there is a will there is a way, and I would earnestly appeal to them to put their house in order so that they will be able to function in the best interests of the Railways and the workers.

The Second Five-Year Plan is a big and bold venture, and the Railways have to pay a significant role in the destiny of the nation in this respect with the cooperation of all, whether officials or non-officials. Railwaymen should feel proud of being partners in this venture and thus make it a great success. Needless to add, they will have all the good wishes of this House and of the whole country.

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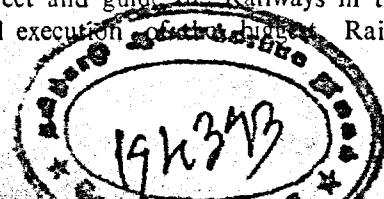
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