

MESSAGE FROM THE PRESIDENT
IN REPLY TO MOTION OF THANKS

MR. CHAIRMAN: I have to inform hon. Members that the following message has been received from the President.

"I have received with great satisfaction the expression of thanks by the Members of the Rajya Sabha for the Address I delivered to both the Houses of Parliament assembled together on the 21st February, 1955."

THE BUDGET (RAILWAYS), 1955-56
—GENERAL DISCUSSION—*continued.*

THE MINISTER FOR RAILWAYS AND TRANSPORT (SHRI LAL BAHADUR): Sir, I am thankful to those hon. Members of the House who were good enough to say a few appreciative words about the working of the railways and the railway administration. From the discussions we have been having in this House I could say that there was not much scope for criticism of the Budget proposals except perhaps on one point although one hon. Member unfortunately derived some pleasure in indulging in wild criticism. The Deputy Minister has already dealt with most of the points raised, and I do not want to go over them again. I would therefore confine myself to a few other important points referred to by various Members. Dr. Kunzru has referred to the efficiency, or, to put it rightly, inefficiency of the Railways. I do not want to go into details of various operating statistics. The Deputy Minister has already given figures which show that there has been substantial improvement effected in regard to movements over the various bottleneck sections. Wagon loadings have shown considerable improvement, of 7.48 per cent. in the case of broad gauge and 6.71 per cent. in the case of metre gauge over the figures of the previous year. It may be of interest to the House to know that this is a record performance since partition, and in the circumstances I do not think we would be justified in taking an alarmist view in regard to the efficiency of

operation on the Railways. But I would like to tell the House that I am not going to be satisfied with what has been achieved already. I know we have still to go very far but I am confident about one thing. There has been consistent progress made during the last nine months and I have no doubt that that will continue. I have every hope that all efforts would be made towards better usage of locomotives as well as wagons and that the performance of both Broad Gauge and Metre Gauge would produce much better results. As a further measure to keep a watch on performance and to assist the Railway Administration with advice I propose to further strengthen the Efficiency Directorate of the Railway Board so that the various operating features may be continuously and intensively reviewed with a view to suggesting remedial action whenever necessary.

Dr. Kunzru also referred to the question of raising the status of the Secretary of the Railway Board. That matter is already engaging my attention, but I have an important aspect to consider in that connection; that is, how to cut across the delay that might occur through the addition of another wheel to the coach, i.e., the Secretary through whom all the papers would have to be routed in that set-up. However, I have to give further thought to the matter.

The House will be interested to know what is being done for the future development of facilities on Railways to cope with the anticipated demands. Although it has been estimated by some economists that there will be an over-all increase of 30 per cent. in the level of production during the second Five Year Plan, the Railway Board are planning to develop 50 per cent. increased capacity over the estimated demands at the conclusion of the first Five Year Plan period. This substantial capacity is being planned for not only to meet possible demands during the next five year period but also to provide for abnormal variations. In this connection it is also to be appreciated that when additional facilities

are provided in marshalling yards or sections they must of necessity be on a long-term basis. It is however to be appreciated that the execution of these works largely depends upon the availability of stores—quite a large proportion of which will have to be imported as indigenous resources will not permit of such large scale demands for stores being met. For example, the Railways might need as much as a million tons of steel a year which cannot be procured locally. We will therefore have to depend to a very large extent upon the availability of foreign exchange and imports from outside. These limitations are there but I do hope to get adequate assistance from the quarters concerned so that they do not operate unfavourably in the execution of works which are being planned. In the circumstances I feel confident that the Railways will not be found wanting in meeting demands of transport in keeping with the increased tempo of economic development of the country.

Hon. Members have expressed themselves strongly on the subject of increase in fares. I do not know if they have borne in mind while dealing with that subject the other side of the picture, that is, the problems of the Railways. I shall try to give the background of the reasons which have led to my making these proposals. As a result of the Convention Committee's recommendations the House approved of an additional commitment of Rs. 5 crores per annum in respect of the Depreciation Fund. The annual increment in the wages of the existing staff contributes to a progressive increase of Rs. 1 crore a year. Besides these, the working expenses must necessarily increase with the improved amenities to passengers, increased housing facilities to the staff, increased passenger trains to relieve over-crowding and improved signalling and safety devices which cannot result in additional revenue. An additional contribution of Rs. 1.1 crore has to be made to the General Revenues in respect of the dividend payable to the General Revenues for increased capital outlay. To these

should be added a fairly large increase in staff which must be made to plan for future developments. The net additional cost due to all these factors works out to about Rs. 9.9 crores which is not susceptible to any economy. The House will appreciate that such a large increase in expenditure cannot be made without suitable adjustment in fares and freights.

SHRI H. N. KUNZRU (Uttar Pradesh): What is the financial relief the Railways will get as a result of the recommendations of the Railway Convention Committee?

SHRI LAL BAHADUR: We got some relief. The hon. Member is aware that the biggest relief that we get is the moratorium that has been allowed on new constructions of railway lines and that is only for five years and we have to reimburse the same later when the line has been constructed, so that it does not go very far to help the Railways.

Some Members have also commented about possibilities of economy and have been suggested that our operating expenses are very high. In this connection the House may be interested to know how the freights and fares in this country compare with other important countries of the world. The average rate per ton mile in different countries is as follows:

| | Rs. | A. | P. |
|---------------------|-----|----|-------|
| British Railways | 0 | 2 | 4 |
| U. S. A. | 0 | 1 | 1 |
| Canadian Railways | 0 | 1 | 1 |
| Australian Railways | 0 | 1 | 9 |
| Japanese Railways | 0 | 0 | 11.4 |
| Indian Railways | 0 | 0 | 11.11 |

The freight per ton mile in India therefore is the lowest in the world.

SHRI KISHEN CHAND (Hyderabad): To what class of goods does it apply?

SHRI B. C. GHOSE (West Bengal): There is no comparison between other countries and ours. The standards are different. Facilities are different.

SHRI LAL BAHADUR: I do not know much about other countries, but recently the members of our Railway Delegation who went to Russia did not find conditions much better than what prevail in other countries and another Member of this House who had been to China related his experience yesterday in his speech.

SHRI BHUPESH GUPTA (West Bengal): May we have the Report containing these discoveries made by the hon Minister because

MR CHAIRMAN: Order, order Let the Minister continue.

SHRI LAL BAHADUR: I shall place copies of the Report of the Delegation in the Library and on the Table of the House. It is being printed.

Well, I do not know much about Russia. The level of income may be high there but another Delegation which went there met me—young men from Allahabad—and they said that they purchased a pair of shoes for Rs. 200 whereas you can get a pair of shoes here for Rs. 10 to Rs. 15.

SHRI H. C. MATHUR (Rajasthan): Are these comparisons relevant? They are misleading.

SHRI LAL BAHADUR: The House will also be interested to know the variation between freights for Smalls and wagon loads in different countries. A higher charge for Smalls is not a new innovation which will be peculiar to our country. For example in UK and Russia separate scales of charges apply for Smalls. In USA the position has been met by a higher minimum charge for Smalls which is 1.42 dollars, equivalent to about Rs. 6 5. I have proposed only an
12 NOON enhancement from Re 1 to Rs. 1-8-0. In respect of passenger fares, the conditions of travel are not altogether comparable generally, but in Russia where they provide seating accommodation like our Third Class, the charges are practically ten times as compared to those levied in India for

mail and express trains. In the U.S.A

SHRI H. C. MATHUR: What is the average income? What is their family budget?

SHRI LAL BAHADUR: I have already said about Russia. I am not prepared to reply to interruptions which are made by Mr. Mathur in this way. In USA the average rate per passenger mile is 24.35 pies against 5 17 pies in India. In UK, it is 13.83 pies, and in Canada it is 28.34 pies.

SHRI BHUPESH GUPTA: The Prime Minister of the United Kingdom gets ten thousand pounds a year!

MR. CHAIRMAN: Order, order.

SHRI LAL BAHADUR: I have just said what that ten thousand pounds mean. A pair of shoes costs two hundred rupees.

SHRI BHUPESH GUPTA: It must bear some relation to the living standard there.

SHRI LAL BAHADUR: Therefore, the increase is so small. (Interruptions).

MR. CHAIRMAN: Look here, you are talking on every question, on every Resolution, on every subject.

AN HON MEMBER: Always irrelevant.

SHRI V. K. DHAGE (Hyderabad): I would like the hon Minister to give us a picture so that we might be able to compare.

MR CHAIRMAN: He is trying to do it, but you do not allow.

SHRI V. K. DHAGE: We must take into consideration the purchasing power of the people in each country before we are able to assess what the Ministry is doing.

MR CHAIRMAN: Order, order.

SHRI V. K. DHAGE: I do not wish to interrupt the hon. Minister,

but I would like to know the correct picture, so that we might be able to appreciate his point of view.

SHRI LAL BAHADUR: If the hon. Member wants detailed figures, I said I shall place the Report of the Delegation on the Table of the House. I have said something about Russia as well as China. Some Member spoke yesterday that the conditions are more or less comparable and yet the rates are higher both in Russia as well as in China.

SHRI V. K. DHAGE: Now, Sir, I just wanted to know because the hon. Minister mentioned that a pair of shoes costs two hundred roubles in Russia, but I should like to know what wheat costs per kilogram there. Would you take that into consideration, when comparing the prices here?

SHRI LAL BAHADUR: Well, I do not know at the present moment what the price of wheat is. But anyhow those figures can be gone into and we can discuss this matter at leisure.

(Shri Bhupesh Gupta rose to speak.)

MR. CHAIRMAN: I am sorry I cannot allow any interruptions hereafter. You go on.

SHRI LAL BAHADUR: Well, Sir, I think the hon. Members are unnecessarily apprehensive. When I compare the conditions in this country with any other country, I do not mean to deprecate any country. I want you to see the questions in their right perspective. That is the only thing which I want you to appreciate. I think, Sir, that there is an occasion for us to give some credit to Indian Railways which in spite of the numerous handicaps of non-availability of modern gadgets and labour-saving devices, etc., have been maintaining the lowest bases of freights and fares. Judged in this background, it is hardly fair that we should be commenting upon our inefficiency or increased costs. While I do not suggest that we should not look for further economies, it would be incorrect to conclude that the proposed increases in freights and fares are to

cover 'inefficiency' or wasteful expenditure. The House will be interested to know what we hope to achieve financially by the proposed adjustments. So far as the passenger fares are concerned, it is very difficult to estimate with any degree of accuracy the net financial effect of the numerous concessions and adjustments which are envisaged. There is, for example, no indication to what extent passengers due to a flat basis of charge were terminating their journeys at intermediate points and purchasing fresh tickets, which with telescopic fares naturally will result in passengers booking for through distances now taking advantage of the facility for breaking journeys *en route*. It is, however, anticipated that the various concessions will more or less offset the slight increase proposed in the first leg. I have, however, noted that hon. Members do not fancy the third leg and I shall seriously have to consider whether I can add a fourth leg to make the child more balanced and perhaps good looking.

SHRI BHUPESH GUPTA: Does he want to make us quadrupeds?

SHRI LAL BAHADUR: This is, however, a matter which will have to be given some further thought in the light of the views expressed by hon. Members in this House.

In regard to the adjustments in freights, the increased revenue anticipated is of the order of rupees four crores only and the balance increased revenue consisting of Rs. 5.7 crores is made up of Rs. 2.7 crores in respect of normal increase in passenger traffic and 4 crores in respect of additional goods traffic, offset by one crore drop under 'other coaching earnings' due to diversion of parcels to goods traffic. It will, therefore, be noted that the increased revenue of Rs. 9.7 crores is not entirely due to the proposed adjustments, but only Rs. 4 crores is attributable to this measure. Dr. Kunzru said something about this and there was some misapprehension in his mind. Therefore,

[Shri Lal Bahadur.]

I thought it proper to clear that point.

SHRI H. N. KUNZRU: There was no information on that point in the Explanatory Memorandum.

SHRI LAL BAHADUR: Maybe, but now I have made it clear that the ten crores is not entirely due to the proposed adjustments, but only four crores is attributable to this measure.

I think I should clarify further, for the information of the House, certain misgivings in the minds of the people with regard to adjustment of passenger fares. There will be, for example, (1) no increase in monthly suburban ticket fares. (2) In regard to monthly season tickets allowed within a zone of fifty miles in non-suburban areas, there will be no increase and these monthly season tickets are available on all Railways and on different sections. (3) There will be no increase in market vendors' tickets. Similarly in the case of students' season tickets. Parcels freights are applied generally to all vegetables and other fresh produce carried to marketing centres.

PROF. G. RANGA (Andhra): Milk also?

SHRI LAL BAHADUR: Yes. Furthermore, most of the common-user goods move in wagon loads and are charged at wagon load scales in regard to which no general adjustment has been made, and the following are important commodities which are carried in this manner: Grains and pulses; common seeds; oilseeds; jaggery; flour; salt; manures; bran; oilcake; grass; ores; bricks; fruits; potatoes; onions; etc. Coal rates also will remain unaffected. The House will, therefore, appreciate that Railways cannot be a burden to the tax-payer and it has been my endeavour in the adjustments prepared to ensure that the stability of the railway finances, which might obviate the necessity of drawing upon the General Revenues, is maintained.

Shri Ghose made a reference to the Shroff Committee and to the Driver

Committee's Reports. As regards the Shroff Committee, the position is that most of the recommendations of the Committee appointed to go into the supply of stores have been implemented, except in the important matter of procurement. In this the Government have decided that the matter affected more than one Ministry and, therefore, a Special Stores Purchase Committee was appointed in March 1953 by the Works, Housing and Supply Ministry. And since the whole question of procurement has been under the examination of this Committee, no changes can be effected. It is understood that this Committee are due to conclude their deliberations and it is expected that Government will be in a position to take a final decision as soon as their recommendations are received.

SHRI B. C. GHOSE: What is the measure of economy effected as a result of the implementation of the recommendations?

SHRI LAL BAHADUR: I cannot give you the exact figures, but perhaps we have effected an economy of about seven to eight crores of rupees.

SHRI B. C. GHOSE: This is about 4.18 crores in the 1953-54 Report.

SHRI LAL BAHADUR: We have made further economies.

And then, Sir, about the Driver Committee's report, the copies of the report of this Committee, which is called the Railway Fuel Enquiry Committee, have already been placed in the library of Parliament, and a statement showing the action taken on the recommendations of the Committee up to the end of October 1954 has also been placed on the Table of the House. Apart from this, a brief review of the action taken on the important recommendations has appeared in paragraph 124 of the Report by the Railway Board on Indian Railways for 1953-54, Volume I, copies of which have been supplied to the Members of the House. If the hon. Member sees that report, or the report of the Railway Board,

he will find that action has already been taken on most of the recommendations, and an important recommendation relating to the rationalisation of the supply sources of coal to the Railway is still outstanding. That is the most important recommendation, but the hon. Member will appreciate that this raises very complicated questions affecting the coal trade and industry and many other interests, and all these conflicting interests have to be reconciled before a final decision can be taken.

I am glad, Sir, that Dr. Mookerji raised the question of co-ordinating railway workshop capacity. This particular matter has been under special investigation in order to bring about the maximum extent of rationalisation. Some results of this examination are available, and steps are being taken to implement these things. This is, however, a matter which needs constant attention, which it is receiving.

Then, Sir, some hon. Members have suggested the construction of several new lines. I have my sympathies with them, but they will have to wait for some time till we have finalised our second Five Year Plan. We propose to take up new construction on a big scale, and I hope that many of the lines suggested by the hon. Members would be considered along with other proposals for the second Five Year Plan. But still I shall mention something about the specific proposals made here by some Members. One of the hon. Members suggested that the Nilambur-Sakleshpur line should be taken up. Well, no survey for this project has been carried out so far. It may also be included for consideration while selecting the new lines for constructions in our second Five Year Plan period. Then, about Nilambur-Ferok, this proposal has also been noted for consideration, while selecting new lines for construction during the second Five Year Plan period. About Katpadi-Kanchipuram, the Southern Railway Administration will be asked to investigate the traffic prospects for a rail connection on the

metre-gauge. About Bangalore-Salem the Railway Board have sanctioned on 29th October 1954, a traffic survey for a 124-mile railway line between Salem and Bangalore at an estimated cost of about Rs. 50,000 to determine the traffic prospects of a metre-gauge line connecting these two places. The route to be followed would be Bangalore on to Hosur and on to Dharmapuri, and on to Salem via Omalur on the Salem-Mettur Dam Railway. The Board have asked the Southern Railway Administration to investigate the traffic prospects of a broad-gauge connection, and have further asked the Railway Administration to submit a preliminary engineering survey estimate for their sanction. About Bhagalpur-Mandar Hill-Jasidih, the proposal for the extension of this line from Mandar Hill to Jasidih may be included for consideration during the second Five Year Plan period.

PROF. G. RANGA: What about the lines that were suggested not only during this debate but also during the last year's debate, for example, some of the lines were suggested from Cuddapah to Hyderabad?

SHRI LAL BAHADUR: The Railway Board have prepared a long list, and all the lines suggested in this House by the hon. Members have been included, but they will be considered along with our second Five Year Plan proposals. About this Pachora-Jamner line, Shri Deokinandan Narayan referred to this narrow-gauge line. Well, we are considering what steps should be taken to make the necessary improvements on that section. But we might also consider, as he has suggested, converting the narrow-gauge line into a broad-gauge or metre-gauge line.

I shall not refer to several other lines, but I may say a few words about the Udaipur-Himmatnagar project. This project has been included by the Rajasthan Government among their recommendations for the construction of new railway lines during the second Five Year Plan period, and it is proposed to ask the Railway Administra

[Shri Lal Bahadur.]
 tion to bring up to date the figures of the preliminary engineering and carry out the traffic survey for a metre-gauge line. About the Jaipur-Sanganer line, this was extended by the end of March to Toda Rai Singh. Ajmer-Kota-Chitorgarh routes are proposed to be surveyed. Then, Sir, Bari Sadri-Neemuch has been mentioned. The hon Member has asked for the construction of Bari Sadri-Chitore line. He probably means Bari Sadri-Neemuch. It is proposed to consider that line also in connection with our next Five Year Plan. Another hon. Member has mentioned the construction of new lines in Mysore and Coorg areas, and some other hon. Member has mentioned that a line should be built up to Jammu and not by short length, as is being proposed. Now another Member has mentioned new lines in the State of Hyderabad, and still some other Member raised the question of broad-gauge connection from Tarapore to Rajkot. About this proposal, I might say that it is included in the list submitted by the Saurashtra Government. The traffic survey for a line from Tarapore to Bhavnagar has already been completed, but in the meantime, the proposal to extend the line to Rajkot has been received, and that matter is under our consideration. As regards the lines proposed for Mysore, Coorg, Jammu, Hyderabad and other places, I might say that hon. Members are aware that the State Governments and other public bodies are sending in their recommendations for consideration in the second Five Year Plan period, and as soon as the State Governments' replies are received, the proposals would be examined in the Board's office, and in consultation with the Central Board of Transport, the Planning Commission and with the representatives of the State Governments, the selection of lines for construction in the second Five Year Plan period would be finalised.

SHRI BASAPPA SHETTY (Mysore): What about Kadur-Chickmagalur?

SHRI LAL BAHADUR: I have decided to include it for survey in the year 1955-56.

AN HON MEMBER: Chemarajanagar?

SHRI LAL BAHADUR: That will have to be considered.

Well, Sir, there is nothing more to do today. There were some more points mentioned about regrouping and other things, but I have already made my position quite clear about that question in my speech, and I do not want to dilate upon it any further. As I have to run to the other House, I hope I shall be excused, if I don't deal with the other points.

SHRI BHUPESH GUPTA: Sir. I brought up a number of questions relating to the employees and the workers, their salaries etc. I think it is a vital matter on which the hon. Minister should have spoken something. He should not dismiss such things in this manner. Even if he has no time, the Deputy Minister can come and say something, or some other member of the Government can come and explain the position, because it concerns a million workers and employees. The points that I have raised are very important ones and they have been voiced also by the employees themselves.

[MR. DEPUTY CHAIRMAN in the Chair.]

SHRI H. C. DASAPPA (Mysore): So many hon. Members have spoken and so many things have been mentioned that I don't know whether it will be possible to cover all the points.

SHRI BHUPESH GUPTA: He is an ex-Finance Minister, and the trouble with ex-Ministers is that they can never understand anything.

SHRI LAL BAHADUR: Mr. Gupta dealt with questions of labour in a general way. No specific complaints were made and no specific demands were put forward.

SHRI BHUPESH GUPTA: I have brought them here.

SHRI LAL BAHADUR: About particular cases I am prepared to discuss them with him. I have no objection to doing that. He may have objection to discussing things with me, but I shall most happily discuss with him.

SHRI H N KUNZRU: May I ask whether he would supply a copy of the Efficiency Bureau's report on the increase in the work-load of each zone?

SHRI LAL BAHADUR: That is entirely an official document, mostly to be dealt with by the Department, by the Railway Ministry. I do not think it would be advisable to supply copies of the report of the Efficiency Bureau, but if the hon Member so desires, I am prepared to supply him with the relevant and necessary figures which he wants to be supplied to him.

SHRI BHUPESH GUPTA: Let me ask him a question.

MR. DEPUTY CHAIRMAN: Not at this stage.

SHRI BHUPESH GUPTA: Here it is, I will place it on the Table

I want to know what they are going to do with the judgment of the Madras High Court in Ananthanarayanan's case

MR. DEPUTY CHAIRMAN: Mr. Karmarkar.

SHRI BHUPESH GUPTA: Everywhere I am in trouble.

RESOLUTION ON THE ENHANCEMENT OF EXPORT DUTY ON TEA

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR): Sir, I beg to move the following Resolution:

"That in pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Rajya Sabha hereby approves of the notification of the Government of India in the Ministry of

Commerce and Industry, S.R.O. No 112, dated the 8th January, 1955 by which the export duty on tea was enhanced from seven annas to ten annas per lb with effect from the date of the said notification"

As hon Members are aware, the Rajya Sabha, during its last session, approved of a Resolution on the enhancement of the export duty on tea from annas four to annas seven per lb with effect from the 2nd October 1954 I informed hon Members then that though the prevailing level of prices of tea at that time justified a larger increase in duty, Government took a long-term view.....

MR. DEPUTY CHAIRMAN: Just a minute Mr Karmarkar, we will take up all the resolutions together and have a common discussion.

SHRI D. P. KARMARKAR: I would very much wish to have this Resolution on tea taken up separately so that attention may be concentrated. The others I will move together, and give my observations on them.

I informed hon Members then that, though the prevailing level of prices of tea at that time justified a larger increase in duty, Government took a long-term view and decided to make only a moderate increase in duty in order that this level of duty could be sustained for a fairly long period without damaging our export prospects. At the same time Government examined carefully the need for the introduction of a system which could automatically adjust itself in relation to major variations in price. The details of this system have been worked out and placed before the House by the hon the Finance Minister in his Budget. Under this system Government would be able to mop up profits during a period of high prices while the industry would get benefit automatically when there is a steep fall in prices. The system will at once retain the advantages of a specific duty and avoid the administrative difficulties of an *ad valorem* duty. It