

**Speech of Shri K. Hanumanthaiya
Introducing the Railway Budget
for 1971-72, on 24th May 1971.**

Mr. Speaker,

Sir, I rise to place before the House the Railway Budget estimates for the year 1971-72.

Preliminary Actuals for 1970-71

2. The Interim Budget presented in the month of March revealed that the Revised Estimates for the year 1970-71 would have a shortfall of Rs. 23.69 crores. The final figures of the year would be available in August on the accounts for the year being closed. However, preliminary actuals of earnings and of expenditure for the year are running close to the Revised Estimates. The emerging financial picture indicates a shortfall of about Rs. 23.88 crores; the marginal variation being about Rs. 19 lakhs from the Revised Estimates.

3. In the two months of February and March, 1971, loadings continued to lag behind the corresponding months of 1970. The level of revenue-earning goods traffic for 1970-71 was then apprehended to be less by about 4.3 million tonnes than the actuals of 1969-70. The shortfall is likely to increase to about 5.2 million tonnes. But the adverse swing has been more than neutralised by longer lead of freight traffic and a larger proportion of high rated traffic. It is estimated that goods earnings may show an additional income of Rs. 3.31 crores.

4. Income from "Passengers" and "Sundries" has shown shortfalls of Rs. 3.87 crores and Rs. 2.45 crores respectively. But they have been almost made good by increases of Rs. 2.61 crores under "Other Coaching" and of Rs. 3.31 crores under "Goods".

5. **The Resulting position** -The total gross earnings would be Rs. 1006.40 crores as compared to Rs. 1006.80 crores shown in the Revised Estimates. The gross traffic receipts now stand at Rs. 1,001.93 crores, as compared to Rs. 1,004.00 crores envisaged in the Revised Estimates. Gross earnings are almost the same as anticipated in the Revised Estimates. But Gross Receipts have got reduced by Rs. 2.07 crores due to earnings awaiting realisation.

Ordinary Working Expenses, however, would be less than the Revised Estimate of Rs. 731.76 crores by Rs. 1.35 crores. The Miscellaneous Expenditure including "Open Line Works Revenue" is expected to show a reduction of about Rs. 52 lakhs. Appropriation to the Depreciation Reserve Fund, the Pension Fund, and the Dividend to General Revenues remain the same.

Budget Estimates-1971-72

6. The Budget Estimates for the current year presented in March, were based on the Revised Estimates of the last year and on the then existing level of fares, freights and expenses. The latest traffic trends in April are slightly adverse. But no change seems to be necessary in the Budget Estimates. The total gross traffic receipts at the present levels of fares and freight rates have, therefore, been kept at Rs. 1044.00 crores, that is, about Rs. 42 crores more than the Approximates for 1970-71. Similarly, the estimate of Working Expenses in the Budget Estimates holds good.

7. The Railways, therefore, are faced with a shortfall of Rs. 33.12 crores for 1971-72 as shown in the Interim Budget.

8. **Eastern and South Eastern Railways Cause anxiety** - It was envisaged in the Interim Budget that the indebtedness of the Railways to the General Revenues at the close of 1971-72 would amount to Rs. 153.6 crores. It was foreseen that the financial position of the current year would be worse by nearly Rs. 9.5 crores as compared with that of 1970-71. The prospects of the year do not seem to have improved since March. The total gross traffic earnings during April 1971 are short by Rs. 1.63 crores over the proportionate budget target of Rs. 86.89 crores. If this trend continues, it may not be possible to reach the level of earnings stated in the Interim Budget. The Eastern and Southeastern Railways which account for 60 per cent. of the tonnage carried by the Indian Railway system as a whole and hold 40 per cent. of the total number of Broad Gauge wagons, continue to cause anxiety. Their very functioning is being hampered by daily dislocation of train services. Thefts of overhead traction wire, theft of telecommunication cables and equipment, attacks on trains and staff, organised

looting of wagons and luggage vans, large-scale thefts of wagon fittings and track fittings, have become the order of the day. On Eastern Railway alone, during the first three months of the current year, there were as many as 155 cases of theft of overhead electric wire, 369 cases of theft of telecommunication cables and equipment, 305 cases of attack on trains, 39 cases of attack on stations and 33 cases of assault on railway staff. Hundreds of wagons remain immobilised due to theft of brake beams, bearings and other fittings. Goods trains have had to be stopped for several hours a day in the busy sections in the Eastern region due to the theft of overhead wires. The two Railways should normally have loaded a minimum of 6,500 coal wagons daily in the Bengal and Bihar Coalfields. In the last few months they have hardly been able to load 5,500 coal wagons. It is, therefore, that coal supplies to industry, power generation, brick kilns have been so unsatisfactory. The movement of foodgrains has also been affected.

9. Interruption in Service - It is not the number of wagons but their mobility that is now pertinent. The mobility of wagons has to be smooth and speedy. The wagons should not get stuck in large numbers specially in the busy areas like Calcutta region. Efficient operation requires 30 goods trains to run every day from Calcutta to Andal and another 30 from Andal to Calcutta. These trains run mostly at night, because large numbers of suburban and non-suburban passenger trains have to run during the day. Each theft of overhead wire causes an interruption in service of about 4 to 41 hours. This time is required for the repairing teams to go to the spot with their special equipment and reconnect the 25,000 volt contact line and the catenary. Since there are at least two thefts occurring daily in these areas, the House can imagine the extent of interruption that is caused to the running of the goods trains. The Hon'ble Members who are the guardians of national interests have to see how compelling is the necessity to take relentless measures to restore normalcy. These measures have to be preventive as well as punitive. Armed Railway Protection Force Units have been already deployed in the specified pockets for intensive patrolling of the track. I have been requesting the Chief Ministers of West Bengal and Bihar to help and co-operate in effectively putting down these organised thefts and violence. I have been discussing with my colleagues in the other Ministries for co-ordinating the needed efforts. I want in particular the help and co-operation of the concerned trade unions. This cumulative and comprehensive move on the part of all of us has become imperative.

In the coming months, we have planned to meet as often as required to combat the menace which is turning out to be the enemy internal.

10. Social burdens - Financial performance of railways suffers from certain other handicaps. I seek your indulgence to explain some of them. The Railway Finances are mulcted with some social burdens. Rs. 8 crores is the annual loss sustained by the Railways on unremunerative branch lines. The loss on passenger traffic is of the order of Rs. 59 crores. The Railways run 5,200 passenger trains and carry 6.6 million passengers a day. But the income from passenger traffic is not sufficient to cover its expenses. The passenger fare is below cost and it is virtually enjoying a subsidy. The suburban travellers in the three cities of Bombay, Calcutta and Madras who hold cheap monthly and quarterly season tickets have the benefit of Rs. 12 crores of the said sum of Rs. 59 crores.

Loss on low rated commodities - The preponderance of low-rated and bulky commodities like coal, ores, stone, cement, fertilisers, foodgrains and salt in the mix of the revenue earning traffic is getting accentuated. The originating tonnage of these commodities increased by 60% between 1960-61 and 1969-70, while traffic in the rest of the commodities increased by only 16%. In 1969-70, this group of commodities accounted for about 73% of the total revenue earning tonnage but contributed only 53% of earnings from goods carried. The loss in the transport of foodgrains and pulses alone comes to Rs. 17.5 crores, that on coal to Rs. 12.0 crores, that on fodder and oilcakes to Rs. 5.8 crores, that on ores to Rs. 3.9 crores. The total loss on the transport of all these and other bulk commodities came to Rs. 52 crores in 1970-71. Naturally the aggregate railway earnings have not increased proportionately with the originating tonnage. The Hon'ble Members will agree with me that if Railways are to become financially viable again, the profitability of the bulk traffic carried should be ensured. These may be termed as social responsibilities and the Railways being a public undertaking has to bear its share. Even so there is room for re-thinking on the extent of this share. Railway income must be able to meet the annual expenditure.

11. Rates and fares lag behind cost of operation - The downward trend in Railway finances started from 1964-65. The liability for Development Fund Works could not be met fully from that year nor the full annual dividend liability to the General Exchequer from 1966-67. The Railways, in consequence, had to draw upon their Revenue Reserve Fund and later resort to borrowings from General Revenues to meet their obligations. The costs of operation are annually increasing, creating

a big lag between the income realised from freight rates and passenger fares on the one hand and the working expenses on the other. The expenditure on staff which accounts for 60% of the working expenses has gone up by 72 per cent since 1963-64. The price of coal has gone up by 47 per cent. that of electricity and diesel oil by approximately 27 per cent each in the same period. Their cumulative effect has pushed up the weighted index of cost of operation by 60 per cent. The fact of the position is that all the increases we have effected during this period in passenger fares and in freight rates have been 19.6 per cent and 22.7 per cent respectively. The House will therefore see that the Railways recover 36.0 per cent. only of the increase in their cost of operation.

12. Increasing Staff - Hon'ble Members are aware that the interim relief awarded by the Third Pay Commission has increased the pay bill of the Railways by Rs. 36 crores an year. The daily allowance admissible to government employees has also been subsequently enhanced. This has resulted in an additional expenditure of Rs. 13 crores on daily allowances and running allowances for engine drivers, guards and firemen. The total of all these increases amounts to over Rs. 49 crores in the annual wage bill during the last twelve months alone. In fact, the cost of staff which has been steadily going up every year has more than doubled itself from Rs. 205 crores in 1960-61 to Rs. 465 crores in 1970-71.

13. The Hon'ble Members will appreciate that these factors and figures have to be so improved as to put the railway finances on an even keel. The proposals I am proceeding to make will neither be a big burden, nor adversely affect our economy. May I now, with your permission, proceed to outline my proposals?

Proposals

14. Re-classification of low-rated commodities - It is proposed to raise by one step the freight classification of commodities now charged at class levels 45 and below. But the food grains and certain export iron ores from Kiriburu and Bailadilla will be exempted. Commodities now charged at class 25 (for wagon loads) which is the lowest class, will now be charged at class 27.5, those charged at class 27.5 will be charged at class 30 and so on up to commodities grouped under class 45, which will be charged at 47.5. This would broadly mean an increase in rates of 8.9% in respect of commodities now charged at class 25, the increase gradually getting reduced to 5.3% only for commodities now charged at class 45. These low-rated commodities account for the bulk of the losses. The classifications for 'Smalls', that is, consignments less than wagon loads will be correspondingly refixed. This proposal would bring in an extra revenue of Rs. 13.70 crores for the full year.

15. Freight on Coal & Coke - Coal traffic has a separate scale of charges. Coal forms about 30.5% of the originating traffic but accounts for only 19.9% of the total earnings. The cost of haulage of coal is covered up to a lead of 550 kms only at the existing level of rates. No change was effected in the coal rates up to distances of 800 kms in the last revision of freight rates. The position is that the movement of this commodity for distances beyond 550 kms has now become uneconomic. I propose, therefore, to increase the freight rates for coal and coke in such a manner that the charges cover costs up to about a thousand kilometres. The gap between the costs and the rates beyond this distance will get slightly reduced.

16. Discount on train load dispatches and Rebate on off-season movements - I, however, propose to give an incentive to encourage train load dispatches as well as off-season movements. There will be a freight discount of 2% for all distances if the traffic in coal is offered for movements in train loads from one station to one destination station on a single forwarding note. There will also be a rebate in the freight rates for coal offered for movement for 500 kms and above during the slack season, that is, during the months of June to September. This rebate will vary from 50 paise per tonne for distances beyond 500 kms to Re. 1/- per tonne for distances beyond 1500 kms

17. The proposal is expected to yield, after allowing for the discount and rebate, an extra revenue of Rs. 6.5 crores for the full year. Even at the revised rates, the loss on the transport of coal will be Rs. 5.5 crores.

18. Iron & Steel - I propose next to step up the rates for categories of Iron & Steel falling under freight classifications Division A and Division B by placing there at a class one step higher than at present. In other words, categories of Iron and Steel like Rope Wire, Wire net, Hammers, Hinges, which are at present charged at class 80 (wagon loads) will be charged at class 82.5. Iron and Steel

materials like Bars, Rods, Plates which are now being charged at class 67.5 will be charged at class 70. As at present, the 'Smalls' classifications will be refixed to bear the same relationship with the corresponding wagon load classifications. This increase is expected to yield an additional revenue of Rs. 1.6 crores.

19. **Passenger Fares** - These new freight rates will bring in a total revenue of about Rs. 21.80 crores in a full year. But the total revenue deficit is Rs. 33.12 crores. The gap has to be closed and in doing so I have no alternative but to raise the passenger fares, spreading the burden on all passengers. There has been no increase in Third Class passenger fares for the last three years even though the costs of, operation have increased by 15 per cent. I propose the increase in passenger fares not on full scale but on a very modest scale. There will be no change in any class of travel for the first 15 kms nor in respect of season tickets. For distances between 16 and 30 kms, it is proposed to increase the Third Class ordinary fares by 5 paise per ticket and the Third Class Mail and Express fares by 15 paise per ticket; for distances between 31 and 50 kms by 10 paise and 20 paise respectively for Third Class ordinary and Mail /Express travel, and so on. The maximum increase in a Third Class ordinary ticket will be only 25 paise for all distances above 200 kms and in a Third Class Mail or Express ticket Re. 1/- only for all distances above 1000 kms Thus a Third Class Express ticket from Delhi to Bombay or Calcutta or Madras or longer distance will cost only one rupee more, which the Hon'ble Members will agree is minimal. The proposed increases in Third Class fares (Ordinary and Mail /Express) are anticipated to produce an extra revenue of Rs. 11.60 crores.

20. The fares for Upper Class travel including Third Class air-conditioned Chair Car are being enhanced at proportionately higher rates, the increases varying from 50 paise for the distance zone 16-30 kms to Rs. 2/- for distances beyond 1,000 kms in respect of Third Class air-conditioned Chair Car and Second Class (Ordinary and Mail /Express). The maximum increase in respect of First Class fares is Rs. 3.50 for distances beyond 1,000 kms and Rs. 7/- in respect of air conditioned First Class travel.

The extra revenue from changes in the fares of the Upper Classes is expected to bring in Rs. 1.60 crores.

21. A Memorandum is being circulated to the Hon'ble Members giving the details about the proposals both in respect of freight rates and passenger fares.

22. **Financial effect of the proposal** - All these measures together will bring in a total revenue of Rs. 35 crores in a full year. Since the revised rates can take effect only from 1st July of this year, the increase in receipts for the current financial year will be Rs. 26.25 crores. This will still leave a deficit of Rs. 6.87 crores in the current year.

23. **Measures to Cover Railway Deficit** - I propose to leave this deficit uncovered in the Budget. The efforts I propose to make along with the railwaymen of all classes from the Chair man, Railway Board, to the last gangman, to effect economy and improve efficiency will be directed to wipe out this deficit. I hope to succeed with your goodwill and co-operation. I have already initiated action to improve the working of the Railways so as to achieve better realisations in earnings and at the same time economies in expenditure. I have recently had personal discussions with the General Managers of all the Zonal Railways. I have formulated general guide-lines as well as specific financial objectives for the year. I have every confidence that the Zonal Railway Administrations will do their best to fulfil the objectives. I have found cost consciousness growing at all levels in the railway hierarchy and a transparent earnestness to maximise earnings and reduce expenditure. Given normalised conditions of working, there is reason to be optimistic that the uncovered deficit will be met by our extra efforts.

Fourth Five Year Plan-Targets and Outlay

24. The Railways' Fourth Five Year Plan as originally formulated, envisaged 264.7 million tonnes of originating goods traffic during the last year of the Plan in 1973-74. The Plan had forecast 212.35 million tonnes in the first year, that is, 1969-70, but the actual materialisation was only 207.9 million tonnes. With this, the target for 1970-71 was revised from 224.6 million tonnes to 217 million tonnes in the Budget presented in February 1970. Even this anticipation was up-set because of the deterioration in the law and order situation, strikes and bundhs in the industrial belt of the country and the difficulties in the working of the steel plants both in the Public and Private Sectors. The actual traffic for the year 1970-71 was 199 million tonnes-that is a fall of 18 million tonnes. It, therefore, became necessary, to review and to scale down, in consultation with the Planning. Commission, the

physical targets from 265 million tonnes to 240.5 million tonnes. The Plan outlay was also, reduced from Rs. 1,525, crores to Rs. 1,275 crores. Steps have consequently been taken to cut down investments. The Plan outlay for 1971-72 has accordingly been, reduced from the, original figure of Rs. 308, crores, on Works, Machinery and Rolling Stock to Rs. 280 crores, in the Interim Budget. The Zonal Railways were directed to reduce inventories and, expeditiously, dispose of scrap and released material, thereby eliminating as much dead capital as possible.

25. Much of the developmental expenditure on line capacity works and electrification in the earlier Plans was incurred in the Eastern coal-steel belt area. The traffic pattern having changed, we have now to develop the North-South routes covering three Zones, the Delhi-Bombay and the Bombay-Ahmedabad routes of the Western Railway and the Jolarpattai-Olavakkot section of the Southern Railway.

As the House is aware the mid-term appraisal of Fourth Plan is in progress. We are having three new steel, plants and naturally, they require synchronous development of the Railways to serve them. It is also likely that as a result of the revival of the economy, there may be an upsurge in the traffic-demands in various parts of the Country. We are constantly and continuously reviewing the position in consultation with the Planning Commission and the Economic Ministries concerned. The Railway Plan is a flexible one and as and when new works are needed by traffic demands, the necessary - resources will have to be found.

2.6. I shall now dwell on a few important aspects of railway working which deserve your consideration.

Gauge Conversions

27. **Multiplicity of Gauges – A British legacy** - Informed public opinion is insistent on one gauge for the Indian Railways. The Administrative Reforms Commission, in their report on Railways, have stated that the multiplicity of gauges, presently in use is irrational and wasteful. Uniformity of gauge ensures smooth flow of traffic, increases transport capacity and reduces operating costs. The cost of operation on the Metre Gauge works out to 50 per cent more than that on the Broad Gauge for traffic above certain densities. The cost of handling at the break-of-gauge transshipment points is also heavy, being over Rs. 3/- per tonne. Besides, the much-complained of thefts--pilferages and damages generally take place at transshipment points. The British inflicted the multi-gauge system of on India, though in their own country, they strictly adhered to an uni-gauge system. Nor has any other advanced country got the multi-gauge system. The existing four gauges are an economic drag on the progress of India. This drag has to be done away with as soon as possible. To begin with, we have to make at least a policy decision that more metre gauge and narrow gauge lines will be built, that every new line should be broad gauge and that from now on, the gradual conversion of metre gauge lines to broad gauge should begin.

28. **A solution for unemployment problem** - I quite understand that an outright conversion of the entire smaller gauge systems into Broad Gauge is not practicable. It is estimated to cost about Rs. 2,000 crores on line construction and another Rs. 2,000 crores for Broad Gauge rolling stock. But the baffling unemployment problem facing the country could be solved to a great extent by undertaking this mighty task. It will presently create great employment opportunities and bestow on the nation permanent assets.

29. **Fifteen-Year plan** - The Indian Railways have drawn up a fifteen-year perspective plan of converting about 3,000 route kilometres to Broad Gauge. The civil works connected with this Project are estimated to cost about Rs. 175 crores. Rs. 15 crores are included in the current Plan for the purpose, out of which 7.53 crores have been spent.

30. **Surveys Undertaken** - Railways have undertaken surveys for a number of conversion projects in various parts of the country. Of the survey reports completed and received, the following projects are likely to satisfy the financial criteria. These lines are:

- (1) Guntakal-Bangalore;
- (2) Ernakulam-Trivandrum Sections of the Southern Railway; and
- (3) Viramgam-Okha and Kanalus-Porbunder sections of the Western Railway.

Some further data and clarifications have been called for from the Railways concerned and I have directed that the examination of all these projects should be completed within the next three

months. I expect that these three projects would prove to be viable even as they are desirable. I hope that it will be possible for me to come up before this House for Supplementary Demands for implementing these projects.

Instant Employment

31. There are about 41,000 level crossings in the country. Now and then an accident occurs at one or the other, of these level crossings. Almost all of them entail delays to the road users. The trains too have to slow down when approaching level crossings and to that extent running time gets increased. There are innumerable demands for construction of over/ under bridges from all over the country. Each over/under bridge taken up will give employment to about 400 persons for a period of 6 to 9 months. To finance such works, "Railway Safety Works Fund" was set up some years ago and is fed by contributions from the Railway Revenues. The Railways will be contributing Rs. 2.28 crores in 1971-72 towards this Fund and with this the accumulation in the Fund will stand at Rs. 10.83 crores.

32. **Construction of road Bridges-An Avenue of Employment** - Construction of over/under bridges confers three benefits. It avoids accidents, it makes for smooth and speedier running of trains and road traffic and affords immediate relief to the unemployed, skilled as well as unskilled. I, therefore, attach great importance to it and earnestly propose to launch a campaign to build as many over/under bridges as possible. For this purpose I need the co-operation of the State Governments, as the construction cost has to be borne half by the Railways and half by the State Governments. We have accordingly addressed the State Governments to this effect.

33. I will be happy if the entire amount of Rs. 10.83 crores is spent this year itself on the construction of over/under bridges. These projects generate immediate employment opportunities to unemployed graduate engineers. Government of India schemes of providing employment will also get added potential.

Modernisation

34. The principal factor in the growth of traffic on the Indian Railways has been the movement of bulk commodities like steel, coal, iron ore, manganese ore, cement etc. and their concentration in a few, selected areas and routes. This is a feature which has created special problems for the Railways. The important routes of traffic movement began to get saturated under steam traction. The Railways, therefore, had to go in for electrification and dieselisation of traction.

35. **Diesel and Electric Traction** - The Diesel and Electric traction have distinct advantages over the steam traction particularly in sections with heavy traffic density. Steam engines have lower speeds and acceleration, less thermal efficiency and hauling capacity. In addition, they require coaling and watering facilities en route. Diesel and electric engines with higher speed, better acceleration, greater hauling capacity and less need for servicing en route are able to achieve improved operation and substantial savings in working expenses.

36. **Pros & Cons of Modernisation; Advantages** - The change over, on a congested section, of even a few of the heavier long distance goods trains to diesel operation can bring about sufficient relief and help to defer expenditure on costly line capacity works, like doubling of track. Dieselisation can be introduced selectively in successive steps embracing more and more goods - services as the traffic builds up. For densities of traffic above 8 to 9 million tonnes per annum, electric traction even with its comparatively heavy initial capital outlay generally becomes cheaper than steam or diesel traction. The diesel locomotive has, however, this advantage over the electric locomotive in that it can be readily moved from one section to another as required.

37. Long distance goods trains and some 25 pairs of important Mail and Express trains have been dieselised, covering over 23,000 route kilometres.

38. The Indian Railways have a phased long-term programme of electrification, which, of course, has to be synchronised with the capacity to produce electric locomotives in the country, the availability of electric power and other required materials. The House would be glad to know that at present electric traction has been introduced on six out of nine zonal Railways, namely, Eastern, Southeastern, Northern, Central, Western, and Southern Railways. During the decade 1960-61 to

1970-71, 3,330 route kilometrage has been electrified. Some of the important sections proposed to be taken up during the Fourth Plan are Virar-Sabarmati on the Western Railway, Waltair-Kirandul and Panskura-Haldia on Southeastern Railway, Tundla-Delhi on the Northern Railway and Madras-Vijayawada on the Southern/South Central Railways. These schemes together will electrify 1,758 kilometres and involve an expenditure of Rs. 103 crores.

39. **Problems** - We are, however, facing several difficulties in the transitional phase of modernisation. One major difficulty experienced by the Railways in the wake of electrification, as already pointed out, is the large-scale recurring thefts of overhead copper wire and its serious consequences.

40. The development of sophisticated methods of signalling, dieselisation, and electrification have raised certain staff problems, in that personnel required to maintain and operate these sophisticated items have to be specially trained and suitably qualified. As Government has decided that no staff would be retrenched as a result of modernisation, arrangements have been made for retraining and proper placement of personnel in the operation and maintenance of the new and modern equipment.

41. Yet another problem, which is perhaps inevitable in the nature of things, is the existence of multiple traction on the same route during the initial stages of modernisation of traction. The Railways are aware of the advantages of homogeneous traction on a given route and are working towards this end. In this context the indigenous manufacture of Broad Gauge steam locomotives has already been stopped.

42. **New Type of honing-stock** - The Railways have pressed into service high capacity Broad Gauge bogie wagons to meet the rising traffic demands particularly of the bulk commodities. These wagons have a carrying capacity of 55 to 65 tonnes against the 22 tonnes of the conventional 2-axle wagons, and enable the running of heavier trains with corresponding increase in throughput. With their introduction, the permissible gross load of freight trains has increased from about 2,200 tonnes to about 3,650 tonnes, that is, by nearly 65 per cent. To ensure the maximum utilisation of these high capacity wagons, they are hauled by multiple diesel or electric locomotives in close circuits.

Administrative Reforms Commission's Report

43. The Administrative Reforms Commission have, in their report on Railways; made 49 recommendations. The recommendations are of far-reaching consequence and cover all the important facets of Railway activities. The Commission have emphasised that the Railways, which are owned by the Nation as their largest public sector undertaking, should be enabled to function on sound business and commercial principles within the framework of the policy laid down by the Parliament. Government attach great importance to these recommendations. Some of the recommendations have to be examined at the highest level. So far six recommendations have been accepted fully or with minor modifications. Other recommendations are under various stages of examination.

Punctuality

44. **Extent of Alarm chain pulling** - I am fully conscious of the criticism made against late running of trains. The punctuality of passenger trains has suffered much this year. The reasons are two-fold. One is the interference the trains suffer at the hands of the wire thieves, the chain pullers, and the political agitators, with their bandhs, dharnas and attacks. The other is the inefficiency of the concerned railway employees. In the coming year, we have to devise measures and methods for combating interference and punishing inefficiency.

Look at the number of cases of alarm chain pulling alone. In 1969, their number was 2,54,932 and it has grown in the very next year 1970 to 3,33,911. They are currently as high as a thousand a day.

Passenger Amenities

45. **Basic amenities provided at a station** - Continuous efforts are being made to ensure basic amenities at every railway station, with the resources available. I am glad to inform the House that

the work of providing basic amenities like waiting halls, lighting, drinking water, adequate booking arrangements at all the stations on the Indian Railways was completed during 1970-71. Third class sleeper coaches which were introduced in 1954 are now provided in all mail and express trains and certain passenger trains. The total number of third class sleeper coaches in use at present on the Indian Railways is 1,000. The expenditure on the passenger amenities has progressively increased from about Rs. 2.4 crores per annum at the beginning of the First Five Year Plan to about Rs. 4 crores per annum in the Fourth Five Year Plan. I am sorry, however, to say that amenities provided, like lights, fans and other electrical fittings in the existing passenger coaches, have become the objects of organised thefts.

46. My predecessor Shri G. L. Nanda did his best to effect improvement of passenger amenities, fuel economy and elimination of thefts and pilferages at important transshipment points. The public co-operation he initiated deserves to be further secured and augmented. I am aware much more work remains to be done and it will be done.

Hill Concessions

47. Concessional return tickets at one and a half times the single journey fares are issued every year since 1951 during the summer months, that is, from 1st April to 31st October. The main objective when we started issuing these tickets was to attract traffic to certain hill stations. Till last year this concession was available to some 25 to 40 hill stations from arty station from where the chargeable distance is 240 kms or more. The Railways lose about Rs. 20 lakhs on account of this concessional traffic. There is heavy rush during these months not only for journeys by rail but also for accommodation at the hill stations. Taking all these aspects into consideration, it has been decided to limit these concessions this year to stations situated at a distance of 400 kilometres or more from the hill stations. We have to see if it is in consonance with economic justice to continue to accord this concession to a limited number and a better off set of people.

Labour Relations

48. The House is aware of the complaint that the management and labour could do better. They are undoubtedly doing much. But it is time that they do much more so that our economic progress may gain added speed.

49. The President in his Address delivered to the Joint Session of Parliament on 23rd March, 1971, stressed the importance of consulting the leaders of trade unions and management in order to evolve sound industrial relations and to secure increased productivity consistent with a fair deal for labour. Where the means of production are owned by the People and private profit is not the ruling motive, as in the case of the Railways, strikes must be abjured as a matter of principle. The Administrative Reforms Commission has made several recommendations in this regard. Performance and production oriented labour relations are vital for making the Railways truly a Public benefactor. I agree that there should be an adequate machinery for quick redress of grievances and adjudication of disputes between the management and the employees.

50. Pradhan Mantri in her inaugural speech at the Conference of Trade Union Organisations has said that

“.....labour is a major participant in the productive process, and the quality, and intensity of its efforts are critical in increasing the rate of growth of production and therefore of investment in the economy the employed particularly in the organised sector, who enjoy a measure of social security, should recognise that in our country to be employed is in itself a privilege. Hence they should not seek unilateral gains for themselves but have some compassion for those who are willing to work yet are not able to do so because of the comparatively low rate of capital formation in our country.....”

Her advice is wholesome and timely and has to be followed if we are to ensure economic and social justice embedded in the Constitution.

51. I am happy to acknowledge that the relations with the organized labour during the year have continued to be generally cordial and satisfactory. The year has been particularly hard and trying for the railwaymen, specially for those directly connected with the movement of trains. Regardless of the considerations of personal safety, all ranks of railwaymen showed exemplary

courage and devotion to duty and gave of their best in running the Railways - the 'life-line' of the Nation.

52. Labour in particular is wedded to the ideal of socialism and rightly so. The overwhelming majority of us are committed to socialism. We have to realise afresh that the success of socialism in our country is interlinked with the success of our public undertakings. The Railways are the biggest of our public undertakings and therefore, the best means of proving the worth of socialism.

53. Permit me, Sir, to thank you for the patient hearing given to me.
