

**Speech of Shri Lalit Narayan Mishra
Introducing the Railway Budget
for 1973-74, on 20th February 1973**

Mr. Speaker,

Sir, Within a few days of my taking over the Portfolio of Railways, I deem it to be my privilege for being called upon to present the Railway Budget for the year 1973-74.

2. The current year coincides with the Silver Jubilee of our Independence and vividly reminds us of the positive role played by Indian Railways in our country's economic development.

Accounts For 1971-72

3. The year 1971-72 was a year not only of stress and strain but also one of achievement for the Railways. Notwithstanding the problems arising out of the influx of 10 million refugees from across the border and the damages caused by the unprecedented floods and cyclones in the Eastern India, the Railways proved fully equal to the demands placed on them by the Defence Services before, during and after the emergency. The finances of the Railways too showed a marked recovery. The Budget Estimates for 1971-72 had predicted a shortfall of Rs. 6.87 crores. With the improved railway working together with the relief afforded by the Railway Convention Committee, 1971, it was foreseen at the stage of the Revised Estimates that the Railways would show a net surplus of Rs. 9.08 crores instead of a deficit of Rs. 6.87 crores. Actually, the performance of the Railways turned out even better, and the year's final account closed with a surplus of Rs. 17.84 crores. The Railways had also taken in their stride the increased expenditure on account of additional interim relief, increase in running allowances and expenditure on repairs necessitated by flood damage which were not, and could not be, provided in Budget. The Depreciation Reserve Fund and Pension Fund during the year received Rs. 105 crores and Rs. 11.50 crores respectively from the Revenues. The indebtedness of the Railways to General Revenues under Development Fund and Revenue Reserve Fund which was estimated to go up to Rs. 126 crores at the end of 1971-72 actually came down to Rs. 106.22 crores.

Revised Estimates, 1972-73

4. The Railway Budget for 1972-73 envisaged a surplus of Rs. 32.53 crores. The Gross Traffic Receipts were estimated at Rs. 1143.10 crores. It was assumed in the Budget that the 'Passenger' earnings would go up by 3% over the previous year. The 'Goods' earnings were based on the anticipation of an additional 9.5 million tonnes of revenue earning traffic.

Very early in the year, it became apparent that the additional goods traffic hoped for was not likely to be achieved. During the first quarter of the year, the proportionate additional goods traffic did not materialise. This was chiefly due to large scale power shedding by Damodar Valley Corporation and Bihar State Electricity Board, particularly, in April and May 1972. Frequent power trippings affected railway operations not only directly but also indirectly through their effect on the working of washeries, collieries, cement plants and other major industrial units. The traffic started picking up from July 1972 onwards. The additional revenue-earning traffic which was only 80,000 tonnes by the end of July rose to 7.2 lakh tonnes by the end of August and to 2.15 million tonnes by the end of September and to 3.58 million tonnes by the end of October. The pattern of growth was, however, not uniform. The steel plant traffic, foodgrains and fertilisers had forged ahead of targetted tonnage. On the other hand, coal for users other than steel plants, cement, iron ore for export and petroleum lagged behind. There was a two/three weeks' strike in cement plants, student agitations in Punjab, Haryana and Assam and the pro-, and anti-Mulki Rules agitation in Andhra Pradesh starting from November 1972 and we were faced with go-slow tactics in Mughalsarai. No wonder that the revenue-earning traffic dropped sharply. In this month, Railways carried 0.07 million tonnes less than in November 1971. The position again improved in December and to the end of December, an additional 4.72 million tonnes was realised. But we were still 2.67 million tonnes below the anticipated proportionate target. In January, the engineers of the U.P. State Electricity Board struck work, which seriously disrupted the movement of traffic on the main electrified route on the Northern Railway. The conditions in Andhra Pradesh took a turn for the worse with violent Mulki and separationist agitations. For quite a few days, the traffic between North and South had come to an absolute standstill. Taking all these factors into account, I am afraid that additional revenue-earning traffic during the year may not exceed 5.64 million tonnes at best as against 9.5 million tonnes assumed in the Budget Estimates. Despite the shortfall in the originating traffic, the situation is expected to be somewhat retrieved by increases in the lead, upsurge of economic activity in other parts of the country and the favourable change in the overall traffic

mix. In the result, the Revised Estimates of 'Goods' earning have been placed at Rs. 732.13 crores, i.e., Rs. 15.89 crores more than the Budget. The Railways would obviously have done much better if these disturbances had not been there.

5. The earnings under 'Passenger' traffic, despite the disruptions caused by agitations, strikes, bandhs and particularly by the anti-Mulki Rules agitation, have so far shown encouraging results. On the basis of trends, the 'Passenger' earnings are now estimated to be Rs. 14.12 crores, more than the original estimates. The earnings under 'Sundries' may also be higher by Rs. 2.14 crores while those under 'Other Coaching'-parcels/luggage etc., may show a slight decrease of Rs. 15 lakhs.

6. Our over-all earnings have gone up by Rs. 31 crores but our Working Expenses have been rising even faster.

7. Our revised figures for 'Working Expenses' are Rs. 47.54 crores more than the original Budget Estimate. The 'Staff' costs have been steeply rising over the years. Since September 1970, staff costs have gone up by more than Rs. 95 crores a year due to sanction of three interim reliefs as a result of the recommendations of the Third Pay Commission, enhancement in the rates of daily and travelling allowances and implementation of various Tribunal awards including that of the Miabhoy Tribunal. Payment of the latest instalment of interim relief to staff, sanctioned with effect from 1st August 1972, would account for over Rs. 14 crores in a full year. The effect in the current year will be of the order of Rs. 9.04 crores. The successive increases in the price of 'steel' and 'fuel' have also raised the expenditure of the Railways considerably. An additional amount of Rs. 23.85 crores has been provided in the Revised Estimates under 'Repairs & Maintenance' of Railway assets. Of this amount, Rs. 3.59 crores is for repair to damages caused by floods/cyclones in the eastern and western regions. The increased expenditure on maintenance of locomotives, coaches, wagons, electrical and signal & telecommunication services would account for the balance of Rs. 19.20 crores. The price of coal, diesel and electricity during the year has raised the fuel bill by about Rs. 4.06 crores.

8. The appropriations to the Depreciation Reserve Fund of Rs. 110 crores and to Pension Fund of Rs. 16 crores have been allowed to stand as in the original Budget Estimates. The Dividend to General Revenues is expected to go up by Rs. 3.48 crores because of increased capital expenditure during the year.

9. It will thus be observed that although the Railways would be earning an additional revenue of Rs. 31 crores, the rise in expenditure of Rs. 47.54 crores coupled with the increase in Dividend payable to General Revenues by Rs. 3.5 crores would bring down the net surplus of the Railways from Rs. 32.53 crores to Rs. 12.40 crores.

10. The indebtedness of the Railways to the General Revenues which was anticipated to come down to Rs. 98.54 crores by the end of 1972-73 will now stand at Rs. 110.68 crores.

Budget Estimates, 1973-74

11. It is hoped that normal peaceful conditions would prevail in the southern and eastern regions and the economy of the country will grow at a faster pace during the new financial year. In the Budget Estimates 1973-74, the Gross Traffic Receipts at the existing levels of fares and freights have been placed at Rs. 1220 crores or Rs. 46 crores more than the Revised Estimates. The increase in Passenger earnings is expected to be about 4% over the current year's performance. For the Goods traffic, which contributes about two-thirds of our earnings, an additional originating revenue-earning tonnage of 10 million tonnes has been assumed, yielding about Rs. 35 crores of additional revenue. The earnings under Other Coaching and Sundries have been kept more or less at the same level as in the Revised Estimates of the current year. On the expenditure side, an increase of Rs. 61.57 crores over the revised budget is envisaged; the estimate of working expenses being Rs. 918.25 crores against the revised estimate of Rs. 856.68 crores. As explained in the Explanatory Memorandum, the extra expenditure is chiefly attributable to (a) escalation in staff costs (34.81 crores), (b) increased cost of repairs & maintenance of way and works, rolling stock, and electrical and signal & telecommunication services (13.54 crores), (c) increased expenditure on fuel related to additional traffic (4.52 crores), and increase in cost of coal including cess (from January '73) (3.88 crores), and (d) miscellaneous factors (6.66 crores).

12. The staff pay bill has gone up on account of annual increments (5.70 crores), interim relief sanctioned with effect from 1-8-1972 on the recommendations of the Third Pay Commission (5.00 crores for the period April to July), implementation of decisions of Miabhoy Tribunal (6.73 crores), grant of liberalised scales of clothing and uniform to railway employees (1.24 crores), appointment of

additional staff in essential categories, contribution to provident fund, allowances etc. to staff (16.14 crores). Our cost on repairs and maintenance has increased largely due to higher cost of materials and stores. An intensive drive has been initiated this year for ensuring better maintenance and repair of covered wagons and locomotives to improve their availability for movement of larger volume of traffic.

13. The appropriation to Depreciation Reserve Fund has been raised from Rs. 110 to 115 crores in pursuance of the recommendation of the Railway Convention Committee, 1971. The appropriation to Pension Fund has been kept at Rs. 16 crores. The Dividend to General Revenues would be Rs. 172.61 crores as against Rs. 163.18 crores provided for during the current year. On this reckoning, earnings are likely to fall short of expenditure, and the estimated deficit comes to Rs. 19.34 crores.

Net Financial Position

14. The above deficit does not take into account Rs. 20 crores which will be spent in 1973-74 on development fund works. The Railways have also to pay to the Ministry of Finance interest amounting to Rs. 5.35 crores on the outstanding loans under Development Fund and Revenue Reserve Fund. In addition, a loan instalment of Rs. 8.31 crores is also due repayment. All these liabilities amount to Rs. 33.66 crores.

Budget Proposals

15. If the current liabilities are added to the deficit, the gap will be as much as Rs. 53 crores. The country is passing through a difficult economic situation and I am anxious that we should do everything possible to lighten the load of the common man. At the same time, if I leave this gap uncovered, it means so much more strain on the General Finances, which will ultimately affect the general public. With considerable reluctance, therefore, I am proposing a modest revision of freights and fares and I trust it will not have any significant effect on the cost of living.

16. Hon'ble Members are aware that there are a number of commodities carried by the Railways at very low rates, the revenue from which do not pay for the full costs of transportation. The costs of operation on the other hand are continuously going up, in view of increases in the wage levels and in the prices of materials. Increases in pay and allowances sanctioned by Government since September 1970 and Labour arbitration awards alone have enhanced the annual salary bill of the Railways by over Rs. 95 crores, i.e., by as much as 22.5 %, and staff costs form 60 % of the Railways' working expenses.

17. The costs of coal, diesel oil, electricity, steel and other stores purchased by the Railways are also going up continuously. Such inevitable increases in costs of operation make it well-nigh impossible to keep the freight rates and passenger fares unchanged. However, the adjustments in freight rates and fares, which I propose to make, will be on a very modest scale.

Revision Of Classification Of Certain Low-Rated Commodities

18. I propose to raise by one step the freight classification of commodities now charged at class levels 57.5 and below. Commodities now charged at class 30 for wagon loads will henceforth be charged at class 32.5, those charged at present at class 32.5 will be placed in class 35, and so on, up to the commodities grouped under class 57.5, which will be charged at class 60. The proposed re-classification would mean an increase in the railway freight of about 8% in respect of commodities now charged at class 30, the increases gradually tapering down to about 4% only for commodities charged at class 57.5. Even with this increase, there will be a number of commodities, the freight earnings from which will not meet fully the costs of operation.

19. The classification for 'Smalls', i.e. consignments less than wagon loads, will be correspondingly fixed.

Freight On Salt, Kerosene Oil, Foodgrains (Including Pulses) Exempted From The Proposed Increase

20. Although rate increases have to balance between conflicting considerations of enhanced revenue and its impact on consumers, I am convinced that the incidence of such increases must not contribute to the existing inflationary trends in goods or articles, which figure predominantly in the budget of the common man. While a total insulation of the articles of mass consumption from the incidence of freight increases would be somewhat difficult, it has been decided to exempt certain limited group of essential commodities namely foodgrains, salt and kerosene oil. Salt, apart from its association with our struggle for freedom, still constitutes an important item in the daily budget of the

common people. There will not be any change in the freight rates for foodgrains and pulses, though by transporting these necessities of life, the Indian Railways are currently incurring a loss of nearly Rs. 26 crores per annum.

21. The proposed revision in the classification of goods will bring an additional revenue of Rs. 14.65 crores during the year 1973-74.

Freight On Coal

22. The freight rates for coal were last revised in 1971 and since then there has been a sizeable increase in the costs of operation. The existing freight rates are insufficient to cover the cost of transport of coal beyond 1100 kms. and the gap between the freight earnings and the cost of transport increases with the distance. The loss suffered by the Railways on the transport of this essential commodity is as much as Rs. 12 crores a year. The coal industry is being reorganised to subserve our broader national interests and keeping in view the need to further encourage rural reconstruction programmes, it has been decided to treat coal on a special footing. I, therefore, propose to limit the increase in freight rates on coal to 3% only. The yield from this increase will be Rs. 3.50 crores per annum.

Upper Class Passenger Fares

23. The Finance Minister will be separately announcing in his Budget the withdrawal of the railway passenger fare tax with effect from 1 st April, 1973. To this extent, the passengers will benefit. At the same time, the House is aware that Railways are losing about Rs. 63 crores a year on passenger and coaching services, Rs. 50 crores on non-suburban services and Rs. 13 crores on suburban services. The non-suburban upper class passengers who form 1.3% of the travelling public contribute 13 % of the total passenger earnings. It is only right and proper that the affluent sections of the society patronising these classes should be made to pay more. I accordingly propose to increase the upper class basic fares excluding the tax by 10 % in respect of single journey tickets. My intention is that within a period of two years, the air-conditioned class fares in all the trains should be brought to the level of air-fares. To begin with, I propose to raise the ACC fares for Rajdhani Expresses to Bombay and Calcutta equal to or more than the air fares. There will also be a proportionate increase in the existing first and second-class monthly season tickets, the details of which are given in the Memorandum. The yield from these increases in 1973-74 will be Rs. 4.45 crores.

Third Class Passenger Fares

24. I would have very much liked to exempt third class passengers from any increase. The rising costs of operation do not, however, permit me to do so and I am, therefore, proposing some very modest increases to the basic fares exclusive of tax. First, there will be no increase in third class fares for the first 15 kms. For the next slab 16 to 36 kms., the increase will be only 5 paise for third class ordinary and for the next slab 37 to 50 kms. 10 paise and so on. For journeys between 16 and 50 kms, a single journey ticket will cost only 5 paise more than a present. For longer distances, say 200 kms., the increase over the existing fares including tax will be only 15 paise. Even for a distance of 1000 kms., a single third class ordinary ticket will cost only 20 paise more than at present. For no distance, the new fares will be more than 25 paise over the existing fares. I may emphasise that the proposed new fares are generally less than the existing bus fares.

Third Class Mail & Express

25. Coming to mail and express trains, the increase over the basic fares exclusive of tax will be 10 paise for the first slab of 16 to 25 kms., 20 paise for the next slab of 26 to 50 kms., 30 paise for the next slab of 51 to 100 kms. and so on. For a journey of 200 kms. by mail or express train, a single journey third class ticket will cost 15 paise more than at present. Even for a journey of 400 kms., the increase will be only 25 paise.

26. It will be seen from the table I am reading out that the increases in fares for some representative pairs of stations will be only marginal:

	Existing fare (including tax) Rs.	Proposed fare Rs.	Increase
Delhi-Lucknow	16.85	17.15	30 paise
New Delhi-Bhopal	23.05	23.65	60 paise

Delhi-Patna	29.80	30.50	70 paise
New Delhi-Nagpur	32.30	33.05	75 paise
Delhi-Bombay	38.80	39.65	85 paise
Delhi-Calcutta	39.90	40.80	90 paise
Delhi-Madras	54.55	55.45	90 paise

Third Class Season Tickets (Suburban & Non-Suburban)

27. In respect of season tickets for both suburban and non-suburban third class, I do not propose to make any increase in monthly season tickets costing up to Rs. 5/-. Monthly season tickets costing more than Rs. 5/- will, however, be increased by 50 paise.

28. The above increases will give us Rs. 21.25 crores of which Rs. 12 crores are already being collected in the form of passenger fare tax. The extra collection from third class passengers will, therefore, be only Rs. 9.25 crores.

Supplementary Charge For Travel By Certain Selected Super Fast Express Trains

29. There are eight super fast express trains like the Frontier Mail, Kalka-Delhi-Howrah Mail, Grand Trunk Express, Taj Express, which are much faster and more convenient than other mail and express trains running on the same route. The difference in the running times of these super fast trains and other expresses running on the route in some cases is more than 12 hours. I, therefore, propose to levy a special supplementary charge at a flat rate for travel by these trains. As all the seats in these trains will be reserved, there will be no overcrowding and this measure will bring much needed relief to the long distance travelling public. The flat rates will be Rs. 1.50 for III class, Rs. 3/- for II class/A.C. chair car, Rs. 5/- for I class and Rs. 10/- for A.C.C.

Fares For Rajdhani Expresses

30. There will be also revision in the fares for travel by the two Rajdhani Expresses, both for A.C.C. and A.C. chair cars.

Net Effect

31. The net effect of the proposals in respect of passenger fares will be an yield of Rs. 26.20 crores.

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

Financial Effect Of The Proposals

33. All these proposals will be effective from 1st April 1973 and the total additional revenue from them will be Rs. 44.35 crores. After taking this amount into account, the budgeted surplus in 1973-74 is estimated at Rs. 25.01 crores. This surplus will be set off against liabilities aggregating Rs. 33.66 crores for financing the developmental works, repayment of loan instalment and interest charges on outstanding loans etc. This will leave a gap of Rs. 8.65 crores which I expect the Railways to make good by improving their earnings and better operational efficiency.

Plan Expenditure (Revised Estimates 1972-73)

34. During the current year, our Revised Estimates, excluding Metropolitan Transport Projects, show an expenditure of Rs. 194.56 crores under Capital Rs. 114.48 crores under Depreciation Reserve Fund, Rs. 20 crores under Development Fund, and Rs. 7 crores Open Line Works Revenue. In all, Rs. 336.04 crores against the Budget Estimates of Rs. 301.50 crores. The increase in expenditure is largely attributable to manufacture and procurement of Rolling Stock, purchase of stores and structural engineering works.

Budget Estimates 1973-74

35. Our Annual Plan for 1973-74 envisaged total expenditure of Rs. 366.28 crores, Rs. 195 crores under Capital, Rs. 137.54 crores under Depreciation Reserve Fund and the balance under Development Fund and Open Line Works Revenue. In view of constraints on ways and means and need for economy, this programme has been pruned down to Rs. 329.54 crores inter alia, by showing probable savings of Rs. 20.58 crores. In addition, Railways intend to spend Rs. 8 crores on Metropolitan Transport Projects during 1973-74.

36. The physical and financial progress of the Plan works has been quite satisfactory. In the first four years of the Plan quinquennium, 78% of the planned outlay has been spent. About 724 route kilometres have been doubled so far and the doubling in respect of another 800 kilometres is likely to be completed by the end of the Plan. Conversion of 326 route kilometres (Pune-Miraj-Kolhapur) from metre gauge to broad gauge has already been completed. New conversion schemes notably Virangam-Okha-Porbander, Ernakulam-Trivandrum, Guntakal-Bangalore, Barabanki-Gorakhpur-Samastipur totalling to about 1600 kilometres have been sanctioned. Works are in progress in respect of all these conversion schemes as per schedule. New lines connecting Obra-Singrauli, Hindumalkot-Sri Ganganagar, Maliya-New Kandla, Jammu-Kathua, and Singrauli-Katni, have been opened for traffic. Others, including the Cuttack-Paradeep line and the Trivandrum-Kanyakumari-Tirunelveli line are making good progress. Similarly, the various electrification schemes are proceeding almost according to Plan.

37. Likewise, the manufacture of rolling stock such as locomotives, coaches and wagons has also been stepped up and we expect to achieve the targets except for a small shortfall in the production of diesel and electric locomotives.

Tasks Ahead

38. As the House is aware, the Fifth Plan is in the process of formulation. Different inter-ministerial working groups have been meeting and discussing the various sectoral plans and production targets which have a bearing on the probable level of freight traffic that the Railways would be called upon to handle during the Fifth Five Year Plan. The preliminary studies by various Ministries indicate that the railways may be called upon to carry an increase in freight traffic of 110 to 120 million tonnes in five years or an average growth of 22 to 24 million tonnes per year. This increase of nearly 50% in the quantum of originating goods traffic in a period of five years poses stupendous problems for the Railways. The enormity of the task can be better appreciated against the average yearly growth of 5 million tonnes in the First Plan, 8 million tonnes in the Second Plan and 4 million tonnes since 1960-61 to date.

39. The projected increase in traffic in the Fifth Plan would be largely in the basic commodities like coal, raw materials for steel plants, foodgrains, fertilisers, cement, iron ore for export, petroleum products and steel. On present indications, movement of coal alone would be about 125 million tonnes as against 65 million tonnes at present, an increase of unprecedented magnitude for any railway system in the world. Likewise, passenger traffic - particularly medium distance and long distance, is expected to grow substantially.

40. To cope with such gigantic tasks ahead, we will have to augment in a very big way our fleet of locomotives, wagons and coaches; construct new lines and increase the capacity of the existing lines, set up new repair and production units, provide additional passenger terminal and yard capacities at metropolitan centres and other cities. The concept of rail transport strategy will have to be radically revised and adjusted to deal with the movement of masses of persons and massive quantities of bulky goods. We will probably have to think of longer and heavier trains, more powerful locomotives, more seats in the passenger coaches, increased dieselisation and electrification of the services, better utilisation of our track and rolling-stock, though even now they are second only to Japan, increase in the pay-load of wagons. In short, we may have to reorient our thinking and outlook completely and take effective steps towards maximum utilisation of our existing assets, and creation of additional capacities within a limited time scale.

41. The construction of new lines is one such item where an entirely new approach may have to be thought out. The rising costs of construction require high density of traffic to justify a new line financially. For a new line to become an economic proposition, it has to be assured at least 3 million tonnes of originating traffic. This may be possible in highly industrialised areas. But there may be areas where such quantum of traffic may not be offering; yet a new line or a conversion of a line may be necessary for the development of the region. With a view to make it financially possible for the Railways to construct new lines in such situations, it will be necessary to develop a new approach and explore measures to reduce their Capital liability and to improve the rate of their earnings.

Some formulae which could be adopted towards this end are as follows:-

- (i) Exemption, full or partial, from payment of dividend liability to the General Revenues during the period of construction and for a specified number of years after completion and opening to traffic;
- (ii) Participation of State Governments or local authorities, in reducing the cost of construction by giving the land and labour content of construction free of cost;
- (iii) Suitable adjustment upwards of fares and freight structure applicable to the newly constructed line, which in common parlance is called inflation of chargeable mileage;
- (iv) Levy of fares and freight on a discontinuous basis so as to be a set-off against telescopic structure of standard fares and freight.

The classical concept of traditional economic viability needs to be re-adapted in the light of the historical experience gathered from the economic development of different societies. The principle that transportation infra-structure must evolve along the pattern determined by pre-existing economic viability needs to be modified to the extent that very often the creation of the infra-structure themselves lead to additional demand and increased commercial prospects. In selected areas the calculus of short-term economic returns must yield place to the long-term benefits through a policy of deliberate developmental expenditure.

Based on this, I intend to discuss with my colleagues, the Finance and Planning Ministers how we can initiate new railway projects or open new lines up to 60 kilometre's where the development of the area would be greatly facilitated, without viewing this expenditure too closely in terms of the prospects of immediate returns on investment.

Important New Works

42. I have referred earlier to some important gauge conversion works in progress in Ernakulam-Trivandrum, Guntakal-Bangalore, Okha-Viramgam and Barabanki-Samastipur sections. In addition, there are certain important works of new lines and conversions presently under examination and active consideration of the Government. Some of these works are:-

- (i) Wani - Chanaka Line.
- (ii) Manmad to Purli Vajinath - Conversion from Metre Gauge to Broad Gauge.
- (iii) Miraj to Latur - Conversion from Narrow Gauge to Broad Gauge.
- (iv) Mangalore - Apta Line.
- (v) Delhi - Ahmedabad - Conversion from Metre Gauge to Broad Gauge.
- (vi) Barauni - Katihar - New Bongaigaon and Gauhati - Conversion from Metre Gauge to Broad Gauge.
- (vii) Guntur - Macherla - Conversion to Broad Gauge, and Nadikude - Bibinagar - New Broad Gauge line.

There are some more proposals for new lines, gauge conversions and restorations which are in various stage of consideration. Subject to availability of resources, it is hoped to take up some of these items in due course. No funds to undertake these works have been provided in the budget for 1973-74. I seek your permission to undertake these works by re-appropriation of funds within the relevant grants, as soon as they are approved by Government. I shall come to the House again for grant of requisite funds, as may be necessary in the year to execute these works.

New Surveys

43. Apart from the surveys proposed for improving the traffic capacity on the existing routes and for giving relief to the hard pressed terminals at the major cities, surveys are also in progress or are being taken up for some new railway lines which, when constructed, would promote the

development of some backward areas in the country. Particular mention must be made in this context of the surveys for new lines from Dalli Rajhara to Jagdalpur in Madhya Pradesh, Jhakupura to Banspani in Orissa, Nangal to Talwara in Himachal Pradesh, Hasanpur to Sakri and Jhanjharpur to Laukahabazar in Bihar and Agartala to Sabrum in Tripura etc. Now that Kosi River has been tamed to a large extent, some restoration surveys have also been taken up in its basin to relay the lines Saraigarh to Pratapganj which had previously been abandoned due to the ravages of floods and to extend it to Forbesganj as to set up the much needed transport infra-structure for the development of this potentially rich area and thereby give a fillip to the production of sugarcane, tobacco, jute and other cash crops.

Transport Of Goods

44. Particular attention has been paid during the year to the clearance of foodgrains and fertilisers to the drought stricken areas. During the first ten months of the year, Railways moved 51.95 lakh tonnes of foodgrains on behalf of Food Corporation of India from Punjab and Haryana against 29.98 lakh tonnes moved last year. The stocks of fertilisers both at the ports and at the factories have been cleared currently. A special drive was instituted from September to clear all the cement offered for transport and this has been achieved except at two or three factories which are also receiving special attention. All the iron ore offered for export has been cleared in full. Railways have also helped the Steel Plants to keep up the stocks of raw materials at a satisfactory level and removed their finished products as offered. Petroleum products have been cleared in full and tank wagons are sometimes idling for want of POL traffic.

45. In the transportation of coal, which accounts for 30% of the total originating tonnage, determined efforts have been made to step up loading. While the movement of coal from outlying fields was very satisfactory, that from Bengal-Bihar coalfields was not so good. During the first ten months of the year, daily average loading of coal from Bengal and Bihar fields was 5683 wagons against the average of 5647 wagons during 1971-72 and 5542 wagons during 1970-71. Special care has been taken to meet the increased requirements of coal for power houses.

Wharfage & Demurrage Rates

46. It is a common experience that some sections of the trade detain wagons heavily at terminals and do not take delivery of goods from railway premises within the time allowed, possibly with a view to creating artificial scarcity in the market and thus inflating the prices. This practice, besides raising prices of essential commodities also adversely affects mobility of wagons and free flow of traffic. My predecessor has also reported to the House, that in order to check this malpractice the rates of demurrage and wharfage have been substantially increased from 1st December, 1972. With the same objective in view, the Railway Act has also been amended in the last session of Parliament to bring down the period of Railways' liability as a bailee from 30 days to seven days.

Amendment Of Indian Railways Act, 1890

47. As the House is aware we have taken in hand a comprehensive review of the Indian Railways Act, which was passed as long ago as 1890; and has but for occasional amendments, remained substantially what it was 80 years ago. The objective is to bring this old statute into accord with present day conditions and make it a more flexible instrument of regulation. During the current session, I propose to present a Bill for amendment of some half a dozen other sections of the Act, among them being the sections dealing with payment of compensation in cases of accidents to passenger carrying trains and offences like unjustified alarm chain pulling, trespass, destruction of railway property and equipment and willful wrecking of trains.

Speeding Up Of Goods And Passenger Trains

48. There has been a progressive increase in the average speed of goods trains on the broad gauge system of Indian Railways over the years. This has been primarily due to introduction of more and more of electric-diesel traction, which is faster. Apart from this change of traction, the Railways are also taking other steps for increasing the speed of trains like the higher standards of track maintenance, introduction of more sophisticated systems of signalling, better systems of communications and more refinements for braking and rolling characteristics of wagons. On major trunk routes, multiple aspect signalling is fast replacing the conventional two aspect signalling. Similarly, with more of roller bearing stock and new devices like quick application and quick release valves, the brake power of trains has increased and this in turn has led to greater safety of trains by enabling drivers to operate with greater safety and confidence.

Difficulties Due To Electric Power Cut

49. Due to acute power shortage in the country, the Railways have been repeatedly experiencing frequent load sheddings and interruptions, which have serious repercussions on the movement of trains and on the working of the railway installations. The running of electric trains, particularly, on the Eastern and South Eastern Railways, has been seriously dislocated due to frequent power cuts and power failure from the Damodar Valley Corporation and the State Electricity Boards.

An idea of the dislocations due to power cuts on one of the sections of the South Eastern Railway - Chandil-Purulia Complex, can alone be had from the fact that against 88 cases of power cuts which occurred from May to September 1971, there were as many as 1355 during the corresponding period of 1972 on this section. These power cuts and power sheddings have not only affected the running of the electric trains but also seriously affected the repair and overhauling of the locomotives and wagons in workshops, yard working for failure of lights and the failure of electrically operated points, retarders and signals. Even steam services have been affected as a result of electric pumps not working and consequent short supplies of water in the overhead water tanks.

In view of the acute shortage of electric power, the Railways may have to consider setting up their own generating stations to feed the grid systems of the States. I shall be examining this question in consultation with Planning Commission, the Ministry of Irrigation and Power and the concerned State Governments.

Thefts Of Overhead Electric Wires

50. Recurring thefts of overhead copper wires in the electrified sections by miscreants also caused frequent interruptions of train services. The Railways have now on hand a comprehensive programme of replacing copper wires by indigenously manufactured aluminium wires. Railways have already replaced copper overhead telecommunication wires by ACS over 2600 kilometres along the railway track. Such replacement works are in progress over another 5000 kilometres. Another 3570 kilometres of telecommunication overhead wires had been replaced by underground cables in electrified sections.

Wagons : Increased Demand And Production

51. There has been an upsurge of demand for railway wagons. In some sectors, the supply of wagons is short of demand I am seized of the problem. To some extent, certain circumstances inhibit the optimum utilisation of our rolling stock, such as slow release of wagons by inefficient industrial unit or by uncooperative traders. Availability of wagons will certainly improve if the immobilised wagons are put back into the stream of traffic. At the same time, we have taken into account the increasing demand for rail transport. This situation will be accentuated with expanding economy. We have, therefore, initiated steps to augment our fleet of wagons and of our holdings in locomotives. We have recently ordered 15,000 additional wagons over and above the 26,000 already on order, the additional wagons being against our fifth Plan requirements. Wagon manufacture in the railway workshops at Amritsar, Golden Rock and Samastipur is also being stepped up to about 4,000 wagons per annum. The Railways are also making massive efforts to increase the availability of wagons by keeping them in good repair. Panel patching and repair facilities in sick lines, depots and workshops have lately been intensified. As a result of these measures, about 750 wagons are daily being made available for loading valuable and damageable commodities. We have also arranged with the Indian Statistical Institute for a thorough systems analysis and study of important streams of coal movement to see whether optimum use is made of our rolling stock and various facilities.

Production Units

52. The Railways have three Production Units manufacturing coaches, diesel and electric locomotives. Railway workshops also produce 2,800 wagons, which will be stepped up to 4,000 wagons a year from 1973-74. The performance of the Integral Coach Factory, Madras, has been quite satisfactory. The number of fully furnished coaches manufactured at Integral Coach Factory is estimated to go up from 635 in 1971-72 to 715 during 1972-73 and to 750 during 1973-74. The production of the diesel locomotives in Diesel Locomotive Works, Varanasi, is running behind schedule due mainly to labour trouble. The production of electric locomotives in Chittaranjan Locomotive Works has also fallen behind schedule because of certain technical difficulties that have been experienced in respect of electric traction motors. These problems are being resolved in consultation with our French collaborators. However, the production target at Chittaranjan Locomotive Works, which is expected to reach 109 electric locomotives, and diesel shunters will be stepped up to 128 numbers during 1973-74. Similarly, the manufacture of diesel and electric locomotives at Varanasi is expected to go up from 110 during the current year to 140 in the next year.

Further, on the export side, the Integral Coach Factory have achieved a major break-through in recent months by securing orders abroad in the face of stiff international competition. At present, the factory have orders for exporting coaches to Zambia.

Export Of Railway Coaches And Equipment

53. There is an immense potential for the export of our railway equipment including coaches, locomotives, wagons and signalling, equipment to the developing countries of Asia, Africa and South America. Our wagons are also in great demand in U.S.S.R. and other countries of Eastern Europe. I am forming a special Export Cell in the Railway Board to see that the Railways do their utmost in this field.

Consultancy Service

54. Over the years Indian Railways have developed considerable know how and expertise in the construction of railway lines over difficult terrain mountainous with long tunnels and high viaducts, building of long span bridges with deep and heavy foundations in giant rivers like Ganga and Brahmaputra. Indian Railways have also developed an integrated organisation for research, design and standardisation as a substantial base to advance the indigenous industrial manufacture of all railway equipment, rolling stock, and track. This institution acting as consultants and advisers to various Zonal Railways has been the main reservoir of talent and expertise for taking up consultancy services, particularly to a number of countries in Asia and Africa. As there is considerable demand abroad for such consultancy services, Government are thinking of organising a separate unit for consultancy in the Railways so that the services can be rendered economically attractive. Apart from offering consultancy in all fields of disciplines including management and computerisation, project evaluations after detailed field surveys etc., the organisation will also undertake 'turn-key' execution of various railway projects.

Operational Research

55. I would like to mention that with a view to increase the efficiency of operation on the Railways and to effect economies, wherever feasible, in the various fields of transportation, recently an Operational Research Cell has been set up in the Railway Board. The Cell will undertake important efficiency studies employing modern management techniques like Linear Programming, Regression Analysis, and will also be of assistance in Corporate Planning. Cost Study cells have also been set up.

Thefts, Pilferages And Dacoities

56. As the House is aware, a country-wide campaign was launched in January 1972 against thefts and pilferages of railway property. There has been an improvement in the position on Central, Northern, Southern, South Central, and Western Railways where the compensation claims paid on this account have decreased during 1971-72. However, the position showed deterioration on the Eastern, South Eastern, Northeast Frontier and North Eastern Railways. The members of the Railway Protection Force had on many occasions displayed a high sense of duty in apprehending dangerous and violent criminals and miscreants at the risk of their personal safety. 29 Railway Protection Force personnel were killed and 106 injured in encounters with these criminals during 1971. Five Railway Protection Force personnel were killed and 73 injured during the period from January to October 1972. During the same period, Railway Protection Force had to resort to open fire on 143 occasions killing 60 criminals and injuring 22 of them.

The Railway Protection Force is being reorganised to make it more effective. The question of conferring additional legal powers on the Railway Protection Force is being processed with the Ministries of Home Affairs and Law.

57. Latterly, the incidence of dacoities and murders in running trains has shown a disturbingly increasing trend. As against 96 murders and 90 dacoities in 1970, there were 165 murders and 115 dacoities in 1971 and 101 murders and 118 dacoities in 1972. To check these crimes, important passenger trains are being escorted by armed police personnel wherever possible. Surprise checks and supervision of escort duties are also being intensified. The attention of the Chief Ministers of the States mainly concerned has already been drawn to this problem. I am also proposing to hold a meeting with them and their Home Ministers and Inspectors General of Police.

Strikes, Agitations And Bandhs

58. Railway operations during 1972-73 were seriously affected by various acts of public interference in different parts of the country over the issues totally unrelated to railway working. In the months of May and June this year, on Eastern Railway alone, there were 14 instances of obstruction to

train running. During October, troubles began with the agitation in Punjab over the issue of concession tickets to students in the cinema houses, in Assam over the language issue and medium of instruction in the University. The agitation in Punjab lasted over a month and led to immobilisation of about 3,000 wagons during that period, and in Assam the agitation resulted in hampering operations and immobilisation of further large numbers of wagons. These acts reduce the wagon availability not only on the Railways where agitations and demonstrations occur but also on the adjacent Railways, which cannot load for those areas.

Andhra Agitation

59. The damage caused to the Railways and to the economy by these agitations pales into insignificance when we consider the prolonged agitation in Andhra Pradesh during the last three months. In the beginning, the anti-Mulki Rules agitation took the shape of detaining passenger trains and minor incidents but soon the agitation took a violent turn and a large number of stations and cabins were set on fire and station records and equipment destroyed. One railwayman was burnt to death and 42 railwaymen suffered grievous injuries. Injuries were also suffered by train crews and passengers when the trains were derailed due to removal of fish-plates and other acts of sabotage. There have been 101 cases of sabotage and 147 cases of arson till the middle of this month. The movement of passengers and goods between North and South and East and South has been disrupted for several days as a result of the attacks on Railways and large scale intimidation of railwaymen and their families in Andhra Pradesh. To mention only one incident, five senior railway officers were abducted when they were coming to office and were let off only after several hours of detention. One Deputy Chief Controller was released only after a week.

Till the middle of this month, as many as 34 mail/express trains and 358 passenger trains have been wholly or partially cancelled on the Southern, South Central and South Eastern Railways. Nearly 20,000 wagons were immobilised on the South Central and the contiguous Railways. On a rough estimate, the Railways were not able to carry 3.5 million tonnes of originating traffic in the last 3½ months resulting in a loss of approximately Rs. 12 crores to the Railway Revenues. On account of prolonged cancellation of passenger carrying trains, a loss of about Rs. 6 crores has been incurred on passenger earnings. On account of direct damage, railway property worth over a crore of rupees has been damaged during the period of agitation. The overall loss to the Railway economy so far can, therefore, be assessed at approximately Rs. 20 crores. Vital supplies like foodgrains could not be moved even to the deficit areas in Andhra Pradesh. Movement of coal to power stations and other essential industries in South India had come to a stop for several days. Whatever be our differences, we should not disrupt the nation's vital supply lines like this and cripple the economy not the least of Andhra.

I can only hope that the people of Andhra, who have great historical traditions, will respond to the fervent appeal made by our President yesterday in his address to the Parliament and the repeated appeals made by our Prime Minister for restoring normalcy to the State. I have dwelt on these details so that the Hon'ble Members may appreciate the very difficult conditions under which the railway staff have to work. Twice during the year, Territorial Army had to be called to assist in the maintenance of the country's lifeline for the transport of foodgrains and other essential commodities; once on the Southern Railway during the middle of the year and now on the South Central Railway.

Ticketless Travel

60. Railways suffer heavy losses on account of ticketless travel. An assessment of this problem was made in the year 1968-69 which indicated that roughly about 20-25 crores of rupees were lost annually to the Railways on this account, as 10% of the passengers were travelling without tickets. To curb this social evil, an ordinance was issued in June 1969 enhancing the penalties for ticketless travel to the minimum of Rs. 10. This measure has succeeded in that the number of passengers detected travelling without tickets went down and the window-sales went up in 1970-71. The position was more or less maintained in 1971-72. Another assessment to determine the extent of ticketless travel is proposed to be made during next year. On the result of fresh assessment, efforts would be intensified to check this menace, particularly, in areas where this evil is widespread. Meanwhile, every possible effort continues to be made to catch ticketless travellers by deploying larger number of Travelling Ticket Examiners, checking with the assistance of the Railway Police and the Railway Protection Force. Recognising that the railways by themselves will not be able to effectively deal with these problems, close co-operation of the State Governments has been sought in launching a big drive. Raids on the ticketless travellers jointly with the assistance of the State Governments have been carried out in the States of Haryana, Gujarat, Punjab and Rajasthan. I propose to conduct these drives in every State, and I expect that the State Governments will come forward with unreserved assistance. I

shall also be increasing the number of Magistrates utilised for ticket checking drives in consultation with the State Governments to make ticket checking more intensive and effective.

Concession To Students

61. I propose to arrange special amenities for the young, particularly, the student community. Cheaper travel would encourage them to see this vast country and create greater awareness among them of the different facets of our growth during 25 years of our Independence. It would infuse greater sense of national unity among the young and draw them more closely in our programme of economic development.

To promote the cause of education, the Railways subsidise travelling of the student community. The Railways grant concessions in fares to students. The element of concession in third class is as high as 50 percent. The concessions in first class and second class, which were withdrawn in December 1971, were restored in October 1972, to the extent of 25 per cent in second class and 15 per cent in first class. These concessions are available to the students for travelling between their homes and educational institutions as well as for their educational tours. Their monetary value is approximately Rs. 1.6 crores per annum. It is a social welfare burden of no small value, which the Railways as a public utility organisation bear year after year.

Catering

62. Our experience with catering in the conventional method in dining cars indicates now that service cannot be efficient and clean and therefore a new method has been adopted on the Bombay-Delhi route. Food is cooked in static kitchens and is picked up and then stored in hot cases on trains. It is served to passengers at suitable times on run. This type of service has also been introduced on the Madras-Delhi Grand Trunk Expresses. It has been proposed to extend it to the Delhi-Howrah line also. The advantages of this method are that the pantry cars can be kept clean, washing on moving trains is eliminated, the bearers and the cooks can remain in clean uniforms on the run and wastage of food is eliminated. The Dining Car used to be an idle-runner. Part of the Pantry bogie will now carry passengers, increasing accommodation on trains for passengers and revenues for Railways.

We are also considering the sale of low priced packed meals for passengers, who prefer something less elaborate than the meals now being served on the trains. These will contain purries/parathas with vegetables, and Biryani for those who prefer non-vegetarian food.

Overcrowding

63. Overcrowding on trains is a facet of railway working, which often catches public eye. I propose to tackle this problem by introducing additional trains wherever feasible and also dieselising some mail/express trains. By dieselising, we can add 4 or 5 coaches to these trains and they will be mostly in third class. During the current year up to 30th November 1972, 4840 train kilometres daily have been added by the introduction of 25 new trains and extension of the run of existing 15 trains. Notable among the new trains introduced are the New Delhi-Bombay Central bi-weekly Rajdhani Express with effect from 17th May 1972; a pair of Express trains between Calicut and Cochin. Harbour from 14th July 1972; a pair of bi-weekly Janata Express between Bombay V.T. and Bina from 1st May 1972; and the bi-weekly Jayanti Janata Expresses between New Delhi and Mangalore/Ernakulam from the 26th January 1973. The run of Madras-Madurai Janata Express has been extended to / from Virudhunagar.

The Railways are also trying out new types of coaches for First Class travel for medium distances. These chair cars can accommodate 48/60 passengers per coach as against the conventional first class, which can accommodate only 22/24 passengers. Hence one first class chair car can replace two first class coaches and the saving thus effected could be utilised to add more third class coaches to the express trains. The Railways have also programmed the manufacture of air-conditioned two-tier sleeper coaches, which can accommodate 48 persons against the present 14/18 persons in the A.C.C. coach. These coaches will replace gradually the present first class and A.C.C. coaches running on long distance trains. With such increased capacity, the number of upper class coaches in inter-city expresses could be reduced and the accommodation thus released made available to third class passengers.

A plan to augment the fleet of coaches has also been initiated. It is expected that during the current year and the next, 1177 broad gauge and 247 metre gauge passenger carrying coaches would be manufactured and put into service for meeting the additional traffic requirements. In addition to these coaches, during the same period, 1972-74, 288 broad gauge and 24 metre gauge electric multiple coaches are expected to be put into service for meeting the requirements of suburban

traffic. During the current year, up to 30th November 1972, as many as 62 new suburban trains were introduced and the runs of 34 others were extended.

The suburban services are at present running at an annual loss of over Rs. 13 crores. Unless financial relief for suburban services is forthcoming, I do not know to what extent the Indian Railways' resources will be able to keep pace with the metropolitan developments and the commuter traffic these are generating. Discussion on this is continuing with the Planning Commission and the matter is also under the consideration of the Railway Convention Committee.

Passenger Amenities

64. An amount of approximately Rs. 4 crores is annually spent on passenger amenities. As a first priority, phased provision of basic amenities for passengers like waiting halls, benches, lights, drinking water, latrines and shady trees at all railway stations was planned. We have now reached the end of this plan. The Railways have embarked upon a new scheme of providing comfortable, fast, long-distance travel for third class passengers. An effort in this direction has been made in the running of 'Jayanti-Janata' train from Delhi to Mangalore / Ernakulam, a distance of 3020 Kilometres. This is the first train with completely reserved accommodation, a dining car for service of food, and a well-equipped library on wheels with a book-stall. Passengers can, for a small sum of Rs. 2/-, obtain bed linen for use on the run. The rake of this train was seen by the Members of the Railway Convention Committee and Members of the Railway Consultative Committee at Delhi and was appreciated. It will be our endeavour to introduce long distance trains on this model on other important routes.

Cleanliness Of Station Premises And Coaches

The Railways have been paying special attention for the proper maintenance and cleanliness of coaches and station premises. Particular care is taken to ensure that there is an adequate supply of water and that toilets and wash basins are kept clean and disinfected. Electric lights, fans and other amenity fittings are kept in good order by maintenance and sanitary staff both at the starting and intermediate stations. Surprise inspections are carried out by the senior officers to see that the staff carry out their duties properly and that there are no complaints from the passengers.

Light Railways

65. As the House is aware, the re-opening of Howrah - Amta, Howrah-Sheakhala and Shahdara-Saharanpur Light Railways, which have been lying closed for over two years, has been accepted in principle. The question when and how these lines should be run is to be decided jointly by the Ministry of Railways and the State Governments concerned.

The assets of these Light Railways are in a completely worn-out and dilapidated condition and have very little residual lives left. Besides, in the case of Shahdara-Saharanpur Light Railway, the party who had purchased the assets of the Company has already removed a considerable portion of the track. If these Railways are to be revived and their operation continued, the assets will have to be, sooner than later, replaced at a heavy cost. There may be difficulty in procuring adequate spares and narrow gauge rolling stock for replacement. In view of this position and keeping in view the future needs of traffic, the Ministry of Railways are considering the feasibility of broad gauge lines in the area served by Howrah-Amta and Howrah-Sheakhala Light Railways. For this purpose, Engineering-cum-Traffic surveys are in progress or are being taken up. On receipt of the Survey Reports, the work can be taken up on a top priority basis and the assurance made in the Parliament implemented. The State Government of West Bengal have also been requested to make arrangements to provide the necessary land free from all encumbrances and encroachments.

Regarding Shahdara-Saharanpur Light Railway, the feasibility and financial implications of laying a broad gauge line, are being examined. On completion of this examination and in the light of discussions, which I intend to hold with the Chief Minister of U.P., a decision would be taken on how best to run the railway and whether to revive it in its former gauge or in a wider gauge.

Metropolitan Transport Projects

66. As the House is already aware, the Railways are conducting techno-economic feasibility studies in the metropolitan cities of Calcutta, Bombay, Delhi and Madras. For this purpose a sum of Rs. 20 crores was separately provided in the Fourth Plan Mid-term Appraisal. Of the four metropolitan projects, the Calcutta Project is in the advanced stage. It is expected to cost Rs. 140 crores and will take seven years to complete. Our Prime Minister laid the foundation stone of this metropolitan line

of 16.5 kilometres from Dum Dum to Tollygunge on 29th December 1972 in Calcutta.

The House would be glad to know that metropolitan traffic studies have also been initiated by the respective State Governments at the instance of the Planning Commission at five more metropolitan cities of Ahmedabad, Bangalore, Hyderabad, Secunderabad, Kanpur and Pune. I trust that these studies would be progressed expeditiously.

Implementation Of Miabhoy Railway Tribunal Report

67. The Railway Labour Tribunal under the scheme of the Permanent Negotiating Machinery was appointed in 1969 with Shri N. M. Miabhoy, retired Chief Justice of Gujarat High Court as its Chairman. The Tribunal presented its Report of decisions to Government on 8th August, 1972. The Report has been under active consideration of the Government. The issues involved related to pay scales, special pay, night duty allowance, upgradation of certain categories of staff, revision of hours of employment regulation and wages of casual labour. The full implementation of the Report will cost for a full year Rs. 12.5 crores on Revenue expenditure and Rs. 7 crores under Capital. The effect during 1973-74 will be of the order of Rs. 12 crores.

Expected Additional Liabilities

68. The final Report of the Pay Commission has yet to be received and its impact on the railway finances could neither be assessed nor taken into account in the Demands placed before the House. To the extent the emoluments of railwaymen are increased by the Pay Commission's recommendations, the Railways will have to find additional resources. I may have to approach the House again for the grant of requisite funds, as may be necessary in the year, to implement recommendations of the Pay Commission.

Licensed Porters

69. There are over 38,000 licensed porters in the Indian Railways carrying the luggage of passengers. A study group went into the conditions of work of this labour force in 1969 and made several recommendations towards improving their conditions of work. A large number of these recommendations has been accepted and implemented. I am now examining the question of providing suitable facilities to porters for resting, at those stations where these facilities do not exist.

Labour Relations During The Year

70. Generally, relations with Railway labour remained cordial during the year. Regular meetings with the recognised federations were held both under the Permanent Negotiating Machinery and the Joint Consultative Machinery and all disputes were settled in these forums. Quite apart from the resolution of disputes through such meetings, the general atmosphere in the labour field through the year was such that, by and large, stoppages of work even by small groups, which were frequent in earlier years, became less common.

With a view to extending the scope of labour participation in Railway management, the Corporate Enterprise Group of Management and Labour, consisting of the Railway Board and the leaders of the two Railway Labour Federations has been set up. It is expected that this Group would facilitate free flow and exchange of ideas between management and labour, enabling more efficient and purposeful running of the enterprise of the Indian Railways. A preliminary meeting of the Group was held in November, 1972.

Railway Convention Committee

71. The interim report presented by the Railway Convention Committee, 1971, dealt with payment of dividend to General Revenues for the two years 1971-72 and 1972-73. The extent of concessions and exemptions given by the Committee amounted to Rs. 22.06 crores in 1971-72 and Rs. 22.19 crores in 1972-73.

In December, 1972, the Railway Convention Committee presented their first report on accounting matters. The recommendations of the First Report of the Committee which have a bearing on the Railway Budget for 1973-74 were approved by this House in December, 1972. The quantum of concessions and exemptions allowed by the Committee and approved by the House for the two earlier years have been extended to 1973-74 and would give a relief of Rs. 21.95 crores.

The Committee have also dealt with certain general railway accounting matters and have asked

for further studies to be made and have indicated the lines on which these are to be undertaken. Action is being initiated in conformity with these recommendations. I thank the Chairman and Members of the Railway Convention Committee for the arduous efforts put in by them and for their useful suggestions on various aspects of Railway working.

Zonal Consultative Committees

72. It is my intention to involve more closely Members of Parliament and Members of the State Legislatures with the evolution of our railway policy, particularly, in respect of seeking specific solution to various zonal problems. The Zonal meetings would be conducted with even greater purpose and as a measure of our seriousness in the utility of such meetings, I myself propose to attend the next zonal meeting for each zone to be held hereinafter.

73. It gives me great pleasure to acknowledge that the railwaymen have kept up their proud tradition of dedication to duty and high sense of responsibility during the current year. Last year, their performance under the stress and strain caused by the unprecedented influx of refugees from across the border, followed by exacting and arduous demands of the Indo-Pak conflict, was appreciated both outside and inside the House. This year, once again, they have rendered praiseworthy service to the nation, when, under trying conditions created by violent bundhs and agitations, they continued to maintain, regardless of personal risk, the transport lifeline of the country. I am sure the railwaymen will live up to their high standard of faithful service in the coming year and ever afterwards.

74. Before I conclude, I must say a word. Railways are our national property. They are the valuable heritage of our country and an integral part of our economic and social life. It is only in the fitness of things that this essential public utility, which in consonance with our democratic system, belongs to the people, is run on behalf of the people and must be protected and expanded by the representatives of the people.

Thank you.
