

**Speech of Prof. Madhu Dandavate  
Introducing the Railway Budget  
for 1978-79, on 21<sup>st</sup> February 1978**

Mr. Speaker,

When I presented the Railway Budget for 1977-78, I had made some promises and assurances. I now rise to place before the House an account of the performance of the Indian Railways during the current year and the Annual Financial Statement showing the estimated receipts and expenditure for the year 1978-79. The House may judge the Railways' performance against the background of the promises made in the last budget.

2. While presenting the budget for 1977-78 in June last year, I had informed the House that I had broad-based discussions with various organisations representing a cross-section of the rail-users and employees on the subject of improving the performance of the Railways. As a result of these discussions, I have been able to introduce several measures to streamline the administrative machinery of the Railways, improve the financial performance and provide better amenities and facilities to the travelling public, particularly the second class passengers.

**Performance During 1977-78**

3. At the outset, it may be pointed out that this financial year has been a year of broad fulfillment of the promises and assurances given to the rail-users and the employees. There has been a sustained improvement in the performance of the Railways in regard to transport of both passengers and goods. The originating loading has been consistently higher from month to month as compared to the corresponding period of last year. This improvement was maintained right upto the end of October 1977. In November, the originating loading dropped below that of the corresponding month of the previous year due largely to the unprecedented cyclones on the east and west coasts which affected the States of Tamil Nadu, Andhra Pradesh and Kerala, disrupting traffic extensively on three Railways, viz. Southern, South Central and South Eastern Railways. There has also been less offering of traffic by some industrial sectors due to varied reasons. The same trend continued in December also.

4. The cumulative originating revenue loading upto the end of December 1977 has, however, been higher than that in the previous year by 1.57 million tonnes. Though the originating revenue-earning traffic has fallen short of the budget anticipations, the average lead of traffic has shown an appreciable increase from 671 kilometres during the corresponding period of last year to 711 kilometres upto December 1977 – an increase of 6%. The tonne kilometrage of originating revenue-earning freight traffic, which is the correct index of totality of Railways' performance, will be higher than the budgeted figure by about 2.5%, and by 5.5% as compared to the previous year. The revenue-earning net tonne kilometrage of freight traffic is expected to be 151,940 millions as against the budgeted figure of 148,280 millions. Though the originating revenue-earning traffic is expected to be only about 214 million tonnes, as compared to the budget estimate of 220 million tonnes, because of the increased lead the fall in tonnage will not make any appreciable dent in our earnings from freight traffic.

5. Passenger traffic continues to be quite buoyant. The increase in originating passengers was 5.39% upto December and passenger earnings were also 11.2% more than the corresponding period of the previous year. The increase in passenger traffic upto December is 5.93% more under suburban and 4.74% more under non-suburban. These trends have been taken into account while revising the estimates for the year 1977-78.

**Revised Estimates for 1977-78 and Actuals for 1976-77**

6. On the basis of the improved traffic performance, the revised estimates of gross traffic receipts for 1977-78 have been placed at Rs. 2131 crores or an increase of about Rs. 21 crores over the budget estimates.

7. As regards working expenses, I am glad to say that in spite of increase in passenger traffic and the net tonne kilometres of freight traffic over the budgeted level, the revised estimates of working expenses, which are now placed at Rs. 1611 crores, indicate a net saving of Rs. 37 crores as compared to the budgeted figure due to better efficiency and tighter expenditure control. The saving could have been much more but for the inescapable additional expenditure due to the increased dearness allowance for seven months of the current year and increased requirement of fuel etc. necessitated by running of more trains.

8. The House will be happy to know that the surplus for 1977-78 is now expected to be Rs. 89.32 crores, that is about Rs. 57 crores higher than the budgeted figure of Rs. 32.5 crores. This is after providing for Rs. 140 crores towards Depreciation Reserve Fund, Rs. 40 crores for Pension Fund and after making full payment of dividend to the General Revenues to the extent of Rs. 227 crores. In this context, it is significant to note that whereas the actual surplus generated in 1976-77 was Rs. 87.24 crores, the surplus expected in 1977-78 is Rs. 89.32 crores without any further increase in fares and freight rates and despite escalated costs.

#### Plan Outlay for 1977-78

9. The Railways' developmental programme for 1977-78 envisaged a total outlay of Rs. 480 crores (including Rs. 10 crores for the Metropolitan Transport Projects) and additional Rs.2.80 crores to meet the working capital requirements for financing export orders. In the original annual plan for 1977-78, Rs. 501 crores were provided, but this was reduced to Rs.480 crores as a result of a comprehensive review undertaken in consultation with the Ministry of Finance. However, no reduction was made in the allocation for new lines. Similarly, provision on users' amenities was made at Rs. 4 crores, slightly higher than the original provision, in accordance with the recommendations of the successive Railway Convention Committees and the Estimates Committee. The expenditure on works during 1977-78 is now expected to be Rs. 488.55 crores as against the budget estimate of Rs.480 crores.

#### Railway Convention Committee

10. While introducing the budget for 1977-78, I had indicated that due to the dissolution of the Fifth Lok Sabha, the Railway Convention Committee's recommendations for 1977-78, duly approved by the Parliament, were not available to the Government and consequently the computation of dividend was made for the year 1977-78 on the same basis as for the year 1976-77. Honourable Members are aware that a new Railway Convention Committee was constituted in August 1977, "to review the rate of dividend which is at present payable by the railway undertaking to the General Revenues, as well as other matters in connection with the Railway Finances *vis-a-vis* General Finance, and make recommendations thereon". The Committee presented its First Report to the Parliament in November 1977, which contained its recommendations on the rate of dividend payable for the financial years 1977-78 and 1978-79 and other ancillary matters. These recommendations envisaged the continuance of the concessions already in force in respect of the year 1976-77 for the two subsequent years as well. This has been approved by the Parliament and the budget for 1978-79 has been framed accordingly.

#### Budget Estimates for 1978-79

11. I now turn to the budget estimates for 1978-79. The gross traffic receipts for the year are estimated at Rs. 2220 crores or Rs. 88 crores more than the revised estimates for the current financial year. The revenue-earning goods traffic is expected to be 222 million tonnes or 8 million tonnes more than the revised target of 214 million tonnes for the current year. Passenger traffic, as well as earnings, are expected to increase by 5 %.

#### Working Expenses

12. As regards working expenses, the estimates are placed at Rs. 1701 crores or about Rs. 90 crores more than the revised estimates for the current year. I would like to inform the House that this increase in working expenses is mainly due to the grant of one additional installment of dearness allowance to the employees, revision of rates of night-duty allowance for various categories of staff, implementation of assurance relating to 10-hour rule for loco running staff and acceptance of Labour Tribunal Awards relating to hours of employment regulations. Increased provision has also been made for better maintenance of track and rolling stock and fuel requirements for the anticipated increase in traffic.

13. The Railway Convention Committee 1977, in its First Report, has recommended an appropriation of Rs.145 crores to the Depreciation Reserve Fund in the financial year 1978-79 and this recommendation was approved by the House in the last session. This involves an increase of Rs. 5 crores over the appropriation in the current year. The appropriation to the Pension Fund is also being increased from Rs.40 crores in the current year to Rs.50 crores in the year 1978-79.

14. With the increase in the level of working expenses and the increased appropriations to funds, to which I have just now referred, the budget for 1978-79 is expected to yield a net surplus somewhat lower than the revised

estimates for 1977-78. The surplus estimated is Rs. 65.43 crores. If the amount earmarked for additional expenditure on staff and increased provision for Depreciation and Pension Funds is taken into consideration, the comparable surplus for 1978-79 would be much higher than that for the current year.

### **Indebtedness of the Railways**

15. The anticipated surplus in 1978-79 will help the Railways reduce their indebtedness to the General Revenues from Rs. 368.68 crores at the end of March 1978 to Rs. 345.37 crores at the end of March 1979. In order to embark on various developmental and modernisation schemes, Railways have to function as an economically viable unit and in this regard we have still a long way to go in spite of the surpluses achieved during 1976-77 and 1977-78 and that expected during 1978-79. I am exploring avenues for overcoming the adverse effects of this indebtedness in consultation with the Ministry of Finance. This is also necessary to provide an incentive for the Railways to generate more surplus which could be utilised for their developmental activities. I am also thinking of having an in-depth study made into the capital structure of the Railways by a Committee, as recommended by the Railway Convention Committee 1971.

16. As the Honourable Members are aware, the Railways have been bearing a considerable amount of additional expenditure by way of social burdens. Perhaps the time has come when this question has to be considered in all its aspects and a portion of this burden is shared by the General Revenues. Out of about Rs. 170 crores identified as estimated social burdens for the current year, about Rs. 69 crores are due to some commodities being carried below cost and about Rs. 21 crores on the working of uneconomic branch lines, the balance being losses incurred on short-distance and suburban passenger traffic. I have recently appointed a High-Power Official Committee to examine some of the matters connected with the social burdens, in accordance with the recommendations of the Railway Convention Committee 1971.

### **Fifth Plan and the Rolling Plan**

17. The Planning Commission had provided to the Railways a sum of Rs. 2152 crores (excluding Rs. 50 crores for the Metropolitan Transport Project Schemes) for the Fifth Plan. According to the decision of the Government, the Fifth Plan will stand terminated one year in advance, i.e. at the end of the current financial year. Plan expenditure on the Railways upto 31<sup>st</sup> March 1978 would be approximately Rs. 1551 crores excluding Rs. 33 crores on the Metropolitan Transport Schemes.

18. Passenger Traffic handled by the Railways upto the end of 31<sup>st</sup> March 1978 is expected to be 28% higher and goods traffic (in terms of originating freight) 30% higher than at the commencement of the Fifth Plan. The originating freight traffic (both revenue and non-revenue), as at the end of March 1978, would thus be of the order of 240 million tonnes and at the end of 1978-79 about 248 million tonnes. This compares favourably with the anticipations of the Fifth Plan, as originally drawn up, according to which freight traffic should attain the level of 250 million tonnes at the end of 1978-79.

19. The work of preparing the Rolling Plan for the next five years, covering the period 1978-79 to 1982-83, has been taken up and Railways are participating in the Working Group set up by the Planning Commission for an assessment of rail transport requirements in the next five years and for formulating the requisite development programme. However, the Annual Plan for 1978-79, as finalised, provides an amount of Rs. 535.30 crores for the Railways (including Rs.15 crores for Metropolitan Transport Projects) and an additional Rs. 5 crores to meet the Working Capital requirements for financing export orders. This is higher by Rs. 51.75 crores than the previous year's revised outlay of Rs. 488.55 crores. The allotment for 1978-79 includes a provision of Rs. 236 crores for rolling stock or an increase of Rs. 5 crores over the revised outlay for the current year and an amount of Rs. 29 crores for new lines i.e. an increase of Rs. 5 crores over the revised outlay for the current year.

### **Railways' Development Programme** *New Lines, conversions and surveys*

20. Railways are an integral part of the infra-structure for the economic growth of the country and therefore they cannot remain static in relation to a growing economy. With the increase in population and increase in industrial and agricultural output, Railways have to keep pace with the developments through provision of transport facilities in areas where these have been lacking and increased facilities where these are inadequate to meet the demands of the travelling public, as well as the industrial and agricultural sectors.

21. Twenty-eight new railway lines and restoration schemes, which still require about Rs. 180 crores for their completion, are in hand in the current financial year. On account of severe limitations on resources, it has been my endeavour to concentrate on some of the schemes with a view to completing them instead of spreading the outlay thinly on a large number of projects. As a result of this policy, it has been possible to complete 7 projects, in all respects, during the current financial year and these will not find place in the Budget for the next year. It has also been possible to commission three more lines partially. The same policy will be continued in the next financial year also and it will be possible to complete another four projects next year. Even in cases where funds cannot be provided for completing the entire project, we are planning to take up the work in suitable phases so that sections of projects can be commissioned and become productive progressively as more funds become available.

22. It will be possible to complete, during the next financial year, the remaining sections from Sakleshpur to Subrahmanya Road of the Hassan-Mangalore line in Karnataka, the Trivandrum-Nagercoil Section of the Trivandrum-Tirunelveli-Kanyakumari line in Kerala and Tamil Nadu, the Bagpat Road-Shamli Section of the Shahdara-Saharanpur line in Uttar Pradesh and about half the length of the Rohtak-Bhiwani line in Haryana. The work on Nadikude-Bibinagar and Bhadrachalam-Manguru lines in Andhra Pradesh, Kerala Road-Jayant line in Uttar Pradesh and Madhya Pradesh, Jakhapura-Banspani line in Orissa and Howrah-Amta line in West Bengal will also be speeded up. It is also proposed to provide siding facilities, on the request of the Ministry of Steel and Mines, at Joruri in Orissa for exploitation of the rich iron ore resources in that area.

23. During every debate on the Railways in Parliament, Honourable Members have been voicing concern over the lack of railway facilities in several backward areas. I share this concern equally with them and the Government is keen to take up construction of more and more new railway lines, especially in the backward areas. I am exploring all avenues of mobilising more resources for this purpose in consultation with the Planning Commission and the Ministry of Finance so that construction of more new railway lines may be taken up. The Government is trying to evolve a long-term policy in this regard.

**24. Pending finalisation of the overall policy regarding the construction of new railway lines, the Ministry of Railways propose to take up, in the next financial year, construction of :**

- (1) **A new railway line from Apta to Roha as the first phase of the proposed West Coast Konkan Railway from Apta to Mangalore, connecting Maharashtra, Goa and Karnataka and providing direct link with Kerala and Tamil Nadu;**
- (2) **The link from Kalyani to Kalyani Township in West Bengal; and**
- (3) **Nadiad-Modasa. broad gauge line via Kapadvanj in Gujarat.**

25. The policy of converting the saturated metre gauge and narrow gauge lines to broad gauge with a view to progressively achieving one uniform gauge in the country was continued during this year. Thirteen gauge conversion projects are at present in progress. In this case also, we are concentrating on some of the projects to complete them fully instead of tinkering with all of them simultaneously. As a result of this policy, it has been possible to complete the Ernakulam-Trivandrum gauge conversion project in Kerala. The Suratgarh-Bhatinda Project in Rajasthan and Punjab is also nearing completion. High priority is being given to the conversion of Barabanki-Samastipur Section in Uttar Pradesh and Bihar and the Viramgam-Okha Section in Gujarat on which substantial progress has been made. Work is in good progress on the Bongaigaon-Gauhati Project in Assam and Guntakal-Bangalore Project in Andhra Pradesh and Karnataka. Work will also be started on Manmad-Aurangabad Section of Manmad-Parli Vajjnath conversion project in the Marathwada region of Maharashtra also during the year. In the budget for 1978-79, gauge conversion of Barauni-Katihar line in Bihar has been included. This line is an operational necessity and, when completed, would give fillip to the development of north Bihar.

**26. It is also proposed to take up, during the next financial year, final location survey for Budge Budge-Namkhana line in West Bengal; traffic survey for Domohani-Changrabandha restoration work in West Bengal; and preliminary engineering-cum-traffic surveys for Barwadih-Karonji line in Bihar and Madhya Pradesh, Khalilabad-Balrampur and Konch-Jalaun lines in Uttar Pradesh, and Lalitpur to Singrauli via Khajuraho, Satna and Rewa in Madhya Pradesh and Uttar Pradesh.**

27. The North Eastern Council has proposed construction of a few short railway lines to serve the member-States. These proposals are being examined by a Committee set up by the Planning Commission and decision about them will be taken shortly.

### Metropolitan Rail Transport Projects

28. The allotment for the Metropolitan Rail Transport Projects in the 5-year period upto 1978-79 was Rs. 50 crores out of which Rs.41 crores are being utilised for the 16.5 kilometre underground line in Calcutta, now estimated to cost Rs.250 crores. The technology required for civil engineering construction, rolling stock, signalling, ventilation etc. has been under development and testing, and civil engineering construction is being progressed in a phased manner. The line is expected to be completed in 1986, subject to adequate resources being made available. Orders for manufacture of the prototypes of rolling stock for the proposed underground railway have been placed on Integral Coach Factory, Madras. In Bombay, to facilitate the movement of commuters between the residential area north of Bandra and the central business district near Victoria Terminus, the construction of a rail fly-over to connect the slow lines of the Western Railway with the harbour branch lines of the Central Railway has been sanctioned. In Delhi and Madras, investigations are on hand for developing integrated projects to make optimum use of rail and road transport systems.

### Passenger Amenities and New Train Services

29. While presenting the Railway Budget in June 1977, I had informed the House that a new concept would be introduced in providing additional long-distance classless trains with only second class accommodation. A few services of this type have since been introduced, such as Tatanagar--Muzaffarpur tri-weekly Express, Kacheguda-Ajmer bi-weekly Express, Tirupati-Hyderabad Rayalaseema Express and Madras-Madurai Vaigai Express.

30. This has been further improved upon by a new type of Janata train with upholstered seats and berths. The first train of this type, the Geetanjali Express, was introduced between Bombay and Howrah in November 1977. About 80 more cushioned second class sleeper coaches are being manufactured this year and will be provided in five additional train services. About 400 such coaches will be manufactured next year to be put on several fast express trains. Besides cushioned berths and backrests, additional amenities are being provided in these coaches, some of which are : provision of tinted window glass to prevent glare, additional racks for keeping meal-trays in hygienic condition, space for keeping potable drinking water containers and provision for supply of linen and bedding to passengers on demand.

**31. During the next financial year, I would like to go a step further in improving the travel conditions of second class passengers. In addition to second class sleeper coaches with cushioned berths, we have now decided that all second class general coaches on fast inter-city services will be provided with cushioned seats.**

32. Besides these, a prototype second class 3-tier sleeper coach, slightly longer than the present one, with 6 toilets instead of 4, more fans and better water supply arrangements, is being manufactured at the Integral Coach Factory at Madras.

33. In furtherance of this concept of Janata trains and in order to provide additional accommodation to meet the requirements of the masses, in preference to the claims of the affluent classes, I have decided that first class air-conditioned accommodation will not be increased hereafter and will be progressively phased out. No new first class air-conditioned coaches on additional account will be built in future. This will also be in keeping with the recommendations of the Public Accounts Committee of Parliament.

**34. While presenting the budget in June 1977, I had stated that after prototype trials, the progressive extension of use of double-decker second class coaches will be considered. One prototype B.G. double-decker second class coach was put on trial on the Madras-Jolarpettai and Bombay-Pune Sections. Twelve B.G. double-decker coaches are expected to be turned out by the Integral Coach Factory this year and will be pressed into service on specified routes starting from April 1978.**

35. In spite of introduction of 108 new trains and extension of the runs of 74 trains since April 1977, heavy overcrowding continues to be the major problem requiring immediate solution. With limited terminal and line capacities, it has not been possible to meet all the demands for additional trains on our trunk routes without affecting freight movement. For giving the maximum relief to the travelling public, it has now been decided to increase the passenger-carrying capacity of the existing trains by rationalising coaches to be used and by increasing the number of coaches hauled by each train. As against 14 different types of coaches that are now being manufactured,

orders will be placed, for some time to come, for manufacture of only three main types of passenger coaches, i.e., second class 3-tier sleeper coaches with padded cushions, second class general coaches with cushioned seats and second class air-conditioned sleeper coaches with 46 berths, the last named replacing two ordinary first class coaches each. In this process, additional accommodation will be provided on existing long-distance trains for 200 to 300 extra passengers per train.

**36. As per the Railways' perspective, all the long-distance mail/express trains in the country will be having, in the next two to three years, second class 3-tier coaches, with padded cushions and improved amenities, which will greatly wean away most of the passengers from the first class to the second class, thereby achieving our ultimate objective of having predominantly one type of accommodation in long-distance trains. This will mean gradual doing away with the different classes on the Railways.**

37. As a part of our regular passenger amenities programme, selected stations are provided with better facilities of lighting, toilets, refreshment rooms, etc. This programme continues. I am also considering the question of increasing the annual allotment for passenger amenities from Rs. 4 crores to Rs. 5 crores.

### **Streamlining of Reservation System Computerisation Experiment**

38. Steps have also been taken to curb corruption in reservation and streamline the procedures. As, a part of the drive to root out malpractices in booking and reservation offices, I have decided that, as a matter of general policy, only women should be employed as reservation/booking clerks and supervisors in the major booking offices, starting with the metropolitan cities. We may be accused of being partial to the fair sex, but our experience has shown that malpractices in reservations are comparatively less where women are employed at the counters.

39. To streamline the mammoth and complex operation involved in the matter of reservation of rail accommodation in trains and to eliminate malpractices, I am also considering computerisation of passenger reservations in the four metropolitan cities. To start with, the feasibility of introducing this system in Delhi area is being explored in collaboration with the Electronics Corporation of India Limited, Hyderabad. I only hope that human deficiencies would not be replaced by mechanical errors of the machine.

### **"Janata Khana" in Trains**

**40. In response to the demand of the travelling public for supply of food at cheaper rates, Railways have now decided to supply "Janata Khana" on all major long-distance trains at Re. 1 per food packet. I am sure this will be welcomed by all sections of passengers, particularly those with low budgets. Three varieties of food packets will be sold on trains to suit the tastes of people from different parts of the country. This will be in addition to the normal catering arrangements already existing on trains and at stations.**

### **Railway Users' Consultative Committees**

41. The existing Railway Users' Consultative Committees at various levels had become unwieldy. These were, therefore, abolished and new Committees, more compact and representative in character, have recently been reconstituted at the Zonal and Divisional levels. The reconstitution of the Committee at the National level is in progress.

### **Settlement of Claims**

42. While introducing the Railway Budget in June 1977, I had assured the House of a qualitative improvement in the disposal of claims. In June 1977, we had nearly 13,500 claims cases pending for three months or more. I am happy to inform the House that in the last seven months, this figure has dropped down to 6,347. Settlement of these cases has been held up for compliance by the claimants in regard to production of documents or establishment of title. The machinery for settlement of claims has been streamlined through decentralisation and enhancement of powers of Claims Settlement Officers. **As a result of this drive, the average time taken for settlement of claims has now come down to 48 days and we will soon reach our objective of settling claims within 6 weeks.**

### Safety in Rail Travel

43. In the last session of Parliament, Honourable Members of this House, as well as the other House, voiced deep concern over the recent rail accidents some of which resulted in heavy casualties. I fully share their concern. As the Members are aware, a seven-member High-Power Accidents Inquiry Committee has since been appointed with Shri S. M. Sikri, a former Chief Justice of the Supreme Court, as the Chairman to review the position of accidents since 1968 and to suggest measures for their prevention.

44. During the discussion on railway accidents and on other occasions I had indicated the various measures taken by the Railway Administration to eliminate accidents and make rail travel safer. The process of modernising progressively the equipment involved in signalling and interlocking and introduction of automatic warning system, track-circuiting, better maintenance of track and rolling stock, ultrasonic flaw detectors for wheels, axles and rails and vigilance control devices has been speeded up. Apart from modernised equipment and safety devices, it is equally important that staff connected with train operations are educated and trained and at the same time they are given adequate rest in order to relieve them of fatigue. The safety organisation on the Railways has been geared up and the activities of imparting intensive safety-oriented instructions to the staff connected with train operations have been intensified. The various labour unions have also taken keen interest in this safety drive.

45. In order to give adequate rest to the staff it has been decided to permit the Railways to sanction upto 10,000 additional posts in operational categories connected with the running of trains (other than running staff) for implementing the recommendations of the Miabhoj Tribunal Award in regard to modifications in the hours of employment regulations.

46. As far as the running staff are concerned, all mail and express trains and 85% of goods trains are already working to the schedule of 10-hour duty at a stretch. It has since been decided to permit the Railways to provide additional running staff to the extent of 2700, so that the 10-hour rule may be implemented completely in as short a time as possible on all trains-both passenger and goods.

47. There are at present 36,000 level crossings for vehicular traffic on the Indian Railways, out of which 22,000 are unmanned. Upgradation of unmanned level crossings to manned level crossings is at present carried out at the cost of Road Authorities, viz. the State Governments in the case of highways, Municipalities and Corporations in the case of roads within the municipal limits and the Central Government in the case of national highways. **In view of a number of accidents at the level crossings and the need for greater safety, I have now decided that such of the unmanned level crossings as are potential hazards to safety of passengers, shall, in future, be upgraded to manned level crossings, in a phased manner, entirely at the cost of the Railways.**

48. As the Honourable Members are aware, quite a few accidents in the recent past were attributed to tampering with track by anti-social elements. The situation took a serious turn in November-December 1977 when there were as many as 51 cases of sabotage on the Indian Railways. Whereas timely action saved many serious disasters, in a few cases saboteurs were successful in wrecking trains. In order to assist the civil/police authorities in protecting the railway track, 11,000 Railway Protection Force men and 14,000 gangmen have been deployed for patrolling the track in vulnerable areas in coordination with the local administrations. The Railways are spending about Rs. 1 lakh a day on these patrolling arrangements. **After introduction of these measures several cases of suspected sabotage were detected in time and accidents averted thereby. The situation has taken a turn for the better during the last two months.**

49. To eliminate fish-plates, which are potential targets of mischief, Railways are going in for introduction of long and short welded rails on their trunk routes. At present, 32,000 kilometres of track has already been provided with welded rails.

50. As the network of Indian Railways extends over 61,000 route kilometres, Honourable Members would appreciate that it would be well-nigh impossible for the Railways to protect every inch thereof. It is the duty of every citizen to cooperate with the Government in tracing and apprehending anti-social elements who indulge in sabotaging railway track, the life-line of the nation. I would, therefore, appeal to the Honourable Members, and through them to all social organisations and public bodies, for cooperation with the Railways in apprehending the culprits and in saving the innocent travelling public from the hazards of accidents. The State Governments have also taken adequate measures for the protection of railway track and installations.

51. I am also anxious that arrears of track renewal works should be overtaken as quickly as possible in the interest of safe and efficient rail operations. Taking into account the backlog and also the accruals during the next five years, the total renewals of track to be carried out would be 14,850 kilometres, requiring an investment of about Rs. 560 crores. Raising the outlays substantially from the present levels, therefore, appears inescapable. We have approached the Planning Commission for an increased allotment for 1978-79 for this purpose.

### **Restructuring of Railway Board**

52. Honourable Members may recall that I had made a statement on the floor of the House on 6th December 1977 on the restructuring of the Railway Board. I am happy to announce that the process of restructuring has been completed, as scheduled, by December 31, 1977. As compared to the original five regular Members and eight Additional Members, the Board has now only five Members, assisted by three Advisers who do not form part of the Board.

53. More important than the leaner look of the Railway Board is the implementation of the decision to shed much of its powers. Accordingly, more powers have been delegated to the General Managers so that the decision-making process maybe expedited. A further exercise has been taken up to work out the details of devolution of powers from the General Managers to the Divisional Superintendents. This process is expected to be completed within the next two months.

**54. In order to strengthen the Divisional organisation I have also been considering transfer of some higher grade posts from the Zonal Headquarters to the Divisions so that the Divisional administration could be manned at a higher level than at present and the increased powers to be delegated to the Divisional organisations could be utilised effectively.**

55. Reorganisation of the jurisdiction of the Zonal Railways is under constant review in the light of the workload, operating requirements and economic and administrative considerations. The Sholapur Division of the South Central Railway has since been merged with the Central Railway and the Guntakal Division of the Southern Railway with the South Central Railway, with a few marginal adjustments. A new Division, called Hyderabad Metre Gauge Division, has been created on the South Central Railway and another new Division of the Southern Railway is proposed to be set up shortly with headquarters at Trivandrum.

### **Consultancy Services of Indian Railways**

56. I would like to make a brief mention of the activities of the two public sector companies under the control of the Ministry of Railways, viz. the Rail India Technical and Economic Services (RITES) and the Indian Railways Construction Company (IRCON). **The RITES, with a paid up capital of only Rs. 10 lakhs, has been able to conduct its operations at a profit and has declared dividends of 12% and 25% during the last two financial years.** Contracts successfully completed by the Company include a preliminary engineering survey of 350 kilometres of electrified double-line project in Iran; another study in Iran about ways and means of increasing the capacity of the broad gauge line from Zahedan to Mirjaveh; the preliminary feasibility-cumeconomic study for three new railway lines totalling 550 kilometres in Syria; a system study for improving the operational efficiency and maintenance standards of Ghana Railways; techno-economic feasibility study in Nigeria and survey for conversion of that country's rail line into standard gauge.

57. Teams of Indian Railway experts are presently assisting the Philippines National Railways, Ghana National Railways and Zaire National Railways. A further notable achievement is the recent winning of a contract, in the face of stiff international competition, for deputing experts to carry out staffing and management study on the Ghana Railways.

58. The Indian Railways Construction Company, apart from taking up certain projects within the country, has recently secured a contract for assistance in track maintenance on the Iranian Railways. Tenders submitted by RITES, in association with this Company, for a major railway construction project in Iraq are under consideration.

**59. Securing successive contracts from these developing countries testifies to the level of expertise and technological excellence of the Indian Railways and is a good augury for further collaboration with developing countries in future.**

### **Performance of Production Units**

60. The three Production Units have been doing well. In the current year Chittaranjan Locomotive Works is expected to turn out 89 locomotives as against 76 locomotives last year. The Diesel Locomotive Works at Varanasi is expected to turn out 114 locomotives in the current year besides 24 power packs and 2 diesel generating sets as against 98 locomotives turned out last year. The outturn from the Integral Coach Factory, Madras, is expected to be 652 fully furnished coaches this year as against 575 turned out in the previous year.

61. The Integral Coach Factory, Madras, has got orders from Uganda Railways for 20 coaches, 32 coaches for Nigeria, and 30 coaches for Philippines National Railways. The Diesel Locomotive Works, Varanasi, have completed the export order of 15 metre gauge locomotives to Tanzania, of which the last six were shipped in the current year.

### **Bulk Storage and Transportation of Foodgrains**

62. We have always given top priority to the movement of foodgrains from the surplus to deficit areas. It has been decided that the Railways should associate themselves with the Food Corporation of India in its Storage Project being undertaken with the World Bank loan. The project envisages setting up of different types of storages including grain silos at railway sidings. The Railways have also decided to participate in a pilot scheme to be launched under the Storage Project for the transportation of foodgrains in bulk. The pilot project would enable the Railways to identify the types of wagons and equipment and also the methods of handling foodgrains, when transported in bulk, to meet the growing demands of this traffic.

### **Amendment of Indian Railways Act**

63. A review of the Indian Railways Act, 1890 has been completed in terms of the assurance given by me while presenting the Railway Budget last year. The final draft of the bill embodying the results of the review is at present under consideration of the Ministry of Law. As soon as the preliminaries are over, steps will be taken to bring the Bill before the Parliament.

### **Industrial Relations**

#### ***New Deal for Railway Employees***

64. I am happy to report to the House that industrial relations on the Railways are, on the whole, quite satisfactory and conducive to efficient functioning of this system. During the last few months I have had discussions with representatives of recognised Federations and some Members of Parliament associated with Railway Trade Unions on the problems faced by the Railways and their pending demands. I have been greatly benefited by these discussions as these have led to the identification of all pending issues. Since the new Government took over, a number of decisions have been taken to bring about greater satisfaction amongst the staff. I would like to make a brief mention of these measures :

- (i) The process of reinstatement of staff dismissed or removed during the May 1974 strike and annulment of punishments meted ~ out to them has been completed within the stipulated time.
- (ii) Review of cases of those victimised during the Emergency has - also been completed.
- (iii) The Government have fully lifted the ban on creation of posts, according to yardsticks, for staff directly engaged in operation on the Railways.
- (iv) One more instalment of dearness allowance has been granted to Railwaymen, along with other Central Government employees, with effect from 1st September, 1977.
- (v) Compulsory Deposit Scheme, which was applicable to Railway employees also, along with others, has been discontinued.
- (vi) Apart from the steps taken to implement the 10-hour rule, to which I have already referred earlier, the grades and working conditions of loco running staff, and the running staff in general, have been improved, some of which I mention below :
  - (a) New scales of Rs. 550-750 for Drivers of mail and express trains (to be designated as DriversSpecial Grade) and Rs. 425-640 for Guards of mail

- and express trains (to be designated as Guards-Special Grade) have been sanctioned.
- (b) A selection grade of Rs. 425-600 covering 10 of the posts in the grade of Drivers 'C' was introduced.
- (c) The scale of pay of Second Firemen (Firemen 'C') has been improved from Rs. 200-250 to Rs. 210-270.
- (d) The promotional quota from Firemen 'B' to Firemen 'A' category has been increased from 25 % to 50 %.
- (e) The rates of running allowance for all running staff are being revised which will give them additional emoluments.
- (f) The revised scales of Guards grade 'C' have been upgraded to raise the maximum of the scale from Rs. 480 to Rs. 530.
- (g) Running staff will now be paid running allowance during the period of their casual leave also as in the case of leave on average pay.
- (vii) It has been decided that 50 % of the vacancies in the clerical grades, arising upto 31-3-1978 will be filled in by Clerical Apprentices.
- (viii) During the discussions on the Railway Budget last year I had informed the House that I would review the position of various cadres on the Railways with a view to improving the promotional prospects of the staff, starting with the lowest paid categories. In pursuance of this decision, a selection grade has been given to 50,000 Class IV staff, including safaiwalas, peons, hospital attendants, gangmen and gatemen, for the first time during the last 125 years.
- (ix) **It has now been decided to upgrade about 500 Class III posts to Class II. This decision, I am sure, will give satisfaction to a large number of Class III staff, particularly the senior supervisory categories, whose chances of promotion will now substantially improve.**
- (x) **The quota for promotion of Class II officers on the Railways to Class I has been enhanced from 33 $\frac{1}{3}$ % to 40%.**
- (xi) To improve the catering service in trains and in refreshment rooms, and to meet the long standing demand of the catering bearers working on commission basis, it has now been decided that these bearers will be absorbed as regular railway employees on prescribed scales of pay. This will be done in a phased manner on the basis of the length of their service.
- (xii) Welfare machinery on the Railways has been geared up to ensure that grievances of staff are quickly redressed in an effective manner. Separate grievance cells have been opened at the Railway Board level, as well as at the Zonal and Divisional headquarters, to expeditiously deal with the representations from the staff, as well as from the general public.
- (xiii) While presenting the budget in June 1977, I had mentioned about the proposed set up of the Corporate Enterprise Group with representatives of management and workers at the Zonal levels. I am glad to inform the House that such Zonal Corporate Enterprise Groups have started functioning from July 1977. The Railway Administrations have now been asked to set up Divisional Corporate Enterprise Groups in each Division in the same manner.
- (xiv) As a further step towards participation of workers in railway management, the Zonal Railways have also set up 48 Joint Councils and 170 Shop Councils in their workshops employing 500 or more workers.
- (xv) **Persistent complaints are received from the staff that uniforms supplied to them are ill-fitting and not supplied in time. Measures have now been taken to ensure that uniforms appropriate to the season are supplied in time. Further, I have also decided that uniforms for the Railway staff will be stitched according to individual measurements, instead of the present arrangement of supplying uniforms in a few standard sizes.**

- (xvi) In order to facilitate remittances of cash safely and quickly, as well as withdrawal of salary and pension by employees through banks, Railways have initiated a policy of opening branches of nationalised banks at railway stations, as well as at premises of railway offices.
- (xvii) I had also mentioned, while presenting the budget in June 1977, that I would review all cases where extensions had been granted to employees much before the dates of their superannuation. As a result of the review, several extensions were cancelled and in a few cases where the employees were already on extensions, the same were terminated with effect from May 31, 1977. It has now been made a general policy that no extension will be given to employees beyond the age of superannuation so that those on the lower rungs of the ladder could get quicker promotions.
- (xviii) All *ad hoc* appointments in Class III and Class IV, made by the previous Government in violation of normal rules and regulations, have been referred to Railway Service Commissions and Screening Committees.
- (xix) In recognition of the commendable performance of the railway employees in various fields, Government have sanctioned an *ad hoc* amount of Rs. 15 crores for staff welfare measures, in addition to the amount provided for in the budget. The details of welfare schemes on which this amount is to be spent have been decided upon by the Zonal Railways in consultation with the Zonal Corporate Enterprise Groups of Management and Labour.

65. Some more demands of the railway employees are being processed and appropriate decisions will be taken in due course.

**66. This deal for the employees is motivated by my democratic perspective of conducting Railway Administration in full cooperation with the railway employees and their trade unions.**

#### **Rail Tariff Enquiry Committee**

67. While presenting the Interim Budget in March 1977 I had indicated that in pursuance of the recommendations of the Public Accounts Committee (1974-75), the Government had decided to appoint a High Power Expert Committee to study the structure of freight rates and fares and to make suitable recommendations in the matter. Honourable Members are aware that a Rail Tariff Enquiry Committee has since been appointed and has commenced its work. We have to wait for its recommendations.

#### **No Increase in Freight Rates and Fares**

**68. In view of this, I do not propose to make any alterations in the fare and freight structure in the budget for 1978-79. Instead, I have some good news to convey to this House and to the rail-users.**

#### **Concessions for the Travelling Public**

69. I have always held that the prosperity of the Railways should be shared by those working for it, as well as those using the Railways. While I have already mentioned the measures that have been taken to bring about satisfaction both to the staff as well as to railway users, I have also given some thought to the question of providing some relief to second class passengers. I propose the following measures :

- (i) **Sleeper charge for second class passengers, which is now computed at Rs. 5 for the first night for both three-tier and two-tier accommodation and Rs. 3 and Rs. 5 for every subsequent night for three-tier and two-tier respectively, will now be reduced to Rs. 5 only for the entire journey irrespective of the number of nights involved.**
- (ii) **Surcharge on super-fast express trains will be reduced from Rs. 1.50 to Re. 1 for second class passengers. In the case of the super-fast trains, which have ceased to be super-fast, the surcharge will be abolished altogether.**

- (iii) **Reservation charges for second class sitting and sleeping accommodation will be reduced from 50 paise to 25 paise.**
- (iv) **Hill concession for specified stations, which was available prior to 1975, will be restored. The concession, now available only for nine months from July to March for specified hill stations and all the year round for Jammu Tawi and Gangtok, will hereafter be available for such hill stations throughout the year. I hope this will help promote tourism in the country.**
- (v) I would also like to spell out some concessions which have already been extended during the year or are proposed to be extended in the budgetary year to various sections of population, like students, teachers, youth, tourists and journalists
- (a) Under the normal rules, teachers of recognised educational institutions are allowed the facility of rail travel concession when they undertake educational tours in parties of not less than four. This facility is now extended to individual teachers also for educational tours subject to the condition of their producing the requisite certificate from the District Education Officer concerned.
- (b) It has also been decided that in the case of postgraduate courses, where the number of students is less than ten, some of the facilities of travel concessions should also be allowed to these students subject to the group size being not less than five, provided the head of the institution certifies that the size of the post-graduate class is less than 10 students.
- (c) In order to encourage participation of youth in social, cultural and nation-building activities, I have now decided that whenever work camps of youths and students are organised by recognised educational, social or cultural organisations, the railway concession available for students for educational tours will also be available to students, as well as non-student youths, attending such work camps.
- (d) The Railways have introduced, during the current financial year, "INDRAIL" passes for foreign tourists. Non-resident Indians are also eligible for this concession for which payment has to be made in foreign exchange. These tickets are available for periods ranging from 7 to 90 days during which the tourist can travel wherever he likes and by whichever train suitable or convenient.
- (e) Hitherto rail travel coupons were issued to accredited Press correspondents at a concessional rate of 15% for first class and 50% for second class travel. The value of the rail travel coupon was fixed on an average fare of 250 kilometres. The Pressmen have been representing that because of telescopic system of fares, the element of concession lost its significance for longer journeys. In order to meet their demand, it has been decided to introduce money value coupons with effect from 1st March 1978 allowing the same concessions as hitherto. These coupons will be exchanged for the face value of the ticket and therefore the element of concession will remain unimpaired irrespective of the distance travelled.

### **Economy Measures**

70. Stringent economy measures will also be introduced to curtail avoidable expenditure. These are :

- (i) A number of sections on the Indian Railways have been progressively dieselised or electrified. As a result of the study undertaken in regard to the use of some loco sheds, it was found that many steam loco sheds would become redundant in areas essentially catered by diesel and electric traction. Accordingly, instructions have been issued to all the Zonal Railways that these loco sheds should be progressively eliminated in such areas. This is expected to bring about sizeable economy.
- (ii) The Third Pay Commission had recommended abolition of the system of providing bungalow peons to individual officers on the Railways. I have had this matter examined by a committee of senior officers. The findings of this committee are being processed and a decision in the matter will be taken soon.

- (iii) **Use of Inspection Carriages, which are popularly known as "Saloons", has already been restricted. I am considering a suggestion for offering some of these carriages, in addition to tourist cars, for commercial purposes to tourists. This would bring in additional revenue.**
- (iv) On a rapid study made about the use of bill-forms etc., it has been found that considerable amount could be saved by reducing the number and size of these forms. Steps are being taken to reduce expenditure on forms, stationery etc. so that substantial amount could be saved by reduction in the use of paper and cost of printing.
- (v) Railway officers on duty are at present entitled to travel with their entire families. In order to release more accommodation for the general public, I have decided that in future children will not be entitled to travel with the officers on duty pass in train services.
- (vi) Strict instructions have been issued regarding economy in the use of telephones, electricity, staff cars, expenditure on routine inspections, consumption of fuel etc. Instructions have also been issued to the Railways not merely to continue but to step up economies in other areas such as inventories, non-operational staff, contingent expenditure, etc.

71. By adopting the above mentioned economy measures, I would like to curtail expenditure and privileges and pass on the benefits to rail-users, particularly second class passengers.

72. I would like to express my gratification that a budget with a surplus of Rs. 65.43 crores could be presented for the year 1978-79 also without any increase in fares and freight rates, for the second year in succession, since the new Government had assumed office. This has been possible by the hard work put in by all categories of Railwaymen and their unstinted cooperation in improving railway operations. The commendable performance of the Railwaymen during the current financial year has exploded the myth that only enforced discipline of the Emergency Era could achieve better results. It would be our constant endeavour to keep this lifeline of the nation at the highest level of efficiency so as to make it an effective instrument in the social, economic and industrial development of the country. I am confident that I will have the cooperation and goodwill of all the Honourable Members, Rail-users and all Railwaymen in this task of making our Railways more service-oriented and productive. With these observations I conclude my submission to this House on the fulfillment of the past promises and assurances for the future.

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