

**Speech of Prof. Madhu Dandavate  
Introducing the Railway Budget  
For 1979-80 on 20<sup>th</sup> February, 1979**

Mr. Speaker,

I rise to present to 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 1979-80. While presenting the Budget for 1978-79, I had proposed a number of measures, offering a better deal to the rail-users, particularly the II class passengers, and to the railway staff. I am glad to say that despite the difficulties encountered by the railways due to the fury of floods and other odds, including public agitations unrelated to railway problems, 1978-79 has been yet another year of concerted efforts by the Railways to accomplish the tasks assigned to them.

**Actuals for 1977-78 - Record Surplus**

2. Before I proceed to discuss the Railways' performance during 1978-79 and the Revised Estimates for the year, I would like to refer to the actual financial results of 1977-78. **I am happy to inform the House that in the 125<sup>th</sup> year of the Indian Railways, as against the projected surplus of Rs. 89.32 crores in the Revised Estimates, the Railways actually achieved an all-time record surplus of Rs.126.23 crores.** The increase in the net surplus has been achieved despite the originating revenue loading of goods traffic falling short of the Revised Estimates by about three million tonnes through stringent economy measures, curtailment of revenue expenditure in tune with the decline in traffic and better realisation of outstanding dues. This increase in surplus during 1977-78 over the Revised Estimates will stand credited to the Revenue Reserve Fund and will go to reduce the burden of the Railways' debt to the General Revenues.

**Performance During 1978-79**

3. During the current financial year, rail operations received a severe setback on as many as five of the nine Zonal Railways between July and October 1978 on account of unprecedented heavy rains and floods, extensive breaches, sinkage of tracks, hill slips, unsafe conditions of bridges in several areas and even washing away of some of the bridges. The floods and resulting breaches in early September in North India brought about complete suspension of traffic from the East via Mughalsarai for nearly three weeks. Then, the heavy rains and floods in West Bengal and Bihar brought about one of the most serious spells of dislocations ever faced by the Indian Railways. Nearly 35,000 wagons - most of them loaded - remained immobilised in the eastern sector. The railwaymen, true to their traditions, rose to the occasion. The engineers and other staff, working round the clock, restored the damaged tracks in record time. **Due to the flood havoc, Railways lost about Rs. 30 crores by way of repairs to track and equipment, as well as loss of revenue due to disruption in traffic.**

4. Added to these difficulties was the immobilisation of wagons due to strike in ports. The public agitations, as in Marathwada and Bihar, also caused a great damage to the Railways. Whether the agitationists were "Anti-reservationists" or "Reservationists", the Railways attracted the wrath of both, probably because some of the railway coaches are reserved and others unreserved.

5. Even during these dislocations, Railways closely monitored the movement of essential commodities and were able to ensure that thermal power stations, steel plants, cement factories and other major industries were not much affected for want of raw materials. It is commendable that in spite of the floods and other interruptions, Railways could load over 15 million tonnes of originating revenue earning traffic, both in September and October, and over 16 million tonnes in November, which was even higher than the loading in November 1977. **Thus, although the cumulative originating revenue loading upto December 1978 fell short of the budget target by over 16 million tonnes and was lower than the previous year's loading by about 8 million tonnes, the Railways hope to reach a level of about 205 million tonnes by the end of March 1979.**

6. While assessing the performance of the Railways during 1978-79, in the face of several adverse factors mentioned by me earlier, one more point has to be borne in mind, i. e. the change in the pattern of movement of traffic of several commodities leading to phenomenal increase in the average distance of haul thereof. For example, due to complete stoppage of foodgrains import through various ports, the average lead of

foodgrains traffic has risen sharply from 948 kilometres in 1976-77 to 1319 kilometres upto the end of November 1978 or an increase of over 39%. Lead of fertiliser traffic, which was around 939 kilometres in 1976-77, is now 1088 kilometres or an increase of 16%. The position is similar in the case of cement where the lead has gone up from 649 kilometres to 821 kilometres or an increase of 26%; petroleum products from 594 kilometres to 700 kilometres (17.85%) and even in the case of finished steel the lead has gone up by 7%. **The total transportation task to be undertaken by the Railways upto the end of March 1979 will thus be quite comparable to that during the last year.**

7. The passenger traffic showed a growth rate of 3.3% in the number of passengers originating upto November 1978 and the earnings were 6.5% higher than the corresponding period of the previous year. These factors have been taken into account while revising the estimates for the year 1978-79 to which I will refer later.

8. Apart from maintaining an improved level of operations, after the setbacks in the earlier part of the year, the Railways have also maintained a better record in relation to accidents involving casualties, which have been fewer as compared to the previous year. **After December 1977 there has been no major accident due to sabotage following the introduction of intensive track patrolling by gangmen and men of Railway Protection Force.**

9. Various steps have been taken, in co-ordination with the State Government agencies, to curb crimes on running trains. To instil greater sense of security among the travelling public, escorts have also been deployed on trains running through vulnerable areas. **About 850 trains are now being escorted by armed G.R.P. and R.P.F. men. In order to augment the strength of the Government Railway Police for better policing of the Railways the Ministry of Railways have now agreed on a 50:50 formula for sharing the cost of G.R.P. with the State Governments.**

10. Honourable Members will be glad to know that during 1978-79, it has been possible to introduce 64 new trains and extend the runs of 42 existing trains. **During the 23 months since the new Government took over, 307 additional trains were introduced and the runs of 177 trains were extended.**

11. While presenting the Budget for 1978-79, I had informed the House that I would be paying particular attention to the second class passengers by making their travel quicker, safer and more comfortable. In fulfillment of this promise, several steps have been taken which I would like to recount briefly :

- (i) Besides **Gitanjali Express**, started in November 1977, five more long distance classless and comfortable super-fast trains have been introduced during the current year, viz.,
  - (a) **Navjivan Express between Ahmedabad and Madras.**
  - (b) **Gandhigram Express between Ahmedabad and Porbandar/Bhavnagar.**
  - (c) **Konark Express between Bhubaneswar and Secunderabad.**
  - (d) **Minar Express between Secunderabad and Bombay.**
  - (e) **Himagiri Express between Howrah and Jammu Tawi.**
- (ii) By providing cushioned berths and back-rests in second class sleeper coaches, comforts of first class travel have been provided at second class fares in a number of trains. As a rule, only cushioned second class coaches are now being manufactured.
- (iii) First class coaches are being gradually replaced by II class air-conditioned two-tier sleeper coaches. First class air-conditioned coaches are also being progressively phased out. According to the new scheme, the Railways will gradually provide only four types of accommodation—second class sleeper coaches with padded berths, second class coaches with cushioned seats, second class A.C. two-tier sleepers and second class A.C. chair cars. The Railways are thus moving towards a system of classless and comfortable travel.
- (iv) For the first time, double-decker train service—the Sinhadgad Express—made its debut in India on the Bombay-Pune section with twelve coaches manufactured by the Integral Coach Factory. More such coaches will be pressed into service on over-crowded sections like Howrah-Asansol, Delhi-Meerut and Bombay-Surat in course of time.

- (v) Further progress has been made on the manufacture of a proto-type of new second class 3-tier sleeper coach with more toilets and increased water supply facilities. This coach, which will be longer than the existing coach, will accommodate 77 passengers and will have cushioned berths and back-rests, tinted window glass to prevent glare, one western style toilet, additional racks for storing meal-trays in 'hygienic condition, higher capacity water tanks, space to keep linen and bedding in sleeper coaches, two wash-basins with taps outside the toilets, ash trays, additional coat-hooks and better lighting.
- (vi) **To increase the passenger-carrying capacity of the existing trains, a new innovation of running longer passenger trains, hauled by two locomotives, with 21 coaches, instead of the usual 13 bogies, has been introduced. If this experiment on the New Delhi-Madras Tamil Nadu Express succeeds, more trains will be considered for double-heading. As a result of the double-heading, the accommodation in the Tamil Nadu Express has been more than doubled. This innovation will relieve overcrowding on saturated sections and also reduce scope for malpractices in reservations.**
- (vii) The arrangement of cheap and tasty 'Janata Khana', which is now available on 73 long distance trains, is being extended to a number of other trains.

**12. I am happy to inform the House that industrial relations on the Railways have been extremely satisfactory since the new Government took over. This is reflected in the substantial reduction in the number of man-days lost. The number of man-days lost on the Railways during 1977-78 was only 1858, as against an average of 1,32,828 per year during the previous ten years excluding the period of 1974 railway strike.**

13. As I have already indicated earlier, a number of decisions benefiting almost all sections of railwaymen have been taken. I would first like to refer to the items mentioned in my last budget speech under the head 'New Deal to the Railwaymen, which have been implemented. These include -

- \* Completion of the special *ad hoc* programme of providing additional staff amenities from the special grant of Rs. 15 crores in the current year.
- \* 20 to 30% increase in the rate of running allowance for one lakh loco and traffic running staff and implementation of 10-hour duty rule for the loco running staff through creation of additional posts.
- \* Completion of the process of promoting 50,000 class IV staff to the selection grade.
- \* Opening of new Railway Service Commissions at Secunderabad and Gauhati.
- \* Launching of special drives for filling up vacancies reserved for scheduled castes and scheduled tribes. As many as 128 scheduled caste and scheduled tribe class I officers and 3,619 scheduled caste and scheduled tribe candidates in class III posts were recruited or promoted during the last financial year, thus improving their percentage of representation.

14. I would now like to refer to some other measures taken for the improvement of the working and service conditions of different categories of staff on the Railways in the current financial year. These are

- \* Creation of higher grade posts for skilled artisan staff on the basis of the Interim Report of the Railway Workers Classification Tribunal, benefiting about two lakh artisan staff.
- \* Revision in the rates of incentive bonus for workshop staff, with retrospective effect from 1-8-1975, benefiting about one lakh employees in Railway workshops and production units.
- \* Revision in the ratio of different grades of skilled posts in respect of carriage and wagon staff, including safaiwalas.
- \* Upgradation of about 7,000 posts from the base grade of the relevant class III categories to higher grades in pursuance of the decision taken in the Departmental Council Meeting in December 1977.

- \* Upgradation of the scale of pay for several other categories of class III and class IV staff, such as stock verifiers, stenographers, stores watchmen, daftries, train starters, assistant traction loco controllers, coal commercial staff and some staff working in the Family Welfare Organisation on the Railways.
- \* Restoration of the system of annual cadre review of class III and class IV staff by the Zonal Railways in accordance with the percentages fixed for the various grades in each scale.
- \* Improvement in the working conditions of licensed porters and vendors by making them eligible for certain facilities such as medical treatment, admission of their children in Railway schools, transfer of their licence badge to their sons or nearest relatives in case of old age or physical unfitness or death, free use of rest shelters wherever provided, etc.
- \* Confirmation of all the 1080 Temporary Officers, who were recruited through the Union Public Service Commission nearly twenty years ago but had remained temporary so long.
- \* Cadre review for class I and class II officers, which will streamline the prospects and avenues of promotion for them.

### Capital Structure : Expert Committee's Recommendations

15. The rate of dividend payable by the Railway Undertaking to the General Revenues for 1979-80, as well as other ancillary matters, are currently under consideration of the Railway Convention Committee, on the basis of the memorandum recently submitted to it by the Railway Ministry, incorporating some of the recommendations of the Expert Group (which included the representatives of the Ministry of Finance and the Planning Commission) on the Capital Structure of the Railways. It is significant that such a thorough review of the capital structure of the Railways has been undertaken for the first time since the separation of the Railway Finance from the General Finance in 1924.

16. Some of the important recommendations of the Expert Group, accepted by the Government and awaiting the Railway Convention Committee's approval, are -

- (i) **The Railways will no longer be called upon to obtain loans from the General Revenues for meeting shortfalls in dividend payments. If, in any year, there is a shortfall in the payment of dividend, this would be treated as a deferred liability to be paid eventually as and when adequate surplus is generated, and the position reviewed after a period of 10 years.**
- (ii) **The accumulated interest portion of the loan liability under Revenue Reserve Fund, amounting to Rs. 93.95 crores, will be written off. The balance amount of Rs. 122.19 crores will be treated as a deferred dividend liability.**
- (iii) Dividend reliefs on certain items such as the capital cost of new lines taken up on other than financial considerations, capital cost of ferry services, capital cost of welfare buildings and payment of a reduced rate of dividend at 3.5% on the capital cost of residential buildings.
- (iv) The total amount of dividend reliefs will be contributed as a specific subsidy from the General Revenues.
- (v) The existing arrangement of obtaining loans from the General Revenues for meeting the expenditure under Development Fund will continue, but such loans will be charged interest at the rate applicable to State Governments, instead of at the borrowing rate.

17. As the Railway Convention Committee 1977 has not yet made any recommendations in regard to the rate of dividend etc. to be adopted for 1979-80, the Budget Estimates for the coming year have been prepared on the same basis as recommended by the Committee for the two earlier years viz. 1977-78 and 1978-79.

### Committee on Social Burdens

18. As mentioned by me while presenting the Budget for the current year, a high level Committee, consisting of representatives of the Ministries of Finance and Shipping & Transport, Planning Commission, Comptroller & Auditor General of India and the Ministry of Railways, was constituted to review the entire question of social obligations borne by the Railways and the question of subsidising the Railways to cover these losses. **The Committee's Report has recently been received and is under consideration of the Government.**

### Revised Estimates for 1978-79

19. After the presentation of the Railway Budget for 1978-79, the Railways had to bear an additional burden of Rs. 64 crores, arising out of new levies imposed through the General Budget, payment of additional installment of dearness allowance, increase in the price of steel and fulfillment of some pending staff demands. Besides, there was a loss of Rs. 30 crores to the Railways due to the devastating floods in Northern and Eastern India.

20. Against this background, some prophets of gloom had predicted a very heavy deficit. I am, however, sorry to disappoint them all by projecting a surplus for 1978-79. The Revised Estimates of gross traffic receipts have been placed at Rs. 2165 crores, against the Budget Estimates of Rs. 2220 crores, i.e. a reduction of only Rs. 55 crores from the Budget Estimates. As regards working expenses, the Revised Estimates are Rs. 1686 crores, against the Budget Estimates of Rs. 1701 crores i.e. a saving of Rs. 15 crores.

21. **Thus, despite the post-budgetary burdens and losses due to floods, the year 1978-79 is expected to end with a surplus of Rs. 27.73 crores, as against the Budget Estimates of Rs. 65.43 crores, after providing for Rs. 145 crores towards Depreciation Reserve Fund and Rs. 50 crores for Pension Fund and after making full payment of Dividend to the General Revenues to the extent of Rs. 230.48 crores.** The estimated surplus has been made possible through effective monitoring of expenditure and tighter budgetary control.

22. As mentioned by me earlier, the acceptance of the recommendations of the Expert Group on the Railways' Capital Structure will bring in certain reliefs in the payment of dividend, which would amount to about Rs. 10 crores for the year 1978-79. **If this is also taken into account, the surplus for 1978-79 would go up to Rs. 38 crores.** Pending approval by the R.C.C. and Parliament, I am not reflecting this relief in the Revised Estimates now presented to the House.

### Plan Outlay for 1978-79

23. The Railways' developmental programme for 1978-79 envisaged a total outlay of Rs. 535.30 crores (including Rs. 15 crores for the Metropolitan Transport Projects and Rs. 10 crores for investment in road services). In order to make up the arrears of Railways' share of equity in the State Road Transport Corporations, an additional amount of Rs. 16 crores was provided by a supplementary grant in the last session of Parliament. The provision under Rolling Stock was also increased to provide for purchase of additional 3000 wagons. Thus, the revised estimate of Plan outlay during 1978-79 is now expected to be Rs. 553 crores, against the Budget Estimate of Rs. 535 crores.

### Annual Plan For 1979-80

24. I had informed the House, while presenting the Budget for 1978-79, that the Working Group set up by the Planning Commission were making an assessment of rail transport requirements for the next five years and for formulating the requisite development programmes. The Working Groups have since completed their assessment of transport requirements upto 1982-83 and have made their recommendations to the Planning Commission. The Plan, as recommended by them, lays greater emphasis, than in the earlier plans, on rehabilitation of track, rolling stock and other assets of the Railways while, at the same time, providing for further development of Railways' network and modernisation of railway workshops to facilitate increased productivity through introduction of new and more sophisticated plant and machinery.

25 **The annual plan for 1979-80, as finalised, provides an amount of Rs. 650 crores for the**

**Railways (including Rs. 18 crores for the Metropolitan Transport Projects). This allocation is higher by Rs. 97 crores than the previous year's revised outlay of Rs. 553 crores.** The allotment for 1979-80 includes a provision of Rs. 288 crores for the rolling stock or an increase of Rs. 50 crores over the revised outlay for the current year and an amount of Rs. 42 crores for new lines i.e., an increase of Rs. 11 crores over the revised outlay for the current year. The plan outlay for 1979-80 also provides for a step up of the allocation for passenger and other railway users' amenities to Rs. 5 crores from Rs. 4 crores in the previous year. The list of 'Passenger Amenities' has been reviewed and some items, which are either in the nature of safety works or unremunerative operating improvement works, have been deleted from this list. With these changes in the norms of allocation, the actual availability of resources will be even higher and enable provision of more facilities for rail-users. The plan-head "Passenger and other Railway Users' Amenities" is also being split up from the year 1979-80, to show allotment of funds and expenditure on 'Passenger Amenities' as distinct from 'Other Railway Users' Amenities'.

### **Railways' Development Programme -New Lines, Conversions And Surveys**

26. In allocating funds to works in hand and also to new lines, conversions and surveys, care has been taken to see that States in all regions of the country are covered in one way or the other.

#### **New Lines**

27: In keeping with our policy of concentrating each year on some of the schemes and completing them expeditiously, four new railway line projects were completed in all respects and will not find place in the next year's budget. The second phase of Shahdara-Saharanpur line, an agriculture-oriented project-from Baghpat Road to Shamli in Uttar Pradesh has been completed and commissioned during the year. The work on Hassan-Mangalore project in Karnataka, the first phase of Trivandrum-Tirunelveli/Kanyakumari line in Kerala and Tamil Nadu, which will provide a link from Trivandrum to Kanyakumari via Nagercoil, the link from Kalyani to Kalyani Township in West Bengal and the first phase of Rohtak-Bhiwani line-from Rohtak to Kalanaur in Haryana are nearing completion and are expected to be opened for traffic in the next few months. I am glad to say that specific target dates have been fixed for various projects, which are being adhered to in all cases.

28. The other projects on which work will be stepped up and completed fully or partially during the next financial year are - Karaila Road to Jayant in Uttar Pradesh and Madhya Pradesh, Bassein Road to Diva in Maharashtra, the remaining portion of Shahdara-Saharanpur line in Uttar Pradesh, Bibinagar-Nalgonda section of Nadikude-Bibinagar line and Bhadrachalam Road to Manguru in Andhra Pradesh, Jakhapura-Daitari section of Jakhapura-Banspani line in Orissa, the remaining portion of Rohtak-Bhiwani line in Haryana, Howrah-Bargachia section of Howrah-Amta line in West Bengal and Apta-Pen portion of Apta-Roha line of the West Coast Konkan Railway. The work on Hasanpur-Sakri line in Bihar, which had remained frozen till now, will also be taken up and progress will continue to be made on Nadiad-Modasa broad gauge line in Gujarat.

29. As the Honourable Members are already aware, construction of new railway lines to serve six Hill States in the North-Eastern Region viz. Meghalaya, Tripura, Arunachal Pradesh, Manipur, Nagaland and Mizoram was taken up during the current financial year through supplementary grants. These six lines are : -

- (i) B.G. line from Gauhati to Burnihat in Assam and Meghalaya
- (ii) M.G. line from Dharmanagar to Kumarghat in Tripura
- (iii) M.G. line from Balipara to Bhalukpong in Arunachal Pradesh
- (iv) M.G. line from Silchar to Jiribam in Manipur
- (v) M. G. line from Amguri to Tuli in Nagaland and
- (vi) M.G. line from Lalaghat to Bhairabi in Mizoram.

Adequate funds have been provided for the construction of these lines during the next financial year and it will be possible to make substantial progress on all these schemes.

30. The policy regarding construction of new railway lines is still under consideration of the National Transport Policy Committee. The interim report of the Committee on this issue is expected to be received shortly.

**31. In the meantime, I have made provision in the budget for construction of the Ernakulam-**

**Alleppey railway line in Kerala for which there has been a strong and persistent demand and which is required to serve a number of new industries coming up in that area, Tupkadih-Talgeria line in Bihar, which is essential for the movement of traffic to be generated as a result of the expansion of Bokaro Steel Plant, has also been included.** At present, I am unable to include more projects in this Budget due to constraint on resources. However, as mentioned by me earlier, the outlay on new lines has been stepped up from Rs. 31 crores in the current year to Rs. 42 crores next year so that projects already in hand can be speeded up.

### Gauge Conversion Projects

32. In the case of gauge conversion projects also, the same policy of concentrating on some of the projects and completing them expeditiously and on schedule is being followed. Gauge conversion of the line from Suratgarh to Bhatinda in Rajasthan and Punjab has been completed and commissioned for traffic during this year. Broad gauge line was extended from Sonepur upto Palezaghat in Bihar, which would facilitate movement of passengers from Muzaffarpur and Samastipur sides to Patna. The provision of funds for New Bongaigaon-Gauhati conversion project in Assam was stepped up during the year and it is now proposed to be completed by 1980. Work on conversion of Barabanki-Samastipur section in U.P. and Bihar and Viramgam-Okha/Porbandar section in Gujarat has also been stepped up, and it is planned to complete the entire Barabanki-Samastipur project and the first Phase of Viramgam-Okha/Porbandar gauge conversion project from Viramgam to Kanalus by 1980. It is also proposed to extend the Samastipur-Barabanki conversion project upto Lucknow. The work on Barauni-Katihar and Manmad-Aurangabad section of Manmad-Purli Vajinath projects in the backward regions of Bihar and Maharashtra respectively will also be speeded up. Construction of a parallel broad gauge line from Delhi to Rewari in Haryana and the second metre gauge line from Kishangarh to Phulera with broad gauge infra-structure, which will constitute the first phase of Delhi-Ahmedabad gauge conversion project, is under consideration.

33. **I have also included the gauge conversion of BangaloreMysore line in this budget for which there has been a pressing demand from the State of Karnataka as it is considered essential for the development of industries in the Mysore area.** The outlay on gauge conversion projects has also been stepped up from Rs. 27 crores in the current year to Rs. 40 crores next year.

### Surveys

34. Surveys for construction of new railway lines from (i) Budge Budge to Namkhana and (ii) Domohani to Changrabandha in West Bengal, (iii) Bikaner to Chattargarh in Rajasthan, (iv) Jammu to Udampur in J & K State, (v) Ranchi Road to Giridih via Hazaribagh Town and Koderma, (vi) Manderhill to Baidyanath Dham and (vii) Gaya -to Rajgir in Bihar have either been completed or are nearing completion. Surveys for new lines from (i) Barwadih to Karonji in Bihar and M.P., (ii) Khalilabad to Balrampur and (iii) Konch to Jalaun in U.P., (iv) Lalitpur to Singrauli via Khajuraho, Satna and Rewa in U.P. and M.P., (v) Talcher to Sambalpur in Orissa and (vi) Koraput to Parvatipuram in Orissa and Andhra are well in progress. Surveys for conversion of Rupsa-Bangriposi line in Orissa from narrow gauge to broad gauge and its further extension to meet the Tatanagar-Kharagpur line and also for the conversion of Sitapur-Burhwal, Shahganj-Mau and Varanasi-Chupra metre gauge lines in U.P. to broad gauge are also in hand. Surveys for a new broad gauge line from -Karur to Madurai and gauge conversion from Madurai to Tuticorin in Tamil Nadu were approved in the supplementary grants obtained in January 1979.

35. **In addition to the above, further surveys for new railway lines from (i) Kharagpur to Digha in West Bengal, (ii) Kota to Chittorgarh via Bundi in Rajasthan and (iii) Manickgarh to Chandur in Maharashtra have been included in this Budget.** The last two projects are meant to serve cement plants to be set up in the areas and construction of these lines, after the survey reports are received, may have to be given top priority. The final location survey for a new line from, Jagadhri to Paonta in Haryana and Himachal Pradesh will also be undertaken during the budget year.

36. **In the past, project-oriented railway lines meant only industry-oriented lines. Now, with our new perspective in favour of rural development, we will consider agriculture-oriented lines also as project-oriented lines claiming priority.**

### Railway Electrification

37. Electrification works on 948 route kilometres in three sections viz. Gudur-Madras-Trivellore on the Southern Railway, Vijayawada-Gudur on the South Central Railway and Waltair-Kirandul on the South Eastern Railway are in progress. These are expected to be completed in phases during 1979-80 and 1980-81. **The suburban services between Madras-Gummidipundi and Madras-Trivellore will be electrified very shortly and EMU services will be introduced.**

38. **Work on the electrification of Delhi-Mathura section, which has the highest density of traffic on the north-south route, has also been commenced in the current year.** As a sequel to the study carried out jointly with the Planning Commission on the economics of electric traction *vis-a-vis* diesel traction, **it is proposed to take up electrification work on the highest density trunk route of Vadodara-Ratlam and Godhra-Anand sections (340 kilometres) on the Western Railway. Accordingly, this work has been included in the Budget for 1979-80.**

### Metropolitan Transport Projects

39. The allotment for the Metropolitan Rail Transport Projects for 1979-80 has been stepped up to Rs. 18 crores from Rs. 15 crores in the previous year. Out of this, Rs. 16 crores will be utilised for the underground railway project in Calcutta, Rs. 1.75 crores for the Metropolitan Transport Project in Bombay, and the balance for the projects in Delhi and Madras.

40. The House will be happy to know that, the progress on the underground railway project in Calcutta has been accelerated in the current year. Honourable Members may recall that a special legislation-the Ministry of Railways (Construction of Works) Act-was passed by the Parliament in August last year to enable speedy acquisition of land and tunnelling under private property. Orders for proto-type rakes of specially-designed metro rolling stock have already been placed and the proto-types will be ready for trials between Dum Dum and Belgachia in 1981. **It is expected that the first phase of the project, from Dum Dum to Shambazar in the north and Esplanade to Tollyganj in the south, will be commissioned by 1984-85. It is also hoped that the rest of the length between Shambazar and Esplanade will be commissioned by 1986.**

41. In Bombay, work has since commenced on the construction of a fly-over at Bandra to connect the slow lines of the Western Railway with the Harbour Branch Lines of the Central Railway and optimisation of the Harbour Branch Lines. **In Delhi, a project for provision of electrified rail commuter services in the Delhi Urban area, at a cost of Rs. 21.61 crores, has been included in the Budget for 1979-80.** In Madras, investigations are on hand for optimisation of the Madras Beach-Guindy metre gauge system.

### Improvement of Catering Services

42. Honourable Members in this House and the public outside have been demanding further improvement in catering services on trains and at stations. Out of over 7,000 stations on the Indian Railways, catering service is at present provided at as many as 3,000 stations, partly departmentally and partly managed by contractors. 70 major stations have departmental catering at present, and at 41 other stations both departmental and contract catering coexist. **In order to give better service, I have decided to introduce departmental catering fully at these 41 stations at the earliest and also to departmentalise the catering service at all other important stations in phases.**

43. As regards catering in trains, on 43 Mail and Express trains, including 25 super-fast trains, the service is run departmentally. At present, 30 other Mail/Express trains have contractor-managed catering services. **I have, therefore, decided that, as a policy, catering services on all Mail, Express and super-fast trains would, henceforth, be provided only departmentally. As a first step, the contractor-managed Mail/ Express and super-fast trains will be brought under departmental catering expeditiously.** The Catering Department will also be suitably strengthened and arrangements for more intensive training to catering staff will be made.

44. Formation of a Railway Catering Corporation, as an autonomous body under the administrative control of the Ministry of Railways, to take over the entire catering service on the Indian Railways, has been suggested by several Members of Parliament and others. This will be examined in depth.

### More Amenities to Passengers and Rail-Users

45. Honourable Members of this House are aware of the new shift in the emphasis on provision of more and more amenities to common passengers in preference to the affluent classes. In pursuance of this policy, I propose to provide a few more amenities to passengers in the coming months.

46. In order to remove complaints about lack of supply of drinking water in trains, I propose making special arrangements to ensure that all important trains will have the arrangement of water supply in the trains, apart from water supply being arranged at stations where the trains halt. For this purpose, I have decided that in all Mail and Express trains, drinking water will be provided in earthen pots (*Matkas* and *Surais*) with the facility of earthen tumblers (*Kullads*). While this would add to the convenience of the travelling public, especially during the hot weather, it will also provide an incentive to the cottage industry manufacturing potteries, in consonance with the new industrial policy of the Government.

47. I had referred earlier to the innovation of longer passenger trains hauled by two locomotives. In order to make for effective communication between the driver and guard in the longer trains, walkie-talkie sets have been introduced in the new longer Tamil Nadu Express trains. Similar facilities are proposed to be introduced in all superfast trains progressively.

48. As the super-fast trains are carrying passengers over long distances, it is proposed to provide on these trains, as an experimental measure, the facility of news broadcasts through a public address system, which will also render music at other times for the entertainment of the travelling public. If successful, this will be extended to other Mail and- Express trains progressively.

49. In order to improve the convenience and safety of transportation of commodities suitable for movement in containers, it is proposed to expand the containerised freight service and extend it even for transportation of goods overseas, apart from inland traffic. This would contribute to more speedy transportation of such goods while providing door-to-door service for rail-users and involving reduced handling, etc.

50. As the Honourable Members are aware, complaints about non-availability of wagons have been made from time to time both on the floor of the House and through communications to me. One of the reasons is the delay in the unloading of wagons by some traders who tend to use the wagons as warehouses. **I have issued instructions to enforce the rules regarding the free time allowed for unloading of wagons strictly and also for auctioning of commodities in case of failure to unload and release wagons in time by consignees trying to manipulate prices.**

51. **I am also glad to inform the House that I have decided to electrify, in the coming year, all railway stations not so far electrified and located within a kilometre of an existing power supply line.**

### Special Concession to Kisans

52. Kisans are now paying a concessional fare of  $\frac{3}{4}$ <sup>th</sup> of the normal fare when travelling in small groups of 20 and more, and  $\frac{2}{3}$ <sup>rd</sup> the normal fare when travelling in special trains. This concession is allowed for visiting the country's river valley and other national projects, as also research centres and Agricultural Universities.

In order to enable the kisans to acquire knowledge of modern technology and processes in agriculture, I have decided to extend this travel concession to kisans visiting industrial and agricultural exhibitions also at the national level. This is in pursuance of the declared policy of the Government to give priority to rural development.

### Strengthening of Public Relations Organisation on the Railways

53. For some time, I have been thinking of strengthening the Public Relations Organisation on the Railways with a view to improving the response of the Railway Organisation to public criticism and suggestions, as well as disseminating information promptly about the activities and achievements of the Railways in various areas of operations. **As a first step, the Railways would be having about a dozen Public Relations Officers in important cities and State Capitals, in addition to those at Railway Headquarters, to have a**

**proper liaison between the public and the railway management.**

### **Settlement of Claims**

54. Honourable Members may recall my assurance that claims preferred on railways will be settled within six weeks. **The House will be happy to know that the average time taken for settlement of claims in the first 7 months of the current financial year has come down to 37 days as against the average of 46 days during the previous year.** Besides, in the first six months of the current year the number of claims cases, pending for three months or more, has been further brought down to 4760 from 6254 as at the end of previous year.

### **Safety in Rail Travel**

55. The High-powered Railway Accidents Enquiry Committee to which I had made a brief reference in the last Budget Speech started functioning from 27<sup>th</sup> March, 1978. The first report of the Committee is expected to be ready by the middle of this year.

56. In order to step up the work of track renewals, the outlay for 1979-80 has been increased to Rs. 65 crores, as against the provision of Rs. 51 crores this year. As the entire finance for track renewal works has to come from internally generated resources of the Railways, a major effort will have to be made to raise the resources if the replacement commitments are to be fulfilled, to ensure safe and efficient rail operations. I will be referring to this subject later in this speech.

### **Streamlining of Administration**

57. While presenting the Budget for the year 1978-79 I, had indicated that a further exercise had been taken up to work out the details of devolution of powers from the General Managers to the Divisional Superintendents. The General Managers have since reviewed the powers of their Divisional Superintendents and, after taking into account the local working conditions and other relevant factors, have re-delegated some more of their powers.

**58. I am glad to inform the House that the divisional administrative set-up is also being strengthened by posting senior administrative officers as Divisional Railway Managers, as indicated in my last Budget Speech. This process has already been completed in 33 out of the 53 Divisions.**

### **Formation of Sonpur Division**

59. In order to give more rail facilities to the people of North Bihar and to improve the efficiency of the administrative machinery, the Sonpur Transportation Division has been upgraded to a full-fledged Divisional Headquarters on the North Eastern Railway. This step has been widely welcomed by the people of the area.

### **Consultancy Services by the Indian Railways**

60. I am glad to say that both the public sector undertakings under the Ministry of Railways viz. the Rail India Technical and Economic Services (RITES) and the Indian Railway Construction Company (IRCON) have made profits in 1977-78. The RITES earned a profit of Rs.28.64 lakhs and declared a dividend of 25%; the IRCON also earned a small profit, for the first time during 1977-78. **The House will be interested to know that while continuing to provide assistance in special assignments to Zaire, Ghana and Philippines, the RITES have also secured a prestigious contract for the management of the Nigerian Railways.** The first team of the top level experts has already taken over at Nigeria. It is for the first time that the Indian Railways would be rendering managerial skill on such a massive scale. It is indicative of the high technical skill and managerial efficiency and expertise of the Indian Railways.

61. I am also happy to inform the House that very recently the RITES have secured a contract for supply of supervisory and management technical personnel to help in the construction of a 540 km rail line in Iraq.

Both RITES and IRCON are bidding for further contracts in a number of Middle East countries and in Africa.

### **Brahmaputra Bridge Project in Assam**

62. Honourable Members will also be glad to know that the work of constructing a second road bridge across the Brahmaputra in Assam has been entrusted to the Indian Railways. It is a clear tribute to the ingenuity and expertise of the railway engineers and to their demonstrated resourcefulness to complete projects on schedule or even ahead of schedule. We have posted a separate General Manager to be in charge of this construction, as well as the construction of six new rail lines in the North Eastern Region to which I have made a mention earlier.

### **Performance of the Production Units**

63. The performance of the Railways' Production Units has shown substantial improvement during the nine months of 1978-79 compared to the corresponding period of 1977-78. The production at the Diesel, Locomotive Works, Varanasi (102 diesel locos and power packs) and the Integral Coach Factory, Madras (566 coaches) upto December 1978 was the highest ever achieved by these two Production Units during this period in any of the previous years.

64. For the whole year 1978-79 the DLW is expected to turn out 105 locomotives, plus 34 spare diesel engines and two more diesel high capacity generating sets of 1750 KVA for supply to the Atomic Power Plant at Madras. The ICF is expected to turn out 750 fully furnished coaches of various types. The Chittaranjan Locomotive Works is expected to turn out 91 locomotives of which 14 are for supply to public sector undertakings. The CLW has also produced a new type of electric locomotive, designed by the Research, Designs and Standards Organisation of the Railways, for the Waltair-Kirandul line involving steeply graded sections, as well as a new shunting locomotive of improved design for use in steel plants.

65. The Integral Coach Factory is also manufacturing coaches for export to countries like Philippines, Uganda, Taiwan and Vietnam.

### **A New Coach Building Unit**

66. The Working Group set up by the Planning Commission for the Railways' Sixth Plan had assessed a needbased requirement of about 11,000 coaches for the period upto 1982-83 but the existing capacity with the Railways' Production Units and Workshops and other coach building organisations in the country is only of the order of 7,000 coaches. I have, therefore, ordered a survey, to study the matter in depth and prepare a project report, for establishing a new coach factory under the auspices of the Indian Railways. This survey has been included in the Budget for 1979-80.

### **Modernisation Of Workshops Special Project**

67. A very high percentage of the plant and machinery in the railway workshops has outlived its useful life and become due for replacement. A scheme of modernisation of these workshops has, therefore, been drawn up. This would include complete modernisation of five selected workshops viz. Chittaranjan Locomotive Works, Kanchrapara Workshop on the Eastern Railway, Kharagpur Workshop on the South Eastern Railway, Parel Workshop on the Western Railway and Matunga Workshop on the Central Railway, besides renovation and replacement of machinery and plant in about 40 other workshops and sheds like Jamalpur, Lucknow, Perambur and Jagadhri.

68. A Wheel & Axle Plant is also being set up at Yelahanka, near Bangalore, with an estimated annual capacity of 70,000 wheels and 23,000 axles. This would meet the requirements of such equipment for wagons, locos and carriages, a good part of which is being imported at present and will result in saving a considerable amount of foreign exchange on these imports. It is also proposed to set up a new unit for undertaking the manufacture of diesel loco spares. All these projects have to be completed within a time bound programme of three years for which the International Development Association (IDA) credit of US \$ 190 million on soft loan terms has been obtained.

### **Budget Estimates for 1979-80**

69. I will now deal with the Budget Estimates for 1979-80. In the Budget year it is expected that the Railways will be able to move 222 million tonnes of originating revenue traffic. The jump from about 205 million tonnes in the current year to 222 million tonnes by the end of the next financial year will, in itself, offer a stiff challenge to the Railways. Although the growth of passenger traffic during the current year has been only about 3.3% upto November 1978, because of cancellation of a large number of trains due to shortage of steam coal and other reasons, it is expected that in a normal year the growth level should be higher than that and, therefore, the projection of passenger traffic for 1979-80 is being made on a growth level of 6 per cent.

### **Gross Traffic Receipts**

70. Accordingly, the gross traffic receipts at current fares and freight are estimated at Rs. 2278 crores or Rs. 113 crores more than the Revised Estimates for the current financial year.

### **Working Expenses**

71. Our working expenses have been placed at Rs. 1828 crores or an increase of Rs. 142 crores over the Revised Estimates for the current year. This increase in the Working expenses has become necessary to provide for better maintenance of track and rolling stock, fuel requirements for the anticipated increased level of traffic, the normal increments to staff, the throw forward liabilities for the full year of the cost of various benefits sanctioned to staff in the current year, other increase in staff costs and to meet likely increases in costs of fuel (coal, oil, electricity) and stores. We have also provided for a higher level of appropriation to Depreciation Reserve Fund to the extent of Rs. 200 crores, as against Rs. 145 crores in the current year. This is in accordance with the phased programme to overtake the requirements of replacement and renewals of track, replacement of rolling stock and plant and machinery, signalling and other assets. The assessment of requirements of funds in the Sixth Plan for the current replacement and rehabilitation of assets is Rs. 1300 crores. If this is to be achieved, it is necessary to have an increased outlay for this purpose in the budget for 1979-80. The appropriation to the Pension Fund is also being increased from Rs. 50 crores in the current year to Rs. 65 crores in the next year to meet the present increased level of pensionary liabilities.

72. With the increase in the working expenses and the increased appropriation to funds to which I have just now referred, the Budget for 1979-80 is expected to result in a gap of Rs. 89 crores between our Revenue and Working Expenses, after providing for full payment of an increased dividend of Rs. 245 crores to the General Revenues.

73. From these forecasts it will be seen that the Railways will not be able to meet the requirements of funds for the expenditure chargeable to Development Fund, which is normally met from revenue surpluses. In the budget year 1979-80 the Development Fund expenditure is expected to be about Rs. 28 crores which will have to be provided for by taking a loan from General Revenues in the event of a deficit in working results.

74. As mentioned by me earlier, the plan allocations have been stepped up considerably for the year 1979-80, as compared to the current year, to provide for higher levels of outlays on new lines and gauge conversions, as well as track renewals and facilities for repairs and maintenance, besides improving the suburban services. It will not be possible to meet this higher allocation without the Railways stepping up generation of internal resources.

75. As the Honourable Members are aware, despite the handsome surpluses of Rs.89.32 crores and Rs.126.23 crores respectively in the last two years, the financial position of the Railways has not substantially improved in view of the heavy indebtedness of the Railways to the General Revenues, largely due to the continuous heavy deficits from 1966-67. On the, other hand, in the last few years increases in the costs of materials consumed by Railways have been quite considerable, whereas the railway fares and freights have been maintained at the same level for the last four years in regard to passenger fares and three years in respect of goods freight. The inadequacy of Railway Revenues and consequently the Railways' inability to earn surplus in the earlier years have resulted not only in less development but also in unsatisfactory maintenance and the continued use of overaged stock and facilities, leading to frequent breakdowns and difficulties.

## Revision in Freight and Fares

**76. I am, therefore, left with no alternative but to propose a revision in freights and fares in selective areas which will not only bridge the gap between the receipts and expenses but also provide for increased quantum of developmental expenditure and contribute at least a part of the budgetary support required for the development programmes in the plan for 1979-80.**

77. Perhaps the path of least resistance would have been not to take up any new responsibilities for railways' expansion and development and consequently not to throw any financial burdens on rail-users to generate internal resources for this purpose. I do not propose to pursue such a statusquoist approach.

78. While presenting the Railway Budget for 1978-89, I had stated that pending receipt of the report of the Rail Tariff Enquiry Committee (RTEC) there would be no alterations in the fare and freight rates of the Railways in the current financial year. The RTEC, headed by an eminent economist, Dr. H. K. Paranjape, has since submitted an interim report, a synopsis of which is being circulated to the Honourable Members. The Committee had come to the conclusion

"It appears to us, however, that a prima facie case for ensuring that the revenue position of the Railways is improved has been established as a result of even our interim report study."

79. In their interim report, the RTEC have particularly dealt with the

"Obvious and patent anomalies as compared to the overall structure of railway tariff rates and the price trends in the country as a whole,"

and made recommendations to rectify these. They have also stated that the

"implementation of the various recommendations is not likely to put an impossible burden on the lower income groups among the concerned sections of the population and it should not, therefore, be difficult to implement our recommendations."

## RTEC's Recommendations

**80. I propose to accept most of the recommendations of the RTEC with which I would deal one by one**

- (i) **The exemptions given to certain commodities from the levy of supplementary charge imposed in 1974 and 1976 will be withdrawn.** The incidence of increase in freight, as a result, on the prices of these commodities is very insignificant, as will be seen from the details given in the Memorandum enclosed with Budget documents. The additional revenue likely to be generated as a result of this proposal is Rs. 25.54 crores, as estimated by the RTEC.
- (ii) **The special fare table for second class (ordinary) passengers valid for distances upto 50 kms. will be replaced by the regular second class (ordinary) fares.** The Committee has made this recommendation in the context of abuse by some passengers of this concessional fare by splitting up their journey into parts of 50 kms. and buying single journey tickets for each part separately. Further, as argued by the RTEC, the concessional fares for the 50 kms. are very much lower than the bus fares. **The increase in fares per journey will be marginal ranging from 5 paise to 25 paise, with no change upto 10 kms.** The abolition of the special fare table is expected to give an additional revenue of Rs. 8.39 crores.
- (iii) The next recommendation is in regard to suburban and non-suburban season ticket fares. The second class suburban season ticket fares have not been changed after 1968. Even earlier, as pointed out by the RTEC, for nearly two decades, the revision in the season ticket fares had not taken place *pari passu* with increases in costs and increase in other fares. The RTEC have found that, as a result, there has been a gradual erosion in the basis on which season tickets are issued so that the degree of concession on them has gone on increasing progressively.

Consequently, there has been a steady increase in the losses suffered by the Railways on the suburban services over the years. In fact, the losses, have increased from about Rs.9 crores in 1967-68 to almost Rs. 25 crores in 1976-77. The season ticket fares are incredibly low; for instance, a second class monthly season ticket for a distance upto 5 kms. costs only Rs.3.90, which is equivalent to only 13 single journeys, as against the 50 journeys normally performed by a season ticket holder in a month. For other distance slabs, the costs of the monthly season ticket varies from 6¼ single journeys to 16 journeys only. In the case of first class, the monthly season ticket fares are equivalent to fare for 3 to 5 single journeys only. Sample studies made by the RTEC confirm that the overwhelming majority of suburban season ticket holders perform over 50 single journeys per month. On the basis of these 50 journeys, the equivalent fare per kilometre charged for a second class monthly season ticket holder in Bombay, for example, varies from 1.5 paise at 5 kilometres and to 0.4 paise at 100 kilometres, as against 30 paise and 4 paise respectively for a single journey at normal fare. The fares in Calcutta and Madras are not very different from those in Bombay. It is thus clear that the present fares are far too low even to cover the existing costs of suburban services, leave alone providing a surplus, which would enable development of these services, requiring large investments. A situation has been reached where the fare structure is such that every addition to the number of suburban trains adds to the losses. The Committee have, therefore, come to the conclusion that it is high time that a way is found to break away from this vicious circle of stagnant and low fares making development and even maintenance of the service difficult.

**Accordingly, the Committee have recommended an increase in the monthly season ticket fares, both for second class and for first class, and that the quarterly season tickets should be charged at three times the monthly season ticket fares.**

81. At the same time, two specific concessions have been recommended by the Committee viz.

- (i) **that season tickets should be available for distances upto 150 kilometres, instead of the present limit of 80 kilometres, without making a distinction between suburban and non-suburban; and**
- (ii) **where season tickets existed before 1951, for distances longer than 150 kilometres, the privilege of such season tickets should continue for the time being.**

82. I am aware that the conditions of suburban travel, especially in metropolitan cities of Bombay, Calcutta and Madras, need considerable improvement by way of more frequent services and better maintenance of rolling stock and track. Steps have already been initiated to replace the old and worn-out rakes and to increase the frequency of services. I have, therefore, decided to provide for minimum investments required to eliminate or reduce hardships and difficulties experienced by suburban passengers, as has also been recommended by the RTEC.

83. However, I would like to tone down the increases in season ticket fares recommended by the RTEC at the lowest segments of the distances upto 20 kilometres so that the season ticket fares may not be increased as steeply as suggested by the Committee which would have caused distress to commuters.

84. I, therefore, propose to reduce the rates as recommended by the Committee as follows :

Distance	Recommended by the RTEC	As now proposed
1-5 kms.	Rs. 10	Rs. 7
6--10 kms.	Rs. 13	Rs. 11
11-15 kms.	Rs. 16	Rs. 14
16-20 kms.	Rs. 19	Rs. 17

85. The modified charges would, in effect, mean that by paying approximately for 28 to 11 single journeys, on a tapering scale, a suburban passenger will be able to travel the whole month and make any number of trips on the monthly season tickets.

86. For first class season tickets, the recommendations of the RTEC are proposed to be accepted without any change.

87. The proposed revision in the suburban and nonsuburban monthly season ticket fares is expected to yield an additional revenue of Rs. 36.13 crores of which approximately Rs. 28.96 crores are in respect of suburban.

**88. The Committee have also given an alternative proposal involving a higher increase in the season ticket fares on the basis that the extra transport cost incurred by large numbers of people in such concentrated areas should be borne essentially by those who employ them in those areas and also by those who benefit directly or indirectly from the concentrated development of such areas and that this could be enforced by a legislation of Parliament and State Legislatures. I propose to examine this suggestion in consultation with the Law Ministry and the concerned State Governments.**

89. The proposal to revise the season ticket fares is, therefore, on the basis of the lower increases suggested by the RTEC and intended to cut down losses and to provide for adequate resources immediately to launch the rehabilitation programme for the improvement of suburban services. The burden of the increase in monthly season ticket fares is not likely to be heavy on the passengers even if a comparison is made with the prevalent bus fares in the same areas.

90. The financial implications of all the RTEC's interim recommendations, as accepted with the changes, would give a total additional revenue of Rs. 70.06 crores.

#### **No Increase in Passenger Fares**

91. As regards passenger traffic, the Honourable Members are already aware of the steps I have taken to provide more and more comforts of travel to rail passengers, especially the second class passengers, by introduction of fast long distance trains with improved accommodation and conveniences like padded cushion berths, etc. Although it is necessary to generate additional resources to augment various facilities and amenities for the passengers, I do not propose to raise the other passenger fares for the present. **Thus there will be no increase in fares for passenger, mail, express or super-fast trains.**

#### **Supplementary Charge on Freight Traffic**

92. These proposals will not bridge the gap between traffic receipts and working expenses fully, not to speak of providing for additional funds for the enhanced plan outlays proposed for 1979-80. In these circumstances, the only method of raising additional resources at present, without disturbing the basic fare and freight structure of the rail tariff and without prejudicing the work of the RTEC, is a general increase by way of supplementary charge on goods traffic. **I, therefore, propose to levy a supplementary charge of 5 per cent upto 500 kms. and 10 per cent beyond 500 kms. on all goods traffic, except salt, which I am exempting from this supplementary charge.** The proposed levy of the above supplementary charge on freight will not have any significant impact on the prices, as will be seen from the details given in the Memorandum supplied with the budget documents.

**93. All the above proposals, will yield an additional revenue of Rs. 178 crores (or an increase of about 7.8 per cent on the overall traffic receipts).**

94. A Memorandum is being circulated to the Honourable Members giving the details of the proposals, both in respect of freight rates and suburban passenger fares.

#### **Surplus of Rs. 88.49 crores**

**95. After bridging the estimated gap between the receipts and expenses, the Budget for 1979-80 is expected to yield a net surplus of Rs. 88.49 crores,** out of which Rs. 37 crores will be appropriated to the Development Fund to meet the withdrawal of Rs. 28 crores for expenditure in 1979-80 and payment of interest on Development Fund loan taken earlier, to the extent of Rs. 9 crores. The balance will be appropriated to the Revenue Reserve Fund to reduce the Railways' debt liability to General Revenues.

96. The indebtedness of the Railways as on 1-4-1979 would be Rs. 346 crores (comprising Rs. 188 crores in the Revenue Reserve Fund and Rs. 158 crores in the Development Fund). This would come down to Rs. 304 crores as on 1-4-1980 (made up of Rs. 146 crores in the Revenue Reserve Fund and Rs. 158 crores in the Development Fund). If the recommendations of the Expert Group on Capital Structure are accepted by the Railway Convention Committee, and approved by Parliament, the debt liability in the Revenue Reserve Fund would be reduced to about Rs. 50 crores, while the debt in the Development Fund, will remain the same.

### **International Year of the Child (IYC)**

97. **I would like to conclude on a happy note. 1979 has been declared as "the International Year of the Child". To commemorate the year, I propose raising the age limit for free rail travel for children from 3 years as at present to 5 years as a regular measure.** Above this limit and upto 12 years of age, the existing concession of half fare for the children will, however, continue. I am aware that this concession will make old men jealous of children. However, to oblige the old, I cannot afford to give this children's concession with retrospective effect. I also propose allotting a specific amount from the outlay for staff welfare for the provision of playgrounds and parks for children in railway schools and colonies wherever these do not exist at present. During the year, the Railways will also organise or help in organising special educational and sight-seeing tours for children to various historical and cultural centres, as well as other places of interest.

### **Cooperation From All Sections**

98. All sections of the House have always given me their unstinted cooperation. I was also able to establish a meaningful rapport with the trade unions and officers' federations in the railways as well as the organisations of rail-users, including chambers of commerce, Passengers' Associations and organisations of Kisans. Millions of rail-users continued to patronise the Railways, with understanding and forbearance, despite hardships caused due to temporary setbacks in rail movements. The staff and the managerial cadre of the Railways, with an unflinching sense of dedication and almost a family attachment to the Railways, helped in a big way in overcoming the operational difficulties during this most trying period and kept the wheels moving. To them all, I express my deepest gratitude. I have the confidence that I shall continue to receive their wholehearted cooperation in the stupendous task of making the Railways not only a massive infrastructure for economic development but also an effective instrument of national integration to promote the unity of this great land that stretches from the lofty peaks of the Himalayas to the sacred shores of Kanyakumari.