

**Speech of Shri A. B. A. Ghani Khan Choudhury
Introducing the Railway Budget
for 1983-84, on 24th February 1983**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for 1982-83 and Budget Estimates for 1983-84 of the Indian Railways.

Financial Results Of 1981-82

2. Before doing so, as is customary on such occasions, let me make a brief survey of the financial results of 1981-82. That year closed with a surplus of Rs. 46.59 crores, against Rs. 51.84 crores projected through the Revised Estimates, after meeting in full the current dividend liability of Rs. 356.47 crores to the General Revenues. Gross Traffic Receipts of Rs. 3538.24 crores corresponded closely to the revised estimate of Rs. 3541.80 crores, with a small shortfall of Rs. 3.56 crores. Notwithstanding the heavy post-budgetary increases in costs of inputs, the Ordinary working expenses were controlled at Rs. 18.91 crores above the Revised Estimates. The operating ratio at 89.4 per cent was almost the same as indicated in the Revised Estimates.

Freight Operations

3. The House will appreciate the crucial role which Railways play as the basic infrastructural support for the growth of the economy and the disarray in which they had fallen during the couple of years preceding the advent of 1980 when the new Government came into power. It took us some 8 to 9 months in putting the system back on rails and restoring to it its elan and health. The House is already aware that the Railways not only turned the corner and arrested the declining trend but also rose to scale new heights. The administrative measures taken by the Government coupled with new operational strategies and innovations enabled them to maintain an upward swing in freight operations.

4. A record loading of 227 million tonnes of revenue earning traffic is likely to be achieved during the current year against 195.93 million tonnes two years back in 1980-81. Transport needs of every principal sector of the economy are being fully met. In fact, Railways do have transport capacity ahead of the demand now in all the core sectors such as steel, iron ore for export, foodgrains, fertilizers, cement and petroleum products. In total transportation effort, Railways would be reaching a figure of 166 billion tonne kilometres of revenue earning traffic and 226 billion passenger kilometres during the current year which are all time records so far.

5. The Year of Productivity lent a new thrust to the railwaymen's efforts to keep up their upward incline in performance. They rose to the occasion and helped achieve for the railways record loading each month compared to the corresponding month of any previous year. While the output in terms of carriage of traffic registered a new record, month after month, the efficiency indices likewise touched new heights.

6. When the Budget was presented last year, it was anticipated that originating revenue earning traffic would reach the level of 230 million tonnes. While the Railways have the capacity to carry this level of traffic, it may not be possible to achieve the target due to shortfalls in traffic offering. After taking into account the tonnage already lost, the Railways expect to achieve a revised target of 227 million tonnes during the current year. Despite this adverse factor, there is a welcome feature in that the total gross traffic receipts would be up by Rs. 204 crores. The bulk of the increase is under goods earnings. Passenger earnings have fallen short by nearly Rs. 9 crores because of a smaller rate of growth in passenger traffic but other coaching and sundry earnings have registered welcome increases.

7. The increased earnings have, however, been absorbed by additional working expenses to the extent of Rs. 134.38 crores attributable to post-budgetary factors. Additionally, during the year, the Railways had to provide for an increased contribution of Rs. 56 crores towards the Depreciation Reserve Fund for stepping up their rehabilitation programme. An extra payment of Rs. 53.05 crores as dividend to General Revenues mainly to cover retrospective revision of the rate of dividend from 6% to 6.5%, as recommended by the Railway Convention Committee, has also to be met out of the increased earnings. After providing for these factors and adjusting increase under net miscellaneous receipts, the net surplus would be Rs. 75.19 crores against Rs. 105.79 crores projected in the budget. This will be adequate to meet the expenditure on works chargeable to Development Fund to the extent of Rs. 32.70 crores, the balance being utilised for discharging interest liability in respect of Development Fund

loan and part of the outstanding indebtedness to General Revenues.

Passenger Services

8. I am aware that, with the excellence in freight operations which we have been able to achieve and which needs to be maintained without any let-up, we have to cover a lot of ground in improving passenger services. I have given a new slogan of "Safety, Security and Punctuality" which I expect every railwayman to follow and pursue with vigour and sincerity. Safety is an extremely essential aspect for basic efficiency of the system, both for freight and passenger services. Security is, again, an equally important facet of operations which helps maintain the morale on the system and engender public confidence in it. Punctuality is a very sensitive segment of our activities and epitomises the very culture and breeding of an organization and a nation. I would not reel out any statistics to show how inhibited our efforts have been in these important areas on account of serious paucity of resources. I would also not like to allude to the problems we face, over which we have little control. We are determined to improve the quality of service we render to the community in whatever lies within our own jurisdiction and to the extent we are able to muster resources and harness them to optimal advantage. It will be taken as a noble aim and indeed an article of faith with every railwayman.

9. While keeping up this crusade to further improve the services, I must seek the indulgence of the House to recount that a great deal has been achieved by the Government in at least long distance inter-city travel by rail. I refer not only to the new era of air brake high capacity fast and clean travel by the Rajdhani on the Delhi-Bombay and Delhi-Howrah routes but also the popular Super-fast inter-city trains like the Grand Trunk, the Andhra Pradesh Express, the Tamil Nadu Express, the Kerala Express and the Karnataka Express which offer reserved sleeping accommodation for nearly one thousand passengers each. The technological development by way of two diesel locomotives hauling the prestigious trains has constituted a new dimension in passenger travel. Optimisation of capacity on trains has been one of our principal objectives with a view to conserving capacity on the major trunk routes. Where the demands of both freight and passenger services have been everincreasing we have been providing additional accommodation on popular trains along these saturated corridors linking the principal centres of trade, commerce and industrial activity. Little could we have realised even a couple of years ago that Railways would be hauling as many as 21 coaches on trains like the Kalka-Howrah Mail pulled by a single electric locomotive, or that the load of the Rajdhani would be doubled or more without increasing the number of trains. It is for the first time that Railways have programmed to introduce Rajdhani pattern of fast inter-city travel even on the metre gauge routes like Delhi-Ahmedabad and Delhi-Jodhpur.

10. To meet the needs of long distance passengers, the frequency of Bombay-Delhi Rajdhani Express and Andhra Pradesh Express has been increased to four times a week from twice a week, Karnataka-Kerala Express previously running as a combined train for Bangalore and Trivandrum Central has been substituted by a direct bi-weekly double headed 21 coach train between New Delhi and Bangalore and a Kerala Express to run as direct double-headed train with 21 coaches to Trivandrum. It is also proposed to increase the frequency of Bombay Rajdhani and Howrah Rajdhani to five and four days respectively every week during 1983-84.

Safety In Rail Travel

11. As a result of a variety of steps taken, the number of accidents has come down from 870 during the period April-December, 1981 to 644 during the corresponding period of 1982 showing a reduction of 26%. While this is good, I shall not remain contented and complacent. My prime concern is that rail travel should be made as safe as possible. Accordingly, I am taking keen personal interest in this vital matter. Recently, I have constituted a Central Safety Committee under my own supervision. It is to be recognised, however, that much would depend upon the progress we achieve in wiping out accumulation of arrears in replacement of outdated railway track, locomotives, coaches and wagons and repair and maintenance of those assets.

12. The most important challenge that the railways are facing now relates to the restoration of the intrinsic health of the system. The basic responsibility of the railways is to provide safe, secure and punctual transit to passengers and freight. The first point, safety, cannot be realised unless we have a fool-proof system. A number of Accident Enquiry Committees have been formed in the past by the Government. But it is a fact of life that some of our efforts, especially in the direction of safety, have not fructified because of the constraint of resources. In order that a vast undertaking of this dimension continues to play the assigned role, its assets are required to be maintained at the optimum level. Mainly because of funds constraints it has not been possible to maintain the assets at a satisfactory level.

Human failures have become a crucial factor responsible for a large number of accidents. We are taking a serious look at the various aspects contributing to such failures and we hope that we will be able to evolve adequate remedial measures soon, keeping in view the socio-economic environment in which our employees function.

Manning Of Level Crossings & Lifting Barriers

13. To ensure safety at level crossings, a sizable programme of manning unmanned level crossings and providing lifting barriers with interlocking arrangements etc. was launched during the current year particularly at level crossings which are used by passenger buses. A special provision of Rs. 4.7 crores has been made in the Revised Estimates for 1982-83 for this purpose. We hope not only to maintain the tempo of manning of level crossings but also improve upon it during 1983-84.

Punctuality

14. I am fully conscious of the criticism levelled against the Railways, both inside and outside the House about late running of trains. Though there are certain extraneous factors like alarm chain pulling and miscreants' activities, there are many aspects which we have to improve internally. I have, therefore, strengthened the machinery for monitoring the late running of important trains. My colleague and I are also conducting a regular check on the punctuality of identified important Mail and Express trains both on the Broad Gauge and Metre Gauge. Untiring efforts will continue to achieve still better results in providing punctual train services. We consider this as a national goal, for the attainment of which I seek the support of all the honourable Members, the travelling public and all railwaymen.

Overcrowding In Trains

15. The problem of overcrowding in trains continues and we have not been able to meet the demands of passengers for accommodation in trains. Shortage of coaches coupled with lack of terminal facilities at important stations has been the main constraint for augmenting passenger services. It has been agreed in principle to set up another coach building factory in the country. Meanwhile to meet the traffic needs, as already stated, certain measures such as haulage of trains with two engines, replacement of steam locomotives by a superior mode of traction by diesel and electric locomotives, increasing the load of existing trains, replacement of existing coaches with coaches of higher carrying capacity, introduction of double decker coaches etc. have been taken.

16. As the honourable Members are aware, the Railways are already on the job to make the maximum utilisation of coaches, locomotives and wagons. Whatever bottlenecks were there previously, I have asked the railway administration to streamline the spheres of activity so that the transport of the common man and freight does not suffer. But as Members will appreciate, the railways indeed have a severe shortage of passenger coaches. As the Railway Minister, I will be the happiest person to entertain your requests for new trains and new connections. There has indeed been a clamour for more railway services. Increase in the number of commuters is also there. This is also linked with the general socio-economic condition of the country, the general upsurge in the economy and the increase in the mobility of people. Within the overall constraints, we will examine these proposals sympathetically to increase the number of trains keeping also in view the limitations of line and terminal capacity. I have decided to give priority to areas which have remained inadequately served so long, while introducing new passenger trains. I have already directed the Railways to build up adequate coal stocks so that passenger trains do not get cancelled on the plea of shortage of coal as has been happening in the past. I can assure the House that the railways will definitely bear all these aspects in mind and try to do their best to cater to the increasing demand of the people.

Ticketless Travel

17. Ticketless travel is a national menace and is growing in dimensions. It not only leads to a substantial loss in revenue to the Railways but also adds to overcrowding and resultant inconvenience to the bonafide passengers. Although it may not be possible to eliminate this evil totally, we have to carry on a crusade against this menace. The number of checks conducted during the first eight months of the year was approximately 8% more than in the corresponding period of last year. The number of persons detected travelling without ticket or with improper tickets during this period was 22.80 lakhs as compared to 19.95 lakhs detected during the same period last year.

18. By raids and checks in the form of police action, we may reduce the rampant lawlessness to some extent, but it will be impossible to provide succour to the travelling public unless there is a feeling of radical social change. I seek your co-operation to the maximum extent possible to infuse this feeling among the public at large so that the bonafide passengers take it upon themselves as their moral duty to co-operate with the railway authorities in curtailing

ticketless travel and unauthorised hawkling. Unless such social feeling is generated with active involvement of the honourable Members of Parliament and the public, it will be impossible for the administration to devise fool-proof methods to check the drainage of resources through ticketless travel.

Improvement In Quality Of Rail Travel

19. The quality of services rendered to passengers needs to be improved in several respects. With a view to attaining a high standard of cleanliness at stations and in trains, multi-disciplinary Task Groups headed by a senior officer have been set up at 51 important stations, Divisional and Zonal Headquarters. These Groups have been specially charged with the responsibility of rapidly bringing about positive improvements in passenger amenities.

20. To look after the quality of catering services and of the food served, a special Services Improvement Group comprising experienced officers has been formed. My emphasis is essentially on providing clean and wholesome food prepared under hygienic conditions and supplied at reasonable rates. The catering staff are supplied uniforms free of cost so as to appear neat and tidy. They are periodically medically examined and samples of food and ingredients are frequently tested.

Railway Protection Force

21. The House is aware that we have agreed to share the cost of Government railway police with the State Governments on a 50:50 basis. In addition to 67,000 RPF men we have all over the Railway system, involving an expenditure of approximately Rs. 61.15 crores per annum, we have already approved additional strength of as many as 7,000 men for the State Police forces for Government Railway Police duties. Railways' share of the cost of Government Railway Police will be Rs. 15.02 crores in 1983-84.

22. There is considerable scope for improving the co-operation that the railways get from the Government Railway Police forces. We are actively engaged in devising ways and means of achieving better results in this area, effectively boosting up the morale, integrity and honesty of the Railway Protection force personnel and increasing their powers. Various sociological factors also need urgent attention. We are looking into all these aspects.

23. Security of railway passengers and their belongings has been causing me deep concern. This is an area where significant improvement needs to take place. I can assure the House that continuous and sustained efforts will be directed towards tackling this painful problem.

24. Intensive vigilance continues to be exercised by Railway Protection Force on the activities of criminals and habitual receivers of stolen railway property. The crime prone areas have been identified and intensive patrolling undertaken. Trains carrying high-rated commodities are being provided with escorts.

Improvement In Reservation

25. It is my earnest endeavour to bring about significant improvement in arrangements for reservation of accommodation in trains. With a view to improving customer satisfaction, a system of reservation against cancellation called RAC has recently been introduced. A specific number of seats are earmarked to be utilised by the seniormost wait-listed passengers so that they can be allotted sleeper berths en route against vacancies arising on account of passengers with confirmed reservations not turning up on the train. This arrangement has helped eliminate scope for arbitrary allotment of berths by train staff to passengers. I have also directed the Railways to make quotas available to maximum number of important stations where Mail/Express trains stop.

A project has also been taken up for computerisation of reservation of seats and berths in Delhi area. Preparatory work has already commenced. It is hoped that this can later on be extended to other Metropolitan cities on the basis of the experience gained in Delhi area.

26. Sustained attention is being paid to root out malpractices in reservations. Some of the important measures taken relate to verification of genuineness of reservations made through a scrutiny of requisition slips, by making door-to-door checks or sending reply-paid letters in cases where reservations made appear to be fictitious. Efforts are also being made with the help of law enforcing agencies to apprehend touts operating around reservation/booking offices.

I may inform the House that I am very keen to eliminate malpractices in this area and it will be

my endeavour to evolve and enforce very strict penal measures to achieve this objective.

Prevention Of Corruption

27. I can assure the House that it will be my constant endeavour to root out corruption in all the areas of railway operation, including award of contracts, allotment of wagons, diversion of coal wagons or rakes and so on. Under the new scheme evolved by me, there will generally be no out-of-turn allotment of wagons or rakes.

Better Repairs And Maintenance

28. One of the major causes affecting the efficiency of railway operations has been the acute problem of inadequate repairs and maintenance of locomotives, wagons, coaches, track, signalling equipment etc. This has been primarily due to shortage of capacity in the workshops as also poor utilisation of the existing capacity. A massive drive to increase productivity was launched during the year of Productivity and I am glad to inform the House that it has had the desired effect. It is expected that around one lakh broad gauge wagons will be given periodical overhaul during 1982-83 representing an increase of about 38% over 1980-81 and 11% over 1981-82. Similarly, periodical overhaul of broad gauge coaches will also increase by about 10% over 1980-81.

29. While the requirement of annual periodical overhaul of passenger coaches is 30,480 units, the available capacity is only for 25,800 units. Similar figures for wagons are 1,14,000 and 1,05,360 respectively. The result is that 15 percent of coaches and 24 percent of wagons are overdue periodical overhaul. I am determined to effect considerable improvements in this area by arranging for introducing better technologies, and motivating the personnel to put in greater efforts. In short, my effort will be to achieve maximum mileage out of the available resources.

30. The Budget for 1983-84 provides an enhanced amount of about Rs. 1,000 crores for repair and maintenance of locomotives, carriages, wagons, plant and equipment against about Rs. 860 crores provided during 1982-83. Besides, work on the completion of some of the major new repair workshops at Bhopal, Tirupati, Guntupalli, Bhubaneswar, New Bongaigaon, Malda, Golden Rock and Krishnarajapuram as also modernization of workshops at Matunga, Jhansi, Nasik, Pune, Kancharapara and Kharagpur is being expedited so that increased capacity for repairs becomes available at the earliest. With the completion of these projects, I am sure the standard of repair and maintenance of the rolling stock would considerably improve.

31. A special drive was also launched to identify steam locomotives which have either gone beyond economic repairs or are no longer suitable to meet the present day heavy traffic needs. Condemnation of 866 locomotives will take place during 1982-83 against the target of 550 steam locomotives. This is a continuing process and steam locomotives will be progressively phased out to be replaced by diesel and electric locomotives, which has by now become a world wide practice. We could have done still better but for the inadequacy of financial resources.

32. Another important area of repair and maintenance which I am very much exercised about is that of railway track. It is an unfortunate fact that this has not received adequate attention for several years. I am looking into this specially to retrieve the situation to the maximum extent possible within the perennial limitation of resources. Safety of train operations depends to a large extent on the health of the track. Hence, its maintenance has to receive maximum attention particularly when traffic density and speeds are increasing. The track is now being laid with more efficient concrete sleepers. About 7 lakh concrete sleepers would be produced during the current year as against 3.25 lakhs last year. Twenty four factories with a total annual capacity of 13.5 lakh sleepers have since been set up in the country. To eliminate rail joints for better safety and travel comfort, long-welded rails are being used increasingly. Expertise is being developed in maintaining track with modern mechanical equipment and about 11,000 kms. of rail track is being presently maintained with machines. Action has also been initiated to upgrade the design of switches and crossings. A Committee has been set up to devise ways and means to upgrade the rail steel to heavier weight for smoother and safer running of trains. To detect hidden flaws ultrasonic devices are being used for testing rails in the track at regular intervals which are not otherwise visible to the naked eye. Defective rails detected during testing are immediately replaced thereby minimising the chance of rail fractures which are an important cause of accidents. I have asked the Railway Board to procure such ultrasonic devices in adequate numbers and intensify testing of rails in service on important routes for greater safety.

For better maintenance of track and bridges, I have increased the Budget provision to Rs. 278 crores during 1983-84 against Rs. 250 crores in 1982-83.

Improvements In Signalling And Tele Communication Network

33. Safety on Railways also depends on efficient maintenance and modernisation of signalling & telecommunication systems. Microwave communication systems are being set up progressively and link-ups established between Zonal Headquarters and the important operational centres. On important traffic carrying routes, the present signalling system is being improved to provide colour light signalling and centralise the operations of points and signals wherever considered necessary. Track-circuiting is also being provided on important trunk and main line routes in a phased manner. This prevents the signals from being cleared for an occupied railway line by human error. In fact, at 2,500 stations, track-circuiting has been completed or is nearing completion. For these important activities having safety aspects, Rs. 35 crores are being provided for works and Rs. 88 crores for repair and maintenance of signalling/telecommunication systems against Rs. 30 crores and Rs. 79 crores provided in the current year's budget respectively.

Railways' Sixth Five Year Plan

34. It is by now well known that the total allocation for the Sixth Five Year Plan of the Railways is only Rs. 5,100 crores, less than half of the need-based requirements. During the first three years, the Plan expenditure is expected to reach around Rs. 3514 crores leaving a meagre balance of Rs. 1,586 crores. The mid-term review of the Plan made by us indicated that an additional outlay of at least Rs. 1,920 crores would be needed to maintain even the reduced physical targets envisaged in the Plan. Keeping this in view, we approached the Planning Commission for an allocation of Rs. 1878.50 crores for 1983-84. However, because of continued constraint of resources, it has not been possible for the Planning Commission and the Finance Ministry to allow us a Plan outlay of more than Rs. 1,342 crores, exclusive of the Central Government's contribution to the State Road Transport Corporations which would now be shown in the budget of the Ministry of Shipping & Transport from 1983-84 onwards and not included in the budget of the Railways. Out of the total annual railway Plan outlay for 1983-84, budgetary support from Central Exchequer would be Rs. 550 crores. The balance of Rs. 792 crores will have to be found by the Railways from their own internal resources in addition to the amounts required for payment of dividend to General Revenues and partial discharge of accumulated indebtedness.

Annual Plan

35. The Sixth Five Year Plan is essentially a rehabilitation Plan. In keeping with this objective, the lion's share of the Plan outlay in 1983-84 will be spent on replacement of worn-out assets like locomotives, wagons, coaches, track, plant & machinery, signalling & telecommunication equipment etc. The amount set apart for this purpose is Rs. 725 crores.

New Lines And Gauge

36. There have been persistent demands from various regions for taking up construction of new lines and gauge conversions. It is indeed a good sign that there are such demands, which are as a result of the economic expansion of the country as a conversions whole. As Railway Minister I do support expansion of railways to meet the demands of the travelling public. Ours is a democratic set-up. When a Member of Parliament makes a demand, it has to be assumed that it is the demand of the people. This budget may not satisfy many honourable Members who have come to me personally and apprised me of their demands for the expansion of railway network in their areas. I fully sympathise with these demands which reflect the people's aspirations.

37. Unfortunately, because of the paucity of resources it is not possible to translate all the aspirations into reality. We have to wait for better times. We cannot afford to scatter the scarce resources by taking up projects without serious thought. There are as many as 40 on-going new line projects requiring an estimated outlay, at current prices, of Rs. 870 crores for their completion. As against this, we have been able to make an allocation of only Rs. 70 crores for new line projects. Similarly the sanctioned projects of gauge conversions need around Rs. 600 crores for their completion. Within the Plan allocation, we have been able to allocate only Rs. 50 crores for these projects.

It is an unfortunate feature that with a large number of projects in hand, over which the available resources are spread out, the completion periods get unduly elongated. And the project costs increase manifold on account of the escalation in wages and material costs. This further restricts our ability to do justice to the projects. I am, therefore, determined to ensure that the available funds are utilised to the maximum advantage. I am confident that the House will agree with me that it serves no purpose in making new starts while allowing the continuing works to drag on. My first effort

would, therefore, be to complete the on-going schemes as quickly as possible within the available resources so that maximum benefit from investments could be had at the earliest. It is in keeping with this policy that only meagre token allocations have been made against some of the works just to keep them in the books while comparatively higher amounts have been shown against others which are to be expedited during the budget year.

38. I am glad to inform the House that during 1982-83, nearly 85 kms. of new lines have so far been completed and are expected to be opened for traffic shortly. These include the first phase of a new line from Karaila Road to Krishnashilla (Kakri) for movement of coal from the Singrauli Coal fields, the Vasai Road-Diva and the Apta-Pen Sections. The restoration of Jeonathpur-Vyasnagar bypass line has since been completed and also opened to traffic.

39. During 1983-84 another 137 kilometres of new lines will be completed and opened to traffic. These would consist of a new line from Wani to Pimpalkoti to serve the cement plant at Adilabad and the rail link from Bhadrachalam Road to Manuguru to carry coal from Singareni coal fields and the second phase of Karaila Road-Jayant Rail link.

40. A major gauge conversion from Guntakal to Bangalore has already been completed and opened to traffic. This will substantially reduce the distance between Bombay and Bangalore and would provide considerable fillip to trade and industry in the area.

41. Strenuous efforts are being made to accelerate the progress of Phase II work of Viramgam-Okha-Porbandar gauge conversion in Gujarat. Construction of a parallel broad gauge line from New Bongaigaon to Gauhati in North Eastern region is in advanced stage of completion and is likely to be opened to traffic in 1983-84. Priority is also being given to the gauge conversion projects in Rajasthan area which are required on operational considerations.

Further, a survey for conversion of Metre Gauge from Parbani to Adilabad and new B.G. link from Adilabad to Pimpalkoti was sanctioned out-of-turn during the current year. A project for construction of a rail-cum-road bridge across Brahmaputra at Jogighopa along with a Broad Gauge railway line from Jogighopa to Gauhati has been included in the budget for 1983-84.

Electrification

42. During the Sixth Plan, we have so far spent over Rs. 200 crores on electrification of railway track. The strategy is to give first priority to the electrification of all important trunk routes and eliminate multi-traction thereon as early as possible. It now appears that energisation of nearly 2500 route kilometres may take place by the end of the Sixth Plan period against a target of 2800 kms. included in the Plan. For 1983-84, a provision of Rs. 90 crores has been made.

Track Renewal

43. On account of the heavy backlog in track renewal and steep escalation in the prices of inputs especially steel products, the requirement of funds under Track Renewal is very high. Hence the allocation of funds for track renewal has been stepped up from Rs. 150 crores during 1982-83 to Rs. 220 crores during 1983-84 but this amount would still fall far short of the needs. The total arrears of track renewal would be over 18,000 kms. by April 1985. Unless an accelerated programme on a war footing, as also recommended by the Railway Reforms Committee, is undertaken during the next ten years with an annual outlay of about Rs 450 crores at current prices, it will not be possible to wipe out these arrears.

All that I can say now is that I would vigorously continue my efforts at persuading both the Planning Commission and the Finance Ministry for an increased Plan outlay during the course of the year, should the resources position of the Government so permit.

Surveys

44. Because of a large number of new line constructions already in progress and paucity of funds in completing them, it would not be possible to take up any large number of surveys for new lines during 1983-84. The House will appreciate that inclusion of a large number of new surveys will serve no purpose. Apart from the physical constraints in carrying them out, it will also involve wastage of scarce resources since many of the projects covered by them may not qualify for being taken up for execution. Important surveys among the limited number proposed, include a survey for a new railway line from Khurda Road to Nayagarh-Phulbani-Bolangir in a backward area, engineering-cum-traffic survey for provision of additional terminal facilities at Ultadanga for the main line trains for giving relief

to Sealdah/Howrah stations, updating of a survey for a new B.G. line between Hubli and Karwar, and a survey for a new B. G. line from Kadur to Chikmagalur.

Amenities Works

45. I am having the progress on a number of works expedited for improving circulating areas of stations, remodelling of station buildings, covering of platforms, cloak rooms, retiring rooms, reservation-cum-enquiry offices, waiting halls etc.

Suburban Traffic

46. I am fully alive to the difficulties experienced by suburban passengers particularly in Bombay, Calcutta and Madras areas. This year 75 Electric Multiple Units would be replaced by new ones in the Bombay area. 34 such units will be replaced and 83 units added to Calcutta suburban section during 1982-83. In 1983-84, 24 more units will be provided on the Calcutta sector and 81 units in Bombay area.

Metropolitan Transport Projects

47. The work on construction of Calcutta Metro Railway has been further accelerated and every possible effort is being made to open a part of the section from Esplanade to Bhowanipur during 1984. Consequently, the outlay for this project during the budget year is being raised to Rs. 62 crores from Rs. 40 crores in 1982-83.

It has also been decided to make a start with the following projects in Bombay and Madras suburban areas in 1983-84 with aggregate cost of Rs. 175.81 crores :-

- Additional pair of lines between Bandra and Andheri at an estimated cost of Rs. 46.61 crores.
- A new line between Mankhurd and Belapur at an estimated cost of Rs. 75.74 crores.

A rapid transit system between Madras Beach and Luz at an estimated cost of Rs. 53.46 crores.

Self-Sufficiency

48. Our basic policy is to build up maximum indigenous capacity for manufacture of rolling stock and equipment required by the Railways. The three existing Production Units are able to meet the entire requirement of electric and diesel locomotives and bulk of the regular requirement of passenger coaches. To make the Railways self-sufficient in regard to wheels and axles, and diesel components, two plants namely the Wheel and Axle Plant at Bangalore and the Diesel Component Works at Patiala are being set up. The Bangalore Plant will become operational during 1983-84 and we would be saving annually around Rs. 37.5 crores in foreign exchange currently spent on import of wheels and axles. Similarly, on its commissioning, the Patiala Works would provide a reliable and good source of supply of quality spares for our diesel locomotives bringing in an annual saving of Rs. 10 crores in foreign exchange.

World Bank Loan

49. For implementing a modernisation programme through the manufacture of a new design high capacity wagon, setting up the Diesel Component Works at Patiala and for meeting the foreign exchange needs of other imports, we have secured assistance amounting to \$ 400 million from the World Bank. Half of this amount is from the International Development Association (IDA) and the other half from the International Bank for Reconstruction and Development (IBRD). A part of this credit/loan is proposed to be utilised for the acquisition of a limited number, not exceeding 20, of high horse power prototype electric locomotives incorporating the latest technology available in the world. This will help the Indian Railways modernise its fleet of electric locomotives in the context of the heavy electrification programme. The most suitable type will be selected after service trials and with necessary collaboration arrangements with the manufacturers abroad, indigenous manufacture of such locomotives will be undertaken by the Railways' own production unit in the country.

Other External Aid

50. The Railways have also been successful in obtaining financial assistance from the Overseas Economic Co-operation Fund of Japan for procurement of traction equipment for the Electric Multiple Units operating in Bombay suburban area, wheel sets, bearings and components for manufacture of wagons and for meeting the foreign exchange requirement of Calcutta Metro Railway for the construction of the section between Shyam Bazar and Esplanade.

A grant of £ 30 million for the railway sector has also been secured from the United Kingdom.

Export Promotion

51. Export orders of 15 diesel locomotives to Vietnam, 9 coaches to Bangladesh Railways, 15 luggage vans to Mozambique and spare parts for coaches to Phillipines have been secured. In this area, the two Public Sector Undertakings of this Ministry viz. the Indian Railway Construction Company (IRCON) and the Rail India Technical and Economic Services (RITES) are playing an important role. IRCON will be turning over about Rs. 80 crores of work during 1982-83 with a gross profit of Rs. 6 crores. The turnover of the Company during 1983-84 is expected to rise to Rs. 130 crores with a gross profit of about Rs. 11 crores. The Company's progress on the construction of the Rs. 270 crores railway project in Iraq is satisfactory. It has also won two more contracts for signalling & telecommunication and supply of concrete sleepers to that country amounting to Rs. 26 crores. Further, it has secured a contract for construction of a railway line in Algeria costing Rs. 35 crores. A few days back, this company has also been awarded a prestigious contract for construction of a major Railway workshop for maintenance of diesel locomotives costing about Rs. 20 crores in Saudi Arabia.

52. RITES has done equally well during the year. It has improved its turn over from Rs. 14.7 crores during 1981-82 to Rs. 18.5 crores during 1982-83. This Company is having on-going assignments in Iraq, Jordan, Phillipines, Ghana, Mozambique, Zambia, Zimbabwe, Tanzania and Algeria. Recently it has been awarded a management support contract for improvement in workshop and rolling stock management of Ceylon Government Railways in Sri Lanka. The Company is on its onward march and has gained recognition as front line international consultancy organisation.

Staff Relations And Welfare

53. 1982-83 has been a year of industrial peace on the Railways. Various staff problems were tackled purposefully under the aegis of the Permanent Negotiating Machinery. I am glad to inform the House that as a result of such negotiations, the Government has accepted upward classification of the artisan staff. About 50,000 semi-skilled staff have been re-classified as skilled and nearly 80,000 unskilled staff have been re-classified as semiskilled. These re-classifications would add nearly Rs. 3.80 crores to the emoluments of the concerned staff annually. I am thankful to all the railwaymen for maintaining industrial peace on the railways.

54. Even though education is a State subject, Railways, as a staff welfare measure, are providing educational facilities to the children of railway employees at places where such facilities do not adequately exist. At present Railways are running 4 colleges, 78 high and higher secondary schools, 31 middle schools and 641 primary schools. Facilities for subsidised hostels are also being provided in addition to grant of 1150 scholarships to wards of railway employees for prosecution of higher studies in the fields of Medicine and Engineering.

55. Railways have also set up 28 Holiday Homes at hill stations, sea resorts and other important places for the benefit of railway employees. These facilities have also now been extended to retired non-gazetted railway employees during this year.

56. The contribution of the Administration for the Staff Benefit Fund has been increased during the current financial year from Rs. 9 to Rs. 10.25 per capita.

57. The Railways would be providing staff quarters to nearly 6 lakhs of their employees. Over 7000 staff quarters are expected to be completed during 1982-83 and nearly 8000 additional quarters are proposed for construction during 1983-84. A sum of Rs. 10 crores is being spent during 1982-83 and Rs. 14 crores have been proposed in the Budget for 1983-84.

58. For looking after the health of railway employees and their families, an excellent network of railway hospitals/dispensaries exists all over the country. These hospitals are well equipped with modern equipment and medicines. It is proposed to provide Rs. 70.86 crores for expenditure on health and medical assistance against Rs. 66.90 crores in 1982-83.

59. A total amount of Rs. 167.77 crores would be spent in 1983-84 on staff welfare and amenities including staff quarters, against Rs. 148.79 crores in 1982-83.

Sports

60. Railwaymen and Railway women came out with flying colours in the 1982 Asian Games. Of 80

sportsmen and women from Railways, 29 won medals. Their performance in national and international contests has been of a high standard. To improve their skills further, outstanding sportsmen and women are being given financial assistance. In appreciation of their performance Rashtrapatiji has awarded Padma Shri to two of our outstanding sports women who won gold medals in the Ninth Asiad.

Research, Designs & Standards Organisation

61. The Research, Designs & Standards Organisation continued to make advances in improved designing of locomotives, wagons and other equipment. Special wagons are being developed for bulk transport of commodities like coal, foodgrains, alumina, petroleum products etc. This will enable Railways to carry more freight without appreciably increasing the number of wagons. A wagon is also being developed for transport of nuclear waste on Indian Railways. A new design for Airconditioned 2-tier sleeper coaches for the Metre Gauge system has been developed with a capacity of 31 sleeper berths against 18/20 of the first class. A newly developed electric locomotive is being used on New Delhi-Howrah Rajdhani Express with an increased load of 18 coaches. Another type of locomotive has been developed for operation on small passenger/goods trains on the branch lines of Indian Railways.

Afforestation

62. While implementing the new 20-Point Programme, the Railways have contributed substantially towards the national effort at increased afforestation. In terms of a perspective plan for the next 15 years, nearly 80,000 hectares of land are likely to be made available for planting 10 crores of trees. During 1982, 52 lakh trees were planted on Railway land against the target of 39 lakhs. During 1983, a major thrust in the Programme is on calling upon every railway family to plant and protect the trees under the slogan "Own Your Tree". Adequate funds have been provided in the Budget for plantation and after-care of over a crore of trees during 1983-84.

Land Management

63. For more efficient management and rational development of railway land, a proposal to set up an independent authority under the Ministry of Railways is under active consideration.

Non-Conventional Sources Of Energy

64. As a part of the venerable Prime Minister's 20-Point Programme, a vigorous drive has been launched for development of bio-gas plants at stations and railway colonies as also exploitation of alternative non-conventional sources of energy on the railway network in association with the Department of Non-conventional Energy Sources and the Commission of Additional Sources of Energy. Some of the schemes include use of Solar Thermal power for supplying hot water to various railway establishments, employing windmills for pumping water at wayside stations and using photovoltaic systems for lighting at level crossings, gang huts, and microwave repeater stations.

Railway Reforms Committee

65. As the House is aware, a high power Railway Reforms Committee was set up in June, 1981 to examine important aspects of railway working. The Committee have so far submitted six parts of their Report on such matters as, resources required for renewal and replacement of assets, transportation, track, bridges and lands, Railway Reserve Funds, rolling stock, and fare and freight structure. These various reports are under active examination in the Ministry of Railways. For the benefit of the honourable Members, copies of these reports have been placed in the library of the Parliament.

66. I am grateful to the Committee for the expedition with which they have submitted these reports and the well-thought-out recommendations contained therein. Many of the reforms suggested by them would, however, entail investments of a massive order. We are, therefore, eagerly awaiting their valuable recommendations on the special measures required to raise the financial resources for investment on the railways, which according to the National Transport Policy Committee and the Rail Tariff Enquiry Committee were of mind-boggling dimensions.

At this stage I shall not burden the House with details of the recommendations. In a few important financial aspects covered by the recommendations inter-Ministerial consultations are necessary before the Government can take decisions on them. Some of them would also need to be submitted for the consideration of the Railway Convention Committee.

I can assure the House that the processing of the recommendations of the Committee will be closely monitored and that the House will be suitably kept informed of the action taken thereon.

Budget Estimates, 1983-84

67. I shall now deal with the Budget Estimates for 1983-84. In the budget year, it is expected that the Railways will be able to lift additional 14 million tonnes of originating revenue earning traffic over the level of 227 million tonnes likely to be reached during the current year. This is based on the belief that the performance in the other sectors of the economy will improve considerably over the levels attained in the current year and that the Railways will not be facing the problem of shortfalls in traffic offering. The Railways will be fully geared to meet this challenge.

68. It is assumed that there will be a growth of 5% in suburban and 3% in non-suburban passenger traffic.

69. Based on these assumptions the gross traffic receipts at current fares and freight rates are estimated at Rs. 4,656.78 crores or Rs. 281 crores more than the Revised Estimates for the current financial year. After allowing for the impact of the economy measures pursued purposefully on the Railways, the working expenses have been placed at Rs. 3,488.27 crores showing an increase of Rs. 301 crores over the Revised Estimates for 1982-83. Provision for increased repairs and maintenance of locomotives, wagons, coaches and track, increased expenditure on fuel for hauling the anticipated increased level of traffic, normal increases in staff costs and other inputs account for this increase in working expenses.

70. The contribution to the Depreciation Reserve Fund for 1983-84 is proposed to be raised to Rs. 850 crores from Rs. 556 crores provided during the current year and Rs. 350 crores in 1981-82. This appreciable enhancement in the amount of contribution has been made keeping in view the relevant recommendations of the Railway Reforms Committee and the Railway Convention Committee consistent with the availability of resources and the imperative need for rehabilitation of railway assets. Even this will not be adequate considering the backlog in the renewal and replacement requirements but unfortunately the constraint of resources is a real impediment.

71. The contribution to Pension Fund is also proposed to be stepped up from Rs. 150 crores in 1982-83 to Rs. 185 crores in 1983-84. The withdrawals from the Fund in 1983-84 are assessed at Rs. 170 crores.

Railway Convention Committee

72. The House will recall that in their 7th Report presented to the Parliament on 5-11-1982, the Railway Convention Committee 1980, have made certain important recommendations regarding contribution to be made from railway revenues during the current year and the budget year, as also the retrospective increase in the rate of dividend payable to General Revenues on the Capital-at-charge of the Railways from 6% to 6.5% on the Capital invested on the Railways after 31-3-1980. The provisions made in the budget are based on these recommendations, which the House will be considering along with a resolution being moved by me supporting them. I must, however, avail of this opportunity to place on record my gratitude to the Chairman and Members of the Railway Convention Committee for the hard work they have put in for making their valuable recommendations available to us in good time.

73. With the increases in ordinary working expenses and contributions to the Depreciation Reserve Fund and Pension Fund the total working expenses add up to Rs. 4474.48 crores, leaving a net revenue of Rs. 182.30 crores, which is insufficient for meeting the dividend liability of Rs. 465.47 crores.

Changes In Fare And Freight Structures

74. We have to cover the deficit of Rs. 283.17 crores and also provide for the works chargeable to the Development Fund (Rs. 35 crores). Additionally, as a measure of prudent financial management, it is necessary to liquidate at least partially the indebtedness to General Revenues, which at the end of the current financial year would settle at Rs. 572.04 crores. Through this budget, I propose to pay back to General Revenues Rs. 170.73 crores, including Rs. 13.59 crores as net interest on the outstanding loan in the Development Fund. Thus, in all, the railways need to raise additional resources of Rs. 488.90 crores through adjustments in fares and freight rates.

75. The imperative need for improving railway services, the urgency of making a dent in the huge arrears in the rehabilitation of assets, the desperate requirement of meaningfully progressing some of the on-going works to completion and my anxiety to maintain the viability of the railways have compelled me to take these hard decisions.

76. From time to time in the past, we have been making ad hoc increases in fares and freights with the result that distortions have taken place in the fare and freight structures. To remove such distortions and imbalances, I propose to introduce rationalised fare and freight structures keeping in view the recommendations of the Rail Tariff Enquiry Committee, the National Transport Policy Committee and the Railway Reforms Committee with appropriate modifications. These will come into force from April 1, 1983.

77. I may now explain the salient features of the proposed fare and freight structures.

Passenger Fares

The base scale of passenger fares will be that applicable to Second Class Ordinary ticket and the fare structure for all other classes will be fixed at appropriate higher percentages. In other words, if the index of Second Class Ordinary fare is taken as 100, the fares for other Classes will be : Second Class Mail and Express 140, A.C. chair car 300, First Class 550 and Air-conditioned Class 1100, with marginal adjustments in a few distance zones.

The telescopic principle of fares reducing with longer distances will be retained.

The base fares for Second Class Ordinary tickets will be as follows :-

Distance in Kilometre	Paise per km	Degree of taper
Zero km.	50 (fixed charge)	--
plus 1- 150 kms.	6 paise	100%
plus 151- 400 kms.	5 paise	80%
plus 401- 750 kms.	4 paise	65%
plus 751-1200 kms.	3.5 paise	55%
plus over 1200 kms.	3 paise	50%

For Second Class Ordinary travel, the existing fares and the proposed fares for a few representative distances will be as follows :-

Distance	Existing fare (Rs. P.)	Proposed fare (Rs. P.)
5 kms.	0.70	0.80
15 kms.	1.00	1.40
150 kms.	8.40	9.50
400 kms.	19.50	22.00
1200 kms.	47.00	52.00

Fares for other classes will be multiples of the Second Class fare according to the indices mentioned earlier.

The increases per kilometre over the existing fares, on the basis of average leads, that is the average distances travelled by passengers, in various classes will be 0.70 (i.e. less than one) paise in second class ordinary, 1.17 paise in Second Class Mail and Express, and 2.41 paise in first class.

The minimum fare for Second Class Ordinary tickets will be 80 paise and for II Class Mail/Express Rs. 2.

All other charges like surcharge on A.C. II-tier sleeper, sleeper surcharge, surcharge on super fast trains, reservation charges and price of platform tickets will continue unchanged. Rounding off rules will also remain unchanged.

The proposed fares for representative distances and between some important pairs of stations for travel in various classes as compared with the existing fares are shown in Annexures I to III of the Memorandum explaining the proposals for adjustments in freight rates and fares forming part

of the budget documents.

Monthly Season Tickets

The last occasion on which monthly season ticket fares were revised was in 1980. Since then there have been revisions in the single journey ticket fares, but the monthly season ticket fares have remained unchanged. This has become anomalous in that these fares cover the cost of very few single journey fares, whereas the monthly season ticket holders can make as many as 50 journeys or more in a month. The estimated loss suffered by the railways in 1981-82 on these services is Rs. 44.89 crores. All the high power Committees which have gone into this subject have commented adversely on the heavy subsidy allowed to this class of passengers and they have unanimously suggested that these rates should be stepped up progressively. It has also been emphasised that season ticket fares should be based on an appropriate number of single journey fares.

As a first step, it is proposed to revise the existing monthly season ticket fares, on the basis of the existing single journey fares, that is without taking into account the impact of the revised passenger fare structure proposed to be introduced from 1st April, 1983, with reference to the cost of a certain number of single journeys. The equivalent number of single journeys covered by the proposed revised monthly season ticket fares range between 12 and 24. The existing and proposed Second Class monthly season ticket fares for a few representative distances are as follows:-

Distance	Existing (Rs. P.)	Proposed (Rs. P.)
Upto 5 kms.	6.50	15.00
For 25 kms.	18.00	28.00
For 50 kms.	28.00	42.00
For 80 kms.	36.50	59.00

First Class monthly season ticket fares will be four times those for corresponding distances in Second Class.

To avoid malpractices and to prevent monthly season ticket holders from travelling by Mail/Express trains inconveniencing long distance passengers, it is proposed to restrict the distance limit for issue of season tickets to 80 kms. This will not, however, apply to suburban sections notified as such. Further, it is proposed to restrict the facility of monthly season tickets to and from metropolitan cities and over suburban-like sections, such as Lucknow-Kanpur, Delhi-Meerut, Delhi-Agra, Madras-Bangalore, Bombay-Pune and other similar sections to be notified by the railways. In these cases also, the season tickets will be available only for distances upto 80 kms.

It is also proposed to fix the minimum single journey ticket fare at Re. 1 on suburban sections.

The proposed revised monthly season ticket fares as compared with existing fare for representative distances are shown in Annexure IV of the Memorandum explaining the proposals for adjustments in Freight Rates and Fares forming part of the budget documents.

Rajdhani Fares

On the basis of the proposed fare structure the fares applicable to Rajdhani trains will also be revised as shown in Annexure III of the Memorandum mentioned above which is available with the budget documents.

Freight Rates

As in the-case of passenger fares, a revised rationalised freight structure keeping in view the recommendations of the Rail Tariff Enquiry Committee, National Transport Policy Committee and the Railway Reforms Committee, with appropriate modifications, is proposed to be introduced with effect from 1-4-1983. The salient features of the proposed freight structure are

- all the supplementary charges on the basis of percentages introduced in the past few years will be merged in the revised freight structure.

- a basic class 100 freight rates scale is prescribed for various distances on the basis of the telescopic principle.
- rates for goods falling in other classes are determined as percentages above or below the base class 100 rate. The various classes range from 65 to 300.

The base class 100 wagon load rate with the degree of taper is as follows :-

Distance legs in kilometres	Paise per quintal per km.	Taper
Zero Km	75 fixed charge for all classes	--
plus 1- 100	2.35	100%
plus 101- 250	1.65	70%
plus 251- 500	1.53	65%
plus 501-1000	1.14	60%
plus 1001-1500	1.18	50%
plus 1501-2000	0.94	40%
plus 2001-2500	0.82	35%
plus 2501 and over	0.71	30%

There will be an additional transshipment charge of Rs. 15 per tonne where the destination point or the booking point is less than 200 kms. from the break of gauge transshipment point.

I am happy to announce that traffic to and from stations in Assam and other North Eastern States will be allowed a freight concession of 6%.

The increases per quintal in the proposed freight structure over the existing rates for goods falling in the base scale, range between 46 Paise at 100 kilometres to Rs. 3.10 at 2500 kilometres.

On the basis of the average leads over which the commodities are transported, the increases per tonne kilometre in respect of salt, foodgrains, oil cake, gypsum, oil seeds, paper, chemical manures, cement, sugar and edible oils range between 1.3 paise and 2.3 paise. In respect of other commodities like coal for washeries, sugarcane, limestone, dolomite, manganese ore, coal for steel plants and petroleum products, the average leads of which are below 750 kms., the increases per tonne kilometre range between 4.4 paise and 8 paise.

78. The existing rates and the proposed rates for representative distances for major commodities and for average leads are shown in Annexures V and VI to the Memorandum mentioned earlier.

Financial Results

79. The anticipated additional annual revenue from the proposed revisions is Rs. 178.90 crores from passenger traffic, and Rs. 310 crores from goods traffic making a total of Rs. 488.90 crores, which would be just sufficient to cover the gap between traffic receipts and revenue expenditure, make payment of full Dividend to General Revenues, meet Development Fund Expenditure and partially liquidate the indebtedness to General Revenues. The House will appreciate that I have attempted only to balance the budget as explained.

Conclusion

80. I am grateful to the Honourable Members for the patient hearing given to me. With your valuable support, the dedicated effort of railwaymen at all levels and the co-operation of the rail users, we should be able to improve the functioning of the largest transport undertaking in our country. I can assure the House that no effort will be spared to achieve good results in all the facets of railway operations.
