

**Speech of Shri Bansi Lal  
Introducing the Railway Budget  
for 1985-86 on 14<sup>th</sup> March, 1985**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for 1984-85 and the Budget Estimates for 1985-86 of the Indian Railways.

**Results For 1983- 84**

2. I shall begin with the financial results for the year 1983-84. At the time of the presentation of the Railway Budget last year, it was mentioned that in spite of a decline in the earnings and an increase in the working expenses, there would be a net revenue of Rs. 338.50 crores. When the year ended, a marginal reduction of the order of Rs. 12 crores in Gross Traffic Receipts as compared to the Revised Estimates for 1983-84, was more than offset by a reduction in Working Expenses to the extent of about Rs. 47 crores. Taking into account, certain other adjustments, I am happy to report that against the anticipated net revenue of Rs. 338.50 crores, the year ended with a higher net revenue of Rs. 378.95 crores. Accordingly, the Railways were able to discharge the dividend liability for the year to a much greater extent than anticipated. As a result of this and a lower figure of dividend payable, the carry forward to the Deferred Dividend Liability account was only Rs. 44.75 crores, against Rs. 111.50 crores, anticipated at the Revised Estimate stage.

**Revised Estimates For 1984-85**

3. The Railways had adopted a target of 245 million tonnes of revenue earning traffic in 1984-85. As the House is aware, several factors beyond our control have continued to affect the Railways' performance in the current year also. There were short falls in traffic offering from the core sector, frequent strikes in some of the collieries, more than normal breaches and interruption in communications, particularly in the north-eastern and southern parts of the country and disturbed civil conditions in some areas. In spite of all these handicaps, movement of coal and general goods stepped up to a level not achieved hitherto. I am very happy to inform the House that in the month of January this year, the Railways have loaded 22.26 million tonnes, which is a record loading figure. To make up the loss of earnings arising from shortfall in offer of traffic from the core sector, efforts were made to capture traffic in other commodities, notably, cement and fertilisers. As a result of this, the shortfall in loading for the period April 1984 to January 1985 has been restricted to 8.37 million tonnes. The revised target for the current year has been fixed at 237 million tonnes.

3.1 The reduction in earnings as compared to the budgeted figure was, however, averted to some extent, by certain compensating factors, such as, an increased lead. The net reduction in Goods earnings for the current year is now estimated at Rs. 32 crores, which is less than 1% and the Revised Estimate, accordingly, is proposed to be placed at Rs. 3657 crores, as against the Budget Estimate of Rs. 3689 crores.

3.2 The Budget Estimate of earnings from passenger traffic for the year was Rs. 1508 crores. Mainly as a result of disturbed law and order conditions in certain parts of the country, passenger traffic has been adversely affected. The Revised Estimate of passenger earnings is proposed to be placed at Rs. 1460 crores, which is about 3% below the Budget Estimates.

3.3 Including other receipts, the Railways' Gross Traffic Receipts are now estimated to be Rs. 5390 crores.

3.4 On the other hand, due to additional Dearness Allowance instalments to be paid to the employees, increases in prices of fuel, more than normal breaches due to floods, etc., working expenses are expected to increase to Rs. 4155 crores, as compared to the budget figure of Rs. 4011 crores.

3.5 The dividend liability for the year is re-assessed at Rs. 475 crores. After providing for Depreciation and contribution to the Pension Fund at budgetted levels, the current year would show a net deficit of Rs. 266 crores, which, in other words, would mean that we have to defer payment of dividend to the General Revenues to that extent after paying Rs. 209 crores towards Dividend liability.

**Passenger Services**

4. Despite scarcity of resources by way of coaching stock, the Railways, by effective control over

turn-round of existing stock and with marginal inputs, were able to introduce a record number of passenger-carrying trains in 1983-84. I am glad to inform the House that this tempo has been kept up in 1984-85. So far, the Railways have introduced 121 non-suburban trains in the current year.

4.1 Matters affecting comfort, safety and security of railway passengers have continued to receive close attention during the current year. Passenger-carrying capacity of existing trains has been increased by rationalising usage of coaches and by increasing their number. Measures against malpractices in reservations were continued to be pursued. The projects for computerisation of reservations are making steady progress. In order to bring about tangible further improvements in the catering services on the Railways, steps have been taken for revamping existing arrangements. Intensive and surprise inspections are carried out.

4.2 Punctuality of trains continued to receive constant attention at various levels and steps to eliminate factors resulting in late running of trains, such as, unauthorised stoppage by alarm-chain pulling, disconnection of hose-pipes, activities of miscreants etc., have been intensified.

4.3 I place great emphasis on cleanliness, not only at station premises but also in the trains. With this end in view, measures already initiated to maintain higher standards of cleanliness will be further intensified. I would also appeal earnestly to the public for co-operation in this regard.

5. It is most unfortunate that there have been some railway accidents involving loss of human life, recently. While I convey my heart-felt sympathies to the victims of these accidents, I would like Safety to assure the Honourable Members that with a view to minimising train accidents, safety is being accorded a very high priority. To further strengthen the safety aspect, I have launched a 10-point Action Plan on safety and the results are being obtained and reviewed regularly. The causes of train accidents are being analysed in great detail with a view to identifying the factors which lead to accidents and taking appropriate and remedial action. Ensuring safe working of trains is a continuous process and various measures are being taken to minimise accidents. For instance, technological improvements are being made gradually in the form of track-circuiting, route relay interlocking, manning of level crossing gates and provision of telephonic communication at level crossings. These works are being financed largely from the Accident Compensation, Safety and Passenger Amenities Fund. Due to heavy withdrawals from this Fund in the last three years, the balance in the Fund has come down to a very low level. I have decided to augment the contributions to this Fund, the details of which I shall come to later, so as to provide more resources for undertaking safety works.

5.1 I have also addressed the State Governments to extend their helping hand in inculcating safety consciousness among road users.

5.2 For providing foot overbridges for the public, across railway lines in important towns and cities, under the rules, the local authorities have to bear the initial cost and the recurring maintenance charges. But due to their financial constraints, they find it difficult to fund such programmes. Therefore, to provide some relief to them and having regard to the safety aspect, I have decided that, the Railways will waive the 12-1/2% departmental charges, which are at present leviable. Recurring maintenance charges will also not be levied on the local bodies.

### **Results Of The Sixth Plan**

6. The House is aware that during the Sixth Five-Year Plan, which is coming to a close, the Railways had to face severe constraints in resources. The outlay, during the Plan period is expected to be of the order of Rs. 6572 crores. With this investment in the Railways during the Sixth Plan, apart from replacement and rehabilitation of over-aged assets, about 1600 route kms. of track is expected to be energised, over 700 kms. of new line, 1500 kms. of gauge conversion and 600 kms. of doubling are expected to be completed. Besides, 9200 kms. of track renewal is expected to be carried out. The Wheel & Axle Plant at Yelahanka was also commissioned this year. There would be an expected increase of about 11% and 17% respectively in the passengers and freight carried in 1984-85, as compared to 1979-80.

### **Seventh Plan**

7. In view of the fact that the development of rail transport capacity is essential for all-round industrial growth and for improving the economic standards of the nation, and keeping in mind the heavy arrears in renewals and replacement of Railways' overaged assets like track, rolling stock, etc., I am seeking adequate outlay in the Seventh Five Year Plan on essential schemes that cannot be postponed. This outlay is larger than ever before but is necessary for meeting the growth in passenger

and freight traffic and the replacement needs of the Railways.

### Annual Plan 1985-86

8. Since resources are scarce, the allotment of Plan funds for the Railways has been limited to Rs. 1,650 crores for 1985-86, that is at the same level as in the current year. It is necessary, therefore, to be highly selective, so that the scarce resources are utilised judiciously, resulting in early completion of a few important projects rather than spread the funds thinly over all the projects. Greater stress would be laid on the more pressing task of replacement and rehabilitation of assets within the limited resources.

8.1 Acquisition of new assets like wagons, is being kept at a low level during 1985-86 placing greater emphasis on improved wagon turn-round so that the carrying capacity of the Railways is not adversely affected. For this purpose while necessary traffic facility works are being planned, I would also like to appeal to the core sector to spread uniformly throughout the year their offer of traffic to the Railways.

8.2 As the House is aware, owing to continued constraint of resources, we have not been able to progress several projects which are appearing in the Works Programmes of the Railways. Indeed on some of the projects, there has been hardly any progress. Recently, we have reviewed a list of such works and it has been decided to drop some of the less important ones from our Works Programme as a part of our strategy to concentrate on projects which can be productive soon.

8.3 The Annual Plan outlay of Rs. 1,650 crores will be financed upto Rs. 950 crores by internal resources and the balance of Rs. 700 crores will be through budgetary support from General Revenues. Even though the Plan allocation is at the same level as last year, the component to be financed by internal resources will rise from 51.7% to 57.6%.

9. During the current year, the following new lines were completed

New lines and	Wani-Pimpalkutti
Gauge Conversions,	Nalgonda-Miryalguda
	Santragachi-Bargachia and
	New Bongaigaon-Gaubati (Parallel BG line)

The following new lines are expected to be completed shortly:

Pen to Nagothane  
Manikgarh to Chandur  
Nangal Dam to Mehatpur and  
Milavittan to Tirunelveli.

9.1 In addition, 201 kms. of new lines are planned to be completed and opened for traffic during 1985-86 including the lines from Koraput to Machiliguda, Dharmanagar to Pechartal, Karur to Palayam and Miryalguda to Vishnupur.

9.2 During the current year, the gauge conversions from Barauni to Katihar and Hapa to Okha/Porbander were completed. We expect the conversion between Suratgarh and Anupgarh to be completed shortly.

9.3 In order to meet the pressing industrial and socio-economic requirements of some regions, I have included the following new lines in the Budget:

- (i) A BG rail line from Rewa to Satna
- (ii) A BG rail line between Guna and Etawah

9.4 The new BG line between Rewa and Satna, covering a distance of 50 kms. will cater to the industrial needs of some cement plants coming up in the region.

9.5 The line from Guna to Etawah has been proposed as a part of the long-term strategy announced by the late Prime Minister, for accelerated development of dacoity-prone areas. This line will also serve as a developmental line to establish new growth centres and give access to remote areas as it passes through dacoit-infested districts in its entirety.

### Electrification

10. During 1984-85, an amount of Rs. 150 crores is expected to be spent on Railway

Electrification. With this expenditure, electrification would have been extended to an additional 384 route kms, taking the total electrified routes on the Indian Railways to about 6500 kms. During 1985-86, due to constraint of resources we will be concentrating on the high-density routes between Delhi-Bombay and Delhi-Madras, apart from certain coalcarrying routes. The emphasis will be to complete the on-going projects as quickly as possible to open up complete routes for electric traction.

10.1 Since we have a number of electrification works in progress, I am not adding any major new projects but confining myself only to two minor proposals. One of these, i.e. Tundla to Bayana (106 kms), will provide a link between three electrified routes, namely Northern, Central and Western Railway routes. The second one, for operational considerations, is between Champa and Gevra Road (45 kms.), which is a branch line, taking off from an electrified route.

### **Surveys**

11. I have been receiving a large number of requests for taking up surveys for new lines. We have already completed a number of for new lines, and have not been able to take up these new lines Surveys for construction in view of constraint of resources and heavy commitments on hand. Here, I must point out that we have at present on-going new line projects for completing which we will require about Rs. 1100 crores, whereas our annual allotment of funds falls far short of the requirements for speedily progressing them.

11.1 As many as 25 surveys approved prior to 1984-85 for 4467 kms. of new lines are yet to be completed. In 1984-85, we have approved of 16 surveys for about 1750 kms. of new lines. Therefore any more surveys can be considered only on a highly selective basis.

11.2 I attach great importance to the West Coast line linking Bombay with Mangalore as this will shorten the distance between the north and the south and will also serve as an important alternate route. Work is in progress on this line between Apta and Roha. Since it is important to commence the work from Mangalore end also, I have decided to get a re-evaluation done of the project in its totality for necessary approvals.

### **Production Units**

12. The Railway Production Units continue to maintain good progress. The Integral Coach Factory by producing 817 coaches in 1983-84, created a record. It is expected to produce 825 coaches including Electrical Multiple Units with a higher work content, during the current year.

12.1 The Chittaranjan Locomotive Works is expected to produce 81 locos during the current year of which 8 locos will be for the Public Sector Undertakings.

12.2 The Diesel Locomotive Works is expected to turn out 114 locomotives in the current year, including 29 locomotives for the Public Sector Undertakings.

### **Metropolitan Projects**

13. During the year, a part of the section of the Metro Railway at Calcutta from Esplanade to Bhowanipur (3.5 kms.) and the section between Dum Dum and Belgachia (2.2 kms.) were opened for traffic. It is proposed to extend the service towards the south upto Tollygunj during 1985-86.

13.1 To give substantial relief to the commuters of Calcutta, the construction of a Circular Railway was taken up in April 1984, and the section, Princepghat to Baghbazar was opened for traffic on 15th August, 1984. The services were subsequently extended upto Tala towards the North. The project which envisages extension of the line upto Dum Dum in the north and Majherhat in the south and merger with the existing suburban system of Eastern Railway, will provide a complete ring traversing through the central business district of Calcutta.

13.2 I am fully alive to the difficulties experienced by suburban passengers in Bombay and Madras also. In Bombay, during the year about 80 EMUs are expected to be replaced by new ones resulting in a number of additional trains on the Central and Western Railways. For both Madras and Bombay metro projects, increased allocation of Rs. 2.5 crores and Rs. 2 crores respectively, was made available through re-appropriations during the current year.

### **Technological Improvements Through World Bank Assistance**

14. Forecasts made by various Committees indicate that, by the turn of the century, Railways

will be required to carry more than twice the present level of traffic. Improved throughput by haulage of heavier trains at higher speeds would be one of the measures necessary to meet the operational requirements for that level of traffic.

14.1 To meet this challenge, the Railways plan to adopt advanced transport technology with the assistance of the World Bank. My predecessor, in his speech presenting the Budget for the year 1983-84 had indicated that the Railways propose to acquire a few high horse-power prototype locomotives incorporating the latest technology available in the world. I am glad to inform the Hon'ble Members that the orders for the locomotives are likely to be placed shortly. After intensive trials, the Railways will select the one most suited to their requirement and obtain technology for its manufacture at Chittaranjan Locomotive Works.

14.2 Similarly, for the improvement of wagons, it is proposed to acquire adequate number of a few suitable types of bogies for extensive laboratory and field trials. Based on the results of these trials, the Railways will select the one considered most suitable and obtain technology for its manufacture indigenously.

14.3 Together with improvements of the assets, it is proposed to set up a computer-based freight operation information and control system to assist the management in effective and economical utilisation of their rolling stock and other assets. This will help in planning, monitoring and reviewing the day to day operations and will speed up the decision making process, leading to a qualitative change in the overall performance of the Railway system.

### **Public Sector Undertakings**

15. The two Public Sector Undertakings under the administrative control of the Ministry of Railways, viz., Rail India Technical and Economic Services Limited (RITES) and the Indian Railway Construction Company Limited (IRCON) continue to maintain a good record of growth in business and profitability. RITES which is well set on the international scene has a number of assignments in Iraq, Jordan, Zambia, Zimbabwe, Ghana, Mozambique, Sri Lanka and Algeria. During the year 1983-84, IRCON achieved a turn-over of Rs. 193 crores against a target of Rs. 163 crores and a turn-over of Rs. 112.50 crores in 1982-83. The Company earned a pre-tax profit of Rs. 15.45 crores in 1983-84. It has been able to secure another contract in Iraq valued at Rs. 133 crores for construction of a new high-speed railway line.

### **Staff Matters**

16. With a view to improving promotional avenues of the employees, various cadre reviews were continued during the current year. About sixty thousand employees of various categories benefited through such reviews.

16.1 Productivity-linked bonus equal to 32 days' wages was paid to Railway employees during 1983-84 and the same has been maintained in 1984-85, as well.

16.2 In pursuance of the policy of improving the status of casual labour, granting of temporary status to project casual labour who have completed 360 days of continuous employment, has been taken up in a phased manner. The process of de-casualisation has been continued. Special cells have been set up on Zonal Railways to monitor the progress in the implementation of instructions relating to casual labour including their absorption in regular establishments.

16.3 I am happy to inform the House that the machinery for collective bargaining on the Railways through the Permanent Negotiating Machinery and the Joint Consultative Machinery has continued to function effectively with regular meetings being held with the recognised labour federations. Industrial relations in the Railways remained cordial throughout the year.

17. Railways continued to remain in the forefront and dominate the national sports scene in a big way. Out of the 24 national championships they participated in, during 1984-85, they won national sports titles in nine and finished runners-up in six. It is a matter of great pride for the Railways that seven of their sportsmen and women were included in the Indian contingent for the Twenty-third Olympic Games and the most outstanding athlete of the Indian contingent belonged to the Railways. We are now embarking on a programme for providing opportunity to the juniors to develop their potential.

### **Railway Reforms Committee**

18. The Railway Reforms Committee have submitted 24 reports covering various aspects of

Railway working. They have made 2137 recommendations and observations. The processing of these reports is being closely monitored. So far, 820 of these recommendations have been accepted and 126 rejected. Other recommendations are in various stages of processing. Out of the accepted recommendations, 341 have so far been implemented.

### Formation Of New Zones And Divisions

19. The Railway Reforms Committee had recommended formation of certain new Zones and Divisions. These proposals are under examination from the point of view of operational considerations and planned economic development of the areas served by the Railways. Besides, the creation of a new zone involves very heavy capital expenditure. I, therefore, regret that it has not been found possible to include any provision for new Railway Zones in the Budget Estimates for 1985-86. Even in regard to the formation of new Divisions, I fear that the progress will have to be slow.

### Policy Thrust

20. In the context of scarcity of resources, it has become all the more important to make a very determined effort to bring about a significant improvement in the functioning of all aspects of the Railways. I shall, therefore, be directing the thrust in the Seventh Plan on the following

- (a) Serious efforts to block leakage of revenue in the form of ticketless travel and malpractices in freight traffic;
- (b) Enforcement of a series of economy measures;
- (c) Optimum utilisation of existing assets so as to ensure their higher productivity;
- (d) Enlarging the areas of modernisation of operation and maintenance of railway assets with the help of the latest technologies;
- (e) To speed up existing works which are in an advanced stage of construction by allotting more funds to them even within the limited resources;
- (f) To build up a sound system of Management Information, using the computer also in areas relating to freight and passenger traffic operations so that this will lead to an optimum use of existing assets and other facilities; and
- (g) Taking into consideration the modernisation programme and more efficient use of assets to limit, to the utmost extent, increase in staff strength, except in areas where it becomes inescapable, so that man-power productivity registers suitable increase.

### Budget Estimates 1985-86

21. I shall now deal with the Budget Estimates for 1985-86. In the Budget year, I expect the Railways to carry 13 million tonnes more of revenue-earning traffic over the level of 237 million tonnes likely to be reached in the current year. This is based on the anticipation that the performance in the other sectors of the economy, especially in the core sector, will improve considerably over the levels attained in the current year. In spite of a limited availability of resources, I expect the Railways to be fully geared to meet the challenge of carrying 250 million tonnes of revenue-earning traffic by suitably using the resources to the maximum extent possible on renewals and rehabilitation of existing assets and for completing traffic facility works.

21.1 As regards passenger traffic, having regard to a slightly declining trend, especially for short distances, growth has been assumed in 1985-86 to the extent of 2% in non-suburban and 4% in suburban passenger kilometres.

21.2 Based on these assumptions, the Gross Traffic Receipts at current fares and freight rates are estimated at Rs. 5674 crores which would be more than this year's Revised Estimate by Rs. 284 crores. After allowing for the impact of economy measures proposed to be applied firmly, the Working Expenses are expected to be Rs. 4435 crores which would be higher than the Revised Estimate for this year by Rs. 280 crores. Provision for increased repairs and maintenance to rolling stock, increase in cost of coal, diesel and electricity for hauling the anticipated increase in traffic, normal increase in staff costs and a general increase in the cost of other inputs, account for the increase in working expenses.

21.3 Railways will continue, the policy of providing adequately for depreciation. Accordingly, in 1985-86, there will be a provision of Rs. 920 crores against Rs. 850 crores from Revenue in the current year. Here I must bring to the notice of the House that in spite of steep increases in provision for depreciation year after year from the level of Rs. 350 crores in 1981-82, we will not be able to provide for overtaking the huge backlog in renewals and replacements which had occurred over a

number of years.

21.4 The contribution to the Pension Fund from Revenue is proposed to be stepped up from Rs. 225 crores this year to Rs. 265 crores in 1985-86.

21.5 The Railway Convention Committee 1980 which became functus officio with the dissolution of the Lok Sabha in December 1984 made only interim recommendations in regard to the rate of dividend payable to the General Revenues for the years 1980-81 to 1984-85 and other allied matters like provision for Depreciation. The Budget for 1985-86 has been prepared on the basis of the recommendations of the Committee in this regard for the year 1984-85, which were approved by the Parliament.

21.6 Steps are being taken for reconstitution of the Railway Convention Committee. Such changes as may become necessary in regard to dividend and other matters will be duly made when the recommendations of the newly constituted Committee are approved by Parliament.

### **Eighth Finance Commission**

22. The Eighth Finance Commission have recommended that the amount payable to States in lieu of the Passenger Fare Tax should be raised from the present level of Rs. 23.12 crores to Rs. 95 crores. The recommendations of the Finance Commission will be referred to the Railway Convention Committee when reconstituted, along with the views of the Railway and the Finance Ministries. Suitable provision in regard to the additional liability arising from the recommendations of the Railway Convention Committee will be made at the appropriate budgetary stage when the recommendations are approved.

23 With the increases in Ordinary Working Expenses and in the contributions to Depreciation Reserve Fund and Pension Fund, the total Working Expenses add up to Rs. 5615 crores leaving a net revenue of Rs. 109 crores which is insufficient for meeting the dividend liability of Rs. 512 crores.

### **Need For Additional Resources**

24. We have to cover the deficit of Rs. 403 crores and also provide for works chargeable to Development Fund and the interest payable on the loans on Development Fund Account. Through this budget, I propose to pay to the General Revenues the full dividend of Rs. 512 crores and provide for the works chargeable to Development Fund and interest charges, to the extent of Rs. 63.53 crores. Additionally, I also propose to make an increased contribution of Rs. 18 crores to the Accident Compensation, Safety and Passenger Amenities Fund.

25. I would like to recall that the Railways did not propose any enhancement in the freight rates during the financial year 1984-85. In respect of passenger fares, only a nominal increase was made. Thus, the Railways have shown considerable restraint during the current financial year in spite of steep escalation in the cost of operations. The House will, therefore, appreciate that the Railways have no other alternative now but to offset the increase in the cost of inputs by making suitable increases in freight rates and fares. I am confident that the rail users will not grudge making a suitable contribution in helping the Railways to tide over this situation.

### **Surcharge On Passenger Fares**

26. I propose to levy a surcharge of 121% on all classes of passenger tickets. However, with a view to give relief to the common man, there will be no increase in passenger fares for Second Class Mail/Express and Second Class Ordinary for distances up to and inclusive of 50 Kms.

26.1 There will be a corresponding increase in fares for Rajdhani Expresses for different classes of travel. The rounding off after the increase in these cases will, however, be to the next five rupees stage.

26.2 The proposed fares for representative distances and between certain 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 Ticket Fares**

27. A number of expert committees like Railway Convention Committee 1973, the High Level

Committee on Social Burdens, the National Transport Policy Committee, the Rail Tariff Enquiry Committee and the Railway Reforms Committee have commented on the highly concessional nature of the Monthly Season Ticket fares in the Railways, leading to losses. The concession in fares allowed by the Indian Railways to the monthly season ticket holders is indeed unique. The Rail Tariff Enquiry Committee, the Railway Reforms Committee and the High Level Committee on Social Burdens have urged the Government to adjust the season ticket fares in a phased manner so as to bring them equal to 24 or 25 single journey fares at all distances. If an effort is made to increase the season ticket fares at one stroke, the burden on passengers travelling on monthly season tickets will be very heavy.

27.1 Keeping in view the recommendations of these high-powered committees, and the need to reduce the losses in respect of passengers travelling on monthly season tickets and also the special problems faced by the commuters, it is proposed to increase suitably the fare by Rs. 3.00 to Rs. 12.00 per second class monthly season ticket, for different distance slabs ranging from 1 to 150 Kms. Fares for the revised first class monthly season tickets will be fixed at four times the revised second class monthly season ticket fares.

27.2 If the revised monthly season ticket fares are divided by 50 journeys which a commuter normally performs in a month, the fare per journey would range from 34 paise at 5 Kms. to Rs. 1.04 at a distance of 60 Kms. as against the normal fare of Re. 1 and Rs. 4 respectively. It is, therefore, pertinent to point out that even after this increase in fares for monthly season tickets, the season ticket holders will continue to enjoy a concession ranging from 50% to 74% at different distance legs when compared to single journey fares.

27.3 The proposed revised monthly season ticket fares as compared with existing fares for various distance legs are shown in Annexure IV of the Memorandum mentioned by me earlier.

### **Calcutta Circular Railway**

28. The minimum fare for Second Class over Calcutta Circular Railway was fixed at fifty paise on adhoc basis as an interim measure. Some more distance has been added to the Calcutta Circular Railway since then. With a view to ensure uniformity of minimum fare for the entire railway system in the country, it is proposed to increase the existing minimum second class fare of fifty paise to Rupee one for Calcutta Circular Railway.

### **Surcharge On 2-Tier Air- Conditioned Sleeper**

29. It is proposed to re-adjust the levy of surcharge on 2-Tier Air conditioned sleeper asunder :

	Existing per ticket Rs. P	Proposed per ticket Rs. P
Up to 500 Kms.	15.00	20.00
501 to 1000 Kms	25.00	30.00
1001 to 1500 Kms.	40.00	45.00
1501 Kms. & above	50.00	55.00

### **Second Class Sleeper Surcharge**

30. At present, sleeper surcharge is Rs. 8 for the first night with an additional surcharge of Rs. 5 for the second night and there is no charge for subsequent nights. It is proposed to raise the sleeper surcharge from Rs. 8 to Rs. 10 for the first night. With a view to give relief to the passengers travelling for longer distances who have to spend more than one night in the train, I propose not to recover any sleeper surcharge for the second and subsequent nights.

### **Concession To Youth**

31. Since 1985 is the "International Year of the Youth", I propose to allow a concession of 50% in passenger fares in Second Class to youth of the age group of 13 to 33 years, on satisfactory proof of age, while travelling in groups of a minimum of ten, for distances over 1000 Kms. This will enable the youth to visit areas which are situated in the far-flung States of the country.

31.1 The fares of INDRAIL passes will be reduced by 25% for youths in the same age group of 13 to 33 when travelling in groups of not less than ten.

31.2 For all these groups, 30% concession for stay in the two hotels at Puri and Ranchi, owned

and managed by the Railways, will also be available. These concessions will be available from 15-4-1985 to 31-12-1985.

### Age Limit For Free Travel By Children

32. The age limit for free travel by children was enhanced from 3 to 5 years during 1979, the "International Year of the Child" and has been continued on an ad hoc basis since then. I propose to keep the age limit for free travel by children up to 5 years as a regular measure.

### Freight Rates For Goods Traffic

33. It is proposed to levy a supplementary charge of 10% on the total freight in respect of goods traffic, in trainloads, wagonloads and smalls. However, with a view to ensure that inordinate burden is not put on short distance traffic, all goods traffic moving upto and inclusive of a distance of 500 Kms. will be exempted from the levy of the proposed 10% supplementary charge.

### Minimum Distance For Charge

34. The minimum distance for charge for goods traffic is 75 Kms. Since haulage of goods traffic for such short distance is uneconomical, on account of detention to rolling stock at the terminals, for it is proposed to enhance the minimum distance charge from 75 Kms. to 100 Kms.

34.1 However, with a view to ensure that unnecessary burden is not placed on agriculturists moving sugarcane by rail, it is proposed to give a concession of 33% in freight rates for sugarcane traffic moving upto a distance of 100 Kms.

### Abolition of the lowest classes in goods freight structure (i.e. Classes 65, 70 and 75)

35. Based on the recommendations of the Rail Tariff Enquiry Committee, a new goods freight structure was introduced from 1-4-1983 where the classification scales ranged from Class 65 as the lowest to Class 300 as the highest. The existing Classes 65, 70 and 75 of the goods freight structure have become uneconomical. It is, therefore, proposed to abolish the three lowest classes of the goods tariff, i.e. Classes 65, 70 and 75. Thus Class 80 will become the lowest Class in the goods freight structure.

35.1 All commodities having train load classification and classified at Classes 65, 70 & 75 will be classified at Class 80 in trainloads and Class 85 in wagonloads. For the commodities which have no classification for trainloads, Class 80 will become the lowest Class for wagonload traffic.

### Foodgrains And Salt

36. The important commodities which are classified under the lowest Classes 65, 70 and 75 are Grains and Pulses and Salt for human consumption. The classifications of these two groups of commodities will be revised as follows :

	Existing Classification		Revised Classification	
	Train loads	Wagon Loads	Train Loads	Wagon Loads
Grains & Pulses Division A (Paddy, Pulses, etc.).	70	80	80	85
Grains & Pulses Division B (Wheat, Rice etc.)	65	75	80	85
Salt for human consumption	75	80	80	85

36.1 The impact of the increase in freight rates of foodgrains would be about 4.4 paise per Kg. at the average lead of 1232 Kms. Similarly, the impact of the increase in the freight rates of Salt for human consumption would be about 3 paise per Kg. at the average lead of 1520 Kms. Both these increases are considered marginal.

### Date Of Effect

37. The proposals that I have made will come into effect from 15th April 1985. It is estimated that the additional annual revenue from passenger traffic will be about Rs. 153 crores and from goods traffic about Rs. 342 crores making a total of Rs. 495 crores.

**Accident Compensation Safety And Passenger Amenities Fund**

38. In order to meet the growing requirements of expenditure to be met out of the Accident Compensation, Safety and Passenger Amenities Fund, referred to by me earlier, I propose to increase the rate of surcharge to be appropriated from the passenger fares to the Fund as follows :

AC Class	Rs. 3.00
2-Tier AC Sleeper	Rs. 2.00
First Class	Rs. 1.50
AC Chair Car	Rs. 0.25
Second Class	Rs. 0.15

**Monthly Season Tickets**

First Class	Rs. 4.00
Second Class	Rs. 0.75

The rates for the quarterly season tickets will be three times those of the monthly season tickets.

38.1 With the increases as proposed the annual appropriation to the Fund will increase to approximately Rs. 27 crores from the present level of about Rs. 9 crores. I hasten to add here that the increases in surcharge, as indicated, will not be in addition to the increases in fares proposed earlier but will in fact, be appropriated out of the increased fares already proposed.

39. The progress achieved by the Railways in various directions is, in no small measure, due to the dedicated work put in by thousands of Railwaymen, throughout the country, round the clock, to keep the wheels of this gigantic national undertaking moving. I, therefore, consider it a duty and a privilege to place on record my deep appreciation of their performance. Notwithstanding the achievements, I am acutely aware that we have miles to go. Before I conclude, I would like to assure the Honourable Members that we shall not relax or falter but set our sights high and endeavour to soar to newer heights in performance.

40. I am grateful to the Members for the patient hearing given to me. With these words, Sir, I now commend the budget to the House.

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