

**Speech of Shri Madhavrao Scindia
Introducing the Railway Budget
for 1989-90, on 23rd February, 1989**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for the year 1988-89 and Budget Estimates for the year 1989-90 for the Indian Railways.

Introduction

2. Sir, transportation is vitally inter-linked with the economic development of the country. It allows land to be exploited economically; it leads industry and agro-industry to develop; it enables trade and commerce to proliferate; and, it motivates, labour and capital to discover new frontiers. For the growth of the national economy, the performance of the transport sector does not remain just crucial - it becomes critical. In our country, the Railways are the main component of the transport sector and, therefore, our role acquires a new dimension.

Performance In The Seventh Plan

3. The Budget year 1989-90 synchronises with the terminal year of the Seventh Plan. It would, therefore, be appropriate to take this opportunity to briefly review the overall performance of the Indian Railways in regard to the objectives set at the beginning of the Plan.

3.1. The main thrust of the Seventh Plan was towards the optimisation of asset utilisation, the increase in staff productivity, and the rehabilitation and modernisation of the System. Indian Railways have made significant strides in each of these thrust areas, greatly easing the freight transport constraints in the economy.

3.2. In the first three years of the Seventh Plan, transport output of freight rose by about 27 % and passenger kilometres by about 19 %. This was achieved with only a marginal addition of 0.9 % to running track kilometres and to manpower, and, despite a slight decrease in wagons, in coaching fleet and in aggregate motive power (tractive effort). Efficiency indices clearly reveal the improvement in asset utilisation. Net Tonne Kilometres Per Wagon Per Day increased by as much as 26% on the Broad Gauge and 29% on the Metre Gauge. Utilisation of coaches (Passenger Kilometres per thousand seating capacity) rose by 16% on Broad Gauge and 22% on Metre Gauge. Staff productivity, in terms of traffic units per employee, recorded an increase of 22%. What was noteworthy was that each year of the Seventh Plan consistently recorded an improvement in all key areas and surpassed the record of the year previous. This would not have been possible without the men and women of the Indian Railways at every level working as a team towards the achievement of a common goal.

3.3. In this period, emphasis was also laid on a comprehensive programme of System modernisation. With capacity being stretched to the full, investment in cost-effective technological changes became inescapable in order to meet the ever-increasing demand for rail transport. In addition to major investment being directed towards asset rehabilitation programmes, technological changes were initiated in the important areas of locomotion, passenger coaches, wagon bogie design, track structure, signalling and the telecommunication network.

3.4. The cumulative effect of these measures and the resultant increase in transport output was duly reflected in the financial results. In the first three years of the Seventh Plan, the Indian Railways paid their full dividend to the General Revenues, aggregating to about Rs. 1,725 crores, and also recorded a surplus exceeding the estimates in each year.

Freight Performance 1987-88

4. Coming to the freight performance of 1987-88, the House would recall that rail traffic was severely hit by major dislocations of rail links caused by floods in the eastern and northeastern parts of the country. In spite of this, Railways lifted 318 million tonnes of originating traffic, which was 5 million above the budget target, and amounted to a total freight traffic output of 231 billion net tonne kilometres against the target of 223. In fact, the first three years of the Seventh Plan together have produced an additional 49.1 billion net tonne kilometres, which is more than the entire traffic increase in the previous ten years taken together.

Financial Performance 1987- 88

5. The financial results for the year 1987-88 were equally encouraging. Against the budget

estimate of Rs. 69 crores, the surplus achieved was Rs. 84.29 crores. It would be pertinent to point out here that this surplus has been reckoned after the payment of full dividend of Rs. 638.86 crores to the General Revenues.

Freight Performance 1988 - 89

6. The economy and the transportation system of a country complement and supplement each other. The performance of the one in many ways, does affect and reflect the performance of the other. This inter-dependence is recognised the world over. In the year 1988-89, due to the worst drought of the century in the previous year and unprecedented floods in the Northern region this year, there was a drop in the offering of freight traffic, particularly of foodgrains, which is a committed and programmed movement. Special efforts have been launched to compensate this by lifting as much alternate traffic as possible. These efforts have met with some success and we are hopeful of meeting the overall freight target.

Financial Performance 1988 - 89

7. The reduced offering of traffic has had its effect on earnings. However, every attempt is being made to bridge this gap by maximising the revenue effort in other areas. The Ordinary Working Expenses have also come under strain because of post-budgetary developments, which include payment of higher Productivity Linked Bonus and increase in coal and steel prices. However, I am not asking the House for any additional grant. By internal economies and strict financial management, I still hope to absorb the entire post-budgetary impact and contain Ordinary Working Expenses at the Budget level. This will help to maintain the projected surplus, after payment of full dividend of Rs. 719 crores to the General Exchequer.

Passenger Services

8. Sir, there is an ever-increasing demand for more and more passenger trains. However, in the interest of the national economy it is imperative that the Railways strike a balance between the demand for passenger trains and the requirements of freight movement. The House is well aware of the fact that resources are scarce, and in relation to the pressure of demand, the capacity is limited. Yet, while meeting the growth of freight traffic in full, we have introduced or extended several passenger services in the current Plan. In the first three years of the Seventh Plan, 114 non-suburban and 183 suburban trains were introduced, 170 non-suburban and 96 suburban trains were extended, and the frequency of 42 non-suburban trains was increased. So far, during the current year 1988-89, 66 non-suburban and 42 suburban trains have been introduced, 8 non-suburban and 23 suburban trains extended and the frequency of 22 non-suburban trains increased.

8.1. I am happy to inform the House that in the summer time table, several new trains will be introduced. These are:

- (1) A daily express train between Amritsar and New Delhi.
- (2) A daily express train between Katihar and Delhi via Patna.
- (3) A daily express train between Secunderabad and Nizamabad.
- (4) A daily express train between Bhavnagar and Ahmadabad.
- (5) A daily passenger train between Asansol and Dhanbad.
- (6) A daily passenger train between Meerut and New Delhi.
- (7) A tri-weekly express train between Gorakhpur and Jammu Tawi.
- (8) A tri-weekly express train between Tirupati and Varanasi via Jabalpur.
- (9) A tri-weekly express train between Saharsa and Sonapur.
- (10) A bi-weekly express train from Ujjain to Haridwar and Dehradun via Guna and Bina.
- (11) A bi-weekly express train between Chhapra and Sealdah.
- (12) A bi-weekly express train between Gorakhpur and Hyderabad via Lucknow and Bhopal.
- (13) A bi-weekly express train between Lucknow and Madras via Jhansi and Bhopal.
- (14) A weekly express train between Ahmadabad and Pune.
- (15) A weekly express train between Hapa (Jamnagar) and Jammu Tawi.

8.1.1. The frequency of a number of trains will be increased. These are:

- (1) 103/104 Howrah-New Delhi (via Patna) express train from two days a week to four days a week.
- (2) 171/172 Bombay Central-Jammu Tawi superfast train from two days a week to four days a week.
- (3) 929/930 Hyderabad-Cochin express train from one day to two days a week.

- (4) 911/912 Gorakhpur-Cochin express train from one day to two days a week.
- (5) 515/516 Garib Nawaz superfast train between Delhi and Udaipur from three days a week to six days a week.

8.1.2. Runs of five existing trains will be extended. These are

- (1) 181/182 Ahmadabad-New Delhi Sarvodaya superfast to Jammu Tawi.
- (2) 951/952 Cochin-Howrah superfast to Patna on one day.
- (3) 903/904 Trivandrum-Ahmadabad superfast to Rajkot.
- (4) 931/932 Hyderabad-Ahmadabad superfast to Rajkot.
- (5) 83/84 Varanasi-Delhi Ganga-Yamuna express to Bhiwani.

8.1.3. It has also been decided to introduce 27 additional EMU services in Bombay area.

8.1.4. New Delhi-Jhansi Shatabdi Express has been extended to Bhopal from 20.2.1989. Another similar inter-city Express will be introduced between New Delhi and Kanpur on 24-3-1989, which will run non-stop.

8.1.5. It has also been decided that :

- (1) Passenger trains running on Raipur-Vizianagaram Section will be dieselised.
- (2) Karnataka Express will now run double-headed everyday via Gulbarga-Wadi-Raichur.
- (3) Udyan Express will run double-headed between Solapur and Bangalore to provide additional accommodation to the people of this area.

8.2. Railways have made elaborate arrangements at Allahabad Junction, Allahabad City, Naini, Vindhyachal, Prayag, Prayag Ghat, Phaphamau, Jhusi and Daraganj stations for the convenience of a very large congregation of pilgrims for the Mahakumbh Mela. Approximately 2,000 coaches have been mobilised and 266 additional booking windows opened. Large scale arrangements have also been made for drinking water, medical aid, sanitation and public announcements. A booking-cum-enquiry complex has been opened in the Sangam Mela area.

Second Class And Sleeper Coaches (Air-Conditioned)

8.3. Our policy in the area of passenger services lays special emphasis on meeting the travel requirements of the lower and middle income groups. With this end in view, the major portion of production capacity has been earmarked for manufacture of Second Class cushioned sleeper coaches. In the current year, 575 Second Class sleeper coaches have been added to the fleet, whilst the programme of the next year provides for another 700. I may mention that in accordance with our policy direction the entire existing fleet of sleeper coaches will have cushioned berths by the end of the next financial year. In addition, for the greater comfort of the travelling public, 90 Air-conditioned sleeper and Chair Cars have been added in the current year, with an equal number programmed in the next year.

Passenger Amenities

9. While introducing the Budget for the year 1988-89, I had informed the House that in order to provide effective coordination in implementing policy guidelines for passenger amenities, a Directorate was being set up in the Ministry. The Directorate is now functional. The allocation for passenger amenity works has been considerably stepped up, from an annual average of Rs. 5.1 crores in the Sixth Plan to Rs. 15.8 crores in the Seventh Plan. The allocation for the year 1989-90 is proposed to be substantially increased to Rs. 25 crores, which would be 30% higher than that of the current year.

Computerised Passenger Reservation

9.1. Sir, the computerised Passenger Reservation System has met with very favourable passenger response. What is pertinent to note is that the extremely complex software is a wholly indigenous effort. The first phase of this programme, covering the four metropolitan cities of Bombay, Delhi, Calcutta and Madras, has been completed, except for a few trains in Madras, which would also be covered during this calendar year. An added facility for Delhi and Calcutta passengers has been the provision for return and onward reservation through the link-up of their respective computer systems.

9.1.1. Yet another benefit of computerisation of reservation in Delhi area has been the real-time display of availability of reserved accommodation for each train. This indigenously developed system has

been connected to the Doordarshan Teletext, and the current position can be readily ascertained on a TV monitor with a decoder.

9.1.2. In the second phase of computerisation, we have taken up five more projects to cover Ahmadabad, Bangalore, Bhopal, Lucknow and Secunderabad. With their completion in 1989-90, almost 57 per cent of the total reservations on Indian Railways will be on the computer.

9.1.3. I am happy to say that computerisation is proposed at nine more stations, as part of the third phase to be initiated in the next financial year. These are-Bhubaneswar, Cuttack, Gorakhpur, Guwahati, Jaipur, Jammu Tawi, Patna, Pune and Trivandrum.

Passenger Information

9.2. Last year, I had informed the House that the Railways had been directed to bring about qualitative improvement in the functioning of the railway enquiry offices. Considerable progress has been made at 73 important stations through measures, such as, provision of additional telephones, installation of hot lines, provision of electronic display boards, and the separation of telephonic enquiry from face-to-face enquiry. Tape-recorded information about running of passenger trains is also being given in some cities. We have recently published a 'Guide Book' to keep the passengers informed about procedures, rules and facilities available.

Bed Rolls

9.3. Air-conditioned sleeper coaches have become quite popular. To further improve the service in these coaches, arrangements are being made for keeping an adequate number of bed rolls in each AC sleeper coach on selected trains for supply to all passengers on demand, without having to make a prior requisition.

Model Stations

9.4. As the House is aware, 67 stations have been selected to be developed as model stations. The total cost of development of these model stations is estimated to be about Rs. 100 crores. Work on most of these stations is in progress, and some phases have been completed.

Nehru Yatri Tickets

9.5. As part of the Nehru Centenary Celebrations, the Railways have introduced Nehru Yatri Tickets from 14-11-1988. Sixty-one itineraries have been offered, to visit places of cultural, historical and tourist interest in the country.

Safety

10. Any train accident that occurs on the Indian Railways is a matter of deep concern and anguish to us. Towards our goal of providing safer travel, efforts continue to be made for creating greater safety consciousness amongst railwaymen. A number of modern safety devices are being progressively installed which include the auxiliary warning system, track circuiting, route relay interlocking and axle counters. The overall safety record has continued to show improvement despite a significant increase in traffic. In the last three years, accidents have progressively declined every year, with each year recording an improvement over the previous year. The index of safety performance in terms of accidents per million train kilometres has improved by 32 % from 1.50 in 1984-85 to 1.02 in 1987-88, and the total number of train accidents has reduced steeply by 26 % in the same period. In the current year too, this improvement continues to be sustained, with train accidents up to the end of January, 1989 being lower by 12 % when compared to the same period last year. I would like to assure the House that safety is an area of paramount concern where no compromise will be struck - no short-cuts taken.

Plan Allocation

11. Sir, our ability to continue making an impact in the vital areas of railway working ultimately depends upon the total plan allocation. The original Plan size of the Railways after taking account of the anticipated escalation in costs, would have amounted to Rs. 16,917 crores to meet the target of 340 million tonnes of originating traffic in the terminal year of the Plan. The Railways have been allocated Rs. 11,908 crores in the first four years of the Plan. The allocation for the financial year 1989-90 is Rs. 4,450 crores, thus making a total of Rs. 16,358 crores for the Seventh Plan as a whole, which is short of the size envisaged. However, I am aware that the Planning Commission have done their best within the total resource availability. The House will, nonetheless, be happy to note that in spite of this reduced

investment, the Indian Railways are hopeful of exceeding the originating freight loading target of 340 million tonnes in the final year of the Seventh Plan. As far as the freight transport effort is concerned, the System output is expected to touch 252 billion net tonne kilometres, which is 9.1 % higher than the original target fixed for the terminal year of the Plan. This level of performance has only been possible due to judicious application of scarce resources, a marked increase in manpower productivity, and intensive and rational utilisation of assets.

11.1. A striking feature of the investment pattern in the current Plan has been an increase in the Railways' internal contribution to the total Plan. After taking into account the investment financed by the Indian Railway Finance Corporation, the internal resources contributed by the Indian Railways in the Seventh Plan work out to 61%, as against only 42% in the Sixth Plan, and 25% in the Fifth Plan.

11.2. The House will appreciate that our effort to achieve optimum utilisation of the System has met with a great degree of success. A clear indication of the high level of utilisation is, that the target of 1,350 Net Tonne Kilometres Per Wagon Per Day, originally set by the Planning Commission to be achieved by 1990, has been surpassed in the third year of the Plan itself. It is my considered opinion that the time has come when some emphasis will also have to be laid on the expansion of the System, with appropriate arrangements for funding.

New Lines

12. I am happy to inform the House that during the current financial year, we have opened new lines on the sections-Lalabazar-Jamira, Balipara-Gamani, and Karur-Dindigul, totalling 117 kilometres. We expect that the sections Kota-Chittaurgarh and Guna-Miana, covering another 197 kilometres, will be completed by 31st March, 1989.

12.1. We also Plan to open to traffic several new sections in the next financial year. These are

(1) Ernakulam-Alleppey	57 km.
(2) Chittaurgarh-Nimach	56 km.
(3) Miana-Kolaras	47 km.
(4) Talcher-Angul	18 km.
(5) Rai Mahatpur-Una	11 km.
(6) Bhatinda Bypass	2 km.

12.2. In pursuance of the Prime Minister's directive that special attention be given to the development of the North-east region of our country, I am happy to state that Indian Railways will fulfil their commitment to complete four new railway line projects in that area in 1989-90. These are

(1) Silchar-Jiribam	49km.
(2) Lalabazar-Bhairabi	48km.
(3) Balipara-Bhalukpong	35km.
(4) Dharmanagar-Kumarghat	33 km.

The fifth project, Amguri-Tuli, would have also been completed but for a land dispute between the two State Governments concerned.

12.3. In the next financial year, some important new line projects are being taken on hand. These are:

- (1) Construction of Mangalore-Udipi Broad Gauge line, forming the second phase of the West Coast Line;
- (2) Construction of Godhra-Dahod-Sardarpur-Dhar-Indore and Dewas-Maksi Broad Gauge links to develop an alternative route to the existing Western Corridor;
- (3) Construction of a rail link between Beas and Goindwal to serve the Goindwal Sahib industrial complex; and
- (4) Construction of Guwahati-Burnihat Broad Gauge rail link.

12.4. At the end of the Plan, 26 ongoing projects involving a length of 2,315 kilometres will remain, with a residual fund requirement of Rs. 1,781 crores.

Gauge Conversions

13. Two important gauge conversion projects, Suratgarh-Lalgarh and Moradabad-Ramnagar, covering 256 kilometres, have already been completed in the current year. In the next financial year, the 130 kilometre long Guntur-Macherla gauge conversion project, is proposed to be completed.

13.1. The conversion of 171 kilometre long Chhapra-Aunrihar Metre Gauge section has been proposed at a cost of about Rs. 85 crores. This project would provide a through link between the two broad gauge main line sections of Varanasi-Mughalsarai on Northern Railway and Gorakhpur-Chhapra on North Eastern Railway, facilitating smooth movement of traffic to North Bihar and to the North-eastern region.

13.2. At the end of the Plan, eight ongoing gauge conversion projects involving a length of 1,205 kilometres will remain, with a residual fund requirement of Rs. 442 crores.

Surveys

14. Surveys for 14 new line projects (2,432 kilometres) and 6 gauge conversion projects (1,726 kilometres) are in progress. In the current financial year, some of the important surveys which have been taken up are:

- (1) Final location survey of gauge conversion of Sawai Madhopur-Jaipur, Phulera-Merta Road-Jodhpur, and Merta Road-Lalgarh, and a parallel Broad Gauge line between Jaipur and Phulera;
- (2) Preliminary Engineering-cum-Traffic survey for a new BG line from Sahjanwa near Gorakhpur to Dohrighat and conversion of Dohrighat-Indara MG line to BG; and
- (3) Preliminary Engineering-cum-Traffic survey for a new line between Daurala near Meerut and Bijnor via Hastinapur.

14.1. Some of the surveys proposed in the next year are for:

- (1) A new line between Ramnagar and Chaukhtia;
- (2) New lines between Lalitpur-Khajuraho-Satna, Mahoba Khajuraho and Rewa-Sidhi-Singrauli; and
- (3) Gauge conversion of Burwal-Sitapur section (MG to BG).

14.2. Survey for a new line between Amravati and Narkher is also under consideration.

Road Over And Under Bridges

15. During the current financial year, 12 road over and under bridges are likely to be completed. The outlay for such works for the year 1989-90 has been proposed at Rs. 22.3 crores as against Rs. 15 crores in 1988-89.

Track Renewals

16. The House is aware of the importance that we have been giving to the rehabilitation programme to wipe out the large accumulated backlog of track renewals, which at the beginning of the Seventh Plan, stood at 19,000 kilometres. The accelerated pace of renewal was initiated from the year 1985-86. We are proceeding according to the target set, and expect to wipe out the entire backlog by the end of the Eighth Plan.

Railway Electrification

17. The Railways are introducing electric traction on high density routes. Of the routes which were given priority, Delhi-Bombay Western Railway route has already been fully electrified, and Delhi-Madras and Bombay-Howrah routes are expected to be electrified by the end of 1989-90. As far as the Delhi-Bombay route on Central Railway is concerned, electric traction is available up to Bhopal from Delhi, and Bhusaval from Bombay. The full energisation of this route is expected early in the Eighth Five Year Plan. Despite reduced allocations, the total route kilometrage that is expected to be energised in the Seventh Plan is 3,150 kms which is double the total kilometrage electrified in the Sixth Plan. The Seventh Plan would end with about 33% of our Broad Gauge track length electrified.

Technology Upgradation

18. As mentioned by me earlier, Indian Railways have initiated measures towards comprehensive technology upgradation. I take this opportunity to apprise the House of the progress in some of the important areas.

Track

18.1 For the permanent way, we are using rails of higher tensile strength, improved welding techniques, and prestressed concrete sleepers. Modern machines are being increasingly used for improving the quality of maintenance and renewal. To enable extended use of existing rails, two rail reprofiling machines have been procured and are expected to be commissioned shortly. A self-propelled ultrasonic rail-flaw testing car (SPURT), with an on-board computer, has been obtained. This will help in the timely detection and replacement of defective rails.

Signalling Telecommunication

18.2. Based on the development and successful trials of the solid-state & interlocking system at two stations, its extension is now planned at 38 more stations.

18.2.1. The work of providing radio link between train crew and train control room, on the busy Delhi-Mughalsarai section, is in progress. Direct communication would also be provided between the Guard and the Driver, on selected trains on this section.

18.2.2. An optical fibre communication system between Churchgate and Virar has already been commissioned. The work on Bombay VT-Kalyan section is in progress. In the current year, work has been undertaken in three sections covering nearly 700 km.

18.2.3. In keeping with the need to improve the working of intensively used terminals and junction stations, provision of a Train Descriptor System is in progress in Delhi area, and is expected to be completed by mid-1990. Work on the installation of a similar facility for the Madras area is proposed in 1989-90.

Locomotives

18.3. As far as technology upgradation of rolling stock is concerned, eighteen thyristor controlled 6000 horse-power electric locomotives have been received and are under trial. It has also been decided to procure 30 freight and 10 passenger locomotives with 3-phase asynchronous technology.

Coaches

18.4. We have recently placed orders for 42 high speed Coaches. The design of these coaches has features like light weight, corrosion resistance, better aero-dynamic profile, and a modern suspension system.

Technology

18.5. Presently, our electrification is on the 25 KV-AC, 50 Cycle System. With the recent progress in technology, a new 2 x 25 KV Auto transformer System has been developed and is in use in some of the leading railroads abroad. This is being considered for adoption as an experimental measure on Indian Railways.

Research And Development

18.6. As the House is aware, new emphasis has been laid on Research and Development. The success of our march towards self-reliance ultimately depends on the break-through we are able to achieve in developing technology indigenously. Not only has the Research, Designs & Standards Organisation (RDSO) been restructured in a manner better suited for our changing requirements, but it has also been decided to set up a distinct Research & Development (R&D) Organisation in each of our Production Units. An investment of Rs. 280 crores has been earmarked in the Corporate Plan period for upgrading R&D facilities in RDSO, so that it truly serves as a nodal agency for indigenous development of future generation railway systems. For integrated development, key technology areas have been identified, and mission-oriented synergy groups set up, involving RDSO, Industry, and Centres of advanced learning. Encouraging results are already discernible in some areas. Reduction in tare weight of the wagon is anticipated to the extent of over 2 tonnes, thereby increasing the carrying capacity. Laboratory trials have shown possibilities of considerable reduction in the specific fuel consumption of diesel engines. Developmental effort in the

wider applications of RDSO's mainframe Computer has made rapid strides. Similar advance has been made in computer-aided designs, computer-aided research and developmental work on microprocessors. Designs for wagons, coaches, and locomotives, for next generation Metre Gauge Rolling Stock, are in progress. It is expected that these technological advances will have a significant impact on railway working over the next decade.

Energy Conservation

19. Not only on the Railways, but in the national context too, conservation of energy has assumed great importance. The efforts being made by the Railways, in this sphere were given a special focus about two years ago. These measures included accelerated phasing out of steam locomotives, better maintenance of diesel loco sub-systems, computerised monitoring of consumption of HSD and lube oil, incorporation of low-idling features in locomotives, use of rail and flange lubricators, and energy audits of major railway installations. In fact, the targeted condemnation of 2,000 steam locomotives during the Seventh Plan has already been achieved, one and a half years ahead of schedule. We intend to continue this accelerated programme, so that steam traction can be completely phased out from railway service even before 2000 AD.

19.1. To further enthuse and motivate railwaymen at all levels, vigorous energy conservation drives are being undertaken over the entire railway system, as well as in railway colonies, schools and establishments. Any good work done in this important area is being given due recognition.

19.2. All these measures have paid rich dividends, and in 1987-88, we have been able to achieve a reduction of over 5 % in the consumption of energy (in terms of coal equivalent units per thousand gross tonne kilometres). We are expecting this process of reduction to continue in 1988-89 also.

Production Units

20. The performance of our Production Units in 1987-88 has been satisfactory. All Production Units are likely to achieve their targeted out-turn in 1988-89. In fact, I am happy to inform the House, that the production of electric locomotives at Chittaranjan Locomotive Works, will record an impressive increase of 33 % in the current year 1988-89. The new Coach Factory at Kapurthala has gone into production with the first coach having been rolled out on 31st March, 1988.

20.1. Considering the demand for rolling stock, certain expansions of our Production Units have been proposed. The capacity of Chittaranjan Locomotive Works, will be further increased from 100 to 120 electric locomotives per year, at an estimated cost of Rs. 22.5 crores. It is also proposed to increase the capacity of Diesel Locomotive Works, Varanasi, by another ten diesel locomotives per year, at an estimated cost of Rs. 19.5 crores, and that of Wheel & Axle Plant, Bangalore, from 70,000 to 85,000 wheels per year, at an estimated cost of Rs. 31.9 crores.

Metropolitan Transport Projects

21. Sir, all possible efforts have been made in the current Plan for progressing ongoing Metropolitan Transport Projects in Bombay, Calcutta and Madras. I had informed the House on several occasions in the past, that the progress of the two projects in the Calcutta area had been hampered because of delay in the handing over of some critical plots of land needed for the Calcutta Metro Project, and in removing encroachments on the existing railway land, required for the Circular Railway Project. In Bombay, with the joint financing efforts of the State Government and the Railways, the Mankhurd-Belapur project is progressing on schedule. A unique feature of this project is the construction of the country's longest prestressed concrete railway bridge across the Thane Creek. The novel construction technique adopted is casting of well foundations by floating caisson method, in which precast caissons are built on the shore, and then, floated to the site by special submersible barges. In Madras, progress of the Madras Beach-Luz Rapid Transit System has been commensurate with the funds available for this project during the year.

21.1. With the rapid economic progress and consequent urbanisation, the demand for transport of commuters is rising at a staggering pace. Urban transport projects are so highly capital-intensive, that it would be impossible for any single agency to take on this responsibility on its own. I would, therefore, like once again to reiterate, that the only solution would be a joint approach, involving the Central Government, the State Government, and the City Administration, as is generally the system the world over. I do hope that, all those concerned would be able to respond positively and expeditiously in tackling this major problem, which may otherwise overtake and overwhelm us.

Staff Matters

22. Sir, Railways are a labour-intensive organisation, and their most valued asset is their manpower. It is on their ability and morale that our success depends.

Housing

22.1. I have tried to ensure that the Railway family experiences the benefits of the atmosphere of general well-being existing on Indian Railways. We have progressively tried to relieve those engaged in the railway exercise, from the day to day worries and tensions that crop up in present day life. One such area of major concern to the serving employee is the construction of a shelter for the family after his retirement. To help the Railway employee in the construction of his house, I have directed the Ministry to examine the feasibility of setting up an independent apex body, to assist the Railway employee in acquisition of land, its development, and other activities related to construction, on a self-financing basis.

Training

22.2. Great importance is being given to training and, retraining of railway personnel in a systematic manner, so that they acquire adequate managerial and technical skills. During the year 1987-88, about one lakh railway employees were imparted training in various institutes.

Productivity Linked Bonus

22.3. Productivity Linked Bonus equal to 44 days wages, the highest so far, was declared for the year 1987-88.

Staff Quarters And Amenities

22.4. The allocation for staff quarters and other amenities has been more than doubled, from an annual average of about Rs. 20 crores in the Sixth Plan to about Rs. 47 crores in the Seventh Plan. I am proposing to substantially raise the allocation for the year 1989-90, to Rs. 65 crores, which represents an increase of 33% over the previous year,

Literacy Mission

22.5. In pursuance of the National Mission for eradication of illiteracy, about 400 training Centres have been opened on the Zonal Railways during this year to benefit railwaymen and their families.

Educational Facilities

22.6. Efforts are being continued to improve the quality of Railway educational institutions. We appreciate the assistance given by the Ministry of Human Resource Development and the Kendriya Vidyalaya Sangathan, which enabled us to obtain sanction for opening another 12 Kendriya Vidyalayas in the current year.

Sports Activities

22.7. On the National sports scene, the Indian Railways retained their prominent position, winning 18 National titles in 1987-88, surpassing the previous record of 16 in the earlier year. Three sportspersons from the Railways were also honoured with the Arjuna Award.

Industrial Relations

23. During 1988-89, the Railways maintained a very cordial and harmonious relationship with the Organised Labour. For nearly four decades now, a well-established Permanent Negotiating Machinery has been functioning on the Indian Railways. The Corporate Enterprise Groups meet regularly and consist of representatives of Management on the one hand, and those of the Officers and the Organised Labour on the other, truly reflecting the team spirit that exists on our System. We value the responsible and constructive attitude displayed by the Organised Labour. I fully recognise, that in the ultimate analysis, it is the 'Man behind the Machine' who makes the difference between success and failure. This is the fourth year in succession in the Seventh Plan period, in which the performance of the Railway team has been of a high order. I would like to take this opportunity to express my appreciation to the officers and the staff of the Indian Railways, to whom credit must go in a large measure for the results achieved. I am sure, that their enthusiasm will continue unabated, and that their morale will

remain high, so that they successfully carry out their duties in the service of the nation.

Public Sector Undertakings

24. I would now like to review the working of the public sector undertakings under the administrative control of the Ministry of Railways. In 1987-88, Indian Railway Construction Company (IRCON), registered a record turn-over of Rs. 208.5 crores and a profit after tax of Rs. 14.31 crores, earning foreign exchange of about Rs. 20 crores. The Company has secured four important international contracts in the current year - one each in Malaysia and Turkey, and two in Bangladesh. In 1988, the Company received seven awards, including the National Export Award instituted by the Ministry of Commerce, and the Overseas Construction Council of India Award for the highest turn-over and the maximum earning of foreign exchange.

24.1. Rail India Technical & Economic Services (RITES), maintained its excellent progress, earning a profit after tax of Rs. 5.56 crores, and foreign exchange of Rs. 19.14 crores in 1987-88. In the current year, the Company completed assignments in Mexico, Sri Lanka and Jordan. One of the major contracts being currently executed by them is for the operation and maintenance of a high-speed railway line in Iraq. In the current year, the Company has secured five important international contracts in Ghana, Nigeria and Zimbabwe. In 1988, the Company received three awards, including the International Trophy for Technology.

24.2. Indian Railway Finance Corporation (IRFC), has so far raised about Rs. 960 crores. It has floated its third issue of Railway Bonds amounting to Rs. 600 crores in the current year. I would like to re-emphasise that these resources are a part of the Railway Plan. They do not constitute any additionality.

24.3. The Container Corporation of India (CONCOR), has been set up with an Authorised Share Capital of Rs. 100 crores, for developing a network of Inland Container depots to handle international and domestic containers.

24.4. The Centre for Railway Information Systems (CRIS), is functioning as a Society under the Ministry of Railways, and is engaged in the development of computer systems on the Indian Railways. A mainframe computer for the Freight Operation Information System has been ordered and is expected to be installed shortly. This organisation has also taken up many other useful projects, including the inter-linking of the various passenger reservation systems, and the development of software for the Hospital Management System, the Personnel Management System, the Coach Monitoring System, and the issue of unreserved tickets.

International Cooperation

25. In the field of international cooperation, the Ministry of Railways signed three Memoranda of Understanding during the year with the Governments of USSR, and, of France, and with the Australian National Railway Commission. The objectives outlined in the Memoranda are for greater cooperation in areas of mutual interest, upgradation and transfer of technology in selected areas, and undertaking joint consultancy and construction projects in third countries.

Budget Estimates 1989-90

26. Sir, I shall now deal with the Budget Estimates for the next financial year 1989-90. With the size of the Railway Plan fixed at Rs. 4,450 crores, the target for originating tonnage has been set at 345 million tonnes, of which 316 million would be revenue earning. The total traffic output has been targeted to reach 252 billion net tonne kilometres.

26.1. The passenger traffic is estimated to go up by 3%, sundry earnings by 4% , and luggage, parcels and other receipts by about 2%. On the basis of these assumptions, and at the current level of fare and freight rates, the gross traffic receipts are estimated at Rs. 9,757 crores. This is Rs. 381 crores higher than the Revised Estimates of the current financial year 1988-89.

26.2. The Ordinary Working Expenses are estimated at Rs. 7,373 crores, which is an increase of Rs. 698 crores over the Revised Estimates of the current financial year. The additional funds being asked for are largely to meet the obligations of annual increments to staff, payment of Dearness Allowance, increase in coal and steel prices, costs related to increased activities, and lease rental payable to Indian Railway Finance Corporation.

26.3. It is proposed to step up the contribution to the Depreciation Reserve Fund from Rs. 1,500 crores in 1988-89 to Rs. 1,715 crores in 1989-90.

26.4 The contribution to the Pension Fund is also being enhanced from the current year's level of Rs. 550 crores to Rs. 700 crores in the next year. This has become necessary following the various Government decisions liberalising Pensionary benefits.

26.5. The Railway Convention Committee, 1985, have been deliberating on several aspects of railway working. Memoranda on the financial arrangements between the Railway Finance and the General Finance have since been submitted by the Ministry of Railways for the Committee's consideration. Meanwhile, provision for dividend for 1989-90 has been made at the same rate as for the year 1988-89. On receipt of the recommendations of the Committee on the subject, and after consideration thereof, proposals will be placed before the Parliament for approval,

26.6. With the increase in Ordinary Working Expenses and contributions to the Railways' Funds, the total working expenses are expected to be Rs. 9,788 crores. After taking into account the net miscellaneous receipts of Rs. 100 crores, the net revenue will amount to Rs. 69 crores, which would be insufficient to meet the dividend liability of Rs. 805 crores, by Rs. 736 crores.

Tariff Proposals

27. Sir, I am sure that Hon'ble Members from all sections of the House fully recognise, that it is in the long term interests of the railway system that the organisation maintains its financial viability. Any default in the payment of dividend to the General Exchequer, will adversely affect the resource position of the Government. Moreover, on account of the rising costs of inputs, and for the higher generation of internal resources to finance Plan investment, some adjustments in the rates become unavoidable. I, therefore, propose certain changes in the tariffs to be made effective from 1-4-1989.

27.1 It is proposed to increase the rates of goods traffic by 11 per cent. However, to provide relief to the weaker and the rural sections of society, and keeping in mind the special interests of the Kisan, I have decided to exempt from this increase certain commodities, namely, salt for human consumption, fruits and vegetables, gur and jagree, edible oils, oil seeds, oil cakes, fodder, livestock, and organic manures.

27.2 It is also proposed to rationalise the freight structure by revising the classification of low rated commodities. All commodities are now grouped into various classes, ranging from Class 80 to Class 300. The difference between the minimum and the maximum class rate is very high at present. It is, therefore, proposed that the wagon load and the train load classification of those commodities which are now charged at a rate between Class 80 Special and Class 150, be raised by two steps, except in the case of foodgrains, pulses and fertilizers, where it would be raised by one step only.

27.3 It is also proposed to increase the rates of parcels and luggage by 11 per cent.

27.4 As far as passenger traffic is concerned, the middle and lower income groups constitute the bulk of railway users. Keeping their interest in mind, I do not propose any increase in passenger fares whatsoever.

Financial Effects Of Proposals

28. The above-mentioned proposals are expected to yield an additional revenue of Rs. 876 crores. Taking this into account, and after having paid the full dividend of Rs. 805 crores to the General Exchequer, the financial year 1989-90 is expected to close with a surplus of Rs. 140 crores. The projected surplus is just sufficient to execute works chargeable to the Development Fund, such as, passenger amenities, staff welfare, and computerisation of reservations.

Concessions

29. During the last two years, concessions were given to various deserving and needy persons - to the war-widows, the deaf and dumb, kisans, teachers, children, sportspersons, and the widows of Policemen and IPKF personnel killed in action. These will continue. This being the Nehru Centenary Year, I have decided to grant some more concessions for travel in Second Class. These are:

For Eminent Coaches In Games And Sports

To all recipients of the Dronacharya Award - a concession of 50 per cent.

For The Courageous

To all recipients of the Vir Chakra and Ashok Chakra series gallantry awards, for their courage and heroism in the defence of the country, and to the widows of such posthumous awardees a concession of 50 per cent.

For The Brave

To all recipients of the President's Police Medal and the Indian Police Medal for gallantry, in recognition of their brave and fearless service - a concession of 50 per cent.

For Senior Citizens As A Token Of Our Concern And Respect

For every person of the age of 65 years and above, for travel beyond 500 kms - a concession of 25 per cent.

Conclusion

30. Sir, almost forty-two years have elapsed since that day - 15th August, 1947 - when at the stroke of mid-night, India gained her Independence from the colonial yoke. Four momentous decades have seen many vicissitudes-the unfolding of both our strengths and our weaknesses - many achievements and some failures - as a people, as a nation.

30.1 What we as Management have tried to develop on the Indian Railways, is the ability to crystallise the hard and unpalatable issues, and act on the basis of enterprising decisions arrived at as a result. What we must constantly strive for, is an enterprising polity on the one hand, and a development-oriented managerial set-up on the other, to carry out the task of transformation. We continue to feel motivated by the constant encouragement which we have received from the Prime Minister. I have no hesitation in saying, that, due to the support we have received from him, from the Honourable Members, and from the public at large, the railway fabric has acquired a new lustre. Even amongst those who were critical, we could always sense a strong under-current of understanding and empathy. We feel privileged, Sir, to have been the recipients of such sentiments from our fellow countrymen. We fully realise the enormity of our task and would be the first to acknowledge that we still have a long way to go. Things cannot change overnight - it is a process which has to be set in motion. With the goodwill and support that we continue to receive, we are confident that we shall overcome the challenges ahead, and succeed in establishing a modern and efficient Railway System, of which the country can be truly proud.

31. With these words, Sir, I now commend the Railway Budget 1989-90, to the House.
