

**ESTIMATES COMMITTEE
(1967-68)**

TWENTY-NINTH REPORT

(FOURTH LOK SABHA)

MINISTRY OF RAILWAYS

**Commercial and other Cognate Matters—Travel
Concessions allowed to Railway Employees**



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1968/Phalguna 1889, (Saka)
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C O R R I G E N D A

TO

Twenty-Ninth Report of the Estimates
Committee on the Ministry of Railways -
Commercial and other Cognate Matters -
Travel Concessions allowed to Railway
Employees.

Page 4, line 3 from below, for
'railwaymen's' read 'railwayman's'.

Page 8, line 15, for 'for year' read
'per year'.

Page 9, line 20, for 'of' read 'or'.

Page 10, line 5 from below, for 'load'
read 'lead'.

Page 11, line 3 from below, for 'met'
read 'meet'.

Page 12, line 12, for 'Service'
read 'Services'.

Page 13, line 2 from below, for
'concession' read 'concessions'.

Page 15, line 12, delete '18'.

Page 18, lines 11-12, for 'unrest. In'
read 'unrest in'.

Page 20, line 18, for 'Indian' read
'India'.

Page 21 -

(i) line 7 from below, delete 'a';
(ii) line 2 from below, for

'railwaymen' read 'railwayman'.

Page 22, line 8, for 'Consequencies'
read 'Consequences'.

Page 30, Serial No. 8, line 2,
for 'numbers' read 'number'.

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(1967-68)

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INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Twenty-Ninth Report on the Ministry of Railways—Commercial and other cognate matters—Travel Concessions allowed to Railway Employees.

2. The subject of “Commercial and other cognate matters relating to Indian Railways” was examined by the Estimates Committee (1966-67) and necessary information obtained and evidence taken by them. That Committee, however, could not finalise their report due to the sudden dissolution of the Third Lok Sabha on the 3rd March, 1967. The Estimates Committee (1967-68) perused the minutes of evidence, came to their own conclusions and presented their Report (Tenth Report—Fourth Lok Sabha) on the subject in August, 1967.

While perusing the minutes of evidence referred to above, the Estimates Committee (1967-68) decided to separately examine the question of “Travel Concessions allowed to Railway Employees” in greater detail. Certain additional information in the matter was accordingly called for from the Ministry and the Committee also took evidence of the representatives of the Ministry of Railways (Railway Board) on this specific subject on the 26th June, 1967. The draft Report of the Committee was adopted by them on the 28th December, 1967 and was forwarded to the Ministry of Railways for factual verification. At this stage, the Ministry furnished an Aide Memoire on the subject (Appendix I), which was considered by the Committee at their sitting held on the 22nd February, 1968. The final conclusions of the Committee are embodied in this Report which was adopted by them on the 23rd February, 1968.

(vi)

3. The Committee wish to express their thanks to the Chairman and members of the Railway Board, and the Financial Commissioner, Railways, for placing before them the material and information they wanted in connection with the examination of the subject.

4. The Committee also wish to thank the All India Railwaymen's Federation and the National Federation of Indian Railwaymen for furnishing Memoranda to the Committee.

5. A statement showing the analysis of recommendations in the Report is appended to the Report (Appendix III).

NEW DELHI;

23rd February, 1968.

Phalgun 4, 1889 (Saka).

P. VENKATASUBBAIAH,

*Chairman,
Estimates Committee.*

REPORT

Introductory

The construction of the major railway systems of British India was originally started through the agency of private companies with capital subscribed by shareholders in Britain. Under the agreements with these companies, the Government retained the right of eventually becoming the proprietors of these railways. The main line companies were thus purchased by the Government as and when their contracts expired and by 1907, with the exception of a few companies, all the main lines became the property of the State. But in almost all cases, after formal purchase, fresh arrangements were arrived at with the companies to run the railways on behalf of the Government of India. A few of the railway lines were also owned and run by the former Indian States.

It was only after 1922 that the Railways began to be taken over for direct management by the Government and at the time of Independence, the entire railway system of the country, except a few light Railways and the railway lines in the Indian States, was under Government management.

Route Kilometrage

2. The route Kilometrage of Indian Railways in the beginning of the two decades before Independence was as follows:—

Year	Route Kilometrage
1930-31	68,044
1940-41*	66,067

By April, 1947, the route kilometrage of the Railways in India was 65,217†. As a result of the partition of the country later in that year the route kilometrage was reduced to about 54,130. Since then additions have been made by way of new constructions or restoration of old lines dismantled during the war, and the route kilometrage of all gauges totalled 59,075† by 31st March, 1967.

*Affected by the separation of Burma (3,315 route Kilometres transferred in 1937).

†Excluding non-Government Railways.

Railway Staff

3. The following figures indicate the growth of Railway staff (including Manufacturing Units) during the last four decades:—

(All Indian Railways)

Year	Total number of staff as on 31st March
(in Thousands)	
1930-31	796
1940-41	729
1950-51	923
1960-61	1163
1961-62	1180
1962-63	1217
1963-64	1276
1964-65	1324
1965-66	1358
1966-67	1366

Staff Welfare

4. During the days of the Railway Companies, the wages offered by them were not substantially higher than those available to workers in other trades and industries, nor were the conditions of work any the better. During the first fifty years, according to the Royal Commission on Labour of 1931, 'it was more or less a case of bargaining for the most favourable terms on both sides.* The only notable amenity during the period was the institution in 1880 of a Provident Fund.

It was not till World War I that the Railway Companies which were British owned began to give serious thought to the general welfare of the low-paid employees. During the years immediately following World War I, progressive improvements in the conditions of labour and the amenities granted to them were made. Hours of work were fixed by statute and payment of overtime allowance was made compulsory. The right of workers to form trade unions

**Indian Railways—One Hundred Years—1853-1953* (Issued by the Ministry of Railways in 1953), P.122.

and to resort to collective bargaining was recognised. Membership to the Provident Fund was extended to more categories of workers. The benefits of sick leave were made available to the inferior staff. Conditions in workshops underwent considerable improvement. A large number of cooperative societies were started to encourage thrift among labourers. More funds were made available for improving housing conditions and the general standard of life in workers' colonies.

As a result of the general depression and the resultant economy measures, the pay scales of Government servants including Railwaymen were materially reduced in 1931.

In 1947 the conditions of Railway workers were improved along with other Central Government servants. The scales of pay were revised as a result of the recommendations of the Pay Commission, 1947, even though in some categories the scales were still below the pre-1931 scales. As a result of the increase in wages and salaries recommended by the Pay Commission and later by the Joint Advisory Committee for Railways, the railway pay bill for employees naturally registered a steep rise. Between 1946 and 1951, it had almost doubled without any substantial increase in the number of employees. Leave rules which had been tightened up in the Revised Leave Rules issued in 1931 were also considerably liberalised but not to the level of the rules existing before 1931. Hours of work for staff classified as continuous workers were reduced, rates of overtime allowance were increased and grant of periodic rest was also liberalised.

As a result of the recommendations of the Second Pay Commission, the pay scales of railway employees along with other Central Government servants were further revised and the conditions of service liberalised in some directions with effect from 1st July, 1959.

On the amenities side, as for other Government servants, a variety of amenities, like quarters, medical facilities, entertainment, sports and recreational facilities, educational facilities for children, etc. are now provided by the Railways to their employees.

Travel Concessions

5. The most important benefit provided by the Railways to their employees, and with which the Committee deal in this Report, is the grant of travel concessions for the employees and the members of their families. The Railway staff are stated to have been enjoying some travel concessions since the inception of the Railways in India over a century ago. The Ministry of Railways have informed the Committee that travel concessions to the railway employees are "a

measure of staff welfare benefits," generally known as "fringe benefits" in personnel management. Explaining the rationale behind the grant of travel concessions, the Ministry of Railways in a written note have stated:—

"While the staff of the Central Government enjoy certain public holidays in the year, the large army of line staff, which constitutes the vast majority of railwaymen, do not have a single public holiday; nor do they get any overtime allowance for working on public holidays except the few national holidays. Even this would be under-stating the situation. Railwaymen in the country are a large family consisting of over 13 lakhs of men and women engaged in a variety of tasks all over the country, all very important both in their individual ways and also as a conglomerate of efforts which go to generate rail transportation. The rigours of work for staff working in railway yards and workshops, in maintaining track and bridges, in running trains or in working on signal gentries and overhead electric installations, are well known. All these and many more toil day and night, under the scorching sun, in cold and rain, to keep trains moving.

The railwaymen do work from a spirit of participation in a national endeavour of providing transportation. The leave travel facilities provide a measure of fringe benefit, even though largely incommensurate with the general service conditions of the majority of the railwaymen. Even this fringe benefit is not a case in isolation but is provided in various measures, in the country and outside, to employees of other government departments, of other transport organisations, as also of other railway administrations. Everywhere, the genesis of the benefit has been similar consideration of providing some sort of compensation for the working conditions of the railwaymen, under a general awareness of the principles of fringe benefits.

The rationale behind the leave travel benefits, therefore, has been a recognition of the fact that on the railwaymen's loyalty and sense of pride in his job lie the safety of millions of passengers. It appears to have been realised that mere payment of wages would not be adequate. What was essential was to make the railwayman feel that he is part of an organisation which, in a sense, is essentially his own. He has to find and feel himself as part of a brotherhood of railwaymen, and to take pride in their

common objective. It appears to have been realised that to permit him to travel free is one of the easiest methods of making the railwayman feel that the organisation is his own, that he is a part of it. If he has to pay for his travel in a train which he has come to regard with a certain sense of pride, he would feel that he is an alien, a mere labourer. Thus the grant of the concession of free travel appears to have been recognised as a means of ensuring the continued loyalty of the employee without which such a vast and complicated organisation cannot run. It would not do to make the railwayman feel that he is nothing more than a hired labourer."

During the course of evidence, the representative of the Ministry of Railways has, however, clarified that the privilege of travel concessions is not included in the terms and conditions of service of the railway employees. The representative of the Ministry has also stated that it is in the nature of a convention with a separate set of pass rules to regulate their issue. No statutory authority has been quoted in support of this concession.

The Ministry of Railways have stated that the privilege of free or concessional travel on passes and PTOs to railway employees is not peculiar to Indian Railways but is an incident of Railway service all over the world and the grant of this privilege is supported by the International Labour Organisation* also. Further, the Indian Airlines Corporation, Air India and Shipping Companies also give travel facilities to their staff.

Scale of Travel Concessions

6. The travel concessions allowed to Railway employees consist of free passes which entitle the employees and their families to free travel on the Railways all over India and of Privilege Ticket Orders, which are exchangeable for ordinary tickets at one-third of the public rate.

*On being asked to furnish a copy of the relevant resolution of the International Labour Organisation, the Ministry of Railways have stated that "Sometime in 1890 an International Convention of Transport Organisations discussed this question in detail. This Ministry do not, unfortunately, have a reliable record of their discussions but it is a fact that this covenant has been respected by railway organisations all over the world."

The following scales of passes and P.T.Os were admissible to railway staff from 1st January, 1937:—

No. of Passes/P.T.Os.

Category of Staff	No. of sets* admissible per annum		
	Passes	P.T.Os.	
(i) Gazetted Officers	12	12	
(ii) Staff on the revised scales of pay:			
1st year	NIL		
2nd to 10th year	1		
11th to 20th year	2		
21st year and over	3		6
(iii) Staff on the old scales of Pay:			
2nd to 5th year	1		
6th to 15th year	2		
16th year and over	3		6

The scales of free passes and privilege ticket orders were again reviewed by the Railways in August, 1948 and revised as follows:—

Category of staff	No. of sets* admissible per annum		
	Passes	P.T.Os.	
Gazetted Officers	6	6	
Class III and IV Staff :			
(i) 1st to 5th year of service	1		6
(ii) 6th year and over	3		6

The above-mentioned scales of passes and P.T.Os. are permissible for the employees and members of their families.

*Each set covers both onward and return journeys, irrespective of distance.

In addition, free passes are also allowed for the journeys of student sons/daughters of railway employees upto a limit of six single journey passes a year per student, for travel from school or college to the railway servants' headquarters and back during vacations. On certain sections (Suburban) of the railways, free residential card passes are issued to staff between the stations of their residence and place of work, wherever this practice was in vogue prior to December, 1953, and on certain other sections, concessional monthly tickets at one-third or one-fourth the public rate are issued.

Classification for travel concessions

7. The pay limits for determining the class of Passes/P.T.Os. admissible to Railway staff have also been reviewed by the Railways from time to time. The existing limits, laid down with effect from 1st July, 1959, are as follows:—

Category of Railway Servant	Class of Pass/PTO
Gazetted officers including those holding honorary rank of gazetted Officers	First class 'A'.
Non-gazetted railway servants drawing more than Rs. 300/- as pay	First Class.
Nurses and Lady Health Visitors drawing not more than Rs. 180/- but not more than Rs. 300	
Other non-gazetted railway servants drawing more than Rs. 180/- but not more than Rs. 300-as pay	Second Class.
All other non-gazetted railway servants drawing not more than Rs.180/-as pay	Third Class.

Officers eligible to First Class 'A' can also travel in air-conditioned coach by making payments as follows:—

(i) On Free Passes	By paying 1/3rd of the difference between I Class and A.C.C. fares.
(ii) On P.T.Os.	By exchanging them for tickets on payment of one-third of A.C.C. fares.

A rough estimate of the number of serving railway employees eligible to passes and P.T.Os. of different classes is as follows:—

Class of accommodation	No. of employees
I	47,000
II	1,17,000
III	11,86,000
TOTAL	13,50,000

Travel concessions for retired Railway employees

8. For retired Railway employees, no P.T.Os. are admissible, but free passes are given for the retired employee and his family according to the following scale, a class IV employee being eligible for passes for himself and his wife only but not for children:—

		Number of sets of passes admissible for year
(a) (i)	For employees of Class I and Class II service with 20 years' service and less than 25 years' service . . .	2
(ii)	For employees of Class I and Class II Service with 25 years' service and over . . .	3
(b) (i)	For employees of Class III Service with not less than 20 years' service. . .	1
(ii)	For employees of Class III service with 30 years' service and over . . .	2
(c)	For employees of Class IV Service with not less than 25 years' service . . .	Two single journey passes once in 5 yrs.

Travel concessions for Railway employees on deputation

9. The benefits of privilege passes including school passes and privilege ticket orders are also extended by the Railways to Railway officers on deputation to other departments for periods not exceeding four years which is treated as the final limit. Where an employee continues on deputation beyond four years, pass privilege may be

continued only if the employer is prepared to bear the cost of passes actually issued. Where the employer is not prepared to bear the cost, the employee is entitled only to privilege passes, if any, on the same scale as if he had retired from railway service on the date on which he completed 4 years of deputation. In cases where he has not become eligible for privilege passes as on retirement at the completion of 4 years of deputation, he will get passes as for retired staff when he does complete the prescribed years of qualifying service for retirement passes, all service on deputation from the Railways being counted as Railway service for the purpose of such passes.

The Committee have been informed that the total number of Railway Officers on deputation to other departments is 126. Only 12 among these officers have been outside the Railway Department for more than four years. Out of them, 10 had rendered about 16 years service and over at the time they went out on deputation.

Extent of utilisation of Passes/PTOs.

10. With reference to the incidence of the travel concessions on Railway Revenues, the Ministry of Railways have informed the Committee in a written note that the Railway employees do not often utilise all the sets of passes of P.T.Os. admissible to them each year. Asked whether any statistics are maintained by the Railways regarding extent of utilisation of free passes and PTOs., the representative of the Ministry has stated in evidence that these figures are not compiled by them. When, at the end of the journey, the pass is handed over by the person concerned at the destination station, no indication is given on the pass as to how many of the persons covered by the pass had actually travelled. It has been urged that as such, it is not possible, under the existing procedure, to collect reliable statistics about the extent of actual utilisation of passes by the Railway employees. The representative of the Ministry has added that collection of such statistics would involve a great deal of clerical labour which the Railways would not be able to spare in the present situation.

The Committee are, to say the least, surprised at the reply and feel that if there is a will to do so, there are devices and methods to collect accurate statistics, without any additional financial burden.

Financial Implications

11. In regard to the financial implications of travel concessions allowed to Railway employees, the representative of the Ministry has stated in evidence that there is "no direct financial burden on the Railways" and that even the full value of the passes utilised by the

Railway employees could not be treated as an indirect financial burden because it could not be assumed that the entire accommodation on the particular train would have gone fully booked but for the railway employees taking away certain accommodation for their free travel. The representative of the Ministry has clarified, however, that it is not as if there is no impact but that it is extremely difficult for the Railways to make any accurate assessment of the actual impact or the actual financial burden which the Railways are called upon to bear.

However, in a written note furnished to the Committee it has been stated that in 1962, a sample survey was made on the Northern Railway to determine the money value of passes and P.T.Os. issued to Railway staff and, on that basis, a notional analysis of the financial effect was calculated by the Railways. On the basis of this analysis, the total annual effect for Indian Government Railways as a whole was reckoned to be about Rs. 8 crores for passes and about Rs. 70 lakhs for P.T.Os., the amount pertaining to gazetted officers being only about Rs. 42 lakhs.

In the absence of any statistics maintained by the Railways which could enable a calculation of the exact value of the free passes and P.T.Os. availed of by Railway employees, the Committee have, on information available in published documents of a statistical character made a rough calculation. The annual value of the passes and P.T.Os. issued to Railway employees would work out to about Rs. 17.39 crores (optimum figure) as per calculations given below:

Total number of Railway employees	13.5 lakhs
Average size of family of each employee (census figures)	5 members.
3 sets of free passes (outward and return) per family member per year	equals 6 single journey free passes per family member per year.
Total number of free journeys	13.5 lakhsx5x6 or 4 crores.
Average load per passenger	73.7 K.Ms.
Approximate III Class fare for 73.7 K.Ms.	Rs. 1.85
Total cost of free passes	4 crores journeys x Rs. 1.85 or Rs. 7.40 crores.

On the above basis the total cost of 6 sets of PTOs.

(equivalent to $6 \times 2/3$ or 4 sets of free passes or 8

single journey free passes) will work out to be .

Rs. 9.99 crores.

Total cost of travel concessions

Rs. 17.39 crores.

Unless disproved by the Railways' own accurate statistics, the above figures may be considered as the incidence of maximum loss to the Railway revenues as a result of the travel concessions allowed to the Railway staff.

Misuse of Passes/P.T.Os.

12. The information regarding cases of misuse of Railway Passes/PTOs. is kept by the Zonal Railways concerned and is not centrally compiled in the Railway Board. However, the following information for the last three years in respect of the Eastern Railway alone indicates that such an evil does exist:—

No. of staff detected misusing the passes/PTOs.	Nature of punishment awarded
1 (First Class)	Removed from service.
1 (First Class)	Stoppage of Passes and P.T.Os.
1 (Second Class)	Departmental action pending.
1 (Third Class)	Reduction in rank.
10 (Third Class)	Departmental action pending.

Comparison with other Central Government employees

13. The most remarkable feature of the travel concessions allowed to Railway employees is the extent of disparity between these concessions and the travel concessions allowed to other Central Government employees on the civil side. As against the travel concessions for Railway employees detailed in the earlier paragraphs, the other Central Government employees on the civil side are allowed only leave travel concessions once in a period of two calendar years for visiting their home towns. This concession covers the government employees and their families, but is not admissible in the case of employees of the first, second and third grades whose "homes" are situated within a distance of 400 kilometres and those of the fourth grade whose "homes" are situated within a distance of 160 kilometres from their headquarters. The employees covered by the leave travel concession have themselves to met the entire cost of the fares for the initial 400 kilometres (160 kilometres in the case of employees of the fourth grade) on each of the outward and return

journeys. Government meets the entire fare for the remaining distance (i.e., distance over the initial 400/160 kilometres). The class of railway accommodation to which an employee and his family are entitled to travel under leave travel concessions is the class to which he is entitled under the normal travelling allowance rules.

Pay scales and other service conditions

14. The Committee desired to know as to how the pay scales of Railway employees compared with those of the employees in other Civil Departments of the Government of India. In this connection, the representative of the Ministry has stated in evidence that the pay scales of Class I officers on the Railways are the same as for Class I Officers in other Central Service "although the I.A.S. and I.P.S. scales are a little higher." As regards Class III and Class IV, the pay scales of comparable posts like clerks, stenographers etc. in the Railways are also the same as in other Departments of the Government of India. However, there are other categories of staff like drivers, train examiners, guards, which are special to the Railways and which have been allotted various scales by the Pay Commission. As these categories are special to the Railways, no comparison with other departments could be drawn in their case.

In regard to pay scales in the Railway Board Office, the representative of the Ministry has stated that while the Members and Additional Members of the Railway Board and the seven Directors (including the Secretary and the senior Directors) draw equal pay as the corresponding officers of the Civil Secretariat, the other officers draw their Railway pay plus a deputation pay the amount of which is Rs. 250/- per month in the case of Directors, Rs. 200 in the case of Joint and Deputy Directors, and Rs. 150 in the case of Assistant Directors.

As regards other service conditions, the representative of the Ministry has stated in evidence that broadly speaking in the matter of conditions of service like housing accommodation, medical facilities and educational facilities, the Railways have been following the same policy as is applied to other civil departments. However, in the matter of leave, while the leave rules applicable to Railway employees are the same as for civilian employees of other Departments, certain categories of Railway employees do not enjoy the same number of holidays as other civilian employees. The line staff on the Railways are allowed only three national holidays or some other days in lieu thereof or, if that is not possible, 1-1/2 days pay for each such day's work. The other workshop staff are given 15 holidays in a year. The representative of the Ministry has added that except for the difference in regard to travel concessions, the Railway employees,

other than those in special categories or in whose case the duties are arduous, the Railway employees are at par or of equal status as compared with any other Department.

The Committee have not enquired into the average amount of leave taken by the Railway staff. But there is little doubt that the number of passes and P.T.O. concessional tickets can act as an inducement to the employees to avail themselves of the maximum amount of leave permissible to them and spread out the use of passes throughout the year to the detriment of efficiency and leading to overcrowding on Railway trains.

Travel Concessions to employees working in the Railway Board/ Headquarters of Zonal Railways

15. Asked about the justification for grant of travel concessions to non-technical staff, *viz.* the Secretariat staff working in the Railway Board and in the Headquarters offices of the Zonal Railways, the representative of the Ministry has stated in evidence that the number of such staff is very low as compared to the large number of staff working on the Railways and that such staff is not interchangeable with the staff working in other Ministries of the Government of India. It has been added that even in the Railway Board and Headquarters offices of Zonal Railways, a majority of the staff is such as had a technical background and had worked in other Railways and had come to those offices on deputation. Such officers are performing certain technical functions even while working in Secretariat posts. As such, all Railway officers, including those working in the Railway Board and Headquarters offices of Zonal Railways are given the same travel concession as other Railway employees.

Travel Concessions for new entrants

16. The Committee desired to know whether it was not possible for the Railways to deny travel concessions to new entrants to Railway service. In this regard, the representative of the Ministry has expressed the view that while there is no legal difficulty in doing so, such a course would give rise to discontentment among the new entrants as the old recruits, working side by side with them, would be enjoying those concessions. Such discontentment is likely to raise difficulties in the matter of discipline, loyalty, etc.

Consideration by the Second Pay Commission

17. The question of disparity between the travel concession allowed to Railway employees and those allowed to other Central

Government employees was also thoroughly examined by the Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59. The observations, conclusions and recommendations of the Commission were as follows:-

"There is little doubt that the travel privileges allowed to Railway employees are conspicuously extravagant, and in large part indefensible. The only reason, or the semblance of reason, put forward in support of them is that they are traditional privileges of railwaymen. Apart from being a feeble reason, this is not wholly correct even factually, as will be shown presently. It has also been stated that this privilege of free passes and travel at concession rates is prevalent to varying extents in other countries too, such as Britain, France and Germany. There is another argument—not usually advanced, but perhaps of somewhat greater validity—that is that these privileges might be treated as some sort of a compensation for the exacting requirements of railway operation. It is true that while other staffs of the Central Government enjoy 15 to 23 public holidays in the year, the operating staffs on the Railways do not have a single public holiday; nor do they get any overtime allowance for working on public holidays as such. The workshop staffs in the Railways have about 15 public holidays, but no casual leave, and though, probably, not worse off than most other workshop staffs in these matters, they also might be considered eligible for some special privileges. But the rest of the employees of the Railways stand on the same footing as the other Central Government employees; and even in the case of the operating and workshop staffs of the Railways, the extent of the present concessions would appear to be clearly excessive.

* * * *

There is in our view a clear case for a drastic curtailment of the travel concessions allowed to Railway employees. It is said that a considerable proportion of the free passes and Privilege Ticket Orders are being used by persons not entitled to use them, and that the reason is that the concessions are in excess of the normal requirements of an employee and his family. In the absence of any supporting evidence, we cannot accept a wide damaging statement of this kind. But on the other hand, if only a proportion of the passes and the Privilege Ticket

Orders are being used then the present high limits are serving no useful purpose, and are only causing a great deal of heart-burning among other employees.

We, therefore, recommend that the travel concession at present granted to Railway servants should be curtailed as stated below:—

- (i) only one set of passes should be admissible;
- (ii) the number of Privilege Ticket Orders should be reduced to two sets, of which one should be available only for journeys between the place of work and the home-town of the employees."

18. The Ministry of Railways have informed the Committee that the above recommendations of the Second Pay Commission were duly considered by them but owing to "unfavourable conditions prevalent since 1961" and the "adverse reaction from the strongly organised labour," it was not considered opportune to accept the recommendations.

Conclusions

The Committee are unable in the absence of any statistics to agree with the representatives of the Ministry of Railways that there is no direct financial burden on the Railways owing to the grant of travel concessions to the railway staff. Also the contention of the Ministry of Railways that the general occupancy ratio on railway trains provides a cushion within which the facility of free travel concessions could be available hardly appears convincing in view of the existing pressure on accommodation, particularly in the higher classes, and the continued over-crowding in trains. The very fact that seats and berths have got to be reserved in advance—in some cases as much as 30 days in advance, and there is always a long waiting list, go to show that there is considerable pressure on the accommodation available in trains. The position surely becomes difficult when on the top of this pressure a large number of railway staff undertake journeys by utilising their P.T.Os. and free passes.

The Committee feel that it should have been possible for the Ministry to ascertain the financial implication of the grant of travel concessions to their employees if only the Railways had maintained adequate statistics relating to the actual utilisation of passes and P.T.Os. The Committee are unable to understand why no statistics worth their name are being maintained by the Railway Administration in this regard. They desire that such statistics should be maintained with immediate effect and feel that it should be possible to do so without incurring additional expenditure, as it is only a

matter of appropriate administrative procedures and arrangements. Parliament should be informed every year about the financial implication of these concessions, and it should also be indicated in the Annual Reports of the Railways.

Statistics have not been advanced by the representative of the Ministry in support of the plea that the railway employees do not often utilise all the sets of passes or P.T.Os. admissible to them in each year. If it is true that they use the travel concessions sparingly, this itself is a ground for curtailment of the present high rate of concessions as already suggested by the Second Pay Commission in their Report.

The Committee are of the view that the contention that because the Railway employees are serving the Railways they should have special travel concessions for journeys on Railways cannot be fully sustained as the employees of other commercial departments of the Government can claim similar concessions for themselves and members of their families. Moreover, the conditions of service, scales of pay, medical and housing facilities of the Railway employees are now no longer at variance with those enjoyed by the employees of other Ministries and Departments of the Central Government. There is therefore no justification whatsoever for such a high scale of free travel passes and privilege ticket orders. While the Committee accept that some facilities and concessions may be allowed to the employees of the Railway organisation in the shape of free travel concession and privilege ticket orders, they are unable to agree that the present high scale of concessions should be continued or perpetuated in our economy.

The Committee note that the Second Pay Commission (1957-59) had, after due consideration of facts urged by the Railway administration and its employees, recommended curtailment of the travel concessions allowed to Railway employees to two sets of P.T.Os. and one set of free passes per year. The Railway Board have since then not considered it opportune to accept the recommendations of the Pay Commission. It is also not clear as to at what level the matter was decided by Government. In the circumstances, the Committee regret to say that the explanations given by the representatives of the Ministry of Railways for the non-implementation of the recommendations of the Pay Commission are not convincing.

Considering, therefore, the low utilisation of the sets of free passes and P.T.O. concessions by the Railway staff (as claimed by the Ministry of Railways), the great demand from the travelling public for seats and berths on almost all the main railway routes, the

possible adverse effect on the earnings of the Railways from passenger traffic and the present unsatisfactory position of the Railway finances, the Committee feel that there is a strong case for the curtailment of the existing liberal scales of travel concessions available to Railway employees.

The Committee would, therefore, suggest that suitable reductions should be made by the Ministry of Railways in the number of free passes and P.T.Os. at present allowed to serving Gazetted Officers (Class I and Class II) so as to bring them at par with those being allowed to Class III and Class IV employees.

As regards the concessions given to the retired Railway employees, the Committee suggest that suitable reductions should be made in the number of free passes being allowed to Class I, Class II and Class III Officers, with a view to effect economy and bring about uniformity.

The Committee suggest that as a temporary measure the reduced number of free passes and privilege ticket orders may be introduced for a period of three years in the first instance, with maintenance of accurate statistics of their utilisation. At the end of two years, a review of the results, especially the financial effects of the reduction on the earnings of the Railways, may be made and a report furnished to the Committee.

NEW DELHI;
February 23, 1968.
Phalguna 4, 1889 (Saka).

P. VENKATASUBBAIAH,
Chairman,
Estimates Committee.

APPENDIX I

Aide Memoire furnished by the Ministry of Railways on travel concessions allowed to railway employees.

The travel concessions to various classes of railway employees as they stand today have been settled through an evolutionary process. They are a cherished privilege of the employees and accord not merely with international practice on Railways but also with similar concessions allowed in other Transport Undertakings to their staff (Airlines, Shipping Companies etc.).

The employer-employee relationship on Indian Railways has been particularly amicable even in the recent years of labour unrest. In many other fields and it would be most undesirable to introduce a point of grievance arising out of curtailment of an existing privilege, traditionally enjoyed over many decades. It may be pointed out that on an earlier occasion when, in connection with the consideration of the relevant recommendation of the Jagannath Dass Pay Commission, the matter was discussed with the Labour Federations, they were strongly opposed to any scheme of curtailment. (A copy each of the memoranda submitted at that time by the two Federations is enclosed—Annexure 'A' and 'B'). The resistance to our attempt to curtail the privilege at the present juncture would, if anything, be more intense. There are already persistent demands for extra benefits which gain added force in the context of the difficult living conditions and it would be most imprudent to open a new area of argument, by curtaining an existing traditional privilege. If the Federations demand cash compensation for the travel concessions withdrawn, it would cost the Government substantially more.

One plausible argument in favour of curtailment of the existing level of privileges has been that it has been stated that the full scale of concessions are not always availed of by the employee concerned and that, therefore, curtailment should cause no hardship. It may be explained that, while as a statistical average, the overall utilisation may not be to the full extent of entitlement, the utilisation by each individual employee depends upon various factors like his own family circumstances, the place of his posting in relation to his home town etc. and these factors can vary from year to year in

respect of any employee. One circumstance, which largely regulates that the utilisation of the concession is only where it is essential, is the incidental expenditure involved in journeys etc.

Suitable instructions are, however, being issued to the Railways for compilation of data regarding the actual utilisation of passes & P.T.Os. by Railway employees during the financial year 1968-69.

ANNEXURE 'A'

Note on Recommendations of Jagannatha Das Pay Commission—Curtailment in the Scale of Passes etc., and travelling allowance on Transfer, submitted to the Ministry of Railways by the General Secretary, All India Railwaymen's Federation.

The recommendations of the Second Pay Commission in respect of the scale of passes and transfer allowances must be viewed from the view point of their necessity as well as from their historical context.

The privilege of Passes and Privilege Ticket Orders to Railway employees is a concession that is by no means peculiar to the Indian Railways. In all forms of employment certain privileges that the employer can easily give are made available to their employees, and this has taken form of amenities and privileges. The Scindia Steam Ship allows its employees free passage to any place where their services call. The Indian Air Lines Corporation grants to its members free air travel to any destination it serves and even Air-Indian International allows all the Class III employee free air travel to any part of the World where its services go. Since this is the practice of the world over, it is unnecessary for any class of employees in this country to look enviously upon this small privilege that Railwaymen enjoy. It can be said that these privileges are adventitious and peculiar to each type of service.

The privileges of Passes, P.T.O. and free transport on transfer have been enjoyed by railwaymen from the very beginning of the Railways in India. To now look upon it as something of an extraordinary nature of privilege would be entirely unjustified. They have been obtained through the past years, through the actions of the trade unions movement as well as by following international usage.

Every Railway service the world over not only provides these facilities in ample and corresponding measure to their employees, but also has a system of mutual offer of these services to the employees of other railways from other countries. The 7th Session of the Inland Transport Committee of the International Labour Organisation held in Geneva in 1961, has stated that.

“Every administration has drawn up a schedule specifying in detail the facilities to which each category of beneficiary is entitled.

The employees themselves usually have free passes for the entire network. The members of their families are usually entitled to a fixed number of free tickets per year or to cards entitling them to substantial fare reductions, and sometimes to both. The amount of facilities supplied also depends on the length of service of the person in respect of whom they are granted. In some cases luggage is also transported free of charge. Another facility of this type is the free or privilege passes given to employees living on the outskirts of a town and who travel to and from their workplace by rail every day. In some countries similar facilities are given to the children of employees who travel to and from school regularly by rail.

In Pakistan if an employee or a member of his family falls ill a "medical" pass is given to him to enable him to travel to the nearest hospital.

In Europe, as a result of agreements concluded between the different railway companies, employees of nearly all the railway networks in Western Europe can obtain travel facilities on all the networks other than those to which they belong. However, the facilities of this kind granted to members of employees' families are more restricted or fewer in number than those granted on the home network. For many years the ability to travel abroad in this way gave railwaymen and their families opportunities for travel which other workers were rarely able to enjoy." (The Report on 'General Conditions of Work of Railwaymen'—page 130).

Another argument in favour of the continuation of these amenities and privileges is that they are a necessity because of the peculiar conditions of service of railwaymen. A large section of railway employees are constantly being transferred due to exigencies of service, and also as a matter of policy in order to prevent corruption that may arise because of constant stay in one place. Because of the very acute scarcity in accommodation all over the country, the employee on transfer is not able to take the family along with him to his new place of work, and this is a particularly impossible because the railway does not provide such employees accommodation on transfer. Moreover, because of the peculiarity of local conditions in our country transfer very often involves shifting from one linguistic area to another, and when this transfer takes place, it is not possible for railwaymen to shift his family because it would interrupt the education of his children in the

regional language which obtains in the place at the moment of transfer, he is forced to leave his family behind and carry out his transfer thus living a very isolated life. He can only compensate for this by frequent visits to his family and this is why the number of passes and PTOs are required to compensate him for this isolation from family life. It will be interesting to read the following report of the 7th session of the Inland Transport Committee of the ILO, held in 1961, on "Social Consequences of Changing Methods and Techniques in Railway and Road Transport."

In a memorandum of agreement between the Union and the Rail Road Company, it has been stated—

"The 'Washington Agreement', previously referred to, provides, in the case of employees transferred as a result of a 'merger', for a moving allowance, reimbursement of all travelling costs for the employee and his family, moving of household goods, etc., and compensation for loss on sale of home, under specified conditions.

The French Railways endeavour to limit as much as possible transfers which require employees to change residence. This is particularly important at a time when housing is everywhere a serious problem. However, a number of considerations are taken into account when such a change must be made: (a) the personal situation of each man is taken into account in determining the order in which he is to be transferred; (b) men transferred are granted a moving allowance to cover the movement of their household effects as well as a change of residence allowance and, where necessary, an allowance in lieu of lodging; (c) in any case, the administration seeks to obtain suitable accommodation for displaced workers in the shortest time possible. In consequence of these various measures, men who are required to move are at least spared financial loss.

In view of the disruption that transfers may cause in a man's life, it is customary in many countries to consult as far as possible the wishes of the personnel involved, particularly if they have long service, are married or have dependants. Such is, for example, the practice in the Federal Republic of Germany, the Netherlands, Sweden and the United Kingdom.

In a number of countries, steps are taken to protect acquired rights of transferred employees. In Italy, for instance,

workers are guaranteed maintenance of their acquired rights as far as possible by a number of appropriate statutory provisions. Again, in the Netherlands, if a man whose turn it is to be transferred is on point of being promoted within his former post, he retains his right to promotion in the new post. In Belgium, railwaymen upto the time of rationalisation have been entrusted with duties higher than those attached to their actual post and who consequently face demotion, are, on transfer granted definite appointments in the higher grade provided they had held such a post for at least six months." (Page 98).

Since it is an amenity justified by historical and international usage there is no need to curtail it, and this view point is shared by India's Prime Minister who made a statement to this effect during the debate in Parliament on 9th August, 1960 on the strike of the Central Government employees.

It now remains to consider whether these privileges are abused. The report of the Second Pay Commission (on page 496) says that the incidence of utilisation of these privileges is not so heavy. It only proves how sparingly these privileges used by railwaymen. in spite of the fact that out of 6492 Stations, 4452 are way-side stations without any amenities and remote from populations. The small incidence of their utilisation is, an argument is continuation of these privileges, rather than a justification for their abolition. The number only ensures adequate provision, but its utilisation has been governed by necessity only and by the sense of responsibility of railwaymen.

ANNEXURE 'B'

Memorandum submitted by the National Federation of Indian Railwaymen to the Railway Ministry regarding Travel Concessions being allowed to Railwaymen

1. *Curtailment of existing privileges contrary to the spirit of arbitration.*

Even before the publication of the Pay Commission's Report, the NFIR through the resolutions adopted by its General Council and the General Body had stressed that while accepting the recommendations of the Pay Commission as an Arbitrator's Award, the privileges and facilities enjoyed by the staff immediately prior to the appointment of the Pay Commission should in no way be curtailed. This suggestion was made in the context that no Arbitrator could give an award adversely affecting the working conditions of the employees, especially when the employer had made no demand to that effect. Either at the time of the appointment of the Pay Commission or thereafter, the Government had not made any demand on the employees for any cut in their existing privileges. Under this circumstance the Federation is of the opinion that whatever be the reasons, the Pay Commission stepped wide in recommending, the cut in the travelling concessions being allowed to Railwaymen. In this background the NFIR feels that the Government should not accept this recommendation for curtailing the travel concessions being allowed to Railwaymen.

2. *Travel concessions, a century old international convention*

The NFIR finds itself unable to agree with the various reasons advanced by the Pay Commission for curtailing the travel concessions. In the considered opinion of the NFIR the Pay Commission, while recommending the curtailment of existing travel concessions, clearly overlooked the nature of the railway transport industry, the traditions, international practices and conventions in the railway transport organisations all over the world.

The safety of millions of passengers and the goods depends on the sense of duty and loyalty of the Railwaymen to their organisation. It was after taking into consideration these particular factors that the Administration in their wisdom allowed this concession to the railwaymen to inculcate in them a feeling of their being an integral part of the machinery which they help to work—in other words a feeling of oneness with the Railways. As a matter of fact, with this

very idea the International Convention of Transport Organisation held in 1890 decided to allow travel concessions to railwaymen.

The travel concessions to railwaymen are not peculiar to this country alone. Railway organisations all over the world allow such a facility to their employees. Railway organisations of one country have even reciprocating arrangements with those of the other countries for allowing such travel concessions. Travel concessions have thus been an internationally honoured convention.

3. *Travel concessions in India, not more liberal.*

The observation of the Pay Commission that the travel concessions being allowed to Railwaymen are extravagant, is not based on any fact. Actually the facts are otherwise.

The travel concessions being allowed to railwaymen in India at present are not more liberal than those allowed to the railwaymen in many other countries.

4. *A matter of right.*

Since the very inception of the Indian Railways the travel concessions in the form of passes and PTOs and other privileges are being allowed to the employees. In the background of this tradition, travel concessions have formed a part of the working conditions and as such they form a matter of right. Hence there should not arise any question of curtailment of these concessions.

5. *Equalisation of conditions neither desirable nor necessary.*

The Second Pay Commission while admitting that the standardisation of working conditions of all departments irrespective of the nature of their work is neither possible nor feasible, recommended the reduction in the number of passes and PTOs allowed to the railwaymen mainly on the ground that such a privilege is not given to other Central Government employees. The Committee have also said that this benefit is highly exaggerated and creates a heart-burn amongst the employees in the other departments. The NFIR considers that the comparison between the employees of one department and the others where the nature of work is *inherently* different, is not desirable and may even lead us to wrong conclusions. Even otherwise the Pay Commission does not appear to have taken all facts into consideration.

6. *Railwaymen's conditions of work less advantageous.*

The Railway Industry runs round the clock. Railwaymen are spread along 37,000 miles of track which run through all sorts of terrains habitable or otherwise, through-out the length and breadth of the country.

Zonal Railways on the Indian Railways cut across the geographical & linguistic boundaries. For example the Southern Railway runs through five States; the Central Railway starts from Delhi and spreads up to Bezwada covering a thousand and odd miles. On an average every Indian Railway has a route mileage of 6,000 miles and over and employees are transferable from one place to the other beyond their linguistic areas. As a matter of fact a railwayman entering service is liable to be transferred from any station to any station on the Indian Railways.

While the privileges of festival and other public holidays are allowed to all the employees in other departments, the same are not allowed to a vast majority of railwaymen. Nearly 80 per cent of the staff are having no benefit of any public holiday at all.

Employees in other departments have had clear advantages over the railwaymen, in the case of Travelling Allowance and Daily Allowance. There is a wide disparity between the T.A. and D.A. benefits allowed to the railwaymen and to those working in other departments.

7. Travel concessions are not peculiar to the Railways alone.

Moreover such travel concessions are not peculiar only to the Railways. The Airline Companies provide such a facility to their employees and we learn that the Steam Navigation Companies provide free travel facilities to their employees.

8. Curtailment of travel concessions not conducive to industrial peace.

The Pay Commission was appointed in the background of the demands of the employees for improving their wages and working conditions. The abrupt and arbitrary recommendation of the Pay Commission to curtail certain existing privileges and facilities has created deep resentment amongst the Railwaymen. The NFIR would emphasise that any curtailment in the travel concessions as recommended by the Pay Commission will prove highly detrimental to the cause of industrial peace on the Indian Railways.

APPENDIX II

Statement showing the summary of Conclusions/Recommendations of the Estimate Committee contained in the Report.

Serial No.	Reference to Para No. in the Report.	Summary of Conclusions/Recommendations
1	2	3
1	10 and 17	<p>The Committee feel that it should have been possible for the Ministry to ascertain the financial implication of the grant of travel concessions to their employees if only the Railways had maintained adequate statistics relating to the actual utilisation of passes and P.T.Os.</p> <p>The Committee are, to say the least, surprised at the reply of the Ministry that it is not possible, under the existing procedure, to collect reliable statistics about the extent of actual utilisation of Passes and P.T.Os by the Railway employees, and are unable to understand why no statistics worth their name are being maintained by the Railway Administration in this regard. The Committee feel that if there is a will to do so, there are devices and methods to collect accurate statistics without any additional financial burden as it is only a matter of appropriate administrative procedures and arrangements. The Committee desire that such statistics should be maintained with immediate effect and Parliament should be informed every year about the financial implication of the travel concessions allowed to Railway employees, and it should also be indicated in the Annual Reports of the Railways.</p>
2	11 and 17	<p>The Committee are unable, in the absence of any statistics, to agree with the Ministry of Railways that there is no direct financial burden on the Railways owing to the grant of travel concessions to the railway staff. Also the contention of the Ministry of Railways that</p>

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the general occupancy ratio on railway trains provides a cushion within which the facility of free travel concessions could be available hardly appears convincing in view of the existing pressure on accommodation, particularly in the higher classes, and the continued over-crowding in trains. The very fact that seats and berths have got to be reserved in advance—in some cases as much as 30 days in advance, and there is always a long waiting list, go to show that there is considerable pressure on the accommodation available in trains. The position surely becomes difficult when on the top of this pressure a large number of railway staff undertake journeys by utilising their P.T.Os. and free passes.

In the absence of any statistics maintained by the Railways which could enable a calculation of the exact value of the free passes and P.T.Os. availed of by Railway employees, the Committee have in para 11 of their Report made a rough calculation on the basis of the information available in published documents of a statistical nature (*viz.* total number of Railway employees, average size of a family in the country, average lead per Railway passenger etc.). According to this calculation, the total cost of travel concessions allowed to Railway employees works out to an optimum figure of Rs. 17.39 crores per year. The Committee feel that unless disproved by the Railways' own accurate statistics, this figure may be considered as the incidence of maximum loss to the Railway Revenues as a result of the travel concessions allowed to the Railway staff.

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Statistics have not been advanced by the Ministry in support of the plea that the Railway employees do not often utilise all the sets of passes or P.T.Os. admissible to them in each year. If it is true that they use the travel concessions sparingly, the Committee feel that this itself is a ground for curtailment of the present high rate of concessions as already suggested by the Second Pay Commission in their Report.

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The Committee are of the view that the contention that because the Railway employees are serving the Railways they should have special

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travel concessions for journeys on Railways cannot be fully sustained as the employees of other commercial departments of the Government can claim similar concessions for themselves and members of their families. Moreover, the conditions of service, scales of pay, medical and housing facilities of the Railway employees are now no longer at variance with those enjoyed by the employees of other Ministries and Departments of the Central Government. There is therefore no justification whatsoever for the existing high scales of free travel passes and privilege ticket orders. While the Committee accept that some facilities and concessions may be allowed to the employees of the Railway organisation in the shape of free travel concession and privilege ticket orders, they are unable to agree that the present high scale of concessions should be continued or perpetuated in our economy.

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The Committee note that the Second Pay Commission (1957-59) had, after due consideration of facts urged by the Railway administration and its employees, recommended curtailment of the travel concessions allowed to Railway employees to two sets of P.T.Os. and one set of free passes per year. The Railway Board have since then not considered it opportune to accept the recommendations of the Pay Commission. It is also not clear as to at what level the matter was decided by Government. In the circumstances, the Committee regret to say that the explanations given by the Ministry of Railways for the non-implementation of the recommendations of the Pay Commission are not convincing.

Considering the low utilisation of the sets of free passes and P.T.O. concessions by the Railway staff (as claimed by the Ministry of Railways), the great demand from the travelling public for seats and berths on almost all the main railway routes, the possible adverse effect on the earnings of the Railways from passenger traffic and the present unsatisfactory position of the Railway finances, the Committee feel that

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there is a strong case for the curtailment of the existing liberal scales of travel concessions available to Railway employees. The Committee would, therefore, suggest that suitable reductions should be made by the Railways in the number of free Passes and P.T.Os. at present allowed to serving Gazetted Officers (Class I and Class II) so as to bring them at par with those being allowed to Class III and Class IV employees.

6 14 The Committee have not enquired into the average amount of leave taken by the Railway staff. But there is little doubt that the number of passes and P.T.O. concessional tickets can act as an inducement to the employees to avail themselves of the maximum amount of leave permissible to them and spread out the use of passes throughout the year to the detriment of efficiency and leading to overcrowding on Railway trains.

7 17 As regards the travel concessions given to the retired Railway employees, the Committee suggest that suitable reductions should be made in the number of free passes being allowed to Class I, Class II and Class III retired officers, with a view to effect economy and bring about uniformity.

8 17 The Committee suggest that as a temporary measure the reduced numbers of free passes and privilege ticket orders may be introduced for a period of three years in the first instance, with maintenance of accurate statistics of their utilisation. At the end of two years, a review of the results, especially the financial effects of the reduction on the earnings of the Railways, may be made and a report furnished to the Committee.

APPENDIX III

Analysis of recommendations in the Report.

I. CLASSIFICATION OF RECOMMENDATIONS:

A. Recommendations for effecting economy:

S. Nos. 5 (read with S. No. 2), and 7.

B. Miscellaneous recommendations:

S. Nos. 1, 2, 3, 4, 6, 8.

II. ANALYSIS OF MORE IMPORTANT RECOMMENDATIONS DIRECTED TOWARDS ECONOMY:

S. No. as per Summary of Recommendations (Appendix II)	Particulars
I	2
5 (read with S. No. 2)	According to a rough calculation made by the Committee, the total (optimum) cost of the free passes and P.T.Os. at present being allowed to Railway employees and their families for journeys on Railways all over India works out to Rs. 17.39 crores per year. The Committee recommend that suitable reductions should be made by the Railways in the number of free passes and P.T.Os. at present allowed to serving Gazetted Officers (Class I and Class II) so as to bring them at par with those being allowed to Class III and Class IV employees.
7	The Committee recommend that suitable reductions should be made in the number of free passes being allowed to Class I, Class II and Class III retired Officers, with a view to effect economy and bring about uniformity.

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PUBLISHED UNDER RULE 382 OF THE, RULES OF PROCEDURE AND CONDUCT OF
BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED BY THE GENERAL MANAGER,
GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI.
