

**Speech of Shri Madhu Dandavate  
Introducing the Railway Budget  
for 1977-78, on 11<sup>th</sup> June 1977**

Mr. Speaker,

I rise to place before the House the Annual Financial Statement for the Indian Government Railways showing the estimated receipts and expenditure for the year 1977-78.

2. After adoption of the Interim Budget presented on the 28th March 1977, I met representatives of trade unions, Industry and Passenger Associations, and also some eminent economists with a view to understanding their genuine grievances about the working of railways and inviting from them concrete suggestions to improve Railways' performance.

3. After these fruitful discussions, I have been thinking of streamlining the administrative machinery of the Railways and of providing better amenities and facilities to the travelling public, particularly the second class passengers.

### **Budget Estimates 1977-78**

4. At the very outset I would like to inform the House that I have fulfilled the time bound assurance given to Parliament in the last session that all the railway employees victimised during the May 1974 Strike would be reinstated within six weeks. I am happy to announce that the process of reinstatement, restoring the disturbed seniorities, condoning the break in service and annulling the transfers effected as a measure of punishment during the Strike, has been completed even before the promised time limit of six weeks. As a direct consequence of the better industrial climate in the Railways created by these swift steps, and as a result of the spurt in economy, the freight operation of the Railways during the weeks, which have elapsed since I presented the Interim Budget, has been even better than what was anticipated at the time of the Interim Budget. The loading in April alone is about one million tonnes more than what it was in April last year. Demands for movement of essential commodities continue to be quite heavy. In view of this improved trend, I have raised the Interim Budget target of 217 million tonnes of originating revenue earning traffic to 220 million tonnes for 1977-78. The goods earnings are accordingly now estimated to be Rs.1382.94 crores as against Rs.1362.76 crores shown in the Interim Budget. No change is envisaged in the estimate of passenger earnings, which are based on 6% growth over the previous year. The estimated receipts on account of 'other coaching' and 'sundries' also remain marginally unchanged. The gross traffic receipts have accordingly been placed at Rs.2110.24 crores against Rs. 2091.44 crores estimated earlier.

### **Working Expenses**

5. As regards ordinary working expenses, the provision of Rs. 1635.75 crores (net) made in the Interim Budget for 1977-78 has been increased by about Rs. 13 crores to provide for additional maintenance and operating expenditure due to the revised traffic target. The increased provision required under working expenses is partly offset by a small reduction of about Rs. 24 lakhs in the Railways' dividend liability due to downward revision of the Annual Plan outlay for 1977-78 consequent on a detailed review conducted since the Interim Budget was presented to the House. Taking all these factors into account, the net surplus of the Railways during 1977-78 is now expected to go up by over Rs. 6 crores from Rs.26.45 crores to Rs. 32.50 crores. Taking into account the surplus in 1976-77 which will be of the order of Rs. 65 crores and the increased surplus expected to be achieved in 1977-78, the Railways' indebtedness to the General Revenues will go down by over Rs. 37 crores, that is, from Rs. 477.18 crores, mentioned in the Interim Budget, to about Rs. 440 crores. It is a matter of great satisfaction to me that even after providing for all liabilities for the existing and additional anticipated traffic, the Railways are expected to earn a sizable surplus this year of the order of Rs. 32.50 crores. I am happy to announce that these results will be achieved without any increase at all in the railway fares and freight rates in the year 1977-78.

### **Reduction in Platform Ticket Rate**

6. I would like to mention here that the rate of the platform ticket was previously raised to 50 paise with effect from 1-4-1974. As the minimum passenger fare is only 30 paise, this increase in the rate of platform ticket has resulted in the mal-practice of some people buying the minimum journey ticket for gaining entry to the platforms. I have, therefore, decided to reduce the platform ticket rate from 50 paise to 30 paise with effect from 1<sup>st</sup> July, 1977. This reduction will only have a marginal effect on the

revenue from the sale of platform tickets which may even slightly go up as a result of the reduction, as the number of persons purchasing platform tickets at reduced rates is likely to go up. I hope people can now go to the railway platforms to receive their sweet ones without much burden and with smiles on their lips.

### **Plan Outlay for 1977-78**

7. As a result of a comprehensive review undertaken by my Ministry in consultation with the Ministry of Finance, the Railway Plan for the year 1977-78 has been reduced from Rs. 501 crores to Rs. 480 crores including Rs. 10 crores for the Metropolitan Transport Projects at Bombay, Calcutta, Delhi and Madras. No reduction has been made in the allocation for new lines. Provision for users' amenities has been raised from Rs.3.88 crores in the Interim Budget to Rs. 4 crores in accordance with the recommendations of the successive Railway Convention Committees and the Estimates Committee. In addition, provision of Rs.2.80 crores has been retained to enable the Production Units of the Railways to meet their working capital requirement in respect of export orders.

### **New Railway Lines**

8. The role of railway lines as infrastructure in developing the backward areas of the country cannot be over-emphasised. It has been my effort while formulating the final budget to give a fillip to the construction of lines, which are already approved and to take up construction of more new lines with the limited resources, which are available to us. The construction of 25 railway lines is in hand and 3 new railway lines, namely, Mirchadhuri to Jayant in Uttar Pradesh, which will serve new collieries in Singrauli Coalfields, Bhadrachalam to Manguru in Andhra Pradesh, which will provide outlet for Singareni coal, and restoration of Pa urban-Dhanushkodi, have been included in the Budget. Work will be speeded up on the construction of Tirunelveli-Trivandrum/Kanyakumari line in Kerala and Tamil Nadu, Chitauni-Bagaha link which will connect East U.P. with North Bihar, Jakhapura-Banspani line in Orissa, Nadikude-Bibinagar in Andhra Pradesh, Wani-Chanaka in the Vidarbha region of Maharashtra, Shahdara-Saharanpur in Uttar Pradesh, Howrah-Amta in West Bengal and Hassan-Mangalore line in Karnataka. Surveys for 7 more railway lines, namely, from Talcher to Sambalpur and Koraput to Parvatipuram in Orissa, Bikaner to Chhatargarh in Rajasthan, Jammu to Udhampur in Jammu & Kashmir, Ranchi Road to Koderma and Manderhill to Baidyanathdham in Bihar, and bringing, Amravati from Vidarbha region on the main line in Maharashtra, have been included in this year's Budget.

9. I am keen to take up the construction of some more new railway lines. I am exploring all avenues of mobilising more resources for this purpose in consultation with the Planning Commission and the Ministry of Finance so that lines which are urgently needed for the development of backward areas of the country, such as the West Coast Konkan Railway linking the Southern States, DallirajharaJagdapur line in the Bastar District of Madhya Pradesh, Dharmanagar-Kumarghat line in Tripura, Ernakulam Alleppey line in Kerala, Bhavnagar-Tarapore line in Gujarat, Dehri-on-Sone to Banjari line in Bihar, etc., can be taken up early.

10. Multiplicity of gauges has been causing serious bottlenecks to the movement of traffic and areas served by the metre gauge and narrow gauge lines are at a great disadvantage in the matter of development. The gauge conversion schemes having a total length of 2500 kms. are at present in hand. They include conversion schemes like Barabanki-Samastipur in U.P. and Bihar, Viramgam-Okha in Gujarat, Guntakal-Bangalore in Andhra Pradesh and Karnataka, and Manmad-Parbani-Parli-Vajinath in the backward Marathwada region of Maharashtra. Every effort will be made to expedite these conversion schemes. Two more schemes, viz., Delhi-Ahmedabad and Varanasi-Bhatni lines have been included in the present Budget. Surveys are also proposed to be carried out for three more conversions, viz., Shahganj to Mau, Sitapur to Burwal and Varanasi to Chupra.

### **Double-Decker Coaches and Amenities to Passengers**

11. I shall now deal with some of the important matters on which Honourable Members have expressed their concern and to which I have been able to give some thought during the period since the Interim Budget.

12. Naturally, our first concern will be the long suffering second class passengers. Action has to be taken to effect improvement in second class travel and to make use of our resources, including modern technology, to reduce overcrowding in trains. Due to constraints at terminals and lack of line capacity on certain saturated trunk routes, there is limited scope now for introduction of additional long

distance trains. Therefore, in order to reduce overcrowding in such long distance trains, I am considering the use of double-decker coaches on certain routes where these can be put in operation. If the trials now already in progress with a prototype coach prove satisfactory, we shall introduce double-decker trains on specified routes.

13. With my irrevocable commitment to the Gandhian and Socialist values, whenever the question of priority comes up, in preference to the claims of the affluent classes, the needs and requirements of the poorer masses will always get precedence. With this perspective I have decided that the additional long distance trains to be introduced in the coming years shall all be classless 'Janata' trains. In these Janata trains, as part of passenger amenities, lending libraries having books and magazines will be provided. Further, I have directed that wherever feasible the load of important trains, which are on electric traction, should be increased from 18 to 20 coaches so that overcrowding can be reduced to that extent.

14. In order to ensure provision of certain basic amenities to second class passengers, I have issued instructions that a prototype second class coach should be manufactured with more toilets and better water supply facilities than now available, so that long distance passengers, particularly on trains with only a few stops, will not suffer from the lack of these conveniences. After manufacture and satisfactory trial of the prototype coach, action will be taken for its introduction as early as possible. In the meantime, suitable measures have been initiated to ensure that adequate drinking water supply is available both at stations and on trains, particularly during the current summer rush. I am also considering provision of some type of not very expensive padded cushion beds in the second class sleeper coaches of certain long distance trains, so that common men may travel without having to carry their own beddings.

15. In order to improve facilities for second class passengers, the Railway Administrations have been instructed to improve the facilities available in the concourses by provision of toilets and benches on a programmed basis. Similar facilities will be provided at all new stations or when an existing station is being remodelled.

16. To enable passengers to travel in relative comfort, it is first necessary to ensure that they can buy tickets for reserved accommodation. For this purpose, it shall be my endeavour to root out malpractices in booking and reservation offices and in the matter of allotment of wagons. I have initiated surprise checks by the Vigilance Department to ensure that there is no collusion between unsocial elements, unauthorised persons and the railway booking staff.

### **Restructuring the Railway Board**

17. In the debate on the Interim Budget, I had assured this Honourable House that the long pending question of restructuring the Railway Board would be taken up expeditiously. I have carefully gone into this question and have also studied the reports of various committees that have dealt with the subject in the past. The most important report on the subject has been prepared by the Administrative Reforms Commission, instituted under the Chairmanship of Shri Morarji Desai. This report has dealt with both the functions of the Railway Board, as also the desired organisational structure. As regards functioning of the Railway Board, governed by the Railway Board Act of 1905, the Railways function as a departmental undertaking of the Government of India, with Railway Board working under the control of the Railway Minister. For an organisation of the size of the Indian Railways, with its wide impact on the public life, the Administrative Reforms Commission has suggested that there should be more delegation of powers to the lower levels and more of policy decision at the Railway Minister's level. As regards the structure of the Railway Board, the Administrative Reforms Commission has made certain valuable recommendations. I am happy to announce that the Administrative Reforms Commission's recommendations that remained shelved for such a long time at the hands of the previous governments have been broadly accepted by us and will be implemented expeditiously. I have also decided to abolish certain superfluous committees, which had become unofficial centres of authority and instrument of political patronage.

18. In order to create better employment opportunities and staff satisfaction due to improved avenues of promotion I have decided that no extension of service will be granted to any railway employee beyond the age of superannuation except in cases where a suitable person is not available. This principle will be observed at all levels right from the Railway Board down to the lowest echelons of the railway staff. I am also reviewing all the cases where extensions have been approved much before the dates of superannuation.

### **Amendment of the Indian Railways Act, 1890**

19. It is the Indian Railways Act that regulates the activities of the various Railway Administrations as public carriers. The Honourable Members of Parliament have often voiced their opinion that we are even now following the Railway Act of 1890 and that suitable modifications should be made and a fresh draft presented to Parliament keeping in view the changed circumstances in which Indian Railways have to function in free India. I am glad to inform the House that a second draft based on discussions with the Legislative Department of the Law Ministry, has already been prepared and this is under discussion with the Department of Legal Affairs, Ministry of Law. It is expected that I will be able to come forward with the final draft to the House by the end of the financial year.

### **Streamlining and Simplifying the Machinery to Settle the Claims on the Railways**

20. During my meetings with representatives of Trade and Industry and also with social workers, there has been a criticism about undue delay in disposal of claims cases. I have, therefore, decided that arrangements should be made to streamline and simplify the machinery for dealing with claims so as to achieve qualitative improvement and to ensure that claims are disposed of within a reasonable time, which normally should not exceed 6 weeks. For this purpose, I have decided to have greater delegation of powers for settlement of claims to officers as well as to field supervisory staff. The system of settlement of claims by mobile claims offices will also be extended. Information Centres are being set up in every claims office where information about the claims already preferred will be made available and enquiries about consignments booked/consigned, if they have not been received within a reasonable time, will be dealt with.

### **Participation of Labour in Management**

21. In my Interim Budget Speech, I had referred to the labour participation in management. At present, a Corporate Enterprise Group has been set up at the central level consisting of three representatives each from the two Railwaymen's Federations, one representative of the Railway Officers' Federations, and from the official side the Members and Additional Members of the Railway Board and also the Secretary, Railway Board to discuss certain matters mainly to evaluate the functioning of the Railways and to suggest ways and means to improve their viability.

22. It is now proposed to set up, at the Zonal level also, Zonal Corporate Enterprise Groups consisting of three representatives each of the affiliates of the two recognised Railwaymen's Federations, and one representative each of the affiliate of the Railway Officers' Federation. The members on the official side would consist of the General Manager and the Heads of Departments. The Zonal Corporate Enterprise Group will discuss matters involving improvement in the working of the railway system and would recommend appropriate changes for improving efficiency and viability.

23. As a further step towards participation of workers in Railway Management, it is proposed to set up in each major workshop a Joint Council and appropriate number of Shop Councils. These Joint and Shop Councils would consist of equal number of representatives of workers and the Administration, the former being nominated by the recognised Unions.

### **Ad Hoc Appointments**

24. There are complaints about certain *ad hoc* appointments made in Class III and Class IV during the previous three years. I have decided that such *ad hoc* appointees in Class III should be referred to the Railway Service Commission to be considered along with other applicants. As regards *ad hoc* appointees in Class IV, they should get screened, along with others, by the usual screening machinery of the Railways.

### **Employees' Demands**

25. I am aware of the Railwaymen's charter of demands. Those who framed this charter had made it explicitly clear that the demands were negotiable. Some of the demands were such that they required an overall policy review and decision by the Government as a whole in the context of the available financial resources. Only after such a comprehensive review will I be able to examine the railwaymen's demands in cooperation and consultation with the accredited trade union representatives in Railways. I am confident that our just approach towards railwaymen's demands will be matched by their devotion to duty in the wider interest of the nation.

**Victimisation During Emergency**

26. As regards the legitimate demand of the railway employees concerning their victimisation during the emergency, I wish to make a categorical announcement that those railway employees who were either suspended, removed, dismissed or prematurely retired during the emergency, as a sequel to their detention under MISA or DIR or because of their association with organisations, either banned during the emergency, or not favourably disposed towards the then government, will be reinstated.

The actions taken against the employees under Rule 14(2) of the Railway Discipline and Appeal Rules, during emergency, will also be reviewed and wherever it is found that the particular actions were prompted purely by political considerations, those actions will be annulled.

27. In order to embark on the various developmental and modernisation schemes on the Railways, Railways have to continue as an economically viable unit and in this regard we are still a long way to go, in spite of the surplus expected during 1977-78. This can only be achieved gradually by liquidating the debt of about Rs. 440 crores, which has become due over the years to the General Revenues. Pursuant to the recommendations of the Public Accounts Committee, an expert Committee will shortly be appointed to examine comprehensively the railway fares and freight structure.

28. I am quite confident that I will have the cooperation of all the Honourable Members, the public and the organised labour in the process of making the railways service-oriented and productive. I have to pay a special tribute to the railway staff who have demonstrated their renewed interest in keeping the railway wheels moving fast, so as to serve the public to the best of their ability.

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