

**Speech of Shri Kamalapati Tripathi
Introducing the Railway Budget
for 1980-81, on 16th June 1980**

Mr. Speaker,

Sir, I rise to present before the House the Railway Budget estimates for the year 1980-81.

2. The House will recall that for the reasons then explained only interim estimates were presented on 11th March 1980. Since then, the Government has had time to scrutinise the severity of the damage done to the economy inherited from the previous Government and has made an assessment of the factors that have brought about economic stagnation. A review has now been made of the Plan priorities with a view to putting the nation's economy back on the rails and it has been decided to enhance the outlays during 1980-81.

Freight Operations

3. In my speech on 11th March 1980, I had made a mention of the progressive decline in lifting the freight traffic after 1976-77. I had also detailed the steps proposed to be taken for improving freight operations. The House is aware that the last few months have been a difficult period for the country, with extensive power cuts on the one hand and severe drought conditions in a number of States on the other hand. The Railways' freight operations during these months had to be geared so as to meet the extra demands out of the pressing needs of coal for the power houses and foodgrains for the drought-affected States. Equally pressing were the requirements of POL products, sugar, edible oils etc. to meet the shortages in various parts of the country. Highest priority, therefore, had to be given by the Railways to the speedy transportation of these essential commodities.

4. Due to the set back in Railway working in last three years, the restoration of efficiency to 1976-77 level may take some more time. But I have no hesitation in saying that we have made a dent on the problem. The picture is not as gloomy as it was a few months ago.

5. During these months, greater emphasis was placed on the movement of coal to power houses so as to alleviate the distress caused by power cuts, and I am glad to say that the number of wagons loaded with coal for power houses was increased by about 500 wagons per day as compared to the previous year. This high level of movement of coal to power houses enabled the building up of stock in most of the power houses. Even those power houses that have not been able to build up stocks are now getting enough coal. The high level of loading of coal to power houses has been kept up in spite of the rigours of summer, which made operating conditions difficult.

6. The drought conditions have brought in their wake large scale famine conditions in the Northern and Eastern sectors. The sources of supply to meet the deficit are the surplus States of Punjab and Haryana. By a close coordination with the agencies concerned from January to May this year, about 60% more foodgrains than last year were rushed to the drought-affected States in the East viz. West Bengal, Bihar, Orissa, and Assam and to Madhya Pradesh. In April this year, the Railways transported as much as 8.12 lakh tonnes of foodgrains. The average daily loading of sugar increased from 53.5 wagons during December 1979 to 228 in April 1980. The movement of edible oils also went up from 677 wagons on an average daily during January 1980 to over 1,000 in April this year. The House is aware of the abnormal conditions in the State of Assam, but I am glad to say that, in spite of a number of setbacks and difficulties, the movement of foodgrains to this difficult region was also kept up at the required level.

7. The closure of refineries in the North Eastern sector placed a fresh burden on the Railways, in that the areas fed by these refineries had to be served from other sources over much longer distances. The fleet of tank wagons which has to be used for carrying petroleum products is rather limited and, therefore, intensive monitoring arrangements had to be made to optimise the utilisation of this fleet. It is gratifying to mention that, by and large, the requirements of diesel oil, kerosene and petrol were met with satisfactorily by carrying these essential commodities over longer distances from new sources.

8. The summer conditions this year have been unusually severe and the Railways had to rush to the assistance of some of the areas in distress, by carrying drinking water in railway tanks. The Railways took on themselves the work of transporting the drinking water free of cost to bring relief to such areas.

9. The House will also appreciate that in these difficult months the Railways have made notable contribution towards the holding of the price line by rushing essential commodities to the needy States to meet their urgent requirements. For this purpose, close coordination was maintained with the State Governments and the concerned Central Ministries. The promptness with which the despatches were arranged has been acknowledged by the recipient States.

10. A bane of the Railways' operations has been the problem relating to law and order, specially in the Eastern Sector, which caters to about 60% of the total traffic carried by the Indian Railways. The deployment of Territorial Army and CRPF for short spells helped to contain the situation to some extent. Now that popular elected governments are at the helm of administration in practically all States, we expect that there would be an improvement in the situation and that there will be a better sense of discipline, thus creating a proper working environment, enabling the Railways to deliver the nation's goods.

11. I would like to take the House into confidence in regard to the arrears of maintenance of locomotives, wagons and coaches that have developed as a result of lack of adequate provisions in the Plans and extensive power cuts in various States. Here again, due care was not taken and adequate attention not provided in previous three years. Shortage of power has led to reduction in the output of Railway workshops, carriage and wagon depots, locomotive sheds and marshalling yards. The number of rolling stock thus held up for repairs has consequently been on the increase. We are looking forward to an improvement in the availability of power with the onset of monsoons and the resultant stepping up of hydel generation, so that the deterioration in the condition of rolling stock can be arrested and all possible action initiated to restore it to normal health. More funds will also be provided for maintenance and repairs.

Passenger Traffic

12. On the passenger front also, during the last four months, a large number of cancelled trains have been restored. As many as 26 new non-suburban trains have been introduced and the run of another ten has been extended. The triweekly Neelancha Express between New Delhi and Purina pair of express trains between Mysore and Bangalore, Madurai and Trichy, a tri-weekly between Sealdah and Malda, Chandigarh and Ranchi via New Delhi and Jaipur and Jodhpur, are some of the new trains introduced. We provided about 12 lakh additional berths and seats through 1,400 special trains to clear this year's summer rush.

13. The passenger traffic on the Indian Railways has been increasing at a rapid pace and it has been my endeavour to provide additional travelling facilities to meet the increasing needs. Some of the proposals now under consideration are a bi-weekly Express train between Bombay and Varanasi, double-heading of K.K. Express, increasing number of coaches on Deccan Queen and Mahalaxmi Express etc. So as to accommodate larger number of passengers in these fast and popular trains.

14. From January to May, special arrangements were made to clear the rush of passengers on account of various congregations and Melas, e.g. Darul-Uloom Centenary at Deoband, Mahamagam fair at Kumbakonam, Ardh Kumbh fair at Haridwar, Sinhast fair at Ujjain and Urs at Ajmer. Elaborate arrangements were made by the Railways by running special trains, augmentation of the load of regular trains, and opening of additional booking windows, etc.

15. I have been taking personal interest in the improvement of the punctuality of passenger trains. I would like to inform the House that despite adverse circumstances like intense summer conditions, severe drought and an unusually high incidence of pulling of alarm chain, the punctuality has shown some improvement.

Reservations

16. In presenting the Budget in March 1980, I had informed the House that in order to render more satisfactory service to the traveling public in the matter of reservations, additional reservation counters had been set up, separate refund counters had been opened and reservation of seats by daytime trains was being arranged without the passengers having to fill up detailed requisition forms. Firm reservations are also being made over and above the normal quota of berths against vacancies arising due to normal cancellations. A system of surprise and incognito checks by officers has been introduced at important reservation offices. Spot checks are also being conducted to guard against the incidence of transfer of reservations.

17. During 1980-81 an amount of Rs. 1 crore is being specially earmarked to be spent in the reservation offices to provide facilities like seating, drinking water, toilet and opening of complaint counters so that Railways are able to give better services and amenities to the valued customers.

18. The Government had appointed a High Power Railway Accidents Enquiry Committee Safety under the chairmanship of Justice S. M. Sikri. The Report submitted by the Committee on 31st May, 1980 is under scrutiny and I am sure that the implementation of its important recommendations will enable the Railways to make a substantial headway in the continuing quest for greater safety in operations.

Now, before I deal with the Budget Estimates for 1980-81 and the proposals connected therewith, I would like to mention for the information of the House, some other important matters also relating to Railways' finances and functioning.

Railway Convention Committee

19. I had informed the House in March 1980 that the previous Railway Convention Committee had become *functus officio* with the dissolution of the Lok Sabha in August 1979. I shall be moving during the current session a resolution for its reconstitution.

Claims Tribunal

20. The Estimates Committee (1977-78), while dealing with the loss and damage claims on Indian Railways had recommended the setting up of a Claims Tribunal. No decision was taken so far on this important recommendation. I have now decided to accept this recommendation, as this will go a long way in ensuring speedy finalisation of claims and consequent relief to the aggrieved parties. The modalities of implementation of this decision, with particular reference to the commercial, legal, administrative and financial aspects are currently under study by a high level committee.

Performance Budgeting

21. Estimates Committee (1978-79) in their 21st Report stressed that the detailed performance budgeting system should be introduced at the earliest. I have directed the Railway Board that a beginning in this direction should be made from this year.

Divisional Setup

22. Over the years, the workload on some of the Divisions has increased considerably. To ensure better operations and a more effective liaison with trade and the State Governments, reorganisation of some of the Divisions has now become necessary. Accordingly, provision is being made in this year's Budget for setting up of new Divisional *offices* at Bangalore and Bhopal and for splitting up of the existing Delhi Division.

Research And Development

23. In keeping with my Government's policy for modernisation and expansion of Railways' high priority will be given to the research and development activities in the Railways' Research, Designs and Standards Organisation at Lucknow. Some of the specific problems that have been entrusted to this organisation relate to the introduction of more comfortable coaches for long distance passengers, the improvement in the degree of safety in railway operations, the increase in the speed of locomotives and running of heavier freight trains.

R.L.T.E.S.

24. Since March 1980, Rail India Technical and Economic Services, one of the Public Sector Undertakings under my Ministry, has entered into an agreement with the Iraq Government for providing design and general engineering support services to the Iraq Republic Railways. An agreement with the Government of Jordan for providing technical and management support services for performance of Aqaba Railway Corporation System has also been entered into.

Staff Welfare

25. My objective will be to shape the railway administration into a model employer. I would like to mention here some of the important schemes concerning staff welfare.

Medical Assistance

26. 101 railway hospitals and 560 health units, scattered all over the country, are already providing a high standard of medical services which has been appreciated by all. New expansion plans include provision of 55 additional beds, progressive modernisation of the service departments in the existing hospitals and of additional ambulance vans. Nearly a decade ago, a policy decision was taken to provide on an all-India basis, super-speciality services in selected railway hospitals and the last such speciality started was in Plastic Surgery in the Central Railway hospital at Byculla in 1975. As an extension of this policy, a proposal for expansion of the North Eastern Railway Hospital at Varanasi to provide a super-speciality for treatment of cancer, at a cost of Rs. 59 lakhs, has been included in this year's Works Programme.

Sports

27. In keeping with the past traditions, 42 men and 27 women from the Railway family represented the country in various international events and won 6 gold, 4 silver and 2 bronze medals. Two railwaymen were also awarded "Arjuna Award" during 1979-80.

Final Settlement Of Superannuated Employees

28. At present Railway Administrations are able to make, with sustained efforts, payment of final settlement dues of superannuating employees within 3 days of retirement in about 90 % of the cases and in 10 days time for the balance. Zonal Railways are now being directed to take special steps for a further improvement in the position and, wherever feasible, to arrange payment of these dues on the date of retirement itself.

Cadre Re-Structuring

29. Implementation of this Government's decision of restructuring of Group 'A' cadres and consequential promotions of officers of Group 'B' and Group 'C' mentioned by me in March 1980, has now been completed and similar action in respect of Medical Department is under processing. Orders have also been issued for an increase in the number of posts in the Section Officers and Senior Clerks grades in the Accounts Offices and of the inspectorial categories in the Civil Engineering Department.

Restructuring of cadres in various departments is being done as a continuous process.

I now deal with the Plan Outlay for 1980-81 and the progress of important schemes of new lines, conversions and surveys.

Plan Outlay For 1980-81

30. With Government's recent decision to formulate a fresh Plan for the period 1980-85 and on the basis of the reviews, since undertaken in consultation with the Planning Commission and the Ministry of Finance, the Railways' Plan Outlay for 1980-81 is being enhanced from Rs. 650 crores provided in 1979-80 to Rs. 760 crores. This enhancement of Rs. 110 crores in the Plan Outlay will mainly be utilised on employment-oriented projects and on expediting the completion of the sanctioned and on-going schemes. The provision under the plan-heads rolling stock, and line capacity works (including gauge conversions and doublings) is being stepped up from Rs. 269.66 crores and Rs. 90.65 crores to Rs. 340.00 crores and Rs. 111.00 crores respectively. The 1980-81 outlay for the Wheel & Axle Plant under construction at Yelahanka near Bangalore is also being increased by Rs. 8.0 crores.

New Lines, Conversions And Surveys (New Lines)

31. As a follow-up of the indications given in March last and to expedite the completion of the on-going works, sufficient funds are being provided for Tirunelveli-Nagercoil and Shamli-Saharanpur new lines so that these will be opened to traffic during the current year. Rohtak-Bhiwani section has already been opened on 3rd June 1980. Progress on the other new rail links in hand is also being speeded up. It is expected that Vasai Road-Diva, Apta-Pen, Karaila Road-Jayant upto Kakri, Bibinagar-Nadikude upto Nalgonda, Bhadrachalam Road-Manuguru, Howrah to Amta upto Bargachia and Jakhapura-Daitari would also be completed during the current financial year. Similarly work on the six new rail links in the northeastern region viz. Gauhati-Burnihat, Dharmanagar-Kumarghat, Balipara-Bhalukpong, Silchar-Jiribam, Amguri-Tuli and Lalaghat-Bhafitabi will be speeded up for which more funds are being provided. Similarly work on Wani-Chanaka upto Pimpalkoti, Alleppey-Ernakulam, Manikgarh-Chandur and Talgaria-Tupkadih new rail link projects is also being stepped up for early completion. Funds are being provided to start work on the sanctioned projects of Rampur-New Haldwani, Sakri-Hasanpur Road, Howrah-Sheakhala and Kapadvanj-Modasa new rail links. Partial doubling of Kiul-Bhagalpur section is also included in this year's budget. As part of the restoration of Chitauni-Bagaha rail link, the construction of a new bridge over the Gandak river will be taken up within this year soon after the results of the technical model studies being carried out in the research centres at Roorkee University and Central Water Research Station at Pune are available. Other new line projects included in this year's budget are for B.G. links from Bonakalu to Jaggayapeta and Kota to Neemuch *via* Chittorgarh.

Demands for provision of new rail links between Daitari to Banspani, Dhalli Rajhara to Jagdalpur, Karur-Dindigul-Madurai-Tuticorin-Tirunelveli, Chitradurg-Rayadurg and Telapur-Patancheru have been taken up for consideration.

Gauge Conversions

32. As regards the Gauge Conversion projects I am happy to mention that as the first phase of the Viramgam-Okha-Porbandar conversion scheme in Gujarat State, the portion from Viramgam to Hapa is scheduled for commissioning during this month. Samastipur-Barabanki and New Bongaigaon-Gauhati conversions will be completed during 1981 and Barauni-Katihari a year later. Work on the Manmad-Aurangabad, Guntakal-Bangalore, Nadiad-Kapadvanj and Bangalore-Mysore projects is also being stepped up. Varanasi-Bhatni, Moradabad-Ramnagar and Kashipur-Lalkua-New Haldwani conversion projects which were sanctioned some years back will now be taken up for construction during the year. Conversion of the existing M.G. lines between Varanasi and Allahabad and Aunrihar to Chapra *via* Ballia is also under consideration.

33. In addition to the new surveys proposed in the interim budget, the further surveys which have been included in this year's budget are :

Surveys

- (i) Guna-Shivpuri-Gwalior-Etawah;
- (ii) Beas-Goandwal Sahib;
- (iii) Yelahanka-Bangarapet;
- (iv) Deoria-Padrauna;
- (v) Darbhanga-Jayanagar;
- (vi) Miraj-Bangalore, alongwith the connected branch lines;
- (vii) Parasia-Chhindwara, alongwith the Khirsadoh-Barkuhi branch line;
- (viii) Gandhidham-Bhuj-Lakhpat;
- (ix) Guntakal-Guntur;
- (x) Patancheru-Peddapalli *via* Sangareddy and Medak;
- (xi) Mirzapur-Bhadohi-Babatpur;
- (xii) Arrah-Sasaram;
- (xiii) Nizamabad-Ramagundam; and
- (xiv) Kalka-Parwanoo.

The completion of the survey for updating of the costs for the B.G. link from Nangal to Talwara and for new rail links between Ranchi to Giridih *via* Hazaribagh Town and Gondia to Jabalpur *via* Balaghat and Budge-Budge to Nam Khana are being expedited and due consideration would be given to them.

Rapid Transit System In Metropolitan Cities

34. During the last session, speeding up the progress of work on the metro Railway project work in

Calcutta was pressed. Appreciating the inconvenience that is being caused to the citizens of Calcutta, the year's outlay for this project is being raised from Rs. 19.00 crores in the previous year to Rs. 23.03 crores. Tunnelling operations will also thus get advanced and are now expected to be started by August 1980. Similarly, between Dum Dum and Belgachia in the northern sector, preparations are being made for carrying out trials of rolling stock and signalling equipments in the middle of the next year.

In Bombay a flyover at Bandra is under construction for providing a connection between the Central Railway and Western Railway corridors to provide relief to the commuters on Andheri-Bandra Section. This work is expected to get completed in the middle of next year. A scheme for provision of electrified rail commuter services in Delhi urban area is also being developed.

Electrification

35. At present electrification works, totalling 1010 route kilometres, are in progress on Waltair-Kirindul, Trivellore-Arkonam, Delhi-Mathura, Vadodara-Ratlam and Godhra-Anand Sections. Electrification of Mathura-Jhansi and Mathura-Gangapur City Sections is also being taken up during the current year. In the context of the need to conserve energy resources and the rising costs of oil, steps have been initiated to accelerate the pace of electrification.

Budget Estimates 1980-81

I now come to the budget Estimates for the year 1980-81.

Earning

36. The interim Budget Estimates for the current year had been based on a target of 214.5 million tonnes of originating revenue earning traffic. Contrary to anticipations, there has since then been an increase in the quantum of irrational movements which the Railways are undertaking due to drought conditions in various parts of the country and the continuance of the agitation in the North-East area resulting in the locking up of a sizeable number of wagons there. Hoping that, with the onset of the monsoons and the increase in the availability of hydel power there will be a revival in the nation's economy, the interim budget target of 214.5 million tonnes of originating revenue earning traffic is being retained. Consequently, on the basis of the fare and freight structure, as at present applicable, the estimates of gross traffic receipts also remain at the same level i.e. Rs. 2545.35 crores.

Working Expenses

37. The Interim Budget provision of Rs. 1990.47 crores (net) under working expenses, however, now needs to be enhanced by Rs. 122.00 crores to cater for the recent increase in the rates of dearness allowance to the staff, increased fuel bill and the general increase in the cost of stores due to run-away inflation during 1979. Appropriations to Depreciation Reserve and Pension Funds are, however, being retained at the same level as projected in the Interim Budget i.e. Rs. 220.00 crores and Rs. 84.00 crores respectively. With a slight adjustment in the dividend reliefs and other concessions as subsidies from General Revenues, the total expenditure including appropriations to Funds, is estimated at Rs. 2384.64 crores. The net revenue will thus be only Rs. 160.71 crores, which will not be sufficient to discharge the Dividend liability of Rs. 322.24 crores. The overall budgetary gap will, therefore, be Rs. 161.53 crores besides an expenditure of Rs. 36.04 crores from the Development Fund.

Deferred Dividend Liability

38. At the close of 1979-80 financial year the Deferred Dividend Liability of the Railways is estimated to be Rs. 162.31 crores. However, pending a review of the overall position by the Railway Convention Committee, to be constituted during this Session, *status quo* is being maintained.

Proposals (Additional Resource Mobilisation - Need For)

39. The Interim Budget for the year projected a net deficit of Rs. 38.12 crores. As mentioned a little while ago, an additional provision of Rs. 122.00 crores under Working Expenses has also now to

be catered for. Besides, an expenditure of Rs. 36.04 crores from Development Fund and Rs 1.41 crores (net) for meeting increased Dividend liability has also to be provided for. As such, generation of additional resources to the minimum extent of Rs. 197.57 crores has become unavoidable and any deliberate effort to put it off will only have an adverse effect on Railways' finances and long term plans for modernisation and expansion for meeting the growing transportation demands of passenger and freight traffic.

40. The report of the Rail Tariff Enquiry Committee has been received only recently. A summary of this report is being circulated alongwith the Budget papers and copies of the Report are being placed in the Library. Honourable Members will observe that this Committee's recommendations are based on an integrated approach and have a very significant impact on the existing fares and freight structure of the Railways. The examination of the various recommendations made by this Committee has been entrusted to a special cell in the Railway Board's office and decisions on the recommendations would be taken expeditiously.

However, in the meantime, need for some interim measures for additional resource mobilisation to cover the budgetary gap, explained earlier, is inescapable. I will now explain my proposals in this respect.

Passenger Traffic

41. Passenger fares were last revised in 1974-75, except for a modest revision in the rates of monthly suburban season tickets from 1-4-1979. The fact that since 1974-75 the cost of various inputs has gone up steeply needs no emphasis. Further, during these years the amenities and comforts provided in the trains and at railway stations, have improved considerably resulting in increase in Working Expenses. An upward revision in the passenger fare rates is, therefore, long overdue. I, therefore, propose to increase the existing fare for the various classes as under :

- (i) 20% on 1st class AC, First class and AC 2-tier sleeper ;
- (ii) 12.5 % on AC traffic Chair Car and IIInd class for mail and express trains;
- (iii) 10% on IIInd class ordinary;
- (iv) 5 % on passenger upto 50 kms; and
- (v) 15% on quarterly and monthly season tickets.

These proposals have been evolved on the consideration that the burden of the proposed increases on weaker sections of the society should be minimal.

Freight Traffic

42. I also propose to levy a flat 15 % surcharge on all freight traffic. However, the following commodities which have a direct impact on the daily life of the common man are being exempted from this additional surcharge :

- (i) Salt for domestic use;
- (ii) Sugar;
- (iii) Foodgrains;
- (iv) Pulses;
- (v) Kerosene oil;
- (vi) Edible and hydrogenated oils;
- (vii) Chemical manures (fertilisers);
- (viii) Fire wood; and
- (ix) Charcoal.

A memorandum explaining these proposals in details, is being circulated alongwith the budget papers.

Financial Results

43. The upward revision of the fare and freight structure, as detailed above, is expected to yield additional Rs. 73.31 crores from passenger traffic and Rs. 130.93 crores from freight traffic *i.e.* a total of Rs. 204.24 crores. The interim budget projection of a deficit of Rs. 38.12 crores will thus be converted into a

surplus of Rs. 42.71 crores, out of which Rs. 36.04 crores will be appropriated to meet the expenditure chargeable to Development Fund and payment of interest liability of Rs. 11.04 crores on the outstanding loans of Rs. 189.50 crores taken in the previous years. The balance of Rs 6.67 crores will be utilised towards a partial liquidation of the Deferred Dividend Liability. The necessity of taking further loans from the General Revenues will thus be obviated.

44. I now come towards the close of my speech. As the House is aware, due to various factors the operation on the Railways has been under considerable stress and strain in the recent past. Despite this, the Railwaymen, at all levels, have performed their duties diligently. Industrial relations have generally been satisfactory. Unfortunately, there have been instances of agitations, on trivial issues, by unrecognised groups of staff. It must not be forgotten that the tasks before the Railwaymen are difficult and these can be successfully achieved only if all Railwaymen give of their best, always bearing in mind the interests of the country above everything else. I have full confidence that in their devotion to duty and spirit of sacrifice, the Railwaymen will be second to none and that, as in the past, they will render an excellent account of themselves. Before concluding, I wish to record my appreciation of the assistance and cooperation I have received, during the last five months, from all Railwaymen and the Honourable Members of Parliament.
