

**Speech of Shri Kedar Panday
Introducing The Railway Budget
for 1981-82, on 19th February, 1981**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for 1980-81 and the Budget Estimates for 1981-82.

Financial Results of 1979-80

Let me start with a brief review of the financial results of the preceding year i.e. 1979-80 the accounts of which have been finalised during the year. While presenting the interim Budget in March 1980, my predecessor had informed the House that the Budget Estimates for that year presented by the previous Government had been based on an originating loading of 222 million tonnes of revenue earning traffic which, in the context of the declining trend in freight traffic after 1976-77, proved to be unrealistic. The Revised Estimates of that year were, therefore, reassessed on a scaled down target of 194 million tonnes of originating revenue earning traffic, against which the actual loading achieved was 193.06 million tonnes.

The Working Expenses, however, had to be increased by Rs. 36.24 crores from Rs. 1827.83 crores to Rs. 1864.07 crores, on account of the persisting escalation in costs of the inputs. In the overall, the Revised Estimates projected a deficit of Rs. 42.10 crores. The year, however, closed with a deficit of Rs. 66.24 crores comprising a shortfall of Rs. 16.60 crores under gross traffic receipts and an increase of Rs. 14.31 crores under ordinary working expenses, offset by a saving of Rs. 6.77 crores under Net Miscellaneous Expenditure and Dividend to General Revenues. Consequently the operating ratio for the year deteriorated from 90.04 to 91.5 %. The Railways' indebtedness to General Revenues also, therefore, increased from Rs. 273.52 crores at the end of March 1979 to Rs. 370.92 crores at the end of March 1980.

The Plan expenditure during 1979-80 was Rs. 692.88 crores, excluding Rs. 21.40 crores on Metropolitan Transport Projects, as against the budget provision of Rs. 629.00 crores and Rs. 21.00 crores respectively.

Freight operations in 1980-81 - I shall now summarise the performance so far during the current year.

As the House is aware, the loading target of revenue earning originating traffic for the current year was fixed at 214.5 million tonnes. During the first seven months i.e. April to October 1980, the shortfall in the lifting of revenue earning traffic, with reference to the proportionate budget target for the period, was 15.29 million tonnes. Some of the major factors which affected the performance during this period were power cuts in the eastern sector resulting in a drop in productivity in the marshalling yards and workshops, less production of steel and consequent reduced intake of raw materials by the steel plants, and less production of cement particularly in the Rajasthan area. Disturbed conditions in Assam also resulted in hold-up of traffic and detention of large number of loaded wagons. Labour troubles in the mines at Bailadilla affected movement of iron ore for export irrational movements also increased due to the closure of refineries in the eastern sector requiring movement of petroleum products from the western region over longer distances increasing the turn-round of wagons and increased movement of foodgrains from Punjab and Haryana over longer leads due to drought conditions in many States of the country. Added to this were some internal factors on the railways which contributed to the sluggishness in operational efficiency.

I am, however, glad to report that, as a result of the various administrative and innovative steps taken three months ago, and with the economy turning the corner, the railway operation is now "back on the rails" and, for the first time during the year, in the month of November 1980 the loading was higher than in the corresponding month of the previous year. Against a monthly average loading of 15.03 million tonnes during the first seven months of the year, there has been a progressive stepping up in loading to 16.19 million tonnes in November 1980, 17.82 in December 1980 and about 19 million tonnes in January 1981. During November 1980, December 1980, and January 1981 the daily average loading was more than the average of the first seven months by 1383 wagons, 3879 wagons and 4742 wagons respectively. The resilience demonstrated by the railways in the recent past makes me confident that this increased tempo will be maintained through the remaining two months of the year i.e. February and March 1981 and that the cumulative total loading for the year would exceed that of the previous year.

The House will naturally be interested to know some details of the measures taken to improve operational efficiency and I shall, therefore, make a brief mention of the more important managerial innovations which have resulted in this recovery in the operating performance. By far the most rewarding step taken has been the segregation of the modern wagon fleet, fitted with roller bearings and centre buffer couplers, from the older conventional wagons and their operation as "Express" streams of freight traffic. This Express stream is now used increasingly for loading essential commodities like foodgrains, fertilizers, cement and coal, the

availability of which all over the country has already improved. This innovation has also resulted in removing coupler incompatibility reducing the workload on marshalling yards and terminals and attaining of higher speeds, cumulatively leading to improved turn-round of wagons. Increased use of closed circuit movement of open BOX wagons for coal, steel plant materials and export ore and covered wagons "jumbos" for foodgrains, fertilisers and cement have enabled the Railways to transport the added traffic much more efficiently. Additionally, optimisation of the loads of goods trains by enforcing the discipline that the trains should be formed with loads meeting the full hauling capacity of the locomotives has helped in reducing the number of trains resulting in better utilisation of section capacity. Another innovation has been the use of diesel and electric locomotives in specified sectors, nominated after a selective study of sections where steam engines were operating in the past. This measure has served the two-fold purpose of speedy positioning and clearance of wagons in selected sectors ensuring fluidity of operations and rendering steam engines surplus. Thus it has been possible so far to store about 500 steam engines resulting in a reduction in the requirement of coal for Railways' own purposes and a corresponding increase in the availability of coal for industry. Introduction of integrated operation encompassing end-to-end running of through goods trains with the same electric or diesel engine has been a significant step towards optimising the utilisation of costly assets. Full train loads for a single destination are now being run with the same locomotive eliminating detentions at intermediate terminals, ensuring at once considerable improvement in rolling stock utilisation and savings in transit time. Manpower at intermediate wagon examination points so saved now attends to general wagon maintenance and the manpower saved in steam locosheds is being deployed to improve wagon maintenance in wagon repair depots improvised out of steam locosheds otherwise needing to be closed.

Considerable attention has been paid to overtaking the arrears in repairs and maintenance of the wagons to create a "fleet that works". Wagons unsuitable for loading are being speedily segregated and facilities to make them fit have been augmented. A crash programme has also been launched to identify and condemn the over-aged wagons on age-cum-condition basis for disposal as scrap expeditiously. This will save track capacity and holding space in yards and depots as also yield additional earnings from sale of scrap. A more important benefit will be the increased availability of scarce steel scrap for industry. Speedy rehabilitation of BOX wagons constituting about 50 % of the fleet for the Express stream of traffic is also receiving special attention.

In the past, owing to various constraints, the maintenance facilities for rolling stock have unfortunately not kept pace with the requirements. This has been particularly bad in respect of coaches creating considerable constraints in organising new passenger services, augmenting the accommodation on existing passenger trains and meeting the requirements of coaches for tourists and other groups. As part of the efforts at easing the situation a new repair shop for repairing 1200 coaches per annum has already been sanctioned and the foundation stone of this factory was laid by the President of India at Tirupati on December 25, 1980.

Passenger Traffic - During the current year, 79 additional non-suburban trains have been introduced and the runs of another 27 trains extended. These include the bi-weekly Bombay-Varanasi Mahanagri Express, Delhi-Patna Sonbhadra Express, a day-time fast service between Ernakulam and Cannanore, an overnight service between Dhanbad and Patna and a daily express between Mysore and Bangalore. In addition to the usual arrangements made to clear the seasonal passenger rush on account of various congregations and melas, Railways instituted special arrangements to clear the pilgrim traffic in connection with the completion of thousand years of installation of the statue of Lord Bahubali.

The dictates of the national economy demanding a higher priority for meeting the freight traffic needs, as also the inadequacy of passenger coaches, may slow down the introduction of additional passenger trains for the time being. I am fully conscious of the genuineness of the demand for additional passenger train services in the wake of increase in population and economic activity in the country, but I had to take this painful decision partly on account of the lack of resources and also because of the severe adverse impact additional passenger trains will have on the transportation of vitally needed freight traffic. Our effort is, therefore, being concentrated in creating the infrastructure for running heavier goods trains of upto 4,500 and even 7,500 tonnes hauled by multiple engine consists. This will release line capacity which in future can be made use of for increasing the passenger services. I am sure that all the sections of the House will appreciate the rationale of this approach.

In the short term, it has been decided to meet the present situation by taking recourse to augmenting the loads of the existing passenger carrying services to the extent feasible by increased dieselisation and electrification, including hauling of selective passenger trains with two engines. In pursuance of this approach, the composition of Karnataka-Kerala Express has been increased from 14 coaches to 21 coaches with effect from January 29, 1981. Steps are also being taken to double-head the Pink City Express between Delhi and Jaipur which would also provide a tri-weekly fast service between Delhi and Ajmer. Delhi-Howrah Rajdhani Express is also now hauled by an Electric Locomotive, thereby providing additional accommodation on this train and also achieving a saving in costly diesel fuel.

Having successfully rationalised and streamlined the arrangements for moving the goods traffic, attention has now been concentrated on the facilities available for passenger traffic. I am aware that considerable improvements still need to be made in maintaining punctuality of trains, cleanliness in trains and station premises, catering arrangements, reservation facilities and so on. I can assure the House that with the care and attention now being bestowed to these matters a good deal of improvements, to the extent permitted by the available financial and physical resources, will be achieved within the next few months.

Plan Outlays

Sixth Five Year Plan - The plan outlay for the Railways under the Sixth Five Year Plan for 1980-85 is Rs. 5,100 crores—a substantial step up over the outlay of Rs. 3,400 crores indicated for the now defunct 1978-83 plan, but still very much short of the requirements of the railways for creating additional capacity, opening up new lines and overtaking the arrears in renewals and replacements. Judicious apportionment of the scarce investible resources amongst the various competing and compelling requirements has been a tough exercise. Since the most pressing requirement is for rehabilitation it has been decided to give top most priority to replacements and renewals. Appreciable dent will be made in the backlog in track renewals and replacement of wagons. It is expected that replacement of over 50,000 wagons in terms of four-wheelers, 5,000 coaches and 300 electrical multiple units and renewal of 14,000 kilometres of track will be achieved during this plan period. On account of this main thrust, the 1980-85 Railway Plan may well be termed a "rehabilitation plan". Simultaneously, as a long term objective, the pace of electrification is also being accelerated in the national interests. Despite these steps the gap between the demand for rail transport and its availability will exist, but the bare needs of the core sector of the national economy will get adequate priority.

A good proportion of the balance available has necessarily to be set apart for completing the on-going projects of a capacity-generating nature so that the benefits of these projects become available to the nation at the earliest. As a consequence allocations for new lines and gauge conversions will be much below the levels required until additional resources become available.

Judging from the demands for gauge conversions from various quarters I get the feeling that there is a popular belief that only the broad gauge railways can render efficient service. I would like to dispel this belief. Metre gauge railways, with adequate inputs, can render speedy, efficient and economic rail transportation services, as has been the experience in several foreign countries. In fact these countries have attained higher speeds upto 150 kilometres per hour on the metre gauge as compared to the maximum of 130 kilometres per hour that we have attained on the broad gauge system. Our thrust should, therefore, be to improve our metre gauge services, rather than neglecting or discarding them. Despite the obvious advantages of an uniform gauge, the massive input of resources for gauge conversions is a luxury which a developing country like ours, with perennial constraint on resources, can ill afford at this stage. Projects of gauge conversions have, therefore, to be critically evaluated to establish the inescapable need for such conversions for meeting the transportation requirements and on the basis of adequate financial and economic considerations. I am, therefore, directing the Railway Board to evolve a proper policy and to work out a perspective plan for gauge conversion projects.

In the matter of taking up new lines like Karur to Tuticorin and Tirunelveli via Madurai, efforts will need to be made towards finding requisite financial resources.

Being an optimist I am looking forward to a considerable buoyancy in the national economy resulting in an improvement in the overall resource position which in turn may help the Railways secure additional resources for developmental needs as we progress through the Plan. A further review of the allocations will be made at that stage.

Acquisition of one lakh wagons in terms of four-wheelers, 5,680 coaches, 390 electrical multiple units and 780 diesel/electric locomotives, electrification of 2,800 kms. of track, opening of about 1,800 more route kilometres of new lines, conversion of 935 kms. from metre gauge to broad gauge and doubling of 1,415 kilometres are some of the significant achievements expected from this Plan. Wheel & Axle Plant at Yelahanka, near Bangalore, will be completed during this Plan leading to sizeable savings in foreign exchange now being spent on the import of wheel sets. The ring railway commuter service in Delhi would be in operation in mid 1982, synchronising with the Asian Games, 1982 while the metro railway system in Calcutta would have made considerable progress and the first train on Esplanade -Tollygunj section would be running before the Plan period is over. The first phase of modernisation of workshops would also be completed. Some of the other important on-going schemes which will be completed during this Plan are restoration of Chitauni-Bagaha link and conversion of Barabanki-Samastipur, Barauni-Katihar and New Bongaigaon-Gauhati lines into Broad Gauge.

1981-82 Plan Outlay - 1981-82 will be the second year of the Sixth Five Year Plan. The outlay for this year is being enhanced from Rs. 762 crores in 1980-81 to Rs. 980 crores reflecting an increase of around 29%. In keeping with the basic objectives of the Sixth Plan, as explained a little while ago, the priority will be given to replacement and renewal of assets and expenditure on this account will be stepped up from Rs. 231 crores in the current year to Rs. 450 crores in 1981-82. Stress will also be on speeding up the completion of such on-going schemes as would help in clearance of the existing backlog in maintenance and repair facilities to rolling stock and such works as would meet the growing needs of traffic in the core sectors of economy, namely coal, cement etc. A few special features of this year's plan outlay are accelerated procurement of 18,000 wagons in replacement of overdue stock, a major thrust towards increasing the pace of electrification, and retiring of a large number of steam locomotives to bring down the consumption of coal by the Railways.

New Constructions

Despite the shortage of essential commodities like cement and steel progress made on new construction projects has been satisfactory. For the information of the Members I would like to give details of some of the important projects, both on-going and planned.

New Lines - During the current year 126 kms. of new lines viz., Rohtak-Bhiwani, Shamli-Saharanpur and Jakhapura-Sukhinda have so far been opened. Vasai Road-Diva, Apta-Pen, Tirunelveli-Nagercoil, Bibinagar-Nalgonda, Sukhinda-Daitari, Santragachi Bargachia and Karaila Road-Kakeri comprising 257 kms. are also expected to be opened during the current year. The existing schedule envisages opening of 171 kms. of new lines in 1981-82 covering Wani-Pimpalkoti, Pen-Roha, Kakeri-Jayant and Bhadrachalam-Manuguru sections. Outlay on the sanctioned work for a B.G. link between Kota to Chittorgarh via Bundi is being enhanced. Construction work on the six new rail links in the north eastern region viz., Gauhati-Burnihat, Dharmanagar-Kumarghat, Balipara-Bhalukpong, Silchar-Jiribam, Amguri-Tuli and Lalaghat-Bhairabi which faced some set back due to the conditions prevalent in the region is now being speeded up. Work has also started on the Rampur-Haldwani new B.G. rail link and the construction of a new bridge over Gandak River as part of the Chittauni-Bagaha rail link. Manikgarh Chandur B.G. rail link will also be speeded up. Provision has been made in the 1981-82 Budget for the construction of a new line between Telapur-Patancheru too.

Conversions - Thirteen conversion projects involving 2,800 kms. are already on hand. The first phase of the Viramgam-Okha/Porbandar conversion scheme covering 268 kms. between Viramgam and Hapa has already been completed and the converted portion opened to traffic in June 1980. Conversion of 476 kms. route between Sonpur and Barabanki is progressing fast and the converted line is scheduled to be opened by the middle of 1981. The parallel B.G. line between New Bongaigaon and Gauhati and conversion from Barauni to Katihar and Guntakal to Bangalore are also expected to be completed during 1981-82. With the Chittauni-Bagaha restoration link having been given priority, the conversion of Samastipur-Darbhanga will also now be taken up so as to synchronise the completion of both these works. Demand for conversion of Mau to Shahganj and Chupra to broad gauge has also been taken up for consideration. Other similar conversion projects on hand are Varanasi-Bhatni, Mysore-Bangalore, Guntur-Macherla, Moradabad Ramnagar and Manmad-Aurangabad. The conversion of 580 kms. Gauhati-Dibrugarh section to broad gauge has been included in 1981-82 Budget.

Surveys - Thirtyfive surveys for new lines and 13 surveys for gauge conversions are already in hand. These include Jammu to Udhampur, Arrah to Sasaram, Kuttipuram to Trichur via Guruvayoor, Muzaffarpur to Raxaul via Sangauli including Bettiah Bagaha section, Patancheru to Pedapalli via Sangareddy and Nangal to Talwara. As mentioned by me earlier, the new lines programme will be severely restricted by the inadequate outlay for the 1980-85 Plan. However, I am confident that as the Plan progresses, availability of resources will improve and we would be able to make the necessary adjustments to take up new line construction schemes. I do not, therefore, propose to impose a moratorium on carrying out of surveys for determining the prospects for new line schemes for the future. In reaching this decision I have also kept in view the consideration that it is necessary to have a pipe-line of new projects to be taken up as soon as resources position improves. Accordingly the following surveys have been included in the budget for 1981-82:-

A - New Lines

1. Nandyal-Yerraguntla
2. Raichur-Kurnool-Macherla
3. Tiplong-Itanagar
4. Rail-cum-Road bridge over Brahmaputra near Dibrugarh
5. Rail-cum-Road bridge over Brahmaputra near Jogigopa
6. Kumarghat-Agartala
7. Jagai Road-Badarpur

8. Muzzafarpur-Sitamarhi
9. Lalmatia-Kahalgaon
10. Giridih-Hazaribagh Road/Hazaribagh Town-Ranchi
11. Deogarh-Dumka via Basukinath
12. Chamarajnagar-Mettupalayam
13. Alleppey-Kayankulam
14. Dhule-Ainalner
15. Kota-Devgarh/Nadaria with a M.G. spur from Latnbiya-Beavvar
16. Nathdwara-Bhilwara-Kakri-Todaraisingh
17. Bailara-Bar
18. Aliganj-Dhanapur-Afzalgarh-Kalagarh
19. Mathura-Alwar
20. Raichur-Krishna-Makhtial-Vikarabad
21. Dumka-M dhopur
22. Shahganj-Sultanpur-Amethi-Garhi Manikpur (Gotni)
23. Nadikude-Gudur/Kalahasti

B -Gauge Conversions

1. Gauhati-Dibrugarh
2. Katihar-Barsoi-Siliguri-New Jalpaiguri
3. Raipur-Dhamtari-Balod
4. Dimapur-Chemukdima
5. Jodhpur-Marwar via Luni
6. Madras-Tambaram (M.G.) Suburban System
7. Bareilly-Kathgodam
8. Ranchi-Lohardaga upto Tori alongwith a new line from Lohardaga to Tori
9. Purulia-Kotshila
10. Suratgarh-Sarupsar-Anupgarh
11. Gorakhpur-Chitauni/Valmikinagar

Electrification - In 1980-81 electrification works on 437 kms. were completed. These included important sections of Kirandul-Jagdulpur section on the iron ore traffic route from Kirandul to Waltair and the main trunk route between Vijayawada to Madras. The remaining works on the Waltair-Kirandul section are being speeded up and this entire section will be under electric traction by the end of the current year.

The high density sections being taken up for electrification in 1981-82 are Sitarampur-Patna-Mughalsarai, Jhansi-Itarsi, Bhusaval-Nagpur, Vijayawada-Balharshah, Arkonam-Erode, Arkonam-Renigunta-Gudur and Gangpur City-Ratlam. These will be in addition to the on-going electrification works on Kirandul-Jagdulpur, Delhi-Jhansi, VadodraRatlam-Godhra-Anand, Mathura-Gangapur City, Trivellore-Arkonam and some colliery lines totalling 1,418 kms.

Metropolitan Rail Transport Projects - With the enhanced outlay of Rs. 27.00 crores in the current year the progress of work on the on-going Metro Railway Project in Calcutta got speeded up. Tunnelling operations were commenced in October 1980. On the whole, the work is progressing satisfactorily.

In Bombay, the flyover at Bandra is planned for completion by the end of 1981 and will provide relief to the Bombay commuter who will be able to go directly from Andheri side to Bombay V.T. without changing of trains en route.

The outlay on Metropolitan Transport Project Schemes, which is Rs. 33.72 crores in 1980-81 is being further enhanced to Rs. 50.00 crores in 1981-82.

Other Matters of Interest - Before coming to the revised estimates for 1980-81 and budget estimates for 1981-82 I would like to inform the House about the Railways' achievements and action plans in a few more areas.

Wider Horizons

International Railway Transport - Indian Railways hosted at New Delhi, in December 1980, a meeting of the UIC Group of Tropical Metre gauge Railways. Two significant results achieved by India were the unanimous acceptance of the track standards for the metre gauge prepared by our Research, Designs and Standards Organisation and the commissioning of Indian Railways to prepare the specifications for other track

materials and rolling stock. That this is a welcome recognition of the Indian Railways' expertise in the field will be apparent from the fact that hitherto only the UIC specifications are followed by the railways all the world over.

Indian Railways will be hosting a meeting of the top railway executives of Asia at New Delhi in October 1981 and a seminar for member countries of the Economic and Social Commission on Asia and the Pacific in October 1982. Further, Indian Railways will be actively participating, under the aegis of ESCAP, in drawing up an Asian Master Plan for a trans-Asian Railway line connecting Asia with Europe.

RITES - Rail India Technical and Economic Services Limited (RITES) which is one of the public sector undertakings under my Ministry has continued to register growth during the year. Its turn over will increase from Rs. 8.70 crores in 1979-80 to Rs. 10.50 crores in 1980-81. The profit for the current year is expected to be Rs. 2.50 crores. For 1979-80, this Company declared a 25 % dividend.

As the House is aware, RITES' assignment in Nigeria involving contract management of the Nigerian Railway Corporation for a period of three years has won wide acclaim not only in Nigeria but also in the international press. The targets laid down in the contract for diesel loco availability, growth in revenue receipts, rehabilitation of rolling stock and improvement in the workshop production have not only all been achieved but even surpassed in the first two years of the contract. I would like to record my appreciation of these achievements.

Another major achievement of 1980 is the successful completion of the consultancy contract assigned to it by the Asian Development Bank for providing advisory assistance to Bangladesh Railways in preparing their investment programme for rehabilitation and development of rolling stock. The other ongoing contracts in Iraq, Philippines, Zaire and Ghana are progressing satisfactorily.

During the current year RITES have secured further foreign contracts.

IRCON - The other public sector undertaking under the control of my Ministry is the Indian Railway Construction Company Ltd. (IRCON). The volume of business secured by it has increased from Rs. 28.75 crores in 1979-80 to Rs. 67.63 crores during this year. Against a net profit of Rs. 15.46 lakhs during the last year, the profit anticipated for the current year is Rs. 30 lakhs. Some of the major works being carried out by IRCON are the construction of a supporting railway system for the Thermal Power Projects in Korba, Ramagundam and Singrauli and the Merry-Go-Round System for the Thermal Power Plant at Farakka. The World Bank Team which visited the Korba Project has specially commended the timely execution of the transportational facilities work by IRCON. On the international front, IRCON has secured a Rs. 47 lakhs contract in Nigeria. IRCON has also been pre-qualified for major railway projects in Saudi Arabia, Thailand, Malaysia, Libya, Bangladesh and Iraq.

I wish both these organisations a bright future.

Research and Development - The expertise and the technical know-how of the Research, Designs and Standards Organisation, at Lucknow is being increasingly sought by manufacturers of railway equipment and Public Sector Undertakings. The noteworthy contributions made by R,D.S.O. in the recent past related to the development of new designs of electric and diesel locomotives, wagons and coaches to, meet the growing and special needs of the railways; the latest in the series being the electric locomotive developed for hauling the prestigious Rajdhani Expresses. Key designs for a 1380 HP diesel electric B.G. branch line loco and diesel hydraulic locos of 700 HP and 400 HP for narrow gauge and 700 HP for metre gauge have been developed for manufacture at Chittaranjan Locomotive Works and Diesel Locomotive Works. The development of an air-conditioned Double-Deck Coach with end-on-generation is being considered to eliminate the problem of inadequate ventilation experienced in the existing design of double decker coaches. Another assignment, which will be a landmark in rail transport in this country, is the development of BOX-N wagons which will, enable haulage of 4,500 tonne and 7,500 tonne train loads, resulting in considerable savings through a more intensive utilisation of the existing line capacity.

As the scope for Research and Development is limitless I am directing the Railway Board to arrange for a perspective plan being drawn up to make this organisation fully geared up to come up with innovative suggestions and improved technological inputs to enable the railways to face the challenges in the coming decades.

Reservations - Various steps have been taken in the past for reducing the time taken at the reservation windows and to eradicate the mal-practices resulting from the continuing gap between demand and supply. Since my coming over to the Railway Ministry my mind has been exercised in regard to the steps to be taken

to ameliorate the hardships faced by the travelling public. After careful consideration of all the relevant aspects I have decided to reduce the period of advance reservation from the existing six months to one calendar month. Further, there will be no quota in second class for travel agents. It is proposed to introduce progressively at least one un-reserved second class coach on each Mail/Express train, other than Rajdhani Expresses, for the benefit of passengers having to undertake journey at short notice.

I.S.O. Containers - All over the world, import and export traffic has started moving in ISO containers in a large measure. At present, in our country these containers are being stripped and stuffed in the port areas thereby depriving the shippers of the benefit of through movement of cargo to inland destinations. Urgent need is being felt by the trade for inter-modal handling of container traffic for which the Indian Railways are very well suited as an economical mode of transport.

Necessary infrastructure facilities are, therefore, being planned for carriage of ISO containers from ports to the Inland Container Depots to be set up at Bangalore, Tughlakabad, Ahmedabad and Guntur. Depots at Bangalore Cantonment and Pragati Maidan at New Delhi, to serve as Pilot projects for this purpose, have been included in the 1981-82 budget.

Indian Railways Act – The Indian Railways Act was initially adopted in 1890 and has since then been in force with amendments made from time to time. During these 90 years the national requirements have undergone considerable changes and the enactment of a new Act to suit the present day conditions is long over due. A review of the existing Act is already under consideration and I hope to present a new bill to the House soon.

There are at present six company-owned private railways operating in different parts of the country. Five of these viz., Katakhal-Lala Bazar and Chaparmukh-Silghat Railways in Assam, Central Privately Owned Railway Companies Provinces Railway in Maharashtra, Ahmadpur-Katwa and Bankura-Damodar River Railways in West Bengal are being worked, under separate agreements, by the Indian Railways while one i.e. Futwah-Islampur Railway in Bihar is being worked by the company itself. There have been persistent demands for nationalisation of these railways. In partial satisfaction of this demand, it has been decided to nationalise the Katakhal-Lala Bazar Light railway and Chaparmukh Silghat Railway. A bill to give effect to this decision will be brought before this House in due course.

Staff Welfare

Indian Railways employ nearly 17 lakh employees who work round the clock at more than 7000 locations scattered all over the country. Many of these work places are in isolated situations lacking even in basic amenities of life. There is no doubt that, as a model employer, Indian Railways have in the past done commendable work in looking after the welfare of these employees. However, with a view to motivating them towards a more complete involvement in the railway working, pride in the job and a feeling of comradeship much can still be done. I will now mention some of the aspects which I propose to tackle.

Housing - At the end of 1979-80, total number of quarters available was 5.64 lakhs providing accommodation to only 38 % of the working strength. I am aware that by any standards this is not sufficient. During the current year 6,611 quarters are planned to be constructed. I would have very much liked to step up the provision of funds for this purpose but due to the severe constraint on resources it has not been possible to do so. However, to encourage the employees to construct their own houses I am directing the Railway Board to take steps to encourage formation of Co-operative Housing Societies in a big way and to extend all assistance to such societies in getting loans from various organisations and technical supervision during construction. State Governments will also be addressed to provide land at concessional rate to such societies.

Improvements to old type quarters, through provision of better ventilation, electrification, latrines and kitchens will also receive special attention.

Medical - During the current year, 105 additional beds are being provided in the various hospitals bringing the total to 10,986. Modernisation of the Orthopaedic Unit of Eastern Railway's Hospital at Calcutta, open heart surgery unit in the Perambur Hospital at Madras and the Gauhati Hospital is under way. New works sanctioned for next year are a 50 bedded hospital for the Integral Coach Factory at Perambur and Polyclinics at Bangalore and Lucknow. Steps are also being taken to make good the deficiency in medical personnel, at present existing in the various hospitals and health units.

The efficient functioning of the railway hospitals has in the past suffered from a shortage of doctors. The wards of railway employees have also been finding difficulty in getting admission to the medical colleges. I have, therefore, asked the Railway Board to develop a scheme for opening a- medical college to be run by Railways themselves.

Education - As a staff welfare measure, railways provide educational facilities at stations where the facilities provided by the State Governments are either inadequate or non-existent. In pursuance of this policy, Railways are running 4 colleges, 74 high schools including 7 central schools, 28 middle schools and 649 primary schools. From July 1981 two central schools at Samastipur and Chakradharpur are expected to be functioning. Steps have also been taken for opening a central school at Adra as soon as possible.

Uniforms - During their tours, Honourable Members would have observed that a large number of employees wear uniforms which are supplied to them by Railway administration. However, on various counts this has been a source of irritation. Further, with all round socio-economic changes the existing styles and the material used have ceased to be popular with the employees. Based on a recent review, standards in regard to the scales and type of uniforms will now undergo a change. Special steps are also being taken to arrange timely supply of properly fitting uniforms according to individual sizes.

Sports and Cultural Activities - In the field of sports and athletics the Railways' performance has been commendable. During 1979-80, the Railways won National titles in Ball Badminton (Intermediate group), Hockey, Volley ball, Weightlifting both Senior and Junior, and Water Polo. They finished runners-up in Swimming and Bridge. Sports activities are gradually becoming popular among the women employees and family members of railway employees. The Railway women's teams became national champions in Badminton and cross country and runners-up in Kabaddi and Volleyball.

Railway men and women also continued to distinguish themselves in the international arena. During the year 1979-80, as many as 69 railway employees 42 men and 27 women were included in the National Teams which participated in various International competitions. Last month three players, including two women, have been awarded the prestigious Arjuna Award. One of them has also been awarded Padma Shri.

In order to boost the morale of, and to provide incentives to, the Railway men for taking part in extra-curricular activities it has now been decided that the period spent by the employees in training and in actual participation in National Championship will be treated as duty. It has also been decided that the period of participation in cultural activities at the tonal and National Railway levels will be treated as Special Casual Leave and that for the journeys special complimentary passes would be issued.

Other Staff Matters - As at the end of March 1980, the number of scheduled castes/scheduled tribes in regular service totalled 3.23 lakhs representing 21 % of the total number of railway employees; the increase in intake during the year being nearly 7,000. Some shortfall still remains. However, with the recent judgement of the Supreme Court upholding the orders relating to reservations, further steps will be taken to make good this shortage.

To develop employment opportunities for the physically handicapped, a trial has recently been made on Southern Railway by engaging physically handicapped girls in the catering stalls and cafeteria at Madras Central and Bangalore City stations. This has been received well and all Railways have been instructed to adopt similar measures.

Keeping a work force of 17 lakh employees, scattered over the length and breadth of our vast country, happy is no longer a simple matter especially when the aspirations of individuals are high and there is increased awareness about due recognition of human dignity. With the all-round development of the Railways, particularly increasing reliance on modern and highly sophisticated equipment, the proportion of educated and technically qualified personnel is increasing. It is, therefore, necessary to build up a separate cadre of personnel managers. A start has been made in this direction and the first group of young personnel officers, recruited through the All India Civil Services Examination held in 1980, will soon start their comprehensive training in personnel management and industrial relations.

In a few years an adequately trained and experienced cadre of expert managers will be playing its due role in personnel management and industrial relations.

High Power Committee of Experts - The challenges facing the railways in the coming decades, when they would be called upon to handle two and a half to three times the traffic they are now handling are multifold necessitating considerable improvements in the financial, organisational and administrative areas. All these aspects need to be studied in depth to evolve acceptable solutions. Financial resources of a massive order would be needed for investments in new lines and strengthening, upgrading and modernising the existing facilities and for creating additional facilities. It, therefore, becomes necessary to examine whether resources of the requisite magnitude can be raised through the existing arrangements or whether some alternative methods could be adopted. For achieving the capacity for handling the quantum jump in the traffic expected it would be necessary to upgrade and refine the planning and monitoring processes, rationalise and modernise the.

handling and hauling operations, continuously enlarge the technological inputs and ensure safe, speedy and smooth running of trains. On the administrative side it may be necessary to reorganise and strengthen the railway zones and divisions. I intend setting up a high powered Committee of Experts to examine and report on these and allied important aspects of railway working. The composition and terms of reference of that Committee will be announced soon.

Tourism - On account of various constraints regarding availability of adequate number of appropriate coaches and other facilities, railways have not been able to do much in the area of tourism development. Apart from providing Intrain passes nothing much has been done to develop tourist traffic, which has very good potential for foreign exchange earnings. A tourist would naturally like to travel in comfort and according to a pre-scheduled programme. I am convinced that it has now become necessary to set up a machinery to deal with all matters connected with foreign and internal tourism and to evolve, in liaison with the India Tourism Development Corporation and other allied agencies, measures for development of tourism in which the railways should assume a significant role. I have, therefore, decided to organise, as a first step, a separate directorate of Tourism in the Ministry of Railways.

Revised Estimates 1980-81

Earnings-Goods - Hon'ble Members will recollect that in June 1980, while presenting the railway budget for the current year, it was indicated that the earlier anticipation in regard to reduction in the quantum of irrational rail movements and the cessation of the agitation in the Northeast area were not materialising. However, hoping that with good monsoons and the increase in the availability of hydel power there would be a revival in the nation's economy, the interim budget target of 214.5 million tonnes of originating revenue earning traffic was retained. Subsequent events proved this to be unattainable. I have already mentioned the reasons for the sluggishness in railway performance and the dynamic and imaginative steps taken during the last three months. On present reckoning, the originating revenue earning traffic is expected to be about 195 million tonnes during the year. Though this will be short of the budgetary target by 19.5 million tonnes it will be two million tonnes more than in 1979-80. Owing to a favourable traffic-mix and a slight increase in the average leads the financial effect of this shortfall would be only Rs. 30.12 crores.

Passengers - The budget estimates of earnings from passenger traffic had anticipated a 6 % increase in passenger traffic over that in the previous year. Performance up to the end of November 1980, however, shows that the total number of originating passengers increased only by 2.1 %. The shortfall is mainly on account of cancellation of a large number of passenger trains in the beginning of the year, widespread occurrence of drought conditions and a somewhat slow revival of industrial activities. Consequently, the passenger earnings in the current year are also anticipated to fall short of the budgetary target by Rs. 34.25 crores.

The earnings from Other Coaching and Sundries have, on the other hand; shown a buoyancy. After taking these factors into account, the revised estimate of gross traffic receipts has been placed at Rs.2707.22 crores reflecting a shortfall of Rs. 42.37 crores.

Working Expenses - The Budget Estimate of ordinary working expenses was for Rs. 2111.93 crores. Even after allowing for the decrease in expenditure consequent on the scaling down of the loading target for goods traffic from 214.5 to 195 million tonnes, for meeting the liabilities arising from post-budgetary factors, an amount of Rs. 91.07 crores would be required. However, the stringent financial control exercised during the year has happily resulted in a reduction of the impact of these additional liabilities limiting the additional requirements to Rs. 52.68 crores. The Revised Estimate of ordinary working expenses is thus Rs. 2164.61 crores.

The appropriations to the Depreciation Reserve and Pension Funds are being retained at the Budget level i.e. Rs. 220 crores and Rs. 84 crores respectively. After a minor adjustment under miscellaneous expenditure the net revenue earned will be Rs. 272.09 crores. The liability for payment of Dividend to General Revenues is, however, Rs. 324.43 crores which cannot, therefore, be met in full. Against the budgeted surplus of Rs. 42.71 crores there will be a deficit of Rs. 52.34 crores. The Deferred Dividend Liability account will consequently increase from Rs. 181.42 crores as on 31-3-1980 to Rs. 233.76 crores. Besides, to meet the expenditure on works financed from Development Fund and for payment of interest on the loans taken for Development Fund, a further loan of Rs. 34.66 crores will be obtained from General Revenues. At the close of the year the total loans taken for Development Fund will amount to Rs. 224.17 crores.

Budget Estimates 1981-82

I now come to the Budget Estimates for the year 1981-82.

As compared with the scaled down target of 195 million tonnes for 1980-81 and taking into account the improvement in operations since November 1980, a target of 215 million tonnes of originating revenue earning traffic is being fixed for 1981-82. The Budget Estimates for 1981-82 also assume a growth of 3 % in non-suburban passenger traffic and 6 in suburban passenger traffic.

As against the Revised Estimate of Rs. 2707.22 crores for 1980-81, the gross traffic receipts for 1981-82 on the basis of current fare and freight rates, have been placed at Rs. 2920.49 crores. The gross traffic receipts in 1981-82 will thus increase by Rs. 213.27 crores out of which Rs. 27.60 crores will be from passenger traffic and Rs. 182.39 crores from goods traffic.

Working Expenses - I have earlier brought out the need for increased expenditure on replacements and renewals of assets which have been in heavy arrears. In order to meet this requirement, the appropriation to Depreciation Reserve Fund is being stepped up from Rs. 220 crores in 1980-81 to Rs. 350 crores in 1981-82 i.e. by Rs. 130 crores. With the increase in the number of pensionable employees, and the progressive liberalisation in the quantum of benefits, the pensionary liability is going up. The appropriation to the Pension Fund is, therefore, being raised by Rs. 14.50 crores from Rs. 84 crores in 1980-81 anticipated to increase by Rs. 467.30 crores.

The total expenditure, including appropriations to Funds, is estimated at Rs. 2876.95 crores against the gross traffic receipts of Rs. 2920.49 crores. The net revenue will thus be only Rs. 43.54 crores which will not be sufficient to discharge the anticipated Dividend Liabilities of Rs. 349.91 crores. The overall budgetary gap will, therefore, be Rs. 306.37 crores, besides Rs. 38.47 crores required for meeting expenditure chargeable to the Development Fund.

Proposals

Rail Tariff Enquiry Committee - As the House is aware, a Rail Tariff Enquiry Committee was set up in September 1977. After their interim report, mainly covering suburban and non-suburban season ticket fares, they submitted their main report in April 1980. This was followed by their Final report in end June 1980. The conclusions and recommendations made in the last two reports total 386. I would like to sincerely thank the Chairman, Dr. H. K. Paranjape and the other two members of the Committee, for the pains taken by them in completing their assignment and making valuable recommendations. In view of the nature and the large number of areas of working covered by the Committee's recommendations, it has not so far been possible to process to finality all the recommendations. Further, the recommendations being of an integrated nature it is not possible to pick out a few for partial implementation. In the meantime, as explained a little while ago, the costs of various inputs are going up. As such, for covering the budgetary gap I have had to take recourse to the method of levying, as an ad hoc measure, supplementary charges on a percentage basis. These supplementary charges will get adjusted in the revised fare and freight structure to be implemented on the basis of R.T.E.C's recommendations. I may, however, mention here in passing that even with the levy of these supplementary charges the fare and freight charges would be lower than those recommended by the Rail Tariff Enquiry Committee.

I shall now explain my proposals for additional resource mobilisation to cover the budgetary gap.

Passenger Traffic

Suburban Passenger Traffic - As the Honourable Members will recall, Phase I of Rail Tariff Enquiry Committee's recommendation, made in its interim report received in November 1978 in regard to the rationalisation of the season ticket fares, has so far been implemented only partially. In view of the escalation in the costs of inputs and the need for improvement in the quantum and quality of service to the commuters, further increase in the monthly season ticket fares, as also reiterated by the Rail Tariff Enquiry Committee in their main report, is necessary. However, pending final decisions on R.T.E.C's recommendations, I am not, at this stage, proposing any change in the existing rates of monthly season tickets for suburban traffic.

I find that while the students in Bombay and other places are enjoying a 50% concession on normal monthly season ticket fares, the concession at present available to the students of Calcutta is only 33.1 %. I see no justification for this disparity. The students of Calcutta will also now be eligible, with effect from April 1, 1981, to a 50% concession.

Non-Suburban Passenger Traffic - I propose to levy, over the existing fare rates, a surcharge of 15 for air-conditioned first class, 12.5% for first class and 10% for air-conditioned chair car. Similarly, a surcharge of 10 % will also be levied for second class, both Mail/Express and ordinary. However, journeys up to 150 kilometres in second class ordinary will be exempt from this surcharge. For air-conditioned 2-tier sleeper class

the basic fare will be the same as for first class Mail/ Express, but considering the quality of service and comfort available in this class, there will now be a supplementary charge per ticket at the rate of Rs. 15 for journeys up to 1,000 kilometres and Rs. 25 for longer journeys.

Other Charges - Taking into account the present-day costs of providing special services asked for by individual passengers, the rates of reservation fee for different classes, sleeper charges, superfast supplementary charges and cloak room charges are also being enhanced.

Freight Traffic

I also propose to levy on all freight traffic a flat 15 % surcharge Over the existing rates, except on

- (a) salt for domestic use;
- (b) firewood; and
- (c) charcoal.

To help in the proper development of the area and keeping in view the common welfare of the people in the North-eastern region, who have to bear high transportation charges even for essential commodities of daily use, I have decided to give a 6 % concession in freight on all goods traffic booked in Howrah area to and from stations falling in the States of Assam, Meghalaya, Tripura, Mizoram, Manipur, Nagaland and Arunachal Pradesh.

Luggage and Parcel Traffic - There will also be a flat 10% surcharge over the existing rates for all luggage and parcel traffic.

A memorandum, explaining these proposals in detail, is circulated alongwith the budget papers. The above proposals will come into force from April 1, 1981.

Financial Results

It is estimated that the levy of these surcharges and increases in other items on the basis of the above proposals, will yield an additional Rs. 70.04 crores from passenger traffic, Rs. 276.08 crores from freight traffic and Rs. 10.14 crores from luggage and parcels i.e. a total of Rs. 356.26 crores. The dividend liability of Rs. 349.91 crores will thus be fully met. Further, after appropriating Rs. 38.47 crores to meet expenditure chargeable to Development Fund, there will be a net surplus of Rs. 11.42 crores which will be utilised for partial liquidation of the Deferred Dividend Liability.

Railway Convention Committee

The recommendations of the previous Railway Convention Committee on rates of dividend and other ancillary matters covered a period of only 2 years i.e. 1978-79 and 1979-80. That committee became functus officio with the dissolution of the Sixth Lok Sabha. The new committee is now in session. However, pending receipt of their recommendations, the above projections of Budget Estimates for 1981-82 have been made on the basis of the existing arrangements but with a stepping up of contributions to the Depreciation Reserve Fund and Pension Fund.

Labour Relations

The relations with the Railwaymen continued to be cordial throughout the year. The Permanent Negotiating Machinery functioned usefully. I am greatly concerned about the personal violence against the law abiding and innocent station staff and other staff like Travelling Ticket Examiners performing duties on running trains. It is, however, gratifying to note that despite such occurrences the staff have continued to perform their assigned duties. I am also appreciative of the recent response by Railwaymen, at all levels, to my appeal for improved performance. This speaks highly of their unflinching devotion. I have no doubt that the same spirit and enthusiasm displayed in the last three months will continue to guide the Railwaymen during the critical period ahead. I look forward to an era of prosperity and modernisation for the system and the well-being of the Railwaymen and their families. I am sure that continued appreciation and goodwill of everyone will provide a stimulus to the Railwaymen to successfully meet the challenges of the Sixth Five Year Plan.

Before concluding, I express my sincere thanks, Sir, to you and the House for the patient hearing given to me.
