

**Speech of Shri Kamalapati Tripathi  
Introducing the Railway Budget  
for 1980-81, on 11<sup>th</sup> March 1980**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for 1979-80 and the Interim Budget Estimates for 1980-81.

**Financial Results Of 1978-79**

I shall first refer to the Railways' financial results for the year 1978-79, the last completed financial year for which the accounts have been finalised. It will be recalled that, at the Budget Estimate stage, an originating revenue earning traffic of 222 million tonnes for the year was anticipated. However, due to adverse performance a revised target of 205 million tonnes was fixed at the Revised Estimates stage while the actual materialisation for the year was only 199.56 million tonnes. Consequently, the net surplus of Rs. 65.43 crores, projected in the Budget Estimates was also scaled down to Rs. 27.73 crores. The year, however, closed with an actual surplus of Rs. 36.66 crores. The Railways' indebtedness to General Revenues stood at Rs. 278.12 crores at the end of March 1979.

The Plan expenditure during 1978-79 was Rs. 522.05 crores besides Rs. 15.49 crores on Metropolitan Transport Projects as against the Budget provision of Rs. 525.30 crores and Rs. 15.00 crores respectively.

**Revised Estimates: 1979-80**

The Budget Estimates for the current financial year were based on an upward revision in the goods tariff and enhancement of the rates of season tickets for commuters.

The net effect of these additional levies was estimated at Rs. 159.99 crores and an originating loading of 222 million tonnes of revenue earning traffic was also envisaged. This projection was on the unrealistic side in view of the declining trend in freight traffic after 1976-77. Based thereon, a net surplus of Rs. 79.66 crores, including Rs. 9.24 crores as reliefs in dividend liability, was projected in Budget Estimates. This net surplus was evidently unrealistic as it was based on a higher originating revenue earning traffic of 222 million tonnes. It is now expected that the materialisation of originating revenue-earning traffic will be only about 194 million tonnes. This shortfall in goods traffic has seriously affected the financial position of the Railways.

**Freight Operations**

Amongst the factors that affected the mobility and profitability of Railways was the widespread and extensive power cuts in various States affecting not only the industrial production but also the Railways' own working. Further, the sporadic civil agitations and the deterioration in the law, and order situation in some of the States frequently dislocated rail movement. At the same time, the strikes in various sectors such as in Ports led to hold-up of wagons, whereas occasional stoppage of work in oil installations and some of the iron ore mines resulted in less offering of traffic. For want of the required quantity of coking coal there was also a drop in the demand of other raw materials to Steel Plants in the first half of the year. Yet another factor, which affected the overall mobility, was general deterioration in the working of Railways from 1977-78 onwards which included frequent agitations by the Railway staff particularly in the Eastern sector, mostly by category-wise unrecognised groups. These agitations, which involved either work stoppages or go-slow tactics, reduced the productivity in the various sectors, specially in the sphere of coal loading in the Bengal-Bihar coal fields.

Despite these factors, Railways ensured record despatch of foodgrains from Punjab and Haryana to deficit States and diesel oil for the drought-affected areas although for certain other commodities like coal there have been shortfalls.

It is now estimated that though the originating revenue earning traffic is coming down to 194 million tonnes, the gross traffic receipts will not drop proportionately and will be only Rs. 83.64 crores less than the Budget Estimates primarily because the average lead per tonne has gone up during the year.

**Passenger Traffic**

In keeping with the trend of the previous year, the realisation of Rs. 750.05 crores from passenger traffic is anticipated to be Rs. 11.60 crores more than the Budget Estimate. In fact, but for the cancellation of a large number of passenger trains due to inadequate availability of coal, the realisation from this sector would have been more.

The total gross traffic receipts during the current financial year are now estimated to be Rs. 2354.44 crores, as against the original Budget Estimates of Rs. 2438.08 crores.

**Working Expenses**

As a result of the unprecedented inflationary pressures that developed during the year, the Working Expenses have been very badly hit. The various post-budgetary factors, for which no provision was made in the Budget, total Rs. 110.41 crores such as three revisions in the 'rates of' Dearness Allowance (Rs.23.90 crores), increase in the prices of coal and Diesel and electricity charges (Rs. 26.72 crores), payment under the Productivity-Linked Bonus Scheme (Rs. 36.18 crores), general price increase (Rs. 22.00 crores) and revision in, scales, of pay etc. of the Order Police personnel (Rs. 1.61 crores). The total, expenditure would, however, now be Rs. 1864.07 crores as against the Budget Estimate of Rs. 1827.83 crores and the current year is expected to close with a net deficit of Rs. 42.10 crores.

**Plan Outlay 1979-80**

The Railways' Annual Plan for 1979-80 provided for a total expenditure of Rs. 632 crores, besides Rs. 18 crores for Metropolitan Transport Projects, which is outside the Railway Plan. The phenomenal increase in costs during the year and the need-based requirements for progressing on-going projects, justified a larger outlay for the Railway Plan, but in view of the overall financial constraints, the Railways are required to limit their expenditure within the allotted amount. This has necessitated some re-ordering of priorities and efforts are being made to, ensure that important sanctioned schemes do not suffer.

**1980-81**

Now I turn to the Budget Estimates for 1980-81. In this connection I may state that the review of the Plan priorities by our Government, in respect of some sectors and programmes, along with the outlays for the States, are still to be finalised.

This House would also be aware that the National Transport Policy Committee, appointed by the Planning Commission in April 1978, is at present seized of evolving a rational policy for construction of new railway lines, including unremunerative lines and development lines in backward areas, and mode of financing them. The recommendations of this Committee also are eagerly awaited so that the Railways can then initiate action for preparation of a long-term plan.

The House would also recall that the question of reviewing the fare and freight structure of the Railways was remitted, in September 1977, to a high level Committee called the Rail Tariff Enquiry Committee. I understand that they are nearing the end of their task and that their Report would be available shortly.

In view of these factors I am submitting the Budget Estimates for 1980-81 only for obtaining a "Vote On Account" to cover the anticipated expenditure upto the end of July 1980.

**Interim Estimates For 1980-81**

The freight traffic performance during 1977-78 and 1978-79 was less than the projections at the Budget Estimate stage. As mentioned by me a little while ago, the actual performance in 1979-80 is also now estimated to be only 194 million tonnes against 222 million tonnes, projected at the Budget Estimate stage. I am, therefore, keen that for 1980-81 a realistic and achievable target should be fixed. After a great deal of thought the target of originating revenue earning traffic has been fixed at 214.50 million tonnes. A growth of 6% in passenger traffic, which, is based on previous trends, has been assumed and the Budget Estimates for 1980-81 have been framed accordingly.

As against the Revised Esimat of Rs. 2354.44 crores for 1979-80, the gross traffic receipts, on the basis of current fare and freight rates, have been placed at Rs. 2545.35 crores. This would mean an increase of Rs. 190.91 crores of gross traffic receipts Rs. 139.35 crores from goods traffic and Rs. 45.00 crores from passenger traffic.

At the existing cost levels and other commitments, the Working Expenses for 1980-81, after taking into account the impact of haulage of additional traffic and the normal increase in the wage bill, coupled with a renewed drive for cutting out avoidable expenditure, would be Rs. 1990.47 crores. This would be an increase of Rs. 126.40 crores over the Revised Estimates for 1979-80 out of which Rs. 56.30 crores is accounted for towards payment of Productivity-Linked Bonus to the staff.

For the year 1980-81, the appropriation to the Depreciation Reserve Fund is being enhanced by Rs. 20 crores to meet the requirement for replacement of assets. Similarly an increased provision of Rs. 20 crores is being made for the Pension Fund to meet the pension liabilities.

With the gross traffic receipts being Rs. 2545.35 crores and the total expenditure being Rs. 2583.47 crores, a net overall deficit of Rs. 38.12 crores is anticipated.

### **Railway Convention Committee**

The last Railway Convention Committee, which became *functus officio* with the dissolution of the Lok Sabha in August 1979, gave only interim recommendations in regard to the rate of dividend payable to General Revenues for the years 1978-79 and 1979-80. In the absence of any recommendations for the period from 1980-81 onwards, the Budget for 1980-81 has been prepared on the same basis as recommended by the Committee for the year 1979-80 and approved by Parliament.

In the next Session, I shall be moving a resolution for the reconstitution of the Railway Convention Committee

The Plan outlay for 1980-81 has tentatively been fixed at Rs. 650.64 crores that is almost the same as for 1979-80. However, the *inter se* priorities under various Plan heads are being given a fresh appraisal. The extent, to which this outlay can be increased, within the overall resources of the country, will be reflected in the regular Budget to be submitted later.

### **Recent Trends**

During 1976-77, the Railways handled the highest ever-originating revenue earning traffic of 212.6 million tonnes. However, since then there has unfortunately been a progressive decline in the lifting of freight traffic resulting in the revenue earning tonnage of only about 194 million tonnes expected during 1979-80. Since my taking over this Ministry, I have laid emphasis on taking urgent steps to improve freight operations particularly in the sphere of loading of coal for the Thermal Power Stations. Simultaneously there has been an increase in the movement, of essential goods like sugar, diesel and kerosene. I have also stressed the need for improving punctuality, passenger reservations, cleanliness at stations and in trains and for providing essential amenities to passengers. I am happy to mention that there have lately been distinct indications of improvement in various directions.

### **Coal Loading**

The House would be interested to know that average daily coal loading during 1978-79 was 9,001 wagons, which dropped to 8,644 wagons between April - December 1979. With extra efforts from the latter half of January this year it improved to 8,968 wagons and I am happy to report that in February Railways have loaded as many as 9,250 wagons on an average per day which is the highest during this financial year. Unfortunately, the full benefits of the increased loading have not accrued to all the consumers because of additional loading to the Thermal Power Houses in the context of current shortfall in hydel power generation. As against 2,578 wagons on an average daily loaded for Thermal Power Houses in 1977-78 and 2,770 between April-December 1979, in January this year 2,913 wagons per day were loaded for Power Houses which went up as high as 3,290 wagons per day in the month of February. It has had its impact and the Thermal Power Houses now have increased stocks to which we would add further as the rate of loading achieved in February is being improved upon.

### **Loading Of Petroleum Products**

Railways have geared themselves to meet the present increase in the movement of petroleum products including diesel, oil and kerosene from western sector by strengthening their fleet of oil tankers, suitably redeploying it and by a closer watch over its movement for improved turn-round.

### **Punctuality**

After achieving over 93% punctuality performance during 1976-77, the percentage slumped to about 84 by end 1979. However, a target of 95% for achievement has been prescribed for all Zonal Railways and it is gratifying to observe that a level of over 90% has, already been reached. Cases of trains losing punctuality, due to frequent alarm-chain pulling and activities of miscreants, persist. Steps have been taken to curb these evils. An improvement in the general law and order situation would also result in reducing such instances.

### **Restoration Of Cancelled Trains**

Due to short supply of coal, some of the Railways had to curtail a large number of passenger services, mainly on the branch lines. During the last six weeks special steps have been taken to improve the availability of coal for loco purposes and the restoration of cancelled trains is being progressively arranged. Out of 162 pairs of trains which stood cancelled, as on 31-12-1979, 65 pairs have already been restored and the balance are also expected to be restored within this month. Considering public convenience as many as 4 halts, which were cancelled, have recently been restored and another 9 new halts added to meet the genuine needs of rail users.

### **Long-Distance trains**

My effort will be towards improving the train services in order to provide more facilities for the passengers. Wherever possible, I shall try to increase the frequency of trains like the Jayanti Janata, extend existing train services to meet outstanding demands and provide need-based additional trains. In this connection, I am happy to inform this House that a decision has been taken to introduce from 1.4.1980 a tri-weekly fast train between Puri and New Delhi which, apart from linking the State capital of Orissa with New Delhi, will also serve the passengers of Jamshedpur and Bokaro. The transit time between Bhubaneswar and New Delhi will be reduced to about 32 hours. It is also the intention to introduce shortly a tri-weekly train between Ranchi and Chandigarh via New Delhi, which will be so scheduled as to provide a fast train between Chandigarh and New Delhi in the morning and between New Delhi and Chandigarh in the evening, besides providing a fast service between Ranchi and New Delhi.

### **Reservations**

Steps have recently been taken to render better and more satisfactory service to the travelling public in the matter of reservations. Some of these steps are:

- (i) Additional reservation counters have been set up at important railway stations;
- (ii) Separate refund counters, in order to relieve congestion at booking windows, have been opened;
- (iii) Firm reservations over and above the normal quota of berths against the vacancies which arise due to normal cancellations, are also now being made;
- (iv) Reservation of seats by day-time trains is now being made without the passenger filling up detailed requisition forms.

Further, to provide a more effective supervision in important reservation complexes, covering more than 60 of the total reservations made, the supervisory level is being elevated and enhanced powers are being delegated to enable these supervisory officers to take on-the-spot decisions.

### **Suburban Services in Metropolitan Cities**

Problems of suburban services in metropolitan cities are mainly of equipment shortages. Action to improve the availability of the equipment has been initiated and orders for import of 43 traction equipment sets and 83 traction motors have been placed last month. Besides, in Bombay area, 108 EMU coaches are

overdue replacement for which necessary steps have been taken.

### **New Lines, Gauge Conversions And Surveys**

There is considerable demand for construction of new lines and conversion of Metre Gauge lines to Broad Gauge and, in some cases, even from Narrow Gauge to Broad Gauge. The total availability of funds being limited, the result has been that some of the projects sanctioned as early as 1971-72 are still to be completed. It is imperative that on-going works should be completed expeditiously so that benefits of investment start flowing to the public. I have instructed the Railway Board that the six new Railway lines, sanctioned in the North-East region, should be expedited by allotting more funds to the same and that all on-going schemes of conversion from Metre Gauge to Broad Gauge should also be completed as early as possible. The Barabanki-Samastipur, Viramgam-Okha, Barauni-Katihar and New Bongaigaon-Gauhati projects are important conversion projects and are being given high priority. Priority is also being given to Moradabad-Ramnagar, Kashipur-Lalkuan-New Haldwani, Varanasi-Bhatni, Guntakal-Dharmavaram-Bangalore, Bangalore-Mysore and Samastipur-Darbhanga conversions, which are all sanctioned works. The Manmad-Parbhani and Purli-Vajjnath conversion is also being progressed. The Karur-Dindigul- Madurai-Tuticorin-Tirunelveli project, which is partly new line and partly conversion, has been surveyed and the survey report is being examined. Projects like Dalli-Rajhara-Jagdarpur, Nangal-Talwara, conversion of Varanasi-Chupra, Budge Budge-Namkhana Rail link and line capacity works on Kiul-Bhagalpur section for which surveys have already been completed or are in the course of completion will be given due consideration. Honourable Members would also be glad to know that the persistent demand for two small works in Maharashtra of bringing Madhavnagar on the main line and linking Miraj with Sangli are also being included in 1980-81 programme. Updating of the old surveys of Kuttipuram-Guruvayoor-Trichur Rail Link, Allahabad-Varanasi gauge conversion and Chitradurg-Rayadurg new link will also be undertaken during 1980-81. Demands for surveys to open up other areas like Gandhidham-Bhuj-Lakhpat, Guna-Shivpuri-Etawah and Darbhanga-Jaynagar conversion are also being taken up for consideration. Other important schemes such as a railway bridge across Ganga at Patna are under study.

I would plead with the Honourable Members to bear with me for the present and I assure them that when we get the report of the National Transport Policy Committee regarding priorities to be given for new constructions, the development of backward and hilly areas will be given due priority within the constraint of resources.

### **Production Units**

Indian Railways' own and manage three Production Units engaged in manufacture of locomotives and coaches. As in case of Zonal Railways, the deteriorating trend in the functioning in the past has affected the output from Chittaranjan Locomotive Works as well as Diesel Locomotive Works, Varanasi where in 1979-80 the production is anticipated to fall short of [the original target. The main reasons have been attributed to heavy cuts in supply of power, which has also affected indigenous supplies of traction equipment. Remedial steps are being taken.

The Integral Coach Factory at Perambur, Madras is however, set for achieving the prescribed output. It has also successfully executed an export order of 50 coaches to Vietnam. Efforts are being made to ensure that targeted production is achieved during 1980-81 by timely provision of inputs and improvement in power supply.

### **Modernisation And Expansion**

As a major transport system the Railways have not been receiving need-based resources with the result that there has been a progressive deterioration in operations and performance, in all spheres. During 1976-77, 212.60 million tonnes of revenue earning traffic was lifted and it is expected to be about 194 million tonnes in 1979-80 though with slightly increased leads. The acceleration in rate of economic growth is now anticipated to take place and this will also result in an increase in the demand for rail transport. Therefore, to enable the Railways to play its assigned role in national development, schemes for modernisation and expansion, both for freight and passenger traffic, would be given priority. These schemes will cater to Railways' capacity remaining ahead of the demands so that goods from production centres to consuming centres get transported efficiently and quickly. In respect of passenger transport, the objective would be to provide for improved amenities and more comfortable travel, besides coping with the increase in the quantum of traffic.

### **World Bank Assistance**

A "Railway Modernisation and Maintenance Project" is being progressed under the World Bank credit of \$190 millions. This project aims at modernization of Railway Production Units, Workshops and Repair Depots so that the performance and availability of locomotives and rolling stock improves and the cost of maintenance reduces, through replacement of the obsolete and worn-out machinery and plant, improvement of layouts, rationalisation of workload and reduction of down-time by provision of unit exchange system.

### **New Projects**

Some of the modernisation and expansion projects under consideration are as follows:

- (i) Modernisation of DC Banking Locomotive Project to achieve reliability of operation and better through-put on the highly graded and saturated ghat sections of the Central Railway;
- (ii) Setting up of a new coach building unit to meet the heavy and increasing demands of passengers anticipated in future years;
- (iii) Setting up of a new plant for manufacture of diesel spare parts for meeting the requirements of increasing diesel locomotive fleet;
- (iv) Expansion in the existing production capacity of the Diesel Locomotive Works at Varanasi;
- (v) Speeding up the completion of the Wheel and Axle Plant Project, currently under execution at Yelahanka near Bangalore, so as to make the Railways nearly self-sufficient in their requirement of wheels and axles by eliminating dependence on imports;
- (vi) Developing adequate infrastructure to enable the trade to transport their goods to both international and national markets, through containers;
- (vii) Rationalising freight operations control for optimising utilisation of our assets and streamlining of passenger reservations with a view to providing customer satisfaction by developing an effective system of data transmission; and
- (viii) Setting up of factories for meeting Railways' increasing requirement of pre-stressed concrete sleepers.

### **Bulk Transportation of Food grains**

Experience of the last few years has highlighted the need for the Railways' developing, in liaison with the Food Corporation of India, adequate infrastructure for providing bulk transport of foodgrains. An IDA credit for this purpose has been obtained by the Food Corporation of India and a project, involving centralised collection, loading, research and design of a new special type wagon for transport, unloading and reloading for subsidiary transport to the actual consuming points, is being developed.

### **R.I.T.E.S., I.R.C.O.N.**

Both the public sector undertakings under the Ministry of Railways viz., Rail India Technical and Economic Services Limited (RITES) for providing consultancy service and Indian Railway Construction Company Limited (IRCON) for undertaking construction of railway projects have respectively earned profits of Rs. 54.56 lakhs and Rs. 12.67 lakhs in 1978-79 and RITES have also declared a dividend of 25 % for this year.

Honourable Members will recall that, under a Management Agreement with the Government of Nigeria, a team of 434 experts and technicians was sent to Nigeria one year ago. As a result of their assistance the re-activation of the railway system in that country has made great progress and handsome tributes have been paid by the Nigerian Government and public to the Indian railwaymen on the excellent work done by them. RITES have also entered into contracts for providing technical and economic services to the Ministry of Transport in Iraq and in Bangladesh. The Construction Company (IRCON) also has submitted international offers for various railway construction works in some of the countries in Middle East, Africa and South-East Asia.

I am sure the Honourable Members will join me in wishing these two organisations a still better future.

### **Industrial Relations**

While the relations with organised labour continued to be generally harmonious and satisfactory

during the year, there were many sporadic and wild-cat strikes and work-to-rule and go-slow agitations by unrecognised groups and category-wise associations which affected the smooth working of the railways. The Permanent Negotiating Machinery, along with the Departmental Council under the Joint Consultative Machinery Scheme, functioned satisfactorily.

The long pending demand of the railwaymen for bonus has recently been finalised and a Productivity-Linked Bonus Scheme evolved mutually by the two recognised Federations and the Railway Board.

Another outstanding issue, finalised after this Government came into power, is the restructuring of the Group 'A' cadres on the Railways. The main thrust of this review is to strengthen the Zonal and Divisional set-ups so that, by enhanced delegation of powers, day-to-day problems of railway users and staff are dealt with expeditiously. A review, on similar lines for the Medical and Security Departments has also been initiated and will be finalised early.

### **Looking Ahead**

I have great faith in the capacity of our countrymen, railwaymen and officers. I am confident that, with the demand for bonus having now been finalised and benefits of a substantial nature having been given to railwaymen over the last three years, they will spare no efforts in fulfilling the national objectives. With the goodwill of this House, I have also hope and confidence that the railway system will start achieving greater efficiency, self-sufficiency and financial viability. In this only lies the system's own survival and I trust that railwaymen at all levels would rise to the occasion to meet the challenges.

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