

**Speech of Shri C. M. Poonacha  
Introducing the Railway Budget  
for 1968-69, on 19<sup>th</sup> Feb 1968**

Mr. Speaker,

Sir, I rise to present the Railway Budget for 1968-69.

2. Beginning with the last completed year, I am glad to report that when the accounts for 1966-67 were closed the deficit was reduced to Rs. 18.27 crores from the earlier estimate of Rs. 24 crores as there was a saving of Rs. 5.75 crores in Ordinary Working Expenses. The saving was mainly because less staff were appointed, less ballast purchased and less repairs to buildings and structures carried out in the closing weeks of the year.

3. I wish I had a better account to give of the current year. Hon'ble Members will recollect that in deference to the views expressed in the House I had moderated my proposal for increase in the Ordinary Third Class passenger fares and exempted foodgrains from the 3 per cent increase in the supplementary charges on goods. These two changes had the effect of converting the nominal surplus of Rs. 1.28 crores in the Budget presented by me to a small deficit of about Rs. 2 crores. The estimate of earnings from goods traffic in the current year had been worked out on the expectation of an addition of revenue earning traffic of 8½ million tonnes. But the trend of goods traffic this year has been very disappointing, due, no doubt, to the current recession in the economy. Revenue traffic remained almost at the level of last year up to the end of August, but in September there was a sudden drop of nearly one and a half million tonnes, and a further drop of another half a million tonnes in October, leaving us with a shortfall of about two and a quarter million tonnes at the end of October as compared to last year. Traffic in November and December was a little better than last year reducing the shortfall to 1.7 million tonnes by the end of December. On the subsequent trend of traffic it is very likely that we will end the current year with about one million tonnes less of revenue earning traffic than the 164.2 million tonnes achieved last year. Accordingly, in the Revised Estimate I have reduced the earnings from goods traffic by Rs. 17 crores from the Budget figure of Rs. 526 crores.

4. I may mention in passing that, though this year has been very difficult for railway operation in many respects, the failure to achieve the estimated increase in goods traffic has in no way been due to any failures on the part of the railways. The pattern of traffic flows changed with the heavy import of foodgrains, which severely strained port capacity at Bombay, Visakhapatnam and Calcutta, so that the Railways were obliged to move supplies to the drought-stricken areas of Uttar Pradesh and Bihar from distant ports like Madras and Kandla, which often involved the movement of empty wagons overlong distances. Despite these difficulties and handicaps the Railways were able to move between April and November 1967 two million tonnes of foodgrains to the scarcity areas from these ports and were able to meet fully and promptly all demands for the movement of foodgrains. In fact, since July 1967, the outstanding indents for wagons have generally been less than one average day's loading on the Broad Gauge. With the further increase in the capacity of the ferry across the Ganga at Farakka and the transshipment capacity at New Bongaigaon and New Jalpaiguri, the movement of traffic to North Bengal and Assam has been free practically throughout the year. Traffic between the South and North of the country and along the East Coast route also has been moving freely, quota regulations *via* Waltair having been withdrawn.

5. The rate of increase of passenger traffic this year has been slightly better than was anticipated in the Budget, but this will only make up for the loss of earnings from the reduction in Third Class Ordinary fares that I had agreed to during the budget discussions. I have, therefore, made no change in the Revised Estimate of passenger earnings from the Budget Estimate of Rs. 255.25 crores. The changes in the estimates under Other Coaching, Sundry earnings, and earnings awaiting realisation are of a minor character.

6. In the result, total gross traffic receipts are expected to be Rs. 17.45 crores less than the budget of Rs. 847.00 crores.

7. Ordinary Working Expenses are now estimated of Rs. 22.53 crores more than the Budget. Out of this, Rs. 1.65 crores for payments to Port Trusts, is not an increase over the Budget in a real sense but only in a technical sense, being due to a change in accounting procedure; the real increase over the Budget is only Rs. 22.88 crores. Of this, Rs. 2 crores again is not in fact a real increase as it is a part of the arrear rental that became payable to the Posts and Telegraphs department for line wire and cables after the framing of the Budget. The balance of Rs. 18.88 crores is made up of two items, the

additional amount of dearness allowance of Rs. 10.62 crores and the additional requirement of Rs. 8.26 crores for fuel. The bulk of the increase under fuel, as much as Rs. 5.10 crores, is due to the increase in the price of coal from September 1967 following decontrol and Rs. 1.54 crores on sales tax on coal, diesel oil and electric power relating to the previous year. There has been a saving of about Rs. 3 crores on expenditure on staff and of about Rs. 1½ crores on fuel, due mainly to traffic having been at a lower level than, was anticipated in the Budget. But sundry increases have offset these savings. It will be seen from what I have said that the increase of about Rs. 22½ crores is almost fully accounted for by post-budget developments which were entirely beyond the control of the Railways, particularly the increase in dearness allowance and in the cost of fuel.

8. Since a reduction of at least Rs. 6 crores is now expected in the withdrawal from the Depreciation Reserve Fund and we have a difficult revenue position, I propose to reduce the contribution to the Fund from the Budget figure of Rs. 105 crores to Rs. 95 crores. I also propose to reduce the contribution to the Railway Pension Fund from the Budget figure of Rs. 15 crores to Rs. 10 crores. Even so the accrual to the Pension Fund during the year will be Rs. 8.05 crores and disbursement Rs. 5.27 crores.

9. In the final result, we get a deficit of Rs. 22.59 crores for the year.

10. While I have been maintaining unabated pressure on the Railway Administrations to effect the maximum possible economy in working expenses, I cannot claim that the results achieved could not have been better; and I have reason to hope that they will be better in the coming year. But I have to request the Hon'ble Members to bear in mind what I had explained during the budget discussions last year are necessarily the limitations and impediments in achieving any large economies in a short period. I have the further difficulty that what economies we can secure can take care of only a fraction of the inescapable increases in operating costs from year to year. I need refer to only a few of these. The Pay Commission's scales having not yet stabilised, the annual increments on the time-scales have for some years been adding nearly Rs. 5 crores to the wage bill each year. The periodical increases of dearness allowance now total up to about Rs. 92 crores, the increase in this year itself being as high as Rs. 28.25 crores. Fuel prices also have been going up steadily. From the beginning of 1961-62 up to the middle of 1967 the increase in statutory prices, including cesses, was as much as Rs. 7.62 per tonne, and following decontrol the prices have gone up by another Rs. 5 per tonne, so that the pitmouth cost of coal has risen by nearly Rs. 13 per tonne over 1961-62 prices. The rate of sales tax on coal increased from 2% to 3% from 1.7.1966. There have also been successive increases in the duties and sales tax on diesel oil. On account of these factors alone, the Railways' fuel bill has risen by over Rs. 22 crores since 1961-62.

11 Then, in recent years there has been the increase of about Rs. 10 crores every year in dividend on the Capital-at-charge. In this context a word on the subject of capital investment on the Railways will be appropriate. The increase in goods traffic has been substantial. It rose from about 44,000 million net tonne kilometres in 1950-51 to nearly, 117,000 million net tonne kilometres in 1965-66-an increase of about 165 per cent in fifteen years. In the earlier part of this 15-year period capital outlay was relatively low, partly because rehabilitation had priority over additions to assets during the First Plan and partly because it was possible "to pick up the slack" in installed capacity with comparatively small capital investment. Thus the average increase in the Capital-at-charge during the First Five Year Plan was less than Rs. 29 crores a year. As traffic increased further, cheaper methods for increasing capacity were first adopted, like reducing the length of block sections, improved signalling, providing more crossing stations, or increasing the length and weight of trains, and only when these measures proved inadequate or could not have given the required increase in line capacity, were more expensive measures undertaken, like doubling certain sections of line or converting certain sections from Metre Gauge to the Broad Gauge or building new lines. In the Second Plan period the average annual expenditure on capital account rose to Rs. 110 crores and in the Third Plan period it rose to about Rs. 228 crores, the peak having been Rs. 275 crores reached in the year 1964-65. Here I have to remind Hon'ble Members of certain special features of expansion of railway capacity. Firstly, the construction of new lines or the doubling of existing lines etc. have necessarily to take two to four years for completion and commissioning, and since a number of such works have to be always in progress a large amount of capital is tied up in such works without yielding any return. Secondly, increases in capacity can rarely be tailored to meet just the minimum required from year to year, and when a section is doubled or a new line is built it usually takes a few years for the traffic to grow to the level at which the additional capacity is utilised to optimum advantage and the full anticipated return realised. Lastly, line capacity found in excess in any section is not transferable to another where there may be shortage. Thus we have come to have such examples as of capacity created on specific sections to handle the projected heavy traffic of raw materials and finished products of steel plants or the projected large increases of traffic in coal from East India to the West having remained only partially utilised because the

development of steel plant traffic and coal traffic has been much slower than was expected.

12. As soon as indications appeared about two years ago of a definite slowing down in the rate of increase of traffic, capital expenditure was suitably curtailed from the peak of Rs. 275 crores touched in 1964-65 to Rs. 161 crores in 1966-67 and Rs. 150 crores in the current year, and this in spite of increase in prices and costs. Any further reduction in capital expenditure would have been neither feasible nor desirable. We have had to pay due regard to the need for maintaining a level of capital outlay that would not lead to excessive idle capacity in industry, particularly the wagon building and other engineering industries, to the detriment of the economy. A planned development of a railway system and capacity does require sustained and steady capital investment over a period of time. Too great a reduction in the works programme would further lengthen the period during which the substantial amounts already invested in the works in progress would not yield any return and could prolong the existence of bottlenecks which have been constricting traffic even at its present level.

13. In the current year the Revised Estimate of expenditure on works chargeable to Capital, the Depreciation Reserve Fund, the Development Fund and Revenue has been reduced by about Rs. 19 crores, from the Budget of Rs. 305 crores to Rs. 286 crores.

14. Thus, both the revenue and capital expenditure has been strictly controlled to the optimum extent.

15. While the economic recession has certainly affected the budgetary position of the Railways, I am glad to be able to say that the financial structure of the Indian Railways remains sound. The deficit last year and in the current year is not a working deficit. The Railways have covered working expenses and have not defaulted on dividend payment. They have struck a bad patch due to an unexpected pause in the planned development of the economy, and to meet this situation they are drawing upon their dividend equalisation fund, i.e. the Revenue Reserve Fund, which was built up precisely for such a contingency.

16. It can be a matter of some satisfaction and even pride to the Railways, that in the last 16 years they kept down the increases in the charges to their customers as low as possible and only just enough to give a surplus to cover the expenditure from the Development Fund on unremunerative improvements that could not bring a return sufficient to justify their being debited to capital. They were able to do this because -during this period although prices and wages had been steadily increasing the traffic had also been expanding steadily and appreciably. The increase in average earnings in 1967-68 over that of 1951-52 per tonne kilometre has been of the order of only 50% and per passenger kilometre of 38%. During the same period, the price of coal has risen by 115%, of iron and steel by 143% and the *per capita* cost of employees by 106%. This disparity between the increase in costs and increase in charges could be maintained without a set-back to the Railways budgetary position only so long as economies of scale accrued year by year with developing traffic. As suppliers of a service like transport, Railways are specially sensitive to a recession in the economy. Just now they are at a stage - which I hope will be short-lived - when the sluggishness of the economy has led to a temporary stagnancy in the growth of traffic. Unfortunately, at the same time the burden of clearness allowance of annual scale increments, of dividend and of prices of fuel, iron and steel, and stores etc. continues to increase. This is, in short, the cause of the Railway deficit last year and this year, and not any weakness in the Railways' financial structure.

17. It may not be inappropriate in this context to refer to the substantial social burden, which the Indian Railways carry. Fares charged for commuter traffic on suburban services are: extremely low-monthly season tickets for certain distances are charged as low as the cost of seven single journeys at ordinary fares. Large concessions in fares are given to students. There is the sharp taper built into the telescopic scales for long distance movement of essential commodities like coal. Thirdly, the Railways have been charging low rates on a number of commodities as a measure of export promotion. Fourthly, the rates charged for the movement of fertilizers and the raw materials for their manufacture have been kept very low, as also the rates for the movement of foodgrains. The Railways have been carrying free of charge foodgrains, fodder, clothing, blankets, milk powder, medicines and salt to, areas affected by natural calamities like drought, famine, floods, cyclones. The amount of these concessions and subsidies on goods traffic alone is conservatively estimated at about Rs. 6 crores per year. It is difficult to estimate the amount of the concessions on passenger fares, but it will not be an insignificant amount. In some countries it is recognised that such social burdens are to be borne by General Exchequer and not by the Railways. The Indian Railways can afford to bear these burdens in normal years but in times like the present they do constitute a severe strain.

18. I now come to the outlook for the year 1968-69. With the prospect of a good agricultural year,

an increase of 3½% is expected in passenger traffic and passenger earnings have been estimated at Rs. 268 crores. Other coaching traffic is not likely to be higher than in the current year. On a careful survey of the prospects of goods traffic for the next year it is estimated that there should be an increase of 6 to 7 million tonnes of originating traffic. The estimate of goods earnings is about Rs. 21 crores higher than in the current year. With an increase of Rs. 2 crores under sundry earnings and a provision of rupees one crore more for unrealised earnings, Gross Traffic Receipts would amount to Rs. 864.5 crores.

19. Ordinary Working Expenses are estimated at Rs. 614 crores – an increase of Rs. 24.27 crores over the Revised Estimates for the current year. This includes a provision of about Rs. 5 crores for annual increments; about Rs. 6½ crores more for dearness allowance for a full year at the rates, which have been effective for only five months this year; a provision of about Rs. 3½ crores more for coal, diesel oil and electricity at the higher rates that the Railways have had to pay for part of the current year; of Rs. 2 crores for fuel for carrying the estimated additional traffic; an increase of Rs. 4 crores under Repairs and Maintenance, most of which is for overhaul of carriages and wagons; and some other minor increases needed for the additional traffic and assets, newly brought into use.

20. Appropriation from revenue to the Depreciation Reserve Fund is proposed at Rs. 100 crores and to the Pension Fund at about Rs. 10 crores. The provision for Open Line Works – Revenue has been reduced to Rs. 9 crores as against the revised estimate of Rs. 10.25 crores this year and net miscellaneous expenditure will consequently be about Rs. 84 lakhs less. The dividend is expected to be Rs. 11 crores more than in the current year.

21. These figures work up finally to a net deficit of Rs. 27 crores.

22. As I have already said, I shall continue to press the Railway Administrations to achieve further economies in all directions. The ban on the recruitment of staff to administrative offices will continue and recruitment of additional staff will be permitted only to the extent absolutely necessary for moving the traffic and for operating and maintaining sections of line and yards newly opened to traffic and other new assets brought into use during the year. Efforts for the conservation of fuel and other stores will be intensified and so also for reducing loss and damage to goods.

23. The Railways will make an all out effort to look for and nurse traffic in the coming years so that more traffic is secured and further diversion of high rated traffic to other means of transport may be prevented and wherever possible even lost traffic won back to the Railways. In pursuance of the Railways' policy to provide an increasingly customer-oriented service, the setting up of a Marketing & Sales organisation in each zonal Railway in recent months, will I am hoping, turn out to be fruitful. These organisations are manned by specially selected officers and charged with the responsibility of conducting market research, keeping in touch with Trade and Industry, ascertaining and meeting their requirements and spearheading improvements in the Railways' service to their customers. Initial results have been quite promising. A branch of this organisation is looking after the development of Container services, which combine the advantages of rail and road transport by providing an integrated service all the way from the consignor's premises to those of the consignee, the Railway looking after both the road and the rail portion of the transport. The consignor loads and locks the container and it is only opened by the consignee on receipt at his end. The first container service on Indian Railways was introduced in February 1966 between Bombay (Carnac Bunder) and Ahmedabad (Asarva) with containers of 4½ tonne payload hauled by tractors one at a time to the rail head and loaded four to a 4-wheeler flat truck. In December 1967 a container service was introduced between Carnac Bunder and New Delhi with road, units capable of taking two containers at a time. In November 1967 yet another type of container which can be folded when not in use was introduced in service between Gwalior and New Delhi. The Railways' Research, Designs and Standards Organisation at Lucknow has evolved an improved type of container capable of carrying a payload of 5 tonnes which can be used both on broad gauge and metre gauge. Plans have been worked out for introducing container services between important cities in the country. The service is proving to be popular and it is hoped that, in course of time, the Indian Railways will catch up with advanced countries in extending the full benefits of containerised transport to their customers.

24. Super Express Goods trains have been running on trunk routes for the last two years. Some of these trains are now hauled by diesel locomotives and there has been a substantial reduction in running time. For example, the run from Carnac Bridge to New Delhi has been reduced from 95 hours -to about 50 hours and that from Wadi Bunder to Shalimar from 94 hours to 73 hours. In addition, a fast diesel express goods train named Freight Chief I' has been introduced on the Central Railway which covers the distance of 746 Kilometres from Wadi Bunder to Itarsi in about 17 hours and has greatly reduced transit

time between Bombay and areas served *via* Itarsi such as Kanpur, Allahabad, Banaras and areas beyond.

25. I have to revert to a subject I had touched upon while introducing the last Railway Budget in Parliament in May last year, that of the heavy losses, amounting at a conservative estimate to about six crores a year, being incurred by the Railways in operating several unremunerative branch lines. Since then detailed investigations have been made of the transport position in the areas served by several of these branch lines and I have also been able to give more detailed and careful consideration to this matter. With rising costs and little likelihood of traffic on these branch lines developing any further, the loss on operating them will progressively increase. The Railways having run into a deficit in the last year and the current year, and the estimates of 1968-69 also showing a sizeable deficit, as I have mentioned a little while ago, every possible measure has to be adopted for eliminating avoidable loss. I am, therefore, obliged to pursue very seriously the question of closing down unremunerative branch lines as speedily as possible. The utmost care will, of course, be exercised to make a most judicious selection of the branch lines for closure. We shall select for closure only those lines which are operating at a much greater cost to the economy than would be the cost of carrying the same meagre traffic by road transport. Being fully aware of the popular local sentiment that generally asserts itself against proposals for closing down railway lines, however economically justified this may be, I have to appeal to this House, as I already have to the Chief Ministers of States, to give me its, fullest support in implementing a proposal which is based on the sound principle of providing transport at the lowest cost and to the maximum advantage of the economy. This will enable me at the same time to achieve the important objective of cutting out a sizeable loss to the Railways in their hour of need. I have also, told the State Governments concerned of my readiness to consider any requests from them for financial assistance for improving or developing the road transport: services that may be necessary for filling any small transport gap created by the closing down of such lines.

26. With all the success that I can expect in achieving economy, cutting out waste and improving earnings, the estimated deficit of about Rs. 27 crores in the budget year cannot be avoided. In fact, much of this I have already taken into account in framing the budget estimates. The balance left in the Revenue Reserve Fund after meeting the deficit of the current year will be about Rs. 21 crores. In estimating an increase of 6 to 7 million tonnes of goods traffic in the budget year I am hoping that our economy will begin to move forward again so that our expectation of increase in traffic in commodities like steel products, raw materials for steel, coal, cement, export ores, etc. will not again go overboard, as happened in the current year. I could not be any more optimistic than this. Further, we have to sincerely hope that the high level of agricultural production, especially of foodgrains, expected this year will have a stabilising influence on the cost of living and will ward off any further increases in dearness allowance in the budget year. But there is no evading the additional burden of about Rs. 5 crores a year on the wage, bill on account of annual increments in the time-scales and of the Rs. 11 crores in the dividend, which I touched upon a little while ago. Even in the year 1969-70 it is unlikely that there can be such a large increase in traffic as will cover a deficit of the level of the budget year and also meet the additional burden of Rs. 16 crores. In the circumstances, Hon'ble Members will no doubt agree with me that it is but prudent to adopt some measures to bridge the gap in the budget year.

27. I shall now explain my proposals. Firstly, I propose to increase the fares for the air-conditioned class by 10% and to raise the charge for air-conditioned Chair Cars of the Deluxe Expresses up to the level of the Second Class fare. I do not expect any diversion of traffic on account of this increase, which is expected to bring in Rs. 32 lakhs of extra earnings. Secondly, I propose to levy a charge of Rs. 4 per night for sleeping accommodation in the Third Class, whether in three tier or two tier coaches and irrespective of distance. So far as I am aware, no country in the world offers sleeping accommodation without an extra charge for this extra facility. Staff have to be posted in the sleeper coaches in three shifts round the clock to ensure that sleeping accommodation is available for those who have reserved it. Moreover, the total number of passengers that can be accommodated in the three tier sleeping coaches is less than in the ordinary Third Class coach thus involving some loss of earnings. An extra charge for this service is, therefore, amply justified. I also propose to raise the charge for Second Class Sleepers from Rs. 5 to Rs. 6 per night. These proposals are expected to produce about Rs. 225 lakhs a year. Present charges for parcels and luggage traffic do not cover costs. As long as the Railways were making profits on the totality of their operation, the loss on this traffic could perhaps have been accommodated, but in present circumstances it seems necessary to bring the charges for this traffic nearer to cost by raising the surcharge by 10%. Newspapers and milk and fresh vegetables will be exempted from the increase so that no excuse is offered for increase in the price of these articles of necessity marketed in the cities. The additional revenue from this, increase is expected to be about Rs. 250 lakhs.

28. I propose to levy, as a purely temporary measure until better times come and the Railways can again earn a surplus for feeding the Development Fund, a nominal surcharge of 5 Paise on each passenger ticket up to a value of Rs. 5, of 10 Paise on each ticket of value between Rs. 5 and Rs. 15 and 25 Paise on each ticket of value above Rs. 15. Third Class monthly season tickets will, however, go up by only 25 Paise and First Class by Rupee one. Hon'ble Members must be aware that the Development Fund, from which the expenditure on passenger amenities is met, has been exhausted. It received no contribution last year and none can be made this year either. Expenditure chargeable to the Development Fund is being met by taking loans from General Revenues of about Rs. 19 crores this year and about Rs. 20 crores next year. As recommended by the Railway Convention Committee and approved by Parliament, the expenditure on users' amenities is to be of the order of Rs. 4 crores per year. The receipts from the surcharge I propose to levy on passenger tickets are expected to be about Rs. 8 crores and will just suffice to cover the expenditure on users' amenities in the current year and in the budget year.

29. With the minimum fare coming to 20 Paise, the cost of Platform tickets has to be raised to that figure. This should bring in an extra revenue of Rs. 34 lakhs.

30. All these measures together will bring in a total revenue of only about Rs. 13.4 crores, leaving a gap still of nearly Rs. 14 crores out of a total revenue deficit of Rs. 27 crores. To fill this I propose to increase the existing supplementary charge on goods freight by 3%, which should bring in an extra revenue of about Rs. 15 crores. This will, leave a nominal surplus of Rupees one crore in 1968-69.

31. I shall now mention briefly a few of the highlights of works which have been completed recently or are now in progress. The Pokaran-Jaisalmer rail link of 105 kms. undertaken to improve communications with the Rajasthan border and for the exploitation of mineral deposits in the area was opened to traffic last month. This work was completed in a record period of about a year. The Salem-Dharmapuri section of 67 kms. which is part of the Bangalore-Salem Project was also opened to traffic during the current year. The Bailadilla-Kottavalasa railway line of 450 kms. is ready and some iron ore for export is already moving along this line. Good progress has been achieved on the Jhund-Kandla line. The Hindumalkot-Sriganganagar line, the Dharmapuri-Bangalore section of the Bangalore-Salem line and the Mangalore-Panambur section of the Mangalore-Hassan line are expected to be opened to traffic in the coming year. Work on the Panchkura-Durgachak section of the Haldia Rail link has been accelerated to assist in the movement of construction materials for the Haldia port and is expected to be commissioned in 1968-69 for this purpose. The Kathua-Jammu rail link of 80 kms. has been included in the budget for the coming year at a cost of Rs. 10 crores as also an 80 kms. line from Cuttack to Paradeep port to facilitate the movement of two million tonnes of iron ore from the Tomka-Daiteri area for export. 476 kms. of new double line were opened to traffic during 1966-67 and 450 kms. more are expected to be completed in the current year. Doubling of about 950 kms. is at various stages of progress. Electrification of 404 route kms. was completed last year and 351 route kms. are expected to be commissioned in the current year and 264 route kms. in the budget year.

32. A new phase of modernisation of signalling and telecommunication was inaugurated with the first multi-channel microwave link on the Bilaspur-Anuppur section of the South Eastern Railway during the year. Work has started on the automatic train control system being provided on some sections of the Eastern Railway, and route relay interlocking has been commissioned during the year at Howrah, Sealdah, Liluah and Kalyan stations. 192 stations were provided with track circuiting for greater safety of operation last year, and 200 more stations are expected to have track circuiting of the main run-through line by the end of this year. Automatic signalling has been provided on the Ghaziabad-Sahibabad, Borivli-Virar, Thana-Kalyan, Tata-Sini, Sitarampur-Mugma and Villivakkam-Avadi sections.

33. Efforts to eliminate or defer imports continued during the year and foreign exchange to the extent of Rs. 1.24 crores was saved. The Railways assisted the Ministry of Commerce, the State Trading Corporation and the private sector in their drive for the export of rolling stock. Compared to Rs. 75 lakhs worth of rolling-stock and other equipment exported last year, orders this year amount to over Rs. 10 crores, production for which will be spread over this year and the next. Railway Workshops are manufacturing five Metre Gauge locomotive boilers for a foreign country and it is hoped that more export orders will be secured in future.

34. The Railways' Research, Designs and Standards Organisation has been giving priority attention during the year to the improvement of technical methods and supervision in the maintenance of track and rolling-stock, to effect economy in maintenance and enable increase in speeds without substantial additional expenditure. The Organisation has also assisted the State Trading Corporation with

designs for export orders for wagons and helped in the designing of containers for use within the country.

35. A Central Ticket Checking Squad controlled by the Railway Board has been operating in the current year on the Northern, Central, North Eastern and Northeast, Frontier Railways and has given a fillip to ticket checking work on these Railways. Detection of ticketless travellers on the Northern Railway alone was about 13% more than in the corresponding period of the previous year and window sales have gone up by 6.3%. It is proposed to continue the operation of this special squad to check the loss of revenue from ticketless travelling.

36. The working of the Railway Protection Force during the year resulted in more recovery of goods stolen from the Railways and the arrest of about 89,000 persons under the Indian Railways' Act and the Railway Protection Force Act. The Force have also rendered invaluable service in the protection of passengers, railway track, stations and trains during civil disturbances in various parts of the country and on the sections of the Northeast Frontier Railway affected by the activities of Naga hostiles.

37. Relations between the organised labour and the Railway Administrations were generally cordial during the year and the permanent negotiating machinery continued to function usefully. A Joint Consultative Machinery for all the Central Government employees was set up during the year to promote harmonious relations and cooperation between the Government and the general body of employees. The scheme has started functioning at the National Council level and steps are being taken for setting up a Departmental Council at the Railway Board level.

38. I conclude with a sincere expression of my appreciation of the loyalty and sense of duty exhibited by all ranks of railwaymen throughout this year in the face of grave personal risk in the riots and civil commotions in various parts of the country and the lawless activities of train robbers, dacoits and other anti-social elements. Hon'ble Members must have seen the reports of personal violence against innocent station staff and running staff on such grounds as delays to trains for which they were not responsible. A matter that has been causing me great concern is that Railways are increasingly becoming the target of attack and violence for all and sundry wishing to ventilate a grievance, real or imaginary, or to further an agitation whether over the location of a steel plant or the language issue, or connected with a 'bundh' or a labour dispute, inadequacies of rationing or the activities of smugglers or, as in one case, connected with the raising of school fees. Concerted attacks have also been made not only on railway coaches but even on very expensive installations like the route relay equipment at Howrah and elsewhere, damage to which would paralyse the working of these important stations and disrupt the life of the cities which they serve. It is only the devotion to duty in the finest tradition of railwaymen, that has kept the staff at their posts to keep the trains moving in spite of the grave risks and severe handicaps to themselves. I have appealed to State Governments to appreciate this position and give maximum protection to railway property and railway personnel by the preservation of law and order. I am sure the House will join me in this appeal and in thanking the railwaymen for the fine job they have been doing in spite of all these difficulties and handicaps.

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