

(d) if so, when it is proposed to start such buses?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI BUTA SINGH):

(a) The bus stop provided near Police Station, Sarojini Nagar is closed to Blocks X, Y, XY, YZ, Z and their residents have not to walk much for getting buses from there.

(b) Yes, Sir.

(c) DTC has informed that no such representation has been received by them.

(d) Des not arise.

Release of Grants to Aided School in Delhi

4645. SHRI S. B. SIDNAL: Will the Minister of EDUCATION AND SOCIAL WELFARE be pleased to refer to the reply given to Unstarred Question No. 7880 on 20th April, 1981 and state:

(a) the number of aided senior secondary schools who have been released the annual adjustment grants for the year 1978-79 during the last four months;

(b) the efforts proposed to be made to release the grants to rest of the schools;

(c) whether because of the shortage of funds, grants for the last three years have not been released to most of the schools; and

(d) whether Government are aware that most of the aided schools are facing a financial crisis because of non-release of grants?

THE MINISTER OF STATE IN THE MINISTRIES OF EDUCATION AND SOCIAL WELFARE (SHRIMATI SHEILA KAUL): (a) Forty five.

(b) The aided schools have been asked to clarify discrepancies in their accounts. Grants would be released on receipt of these clarifications.

(c) No, Sir.

(d) No, Sir.

Uneconomic Branch Lines

4646. SHRI GIRDHAR GOMANGO: Will the Minister of RAILWAYS be pleased to state:

(a) whether the Rail Traffic enquiry committee submitted its report regarding the uneconomic branch lines to the Government;

(b) if so, the main recommendations of the Committee and the terms of reference suggested by the Committee for proposed expert group to study the working of Branch lines;

(c) whether it is a fact that the railway Convention Committee and the National Transport Policy Committee recommended for the closure of uneconomic branch lines;

(d) if so, the views expressed by these committee therefor; and

(e) the reactions of the States in the abolition of the branch lines?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS AND IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI MALIKARJUN): (a) The Rail Tariff Enquiry Committee was appointed to examine the fares, freight and other ancillary matters on Indian Railways has, *inter-alia*, made certain recommendations regarding the uneconomic branch lines also.

(b) A statement is attached (statement-A)

(c) Yes.

(d) A statement is attached (Statement-B).

(e) The State Governments have not reacted favourably.

Statement—A

Recommendations numbers 8.28 to 8.33 of the Final Report of the Rail Tariff Enquiry Committee on Uneconomic Branch Lines.

8.28. On the basis of special passenger surveys conducted on Darjeeling, New Jalpaiguri and Nilgiri Railways Sections, the R.T.E.C. is of the view that the tourist traffic on these railways is not large enough to warrant heavy costs to the Railways in running these Sections.

8.29. It is futile to expect that the Railways would be able to close down all such lines either on their own or with the concurrence of the State Governments, or secure any further financial relief from the General Exchequer. It is also felt that the net savings from the closure of such lines would be much smaller than the accounting losses calculated. It would be appropriate if a detailed examination is made of each of the large loss-making branch lines by Expert Groups consisting of the representatives from the Railways and the State Governments concerned.

8.30. Where the real operating losses from running specific lines are substantial and where alternative means of transport are or can be made available, thought should be given both by the Central and the State Governments to the possible closure of such lines. If the Central Government is not able to persuade the State Government to agree to the closure, the losses should be borne by the Central Exchequer and such amounts should be considered as a part of the Central assistance to the States concerned with all its implications.

8.31. The Railways may consider in their own interest to provide an incentive in the form of grants, say, equal to ten times the real annual loss to the authorities concerned for providing additional transport facilities or for any other kind of development in the areas likely to be affected by closure of unremunerative lines.

8.32. In respect of lines which, for whatever reasons, cannot be closed down, alternatives suggested by various committees to improve the services should be implemented after these are

examined by the Teams of Experts suggested by us so as possible to reduce the losses.

8.33 The Committee is of the opinion that the total burden on the Railway finances of the losses on a large number of minor-loss making lines is too small for much time and energy to be wasted on the question regarding their closure.

The terms of reference suggested by the Rail Tariff Enquiry Committee for the proposed expert group to study the working of Uneconomic Branch lines.

Since it is futile to expect that the Railways would be able to close down all these lines, either on their own or with the concurrence of the State Governments, or secure any further financial relief from the General Exchequer, the problem may in practice have to be tackled in a different manner. It needs to be realised that the losses that are shown are actually accounting losses. Even if all such branch lines are closed down tomorrow, the net savings would not amount to Rs. 21 crores, which is the extent of the accounting loss as calculated, but would be of a much smaller order. In any case, only those lines which are leading to really large losses need to be taken up for early consideration. It would be appropriate if a detailed examination is made of each of such branch lines by Expert Groups, with representatives from the Railways, and the State Government(s) concerned. They should examine the working of each of these lines and, after a proper and detailed costing analysis, work out the real operating losses, and also the amount which the Railways would actually save in case the line is shut down. If these amounts are not found to be very substantial, the Railways may continue to run these lines and try to reduce the losses by improving operations in the manner suggested by the various Committees. Since an element of cross subsidisation between the different gauges and

streams of traffic as well as commodities already exists, it would perhaps not be too much if the Railways bore marginal losses on some of the branch lines.

However, in those cases where the actual losses so worked out are found to be substantial, and alternative means of transport are or can be available, thought should be given both by the Central and the State Governments to the possible closure of such lines. If, for any special reason, a State Government or the Central Government wishes to continue the operation of such lines, it should be prepared to bear the losses, since the Railways which in the last resort means the other railway users—cannot be expected to continue to run such services indefinitely at a loss. If the Central Government is not able to persuade the State Government to agree to the closure, the losses should be borne by the Central Exchequer, and such amounts should be considered as a part of the Central assistance to the State(s) concerned with all its implications.

Where the Central Government similarly desires for strategic, developmental or any other reason to continue such lines, it should agree that the amount of the loss as calculated by a joint team as suggested above should be met from the Central General Exchequer. These amounts may be recalculated periodically.

By associating representatives of the States and the Central Government in the scrutiny of the financial working of the uneconomic branch lines, the legitimacy of the Railways' point of view would perhaps be better established and thus appreciated by the concerned parties. When after an independent examination, it is established that the lines are actually running at a large loss, it is likely that the State/Central Exchequer would not insist on the perpetuation

of a circumstances under which Railways have indefinitely to continue to bear losses of such magnitudes.

Of course, wherever there is considerable political difficulty in closing down a highly unremunerative line, special steps may have to be taken by the Central as well as the State Governments to educate public opinion in favour of such closure, and the Railways should in their own interest help this process by providing an incentive in the manner suggested earlier. If the Railways agree to contribute a substantial amount (by way of a capitalisation of the annual loss) equal to, say, the annual loss on the unremunerative line multiplied by ten times—for additional transport facilities or any other kind of development in the affected area, it may not be too difficult to persuade the local leadership to agree to a closure of the unremunerative line. As there would be in such a case a definite limit on the future losses to be borne by the Railways on account of such a line, the Railways should have no objection to accepting such a course of action.

On the other hand, wherever it is found that, for one reason or the other—including the difficulty of having adequate alternative means of transport—it is decided that the railway line must be maintained however uneconomic it may be for at least some time to come, the proper approach would be to examine ways and means by which the losses on the line could be minimised. This may not necessarily take the form of cutting down on existing services and avoiding further capital expenditure. It may well be that investing additional capital by strengthening the track, improving the mode of traction or putting on line new locomotives and better rolling stock, improving signalling and telecommunication facilities or other such methods may improve the economics of the line even though there may still be a net loss. If more efficient services can ensure that the extra revenue will more than cover

the extra cost of adding to the services, the losses may well be reduced. All such alternatives should be examined by the Team which we have suggested earlier, and they should come out with specific recommendations on such matters. We assume they will also examine the possibi-

lities like alternative modes of transport for carrying essential traffic (e.g., ropeways or pipelines), and also whether special rates for particular commodities or particular movements are likely to ensure better use of the traffic facilities that would in any case have to be maintained.

Statement B

Recommendations of the Railway Convention Committee, 1973.

Recommendation Number	Para No.	
38	4-82	The Committee further note that the Administrative Reforms Commission had also come to a more or less similar conclusion when they observed that the Railway Board should consider the closure of unremunerative lines wherever adequate alternative modes of cheaper transport existed and where such closure could not adversely affect the public interest including any important economic activity of the area. The Commission had emphasised that the question of continuance of unremunerative lines could be continuously reviewed by the Railway Board so as to ensure that as far as practicable, Railway finances were utilised for running of commercially acceptable or potentially profitable lines and wherever running of uneconomic lines was continued in the public interest, the losses may be made good out of the public revenues, State or Central.
39	4-83	The Committee feel that the whole question of continuing the operation of uneconomic branch lines calls for a critical and objective review with reference to the realities of the situation and keeping in view that the Railway finances are utilised in the best interest of the State and how far the existing alternative modes of cheaper transport could replace the uneconomic train services. The Committee also recommend that the Railways should identify the branch lines which are marginally unremunerative and could be made economically viable with minimum investments and take concerted measures in close coordination with the State Governments, trade and industry to improve their financial results.
40	4-84	So far as the other branch lines are concerned, the Committee note that the State Governments are averse to the closure of even those lines which do not serve any purpose. The Committee consider that if such lines are to be continued indefinitely in spite of recurring losses and with no possibility of their becoming viable in the foreseeable future, the only alternative is that the authorities, who desire these to be run, should share with the Railways the unavoidable losses.
42	4-86	The Committee would like to point out that 1 per cent of the capital at charge of the Railways as on 31st March, 1964 is paid to the State Governments in lieu of the passenger fare tax. Out of this, a fixed sum of Rs. 16.25 crores is paid annually to the States while the remaining is given as contribution towards States 'Share of Railways' safety works, the total amount paid during the quin-quennium 1969-70 to 1973-74 being of the order of Rs. 90.0 crores. It is only fair and equitable that the State Governments who are averse to closure of uneconomic branch lines, should come forward to meet the losses.