

COMMITTEE ON PETITIONS

(FIFTH LOK SABHA)

THIRD REPORT

[Representation for revival of S. S. Light Railway or construction of a broad gauge Railway line in its place.]

(Presented on the 22nd May, 1972)



LOK SABHA SECRETARIAT
NEW DELHI

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OF THE COMMITTEE ON PETITIONS(5LS)

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COMPOSITION OF THE COMMITTEE ON PETITIONS
(1971-72)

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Shri Anant Prasad Sharma

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- *12. Shri Nawal Kishore Sharma
13. Shri Ram Deo Singh
14. Shri Shiv Nath Singh
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SECRETARIAT

Shri B. K. Mukherjee—*Deputy Secretary.*

Shri J. R. Kapur—*Under Secretary.*

*Nominated with effect from 16-6-1971 *vice* Shri K. Lakkappa resigned from the Committee with effect from 1-6-71.

THIRD REPORT OF THE COMMITTEE ON PETITIONS

(FIFTH LOK SABHA)

INTRODUCTION

I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Third Report of the Committee to the House, on the representation re. revival of S.S. Light Railway or construction of a broad gauge Railway line in its place.

2. The Committee considered the matter at their sittings held on the 3rd September and 9th November, 1971 and 22nd March and 18th May, 1972.

3. The Committee took oral evidence of the representatives of the Ministry of Railways (Railway Board), at their sitting held on the 9th November, 1971. The Committee wish to thank the Officers of the Ministry of Railways (Railway Board) for placing before them the material and information they wanted in connection with the examination of the subject.

4. At their sitting held on the 22nd March, 1972, the Committee also heard the views of Shri Ram Chandra Vikal, M.P., in the matter, at his request.

5. The Committee considered the draft Report at their sitting held on the 18th May, 1972 and adopted it.

6. The observations|recommendations of the Committee on the representation have been included in the Report.

REPORT

A. Petitioner's grievances and prayer

1.1. Shri Shrichandra of Village Alam, Distt. Muzaffarnagar, U.P., in his representation¹ dated the 6th July, 1971, on the subject noted above, stated *inter alia* as follows:—

(i) "M/s Martin Burn Ltd., had constructed the 93 mile long S.S. Light Railway in the western parts of the districts of Saharanpur, Muzaffarnagar and Meerut in Uttar Pradesh in 1905 and earned huge profits from the said Railway line as compared to other Railways since then, except for the last three or four years. During the last about 4 years, the said Company suffered losses due to mismanagement by its employees and the Government. The Company closed this line on 1-9-1970 and sold it. Although there are roads between Saharanpur and Delhi, yet a great deal of difficulty is experienced by passengers and in the transportation of goods."

(ii) "The broad gauge line in the east of the said districts is at a distance of about 30-40 miles from the said narrow gauge line and is not useful for the residents of this area for the transportation of goods and for performing journey. The people of this area are experiencing the following difficulties due to the closure of the said S.S. Light Railway:—

(a) This area is thickly populated and the people are experiencing great difficulties in the transportation of goods and in journeys, and have to wait for about 12 hours at the bus stops to board a bus.

(b) There are big *mandis* of gur and foodgrains at Rampur, Jalalabad, Shamli, Kandhla, Baraut, Baghpat and Khekra on this line.

¹See Appendix (Original in Hindi), received through the U. P. Vidhan Sabha Secretariat.

(c) It is an agricultural area and a good deal of difficulty is being experienced by farmers in getting chemical fertilisers for agricultural purposes and, therefore, the farmers have to pay more price for these fertilisers.

(d) Large quantity of milk was transported to Delhi from this area through the said Railway.

(e) There are Shamli, Kandhla and Baraut Municipalities and many town-areas on the said line.

(f) There are six Degree Colleges and 21 Higher Secondary Schools on the said line.

(g) As there is a bridge over Jamuna river near Kairana, people from Punjab and Haryana used to come and carry on their trade through the said Railway."

(iii) "Therefore, the people of this area request the Central Government to undertake construction of a broad gauge Railway line there immediately after dismantling the said narrow gauge line so as to remove the aforesaid difficulties of the public."

B. Factual Comments of the Ministry of Railways and evidence before the Committee

I. Background and reasons for closure of S.S. Light Railway

1.2. The S.S. Light Railway was a narrow gauge line, 148.86 Kms. in length, running from Shahdara (Delhi) to Saharanpur, a junction station on the Delhi-Amritsar and Lucknow-Amritsar lines of the Northern Railway. This Railway was built and operated under a contract dated the 11th October, 1905 between the then Government of United Provinces of Agra and Oudh and the S.S. Light Railway Company Limited. By virtue of the Government of India Act, 1935, this contract is deemed as having been made on behalf of the Central Government and all the rights and obligations of the Crown under the contract have devolved on the Central Government with effect from the 1st April, 1937.

1.3. In a written note, furnished to the Committee by the Ministry of Railways, it has been stated that the S.S. Light Railway was

closed down by the Company on the 1st September, 1970. The reasons for this decision, as given by the management in the Notice of Closure, were as follows:

"Over the last 12 years this Company has been suffering trading losses almost every year. Since the close of the accounting year 1957-58, barring the two years 1959-60 and 1967-68, the Company suffered losses in every year. The total net loss upto 31-3-69 amounts to Rs. 16,27,600, which is more than the paid up share capital of the Company.

This situation has been brought about, on the one hand, by severe competition from road transport and, on the other, by mounting costs of operation. Road competition has deprived the Railway of the normal increase in passenger traffic, which constitutes the main source of its earnings. In 1956-57, immediately before bus competition started, a total number of 58.24 lakh passengers travel on this Railway. Whereas in 1969-70, after thirteen years, this number instead of increasing actually dropped down to 45.90 lakhs, i.e. by about 20 per cent.

While earnings for the year 1969-70 are estimated to show an increase of about Rs. 6.50 lakhs over those in 1956-57, total working expenditure is estimated to show a rise of Rs. 17.0 lakhs as compared with the year 1956-57, even through inadequate provision was made for replacements and renewals, which have fallen heavily into arrears, thus endangering the safety of operation.

Visualising this position, the Company as far back as in September, 1963, made representations to both the Central and U.P. Governments for financial assistance or in the alternative, nationalisation of the Railway. The Company also indicated that failing either it would have to close down. There was no favourable response to these representations. Since then the Company has incurred an aggregate net loss of Rs. 12.61 lakhs upto 1968-69 and further substantial loss in 1969-70. There is no hope of this adverse trend of the Company's finances being reversed in the foreseeable future nor of the Company's ability to finance normal operation of the Railway."

1.4. The figures of annual net profit or loss on this Railway, supplied by the Ministry of Railways, after all adjustments including

Debenture interest, during the period 1958-59 to 1969-70 are given below:—

Net profit(+) or less (—)

Year	Rs. lakhs
1958-59	—3.64
1959-60	+1.43
1960-61	—0.11
1961-62	—0.13
1962-63	—1.21
1963-64	—0.80
1964-65	—1.11
1965-66	—2.60
1966-67	—2.75
1967-68	+0.31
1968-69	—5.66
Total Net Loss upto 1968-59	16.27
1969-70	—7.45

1.5. Regarding the road competition and the financial assistance required by Company in September, 1963 from the Central Government, the Ministry of Railways have stated:

“The matter was discussed by the Railway Board in December, 1963 with the representatives of the Martin Burn Limited, and it was pointed out that the question of giving long term loans to the Light Railway would only arise if the repayment thereof was reasonably foreseen about which the representatives of Martin Burn Limited admitted there was no certainty. After detailed discussions, Martin Burn Ltd. were advised to bring the difficult position to the notice of the U.P. State Government, mentioning that unless the State Government can see its way to reduce road competition and give financial aid, if necessary, the management would be forced to close down the line. Railway Board had also brought to the notice of the Government of U.P. that the growing competition from road has been cutting into the earnings of the Light Railway since 1957 (large number of permits were issued to

displaced operators in 1957). The State Government had been urged to give due consideration to the request from the Light Railway Company for financial assistance and also assistance by way of restricting the road traffic in the area served by the Railway line. No concrete measures were, however, taken to arrest the unhealthy road competition nor was any financial assistance given by the U.P. Government to the S. S. Light Railway."

1.6. The petitioner has, however, stated² the following reasons for the losses suffered by the Company and the consequent closure of the S.S. Light Railway:—

- (i) The supervisory staff was paid very high salaries.
- (ii) 35 per cent of the earnings of this Railway were diverted for meeting the expenses of the Head Office establishment at Calcutta.
- (iii) There was wide-spread ticketless travel on this Railway.
- (iv) Some of the assets like coal and wooden sleepers of the Railway were misused by the employees of the Company.
- (v) The wear and tear of seats and other amenities in the coaches were never looked after by the Company.
- (vi) The train ran at a very slow speed of about 10 miles per hour, due to frequent break-downs.
- (vii) There was large scale pilferage of goods on the train and the claims of traders thereof took many years to settle.
- (viii) The employees were not qualified and competent for the jobs assigned to them.

1.7. In this connection, Shri Ram Chandra Vikal, M.P., who gave oral evidence before the Committee stated *inter alia* that according to this information, this Railway line was closed down for fear of nationalisation, although for purposes of record, it was shown to be an unremunerative line. He added that according to his information 45 per cent of the expenses of another concern of M/s Martin Burn at Calcutta were met out of the resources of the S.S. Light Railway. He further stated that when a dispute between the Company and its employees went to a Court, the Court did not agree with the view that line was an unremunerative one. He added that a few years before its closure, the said Railway line was earning large profits.

2. In a subsequent letter, dated the 14th January, 1972.

Losses started occurring when a large number of permits were issued for running the buses in the area and an un-healthy road transport competition started with this Railway. Shri Vikal said that it was necessary to analyse the true reasons for the closure of this Railway line.

In reply to Un-starred Question No. 344 answered³ in the Lok Sabha on the 16th November, 1971, the Minister of Railways *inter alia* stated:

"It is understood that the following expenditure incurred on the Headquarters Office of the Company at Calcutta was being met by the S.S. Light Railway:

Year	Amount Rs.
1965-66	5,28,000
1966-67	5,41,000
1967-68	6,25,000
1968-69	6,71,000
1969-70	6,85,000,,

1.8. The Committee desired to know whether the Company had suffered losses due to mismanagement by its employees, as contended by the petitioner or this situation had been brought about, on the one hand, by severe competition from the road transport and, on the other hand, by mounting costs of operation, as stated by the Management in the notice of closure. The Committee also enquired whether the management and working of the S.S. Light Railway, particularly its financial affairs, were examined by the Government to find out the actual reasons for the losses suffered by the Company. In a written note furnished to the Committee, the Ministry of Railways have stated:—

"The Light Railway was fairly successful till the year 1957.

After paying the Government their share of surplus profits upto that year, it could put aside in reserves about Rs. 20 lakhs. Since December 1957, the Railway had been facing a very severe competition from road transport due to issue of a large number of new road permits by the State Government. There was a precipitous drop in passenger earnings which formed the bulk of its revenue. The passenger traffic shrank from 58 lakhs in 1956-57 to 30 lakhs in 1958-59. Although the passenger traffic picked up from 1959-60 onwards, it never reached the level

of 1956-57; even in 1969-70 only 45 lakhs passengers were carried. Likewise, the goods traffic carried in 1969-70 viz., 2.4 lakh tons was less than that carried in the year 1956-57 viz., 3.2 lakh tons. On the other hand, during all these years, the costs of materials had gone up and the Railway had to bear additional wage bills imposed by successive Tribunal Awards: the salaries etc. increased from Rs. 17.5 lakhs in 1956-57 to Rs. 29.3 lakhs in 1969-70 and the cost of power and fuel shot up from Rs. 5.3 lakhs in 1956-57 to Rs. 13.9 lakhs in 1969-70. There is thus no denying the fact that the unsatisfactory financial position of the Railway was due to growing road competition and increasing working costs."

1.9. The Ministry of Railways have also stated:—

"in view of this clear position, the Government of India did not make any specific study of the management and working of the S.S. Light Railway. In fact, the U.P. Government had also asked the Railway Board in 1964 to appoint a Committee of Experts to examine the factors leading to the decrease in the annual earnings of the Railway since 1958-59. But the reasons for the loss were so patent that there appeared to be no need to set up a Committee of Experts and the U.P. Government was advised to this effect. However, as a measure of financial control, the annual budget estimates of earnings and expenditure, as submitted by the Company were regularly examined before they were sanctioned by the Railway Board. Martin Burn Ltd. were also asked by the Railway Board in December, 1963 to undertake a comprehensive survey to explore fully the scope and measures of economy and reduction of expenditure consistent with maintenance of efficiency. Martin Burn Ltd. had replied in December, 1964 that every effort was being made to achieve these ends. It was further pointed out by them that where 55 per cent of the total expenditure was absorbed by salaries and wages and 16 per cent by power and fuel the scope for economy was rather limited particularly in the face of all-round increase in costs of materials. (Even for the year 1969-70, the expenditure on salaries and wages and that on power and fuel forms about 53 per cent and 25 per cent respectively of the total working expenses)."

1.10. During the course of oral evidence, the Committee enquired the reasons for the losses suffered by the S.S. Light Railway. The

representatives of the Ministry of Railways have stated that "On the one hand, there was a severe competition from road transport, and on the other hand, there is mounting cost of operation. The road competition had deprived the Railways of their normal increase in passenger traffic which constitutes the main source of their earnings. In 1956-57, immediately before the bus competition started, the total number of passengers who travelled on this railway was 58.24 lakhs whereas in 1969-70, after 13 years, this number, instead of increasing, actually dropped to 45.9 lakhs, i.e. by about 20 per cent. In 1956-57, they had 58.24 lakhs and in 1958-59, it dropped to 30.5 lakhs. In two years, the traffic was halved almost."

1.11. It has been further stated before the Committee that it is not true to say that the administration of the S.S. Light Railway had become totally inefficient. The reason has to be found elsewhere. The reason was that, in 1956-57, the Government of Uttar Pradesh gave a large number of road permits to displaced operators which led to unhealthy competition between the road transport and the S.S. Light Railway, resulting in losses to the Railway. This, it has been stated, was repeatedly brought to the notice of the Government of U.P., by the Company and the Railway Board.

1.12. In reply to a question whether the losses could also be due to wide-spread ticketless travel on the S.S. Light Railway, the Ministry of Railways have, in a written note furnished to the Committee, stated that "part of the losses could be due to ticketless travel. Martin Burn Ltd., had, however, reported in the past that every effort was made to stop ticketless travel by frequent magisterial checking and surprise checks by special squads."

1.13. In reply to a question during oral evidence of the representatives of the Ministry of Railways, it has been stated that the S.S. Light Railway was not running very well. Its balance-sheets from 1961-62 onwards showed that it could not afford to spend money on replacements and renewals and allowed its assets to go from bad to worse.

1.14. The Committee enquired whether a private company could close down the Railway without the permission of the Government. The representatives of the Ministry of Railways have stated during evidence that no permission is necessary for any private Company to close down anything. Government can take over the Company or the Company may be persuaded to run that a little longer till other arrangements are made. Government have tried both, but under the laws of the country, they cannot force any

party to run a service while incurring losses. The S.S. Light Railway had gone into voluntary liquidation.

1.15. From the figures of annual net profit or loss on the S.S. Light Railway, the Committee observed that the Company made a profit of Rs. 1.43 lakhs and Rs. 0.31 lakhs during 1959-60 and 1967-68 respectively and suffered net losses of Rs. 5.66 lakhs and Rs. 7.45 lakhs during 1968-69 and 1969-70 respectively. The Committee desired to know the specific reasons for such heavy losses during 1968-69 and 1969-70 after improving its position in 1967-68. In a written note furnished to the Committee, it has been stated by the Ministry of Railways that in the year 1968-69, the quantum of traffic carried on the S.S. Light Railway had gone down as compared to the traffic carried in the year 1967-68; the number of passengers carried on the Railway came down from 48.68 lakhs in 1967-68 to 41.09 lakhs in 1968-69 and the goods traffic came down from 2.15 lakh tons to 1.82 lakh tons. The shortfall in the traffic was as a result of strike followed by a lockout on the Railway for a period of 43 days during the year 1968-69. Consequently, the gross earnings of the Railway fell down from Rs. 51.43 lakhs to Rs. 44.77 lakhs. The working expenses did not, however, change significantly; the working expenses in the year 1968-69 were Rs. 48.5 lakhs as against Rs. 49.4 lakhs for the year 1967-68. Thus though the earnings were reduced by about Rs. 6.7 lakhs, the reduction in working expenses was by about Rs. 90,000 only. The net result was that the financial position of the Railway deteriorated in the year 1968-69 as compared to the year 1967-68. The number of passengers carried on the Railway in the year 1969-70 was 45.3 lakhs. Though this was more than the level of the year 1968-69, it was still less than the number of passengers carried in the year 1967-68. The tonnage carried, however, increased to 2.45 lakh tons i.e., about 30,000 tonnes more than that carried in the year 1967-68. The gross earnings of the line in the year 1969-70 amounted to Rs. 49.7 lakhs as against Rs. 51.4 lakhs in the year 1967-68. Even though the gross earnings for 1969-70 were less, there was an increase in the working expenses; the working expenses in the year 1969-70 amounted to Rs. 55.2 lakhs as against Rs. 49.4 lakhs for the year 1967-68. The increase in the working expenses was primarily due to increase in the salaries, wages, bonus and cost of power and fuel. Whereas Rs. 26.64 lakhs was spent on salaries, wages and bonus in the year 1967-68, the expenses in the year ending 31st March, 1970 amounted to Rs. 29.3 lakhs. Similarly, the cost of power and fuel went up from Rs. 10.72 lakhs to Rs. 13.95 lakhs. It is as a result of these factors that the financial position of the Company for the year 1969-70 was not as good as for the year 1967-68.

1.16. The Committee enquired, why it was not possible to improve the financial position of this Railway by bringing efficiency in its normal operation and improving its management. The Ministry of Railways have stated that this aspect was not specifically looked into. The Ministry have, however, reiterated that the losses were primarily due to severe competition from road transport and increasing costs of operation. The Ministry of Railways felt that the financial position could not be substantially improved without curbing the road competition.

II. *Right of Government to take over the Railway line*

1.17. The rights of the Government to take over the Railway have been spelt out in Clause 14 of the Agreement with the Companies, reproduced as under:—

Clause 14.—"The Secretary of State will on giving twelve months' notice in writing have the right to terminate the contract at a date twenty-one years after the date of opening or twenty-three years after the date of the Government letter sanctioning the construction of the Tramway whichever is earlier at twenty-five years' purchase of the average annual profits to the Company for the preceding three years subject to a minimum of the capital expended and a maximum of 25 per cent in excess of that sum. This option if not exercised at the time mentioned may be exercised at the end of successive periods of seven years counting from that date. In the even of its being determined to construct a Railway on a different gauge in place of the Tramway and if the Government and the Company fail to agree that the alteration shall be made by the Company then and in such case the Government will have the right to acquire the Tramway at any time on twelve months' notice in writing being given. In that case the price to be paid shall be 25 per cent in excess of the Company's Capital expenditure. For the purpose of this clause "the Capital expended" or "Capital expenditure" of the Company shall be the amount as stated in rupees in the Company's books at such time as Government may exercise the rights of purchase herein provided for and the purchase money shall be paid to the promoters or their Assignees in India in the Standard Currency of India at the time of purchase."

Under the above Clause, the Central Government (Ministry of Railways) had an option, recurring at regular intervals of seven

years, to purchase the S.S. Light Railway. The last option to purchase the Railway fell due in April, 1969. The Government could also purchase the Railway line at any time on twelve months' notice in the event of its being decided to construct a Railway on a different gauge in place of the Light Railway.

III. Reasons for not nationalising the Railway line

1.18. At the time of the last option that fell due on the 18th April, 1969, the purchase of this losing concern was not found justified financially, according to the Ministry of Railways. It was estimated by the Railway Board that if the Railway were nationalised the running of this Railway would involve a greater annual loss. In addition, the condition of the assets of this Railway was such that, in the event of purchase, it would have been necessary to invest a further sum of approximately Rs. 42 lakhs, as per rough estimates, on replacement and improvement of the assets. The question of the Government nationalising it or their taking over the management and running the Railway was again considered in detail when the notice of closure from 1st September, 1970 was received. It was found that it would not have been an economic proposition to nationalise or take over the Railway. Government would have been forced to improve the scales of pay of the staff to the level obtaining on the Indian Government Railways and also to increase their number to conform to Hours of Employment Regulations. It would also have been necessary to improve the condition of rolling stock and track as also the level of passenger amenities in order to generally improve the quality of service. While the expenditure would have mounted up because of these factors, the Ministry of Railways did not see any possibility of augmenting the earnings of the Light Railway.

1.19. In reply to Un-starred Question No. 143 answered in the Lok Sabha on the 25th May, 1971, the Minister of Railways (Shri K. Hanumanthaiya) stated "The S.S. Light Railway was closed down by the Company due to recurring losses on its operation for a number of years. The losing trend is not likely to be reversed by nationalisation; but on the other hand, the expenditure would increase due to additional obligations incidental to management by Government. A good metalled road runs close to the Railway line. The bus services on this have been suitably augmented by the U.P. State Government to cater to the traffic that was formerly being carried by the S.S. Light Railway. Consequently, it would not be in the national interest to burden the national exchequer with recurring losses that its operation would entail, if the Railway was

taken over by Government." In reply to Starred Question No. 341 answered in the Lok Sabha on the 30th November, 1971, the Minister of Railways (Shri K. Hanumanthaiya) stated that "the Government has taken a decision not to take over the erstwhile S.S. Light Railway. The question of Government's taking over the Railway was examined in detail and it was found that the undertaking would not be viable. If it is taken over, the expenditure would greatly increase because the pay and allowances of the employees will have to be brought at par with the other employees of the Railways. The condition of rolling stock and the track has to be improved and additional works have to be undertaken to provide more facilities. The Ministry of Railways also did not see any possibility of substantially augmenting earnings of the Light Railway."

IV. *Efforts of the Central Government to keep the Railway line in operation.*

1.20. It has been alleged before the Committee that the Central Government have not taken adequate interest in keeping the S.S. Light Railway in operation. Had the Government been serious about it, even M/s. Martin Burn could have been persuaded to continue to run the S.S. Light Railway line on certain terms and conditions. It has been further alleged that falsely declared itself insolvent. The entire rail property of the said Company has been sold for Rs. 1,31,00,000 to a Delhi firm of Lala Bishamber Dayal Badri Prasad. The Committee have been informed that some time ago, a delegation of concerned interests of the area had met the Prime Minister, and made an offer that if the Company was not willing to continue to operate the Railway line, the owners of Rani Mills at Meerut would be prepared to run the entire Railway of about 100 miles. The firm of Lala Bishamber Dayal Badri Prasad also had offered to operate the 60 mile long track of the line between Shahdara and Shamli. That firm have written a letter on the 12th November, 1971 to the Deputy Minister of Railways, as also to the Minister of State in the Ministry of Home Affairs (Shri K. C. Pant) and the Chief Minister of U.P. But, it has been stated, that neither of the two firms has been called for discussion regarding their terms for running the Railway line. The Committee have been further informed that recently some representatives of M/s. Martin Burn Ltd., have thrown feelers to some responsible people that if some basic issues could be tackled, even the old Company would be pre-

pared to run the Railway line. But it has been stated that, no effort has been made to open a dialogue with them.

1.21. It has also been pointed out to the Committee that when the dispute between the Company and its employees started, the latter wanted to run the Company with some minor concessions, such as reducing the number of permits for buses, provision of security guards etc. But the Central Government did not deal with them properly. A fear has been expressed that if the Railway line is not started, it might give rise to law and order problem.

1.22. The Committee have been informed that the Government of U.P. are prepared to bear a part of the burden for running the Railway line. The Chief Minister of U.P. had given an assurance in November, 1971 at a farmers' meet at Saharanpur, that the said Railway line would be restarted. The Deputy Minister of Railways had also given a similar assurance, and it was on the basis of that assurance that the firm of Lala Bishamber Dayal Badri Prasad had submitted their offer to operate a part of the line.

1.23. In regard to the efforts made by the Central Government to keep the Railway line running the Ministry of Railways have, in a written note furnished to the Committee, stated that as early as in 1964, Martin Burn Ltd. had brought to the notice of the State Government the difficult financial position of the Light Railway, requesting them for financial assistance to avoid closing down of the Railway. The Ministry of Railways had also then urged the State Government to give earnest consideration to the Company's request for financial assistance. The State Government, however, did not agree to extend any financial assistance to this Railway. According to the Ministry of Railways, even when the Light Railway was on the verge of closure, the State Government were not willing to make good any portion of the losses incurred in the running of the Railway as will be evident from the following account:

- (i) As soon as the Ministry of Railways became aware of the impending closure of the Light Railway, the U.P. Government was informed by the General Manager, Northern Railway, *vide* his letter dated 22nd July, 1970 addressed to the Chief Secretary, Government of U.P. The Chief Secretary was requested to intimate the action proposed to be taken for ensuring uninterrupted movement of the traffic in the area served by the Light Railway. In their reply of July 23, 1970, the U.P. Government suggested

that the Ministry of Railways might consider taking over the management of the Railway and added that it would not be possible for them to make good any losses incurred in the running of this Railway. It was further stated that in the past also they had received representations for making good a portion of the losses incurred by the Railway but they did not agree in principle, to bear any portion of the loss.

- (ii) The Ministry of Railways sent a separate communication dated 27th July, 1970 to the Chief Secretary, U.P. Government, intimating him that the Government of India did not propose to nationalise the Light Railway on financial considerations. The U.P. Government were requested to augment the transport facilities by running additional buses and trucks so as to avoid inconvenience to the public of the area and dislocation in trade and industry. In the event of State Government's not being able to make alternative arrangements in time, the Government of India offered to invest the U.P. Government with powers to take over the management and the administration of the Light Railway by invoking provisions of Railway Companies Emergency Provisions Act, 1951. The services of Railway officer(s) were also offered. The Chief Minister of U.P. in his letter dated 1st August, 1970 addressed to the Minister for Railways did not, however, agree to take over the management on the primary consideration that the State Government did not have the necessary experience or expertise for running the Railway line. On the other hand, he suggested that the Government of India might take over the Light Railway and convert it into broad gauge on priority basis. In his reply dated 13th August, 1970, the Minister for Railways clearly mentioned that the nationalisation or taking over the Light Railway by the Government of India was a very uneconomic proposition. It was again suggested that the State Government should make alternative transport arrangements and in case these arrangements could not be made in time and the State Government desired continued operation of the Light Railway as an interim measure the Government of India would invest the State Government with the management of the Railway by invoking provisions of Railway Companies Emergency Provisions Act, 1951, and would also provide the services of

Railway officers. Regarding the Chief Minister's suggestion about converting the Light Railway into broad gauge, it was mentioned that the Survey was in progress but even if a decision were to be taken to construct a broad gauge line the physical execution of the work will take several years and as such conversion would not be an immediate solution to the problem. (Subsequently, it was found that the conversion would be heavily uneconomical). It was further mentioned that on the Light Railway's finally closing down, such of the surplus staff as could not be provided alternative employment by the U.P. Government in their Road and other services would be considered for absorption in the Indian Railways. The U.P. Government did not, however, agree to absorb any of the retrenched staff of the Light Railway.

- (iii) The issue of taking over the management of the Light Railway by the State Government was discussed at Lucknow on 4th August, 1970 between the representatives of the U.P. Government and those of the Northern Railway. The Chief Secretary of the U.P. Government, General Manager, Northern Railway and Chief Commercial Superintendent (Government Director on the Board of Management) were also present during the discussions. The representatives of the Railway suggested that the U.P. Government might consider either taking over the management of the S.S. Light Railway for which the Government of India would be prepared to invoke the provisions of the Emergency Provisions Act, 1951, or issue liberally and immediately licences to road operators to put in requisite number of buses and trucks on the road so as to avoid any dislocation of traffic. The Chief Secretary while agreeing to the issue of road permits, did not agree to the taking over of the management of the Light Railways. He stated that the Railways were essentially a Central subject and the U.P. Government neither possessed the requisite know-how nor wished to get involved in the Railway management. He maintained this stand even after the Railway representatives clarified that the Ministry of Railways would be agreeable to place with the U.P. Government the required number of officers on deputation.

1.24. The Ministry of Railways have, thus, concluded that the State Government were neither willing to give any financial assist-

ance to the Light Railway nor were they interested in taking over its management. They have added that the State Government did not also agree to absorb the staff of the Light Railway stating that they already had surplus staff in their Roadways. In order, however, to save the staff from being thrown out of employment, the Government of India decided to absorb them in the Indian Government Railways

1.25. During the course of oral evidence, the Committee enquired why the Ministry of Railways had suggested that the S.S. Light Railway should be run by the State Government of Uttar Pradesh and why that Railway could not be run by the Ministry of Railways themselves. The representative of the Ministry of Railways has stated that the question of running the S.S. Light Railway by the Government of Uttar Pradesh arose when M/s. Marlin Burn Ltd. threatened to close down the Railway for the various reasons they had pointed out. It had nothing to do with the broad gauge. When the final decision was taken by the Company to close down the Light Railway, the Government were very much concerned about the resulting dislocation to the travelling public and upsetting of the economy of the State and wanted to take the best possible course in the circumstances. They had examined the question in detail in the Railway Board and re-affirmed their earlier decision taken in 1969 that nationalising and taking over the Company was not justified on economic and financial grounds. So, they opened a dialogue with the Company to postpone the closure of the Railway for a few months and also asked the Government of Uttar Pradesh to indicate the alternate arrangements they would make. The Company took the view that as they had already passed a resolution and had given the notice, they would go on with the process of closure. The representative of the Ministry of Railways has further stated that whether it is the Central Government or the State Government, there is an obligation to mitigate the hardship. The Ministry of Railways thought that the State Government would be in the best position to take an over-all view of the total transport needs of the public in that area. The Government of Uttar Pradesh could also decide whether road transport should have predominance or the Railway should have predominance. That is why they had referred it to the Government of Uttar Pradesh. There is also a precedent of take-over of Barasat Railway by the Government of West Bengal. Later, that Railway was closed by stages. The representative of the Ministry of Railways has further informed the Committee that the Government of Uttar Pradesh did not want to take-over the management of the Company, nor did that Government give any financial assistance to the Company. So

far as transport in the area is concerned, it has been stated that the Government of Uttar Pradesh were satisfied that they could make arrangements for extra buses and trucks without overstraining their resources.

1.26. During evidence, the Committee also enquired whether the Government of Uttar Pradesh had suggested that the Railway Board should take over the line, the representative of the Ministry of Railways has stated that "They have said that Railways being a subject of the Federation Government, the Railways should take it over. That does not solve the problem. In fact, in an earlier letter, the Chief Minister himself wanted that this Railway should go out of existence and broad gauge line should come in its place."

In response to Starred Question No. 657 answered in Lok Sabha on the 2nd May, 1972, the Minister for Railways (Shri K. Hanumanthaiya) stated that he had explained to the delegation of Members of Lok Sabha, who had met him, that "the Railway Ministry would not be able to reopen and run the Light Railway and that the U.P. Government may take steps to run it. The Light Railway could keep its separate identity and character. The State Government would also be able to co-ordinate road and rail transport. It would accordingly be possible under this arrangement to minimise loss on its working. The Ministry of Railways would, however, be willing to help the State Government in procuring rolling stock and other equipments. Services of suitable men to help the State Government run the Railway could also be placed at their disposal, on agreed terms".

1.27. During oral evidence the Committee asked the representative of the Ministry of Railways to comment on the recent newspaper reports that the Central Government was considering grant of loan/assistance to a private company for running the S.S. Light Railway. The representative of the Ministry of Railways has stated that there was a proposal from a private company to run the Railway, subject to certain conditions. One of the conditions was that the recovery of rupees thirty lakhs, which the S.S. Light Railway owed to Government, might be deferred. This the Government are willing to consider. The other condition is for grant of a long term loan of rupees thirty lakhs. It has been pointed out to the Committee that loan to a private party is usually granted if there is a reasonable chance of recovery. The proposal also stipulates that services of the staff might be loaned to the new Company and some diesel locomotives given for running the Railway. There has been no further development.

V. *Effects of closure of S.S. Light Railway and the existing alternate transport arrangements*

7.28. It has been represented to the Committee that there are about twenty *mandis*, both small and big, on both sides of the Railway line between Shahdara and Saharanpur which are now languishing. Besides, there are three sugar factories near the Railway track, at Shamli, Baghpat and Saharanpur. There are also many Degree Colleges and Inter Colleges in that area. It has been pointed out that there is not a single station on this line which does not have either a Degree College or an Inter College. Closing of the Railway line, it is stated, is causing great hardship to the trading community, the students and teachers, besides causing great inconvenience to the general public.

1.29. It has been pointed out to the Committee that the existing arrangements for transportation of passengers and goods by road transport along the now closed Railway line, are not at all adequate. The road route is not parallel to the Rail track and the road is four to five miles away from the the Railway line. As most of the towns, factories and colleges are located along the Railway line, the people of the area have to travel for miles to board a bus. The road route is also unsafe. It has been further stated that many passengers, particularly ladies, have been looted and that such incidents are on the increase. In fact, Government employees and employees of semi-Government organisations have to travel by special taxis, which are very costly. Many among the general public, who travel by various modes of conveyance, e.g., tongas, three wheeler "tempos", trucks etc. meet with fatal accidents, as these are often over-loaded. The road transport is so inadequate that the buses carry 100 to 125 passengers each, trucks which are supposed to carry goods only carry passengers also, "tempos" carry some 15 to 20 passengers each, such vehicles are found to carry some passengers on their roof tops also. Tongas carry 10 to 15 passengers each. The people, it is stated, have to wait for long hours for getting a conveyance. Goods from Shamli, Baraut and Baghpat, have to be sent by trucks first to Meerut, Muzaffarnagar or Saharanpur for further transport. This has raised the cost of transportation by 100 per cent. It has been suggested to the Committee that a fresh survey of the affected area may be carried out.

1.30. During the course of oral evidence, the Committee enquired from the representative of the Ministry of Railways whether the Government of Uttar Pradesh had approached the Ministry of Railways to take steps to serve the needs of the traders of the area. The Committee have been informed that the Ministry of Railways

are considering two measures: One is to have agencies in that area so that the traffic is not lost to the extent possible. The out-agencies have already been opened at some places and they are working. The second measure is to consider having a broad gauge line. So far as the question of having a broad gauge line is concerned, a traffic and engineering survey has been made and the Survey Report came to the Railway Board a few months ago. They have examined it and found that although the traffic is there, it is not good enough for making the investment.

VI. Proposal for new broad gauge line near the old narrow gauge line conversion of old narrow gauge line into broad gauge line

1.31. In a written note furnished to the Committee, the Ministry of Railways have stated that since a number of representations were received for a broad gauge line between Shahdara and Saharanpur, reconnaissance Engineering and Traffic surveys were sanctioned on 8.8.1968 to explore the possibilities of converting the S. S. Light Railway into a broad gauge line. Subsequently, it was decided that since the Ministry of Railways had not exercised the option to take over the line, the feasibility of a broad gauge line connecting Delhi Shahdara with Saharanpur on a separate alignment should be examined. The scope of surveys originally ordered was modified accordingly.

1.32. The Ministry of Railways have added that the surveys have since been completed by the Northern Railway. After investigating several alternatives, the Railway selected an alignment taking off from Ghaziabad, running parallel to Ghaziabad-Meerut line upto Guldhar station and then turning towards the west and joining the narrow gauge alignment behind Gotra station. The alternative alignment to join the narrow gauge line at Shahdara was ruled out on cost considerations; the cost of junction arrangement at Shahdara was found to be prohibitive owing to considerable difference in the levels of broad gauge and narrow gauge tracks at Shahdara and the whole surrounding area being heavily built up and populated. Regarding the Saharanpur end, the most suitable entry, from the operational point of view, has been found to be *via* Tapri station on the existing Saharanpur-Ghaziabad broad gauge line. The length of the alignment selected by the Railway is 173.5 Kms., as against the length of 148.8 Kms. of the existing narrow gauge line. The cost of the Project has been estimated to be Rs. 12.02 crores, which works out to an average of Rs. 6.92 lakhs per Km. Instead of a new broad gauge line, if conversion of the existing narrow gauge line is undertaken, the cost will be slightly less and is estimated to be Rs. 10.99 crores.

1.33. According to the Ministry of Railways, in the Traffic Survey Report, the earnings on account of passenger traffic have been worked out by assuming the same rate of growth as on the narrow gauge line. (This will be almost parallel to the narrow gauge line except at Junction points). The average rates of growth on the narrow gauge line during the period 1958-59 to 1967-68 have been 6.4 per annum for upper class passenger traffic and 6.6 per cent per annum for lower class passenger traffic. These rates of growth were, applied to the number of passengers, class-wise for each station to arrive at the anticipated number of passengers in the year 1974-75, which was presumed to be the first year of opening of the Project. In addition, a nominal diversion of 10 per cent from road traffic has been anticipated for stations between Manani and Charauri. The total earnings on account of coaching traffic are estimated to be Rs. 66,58,812 for the year 1974-75. As against the total coaching earnings of Rs. 66,58,812 the working expenses are anticipated to be Rs. 65,72,913; the net earnings on account of coaching traffic would, therefore, be only Rs. 85,899.

1.34. The Ministry of Railways have stated that excepting for a brief period of 2-3 years, the goods traffic continued to decline during the period 1958-59 to 1967-68. The originating traffic declined from 2.19 lakh tons in 1958-59 to 1.38 lakh tons in 1967-68 and the terminating traffic came down from 1 lakh tons in 1958-59 to 0.77 lakh tons in 1967-68. The total goods traffic carried on the S. S. Light Railway thus declined from 3.19 lakh tons in 1958-59 to 2.15 lakh tons in 1967-68. This decline in the goods traffic was primarily due to transshipment difficulties, quota restrictions and severe road competition, etc. As on construction of the broad gauge line most of these difficulties would be overcome, it was not considered correct to project the future goods traffic on the basis of past trend. An independent assessment of the goods traffic likely to be carried on the broad gauge line was, therefore, made. After a careful study of the relevant factors viz., production, consumption, agricultural and industrial plans drawn up by the State Government of Uttar Pradesh, the total anticipated traffic in 1974-75 was assessed to be as under:

Total outward traffic	4.42 Lakh tons	(Equivalent to 24,687 wagon loads-four wheelers).
Total inward traffic	3.04 lakh tons	(12,942 wagon loads four wheelers).

The other words, an outward traffic of 68 wagons per day and inward traffic of 35 wagons per day has been anticipated to be carried on the broad gauge line in the year 1974-75. The commodities to be carried mainly comprise of sugar cane, Khandsari sugar, products of agriculture, coal, cement etc. The estimated goods earnings in the year 1974-75 amount to Rs. 31,07,386 as against which the working expenses are anticipated to be Rs. 23,41,073; the net earnings on account of the goods traffic, therefore, amount to Rs. 8,29,313. Besides, savings on account of avoidance of transshipment *viz.*, Rs. 76,727 and savings in detentions to stock amounting to Rs. 29,104 are creditable to the Project. Thus the net goods earnings will be Rs. 9,35,144. The total net earnings creditable to the Project would thus be as under:—

	Rs.
Net coaching earnings	85,899
Net goods earnings	9,35,144
TOTAL	10,21,043

It has been found that on the anticipated earnings, the Project will be highly unremunerative and as such there is no financial justification for undertaking this investment. The scheme for converting the existing narrow gauge line into a broad gauge line will also be highly unremunerative.

1.35. Summarising, the Ministry of Railways have stated that the proposed broad-gauge line which will run almost parallel to and in close proximity of the narrow gauge line except at Junction points, will serve predominantly the same area as covered by the S. S. Light Railway. In assessing the earnings of the broad gauge line due note has been taken of the unsatisfied demand on rail transport as well as the likely growth of traffic. The total gross earnings of the broad gauge line, as anticipated in the year 1974-75, will be Rs. 98.3 lakhs, out of which the coaching traffic alone will account for as much as 66.6 lakhs i.e. about 2/3rd of the total earnings. Further, whereas 12 passenger trains per day (total up and down) will have to be introduced to deal with the passenger traffic anticipated in the year 1974-75, only 25 goods trains per day (total up and down) will be required to handle the goods traffic. Thus the broad gauge line will be mostly catering to passenger traffic. The erstwhile S. S. Light Railway was also a predominantly passenger carrying Railway; the gross earnings of this Railway in the year ending 31.3.70 were 34.4 lakhs from coaching traffic and Rs. 14.3 lakhs from goods

traffic. A common feature of Railway working almost all over the country is that passenger traffic is not a paying operation. The same phenomenon is noticeable in the economics of the Project: the broad gauge line, which derives bulk of its gross earnings from coaching traffic, is bound to prove heavily uneconomical, as had been the case with the erstwhile S. S. Light Railway. It is not surprising that though the gross earnings on the broad gauge line from coaching traffic are anticipated to be as high as 66.6 lakhs, the net earnings i.e. (after deducting the working expenses from gross earnings) are estimated to be only 0.85 lakhs.

1.36. According to the Ministry of Railways, the area through which the broad gauge line will run is mainly agricultural and is not so well developed industrially. Besides sugar mills at Shamli and Baghpat, there are no major industries in the area. There are only a few small scale industries, for the manufacture of farm implements, paper boards, rubber products etc. The major commodities likely to be carried on the broad gauge line are sugar cane, other products of agriculture, coal and cement. The total goods traffic anticipated in 1974-75, which has been assessed after a careful study of the relevant factors viz., production, consumption, agricultural and industrial plans drawn by the State Government of Uttar Pradesh, is 7.46 lakh tons (equivalent to 103 wagons per day) as against 2.45 lakh tons moved on the S. S. Light Railway during the year ending 31.3.1970. No major or heavy industry is planned to be set up in the near future within the "influence zone" of the broad gauge line nor is there going to be any substantial increase in the traffic or commodities like sugar cane, products of agriculture, etc. As such the goods traffic anticipated in the year 1974-75 can be reasonably taken as the optimum level of traffic for quite some time to come.

1.37. According to the Ministry of Railways, the cost of the Project is anticipated to be Rs. 12.02 crores (excluding interest during construction) and the net earnings creditable to the Project are Rs. 10.21 lakhs. If the 'conventional method' for determining the financial rate of return is applied, the Project would roughly yield a return of 0.8 per cent as against the minimum return of 6.75 per cent required for financially justifying an investment. If the Discounted Cash Flow technique is applied, the proposed broad gauge line will roughly yield a return of less than 1 per cent as against a standard rate of 10 per cent which is the prescribed minimum yield to justify investment. The Project is thus stated to be highly unremunerative and it is difficult to conceive that it will pay its way at

any time in the foreseeable future. On financial considerations, short term or long term, investment on the proposed Project is, therefore, not justified and cannot be undertaken.

1.38. During the course of oral evidence, the Committee enquired whether the Ministry of Railways had already taken any decision on the basis of the Survey Report or whether they would collect further information. The representative of the Ministry of Railways has stated that according to their estimate they would get a return of less than one per cent. While they have to pay interest at the rate of six per cent. The Project being so un-remunerative, the question of investment does not arise. That is the tentative decision. But the Railway Board would be prepared to reconsider it if the basic data requires to be corrected. It has been further stated that all the relevant data have been obtained from the Government of Uttar Pradesh. They have also taken into account the present and likely future production in that area. The representative of the Ministry of Railways has also informed the Committee that the S. S. Light Railway carried 45 lakh passengers and 2.45 tonnes of goods in 1969-70. But after the completion of broad gauge, the traffic of 82 lakh passengers and 7.5 lakh tonnes of goods were expected. It has, therefore, been contended that even taking into account those enhanced figures, the Project will not be remunerative.

1.39. In the foregoing paragraphs, it has been stated that since the Ministry of Railways had not exercised any option to take over the line, it was decided to examine the feasibility of a separate broad gauge line connecting Delhi Shahdara with Saharanpur. The Committee asked the Ministry of Railways to explain the necessity of considering the proposal of a separate broad gauge line from Shahdara to Saharanpur, instead of conversion of the existing Railway. In a written note furnished to the Committee, the Ministry of Railways have stated that under the Agreement with the S. S. Light Railway Co., the Central Government (Ministry of Railways) had an option, recurring at regular intervals of seven years, to purchase the S. S. Light Railway. At the time of the last option, the purchase of this losing undertaking was not found justified financially. It was, therefore, decided not to purchase the Railways. Having taken this decision, the question of converting the narrow gauge Railway, which continued to be a private property and in which the Government had no interest, did not arise. As such, it was decided to examine the feasibility of only a broad gauge line on a separate alignment. Besides, the Engineering Survey for conversion would have involved excavation of the foundations of the bridges and other

structures on the narrow gauge alignment and would have been comparatively more difficult. Besides, the conversion of the existing narrow gauge line would have had to be done under 'traffic' and would have thus taken a longer period. Nevertheless, the cost of conversion was roughly estimated and it was found that the conversion would also be heavily unremunerative.

VII. *Other private uneconomic Railway lines*

1.40. The Committee desired to know how many private companies were running Railway lines in India, and how many of them were running at a loss. In a written note furnished by the Ministry of Railways, it has been stated that the following three private companies are at present running private Railways:

- (i) Futwah—Islampur Light Railway Co; Ltd.—(Secretaries—M/s. Martin Burn Ltd.).
- (ii) Arrah—Sasaram Light Railway Co. Ltd.—(Secretaries—M/s Martin Burn Ltd.).
- (iii) Dehri—Rohtas Light Railway Co. Ltd.—(Secretary—J. K. Jain.).

The Ministry of Railways have stated that according to the Audited Balance Sheets of these Companies for the period 1965-66 to 1969-70, only Arrah-Sasaram Railway is losing. This Railway is operating under a contract with the District Board of Shahbad and has been receiving from 1966-67 onwards from them a subsidy of Rs. 86,772 which is the maximum amount of financial assistance under their agreement. Even after adjusting this maximum subsidy, the Company suffered a net loss of about Rs. 6,700 in the year 1967-68 and of Rs. 1.31 lakhs in the year 1969-70. The financial position for the year 1970-71 is not known as the Audited Balance Sheets have yet to come in. The Committee desired to know how the losses of such Railway lines were being met in the case of Companies running at loss. The Ministry have stated that only Arrah-Sasaram Railway is running Railway which is working under an Agreement with the District at loss. The Central Government have no financial interest in this Railway which is working under an Agreement with the District Board of Sahabad. The District Board of Shabad have to supplement the net earnings of the Company by such annual subsidy as may be necessary to make up a dividend of 4 per cent. per annum on the share capital, subject to the total liability of the District Board not exceeding in any year, the sum of Rs. 88,000 or the sum of 4 per cent on the amount of Company's share capital, whichever is less. It is

in terms of this provision that the maximum subsidy of Rs. 86,772 i.e. at 4 per cent of the subscribed share capital was paid by the District Board every year from 1966-67 to 1969-70, but even then the Company showed a net loss of Rs. 1.31 lakhs in the year 1969-70. In reply to a question whether the Ministry of Railways had any proposal to grant loans or assistance to these uneconomic lines, the Ministry of Railways have stated that there is no proposal to grant any loan or assistance.

1.41. In this connection, the Ministry of Railways have pointed out that besides the three private Railways which are being run by the private companies themselves, as stated above, the following five lines are owned by private companies but are *run* by the Government of India:

- (i) Chaparmukh-Silghat Railway.
- (ii) Katakhal-Lalabazar Railway.
- (iii) Ahmedpur-Katwa Railway.
- (iv) Bankura Damodar River Railway.
- (v) Central Provinces Railway.

The account given in the preceding paragraph relates only to lines which are owned by the private companies and are being run by themselves.

1.42. The Committee asked the Ministry of Railways to furnish a detailed statement regarding the Railway companies' request for financial assistance in case of losses and the consideration that weighed with the Ministry of Railways or the Government for providing such assistance as also the conditions under which these Railways had to be closed. In a written note furnished to the Committee, it has been stated that besides the three private Railways (Shahdara-Saharanpur, Howrah-Amta and Howrah-Sheakhala Light Railways) recently closed down, there are 8 privately-owned Railways now operating in the country. These are—

- (i) Central Provinces Railways (Ellichpur-Yeotmal & Pulgaon Arvi Sections)
- (ii) Katakhal-Lalabazar Railway.
- (iii) Chaparmukh-Silghat Railway.
- (iv) Ahmedpur-Katwa Railway.
- (v) Bankura Damodar River Railway.
- (vi) Futwah-Islampur Railway.
- (vii) Dehri-Rohtas Railway.
- (viii) Arrah-Sasaram Railway.

The first five of these are worked by the contiguous Government Railways and the remaining three are run by the private companies themselves.

1.43. According to the Ministry of Railways, the first six Railways are operating under contracts with the Government of India. The Agreements provide for Government's subsidising these Railways in order to bring their net receipts to the level of guaranteed yield on capital. Thus, if these companies run into loss, financial assistance to the extent stipulated in the respective Agreements is given by the Government.

1.44. The remaining two Railway companies viz., Dehri-Rohtas and Arrah-Sasaram Light Railway companies Ltd., have contracts with the District Board of Shahbad; the Central Government do not have any financial interest in these Railways nor have they given any financial assistance to these companies. Regarding Arrah-Sasaram Light Railway, subsidy is paid by the District Board of Shahbad in case the Company is unable to declare a Dividend of 4 per cent per annum on the share capital. No subsidy is, however, payable by the District Board to Dehri-Rohtas Light Railway.

1.45. The Ministry of Railways have added that in none of the three Railways recently closed, the Government was required to pay any subsidy in the event of the Companies' running into losses.

1.46. In regard to the circumstances under which the operation of private Railways, which are run by the private Companies themselves, could be closed down by the Companies. The Ministry of Railways have stated that as these Companies are registered under the Indian Companies' Act, they can go into liquidation and, in that event, the business of the Companies can be discontinued which will result in the closure of the Railways.

1.47. The Committee asked the Ministry of Railways to furnish a statement giving average loss of the S. S. Light Railway as compared with the average loss of the other 77 unremunerative Railway lines in the country. The Ministry of Railways have supplied the following statement showing the average loss on S. S. Light Railway Company as compared with the average loss on the unremunerative branch lines:

(a) *S. S. Light Railway:*

The figures of annual profit/loss during the period 1965-66 on-

wards are given below:

Year	Loss Profit on working		Net Loss/profit after taking into account Debenture Interest etc.	
	Loss	Profit	Loss	Profit
(In lakhs of Rupees)				
1965-66	0.9	..	2.6	..
1966-67	0.05	..	2.7	..
1967-68	..	2.0	..	0.2
1968-69	3.7	..	5.6	..
1969-70	5.4	..	7.4	..

The annual net loss thus varied from Rs. 2.6 lakhs to Rs. 7.4 lakhs during the period 1965-66 to 1969-70.

(b) *Unremunerative Branch Lines:*

The operation of unremunerative branch lines (77 in number) is estimated to entail a loss of about Rs. 8 crores in 1970-71. This includes about Rs. 2.5 crores on account of Dividend on Capital, which element is not included in the figures of loss given above for S. S. Light Railway.

1.48. The Committee desired to know the view of the Ministry of Railways in regard to the recommendations of the Administrative Reforms Commission that "where running of uneconomic lines is continued in public interest, the losses may be met out of public revenues, State or Central". In a written note furnished to the Committee, it has been stated that a large number of branch lines on the Indian Government Railways have been unremunerative for a number of years. The loss, including interest on capital, incurred on these lines, is of the order of Rs. 8 crores per annum. The State Governments are not agreeable for dismantling these lines; on the contrary there is a strong demand for their continuance and even improving them. As the running of these uneconomic lines is to be continued in public

interest, it is but appropriate that adequate relief is afforded to the Railways. There is thus, *prima facie*, a strong case in favour of accepting the Administrative Reforms Commission's recommendation. The Railway Convention Committee who considered this matter have in their Interim Report for the years 1971-72 and 1972-73 recommended that the capital at charge of the unremunerative branch lines amounting to Rs. 42 crores should be exempted from the payment of Dividend for these two years. This recommendation along with others has since been accepted by both the Houses of Parliament.

1.49. The Committee desired to know how far is this recommendation of the Administrative Reforms Commission feasible in regard to S. S. Light Railway. The Ministry of Railways have stated that the S. S. Light Railway was owned and operated by a Private Company, whereas the uneconomic branch lines to which the Administrative Reforms Commission apparently refer are in the Public Sector. The recommendation of Administrative Reforms Commission, on the face of it, not directly applicable to S. S. Light Railways.

1.50. During the course of oral evidence, the Committee enquired whether the Ministry of Railways were prepared to run the Railway on the S. S. Light Railway track in public interest by bearing losses. The representative of the Ministry of Railways has stated that there are two things: one is to run the old line and the other is to construct a new line. So far as the question of running the old line is concerned, the matter has become very complicated because the Company has already handed over the whole thing to a liquidator. Now they will have to take up the matter with the liquidator and compensation will have to be paid to the Company in the event of the take-over of the line.

1.51. The Committee also enquired whether in providing the Rail facilities in the country, commercial aspect was the only objective or public service was also its aim. The representative of the Railway Board has stated during evidence that these two functions have not been clearly defined. He has pointed out that on the one hand they are being questioned for losses and on the other, they are being pressed by the public and the State Governments to provide more Rail facilities. The Administrative Reforms Commission has also gone into that question and has recommended a commercial bias for the working of the Railways. The Public Accounts Committee also hold them accountable for losses. The representative of the Ministry has further explained that in the working of the Railways, there may

be an element of service to the public but the financial and commercial aspects cannot be totally ignored because the nation does not want a Public Undertaking to keep on losing indefinitely.

1.52. As regards the recommendation of the Administrative Reforms Commission that "where running of uneconomic lines is continued in public interest, the losses may be met out of public revenue, State or Central", the representative of the Ministry of Railways has stated during evidence that if the Railways accept it, (which would be in their interest), they have to get the State Government's and Central Government's acceptance that if there are any losses, these will be passed on to the general tax payer and will not be shown as losses in the working of the Railways. He has also pointed out that the words used are "continuance of unremunerative lines" and no guidelines have been given as to the construction of unremunerative branch lines.

VIII. Practice in other Countries

1.53. The Committee desired to know the practice followed in other countries with regard to their un-remunerative Railway lines. In a written note furnished to the Committee, the Ministry of Railways have stated that the Railways in certain countries like Great Britain, France, Canada and Japan receive relief in the form of grants-in-aid, writing off, of capital, reduction in interests, surplus track grant, refund of excise/customs duty and re-imbursement of particular items of expenditure by local authorities or the Central Government. Sometimes blanket subsidies are paid to compensate for tariff freezes on freight and to alleviate losses on passenger services. Deferred payment of interests on accumulated loans to the Government, reduction in local taxes are some other relief measures.

IX. Suggestions for reviving the old narrow gauge Railway line

1.54. The Committee have received some suggestions for the revival of the Railway line. It has been *inter alia* suggested that the Central Government may take over the S. S. Light Railway, Alternatively, the Central Government and the Government of Uttar Pradesh may jointly run the Railway line. In that event, the Government of Uttar Pradesh may share the profits or losses and the administration of the Railway line. Another alternative which has been suggested to the Committee is that a Co-operative Society may be set up to run the Railway line on a co-operative basis. The people of that area, it is stated, are willing to purchase shares and they

have shown their willingness to do so in public meetings. In view of the many difficulties being experienced by the people, in the absence of the Railway line, they are even willing to make contributions of Rs. 100 to Rs. 200 each, so that the Railway line may start functioning.

1.55. During the course of a discussion on the subject in Lok Sabha on the 31st August, 1970, the Minister of Railways (Shri G. L. Nanda) stated:

"The staff have thought of forming a Co-operative Society and running the Railway themselves by putting their Provident Fund money and other dues from the Company but I am afraid such a Society will also run into losses so long as the road competition is there. I could not advise the employees to embark on this venture because thereby they would be frittering away their hard-earned savings. The best course, in my opinion, would be to form one or two Co-operative Societies to run the road services in the region and the State Government should be urged to issue licences in favour of these Co-operative Societies formed by the employees, and not to any other person. Even if the Railway has to be run on a Co-operative basis by the employees themselves, it will not be a workable proposition, so long as the Government of Uttar Pradesh does not put a stop to any further road competition by issuing licences to buses and trucks."

C. Observations/Recommendations of the Committee

1.56. The Committee find that the S.S. Light Railway was started in 1905 by M/s Martin Burn Ltd., a private Company, and was eventually closed down by that Company on the 1st September, 1970. Till the year 1957-58, this Railway line was fairly successful and continued to make good profits. After paying the Government their share of surplus profits upto that year, it could put aside about Rs. 20 lakhs in reserves. This Railway line, however, started suffering losses almost every year during the last twelve years of its existence, i.e. after 1957-58, except in 1959-60 and 1967-68, when it made some profits. The total net losses suffered by this Railway upto 31st March, 1969, amounted to Rs. 16,27,600. These continuous losses eventually led to the closure of the S.S. Light Railway.

1.57. The Committee observe from the notice of closure of the S.S. Light Railway that between the period 1956-57 and 1969-70, the

percentage of travelling public, which provided the bulk of the revenue on the S.S. Light Railway, dropped by about 20 per cent. The main causes of this decline, according to the Company, were, firstly, a severe and unhealthy competition from the road transport, as the Government of Uttar Pradesh are stated to have issued a large number of permits to displaced bus operators and, secondly, the mounting costs of operations. This situation was also stated to be responsible for inadequate financial provision for replacements and renewals for this Railway, which fell into heavy arrears, thereby endangering the safety of operations of the Railway.

According to the petitioner and others, however, the main causes of the alleged losses of the Company were: (i) diversion of about 35 to 45 per cent of the revenue of the S. S. Light Railway to meet the establishment charges of the Company at the headquarter office at Calcutta; (ii) payment of high salaries to the not-so-qualified and incompetent staff; (iii) wide-spread ticketless travel; (iv) very slow speed of the trains as compared to buses and trucks; (v) inadequate attention to replacements and renewals on coaches and other rolling stock; and (vi) corrupt practices indulged in by the staff of the Company.

1.58. The Committee observe that the fact of the Company suffering regular losses almost every year was brought to the notice of both the Government of India as well as the Government of Uttar Pradesh in 1963 by the Company requesting for financial assistance or, in the alternative, nationalisation of the S.S. Light Railway. The Company also indicated that failing either, it would have to close down. However, the Central Government did not agree to give any long term loans to the Company on the ground that there was no reasonable certainty of their repayment. The Ministry of Railways instead advised the Government of Uttar Pradesh to reduce the road transport competition which was stated to be cutting into the earnings of the S.S. Light Railway and, if necessary, also to give financial assistance to the Company. But, as stated by the Ministry of Railways, the Government of Uttar Pradesh did neither of the two.

1.59. The Committee observe that although the Government of Uttar Pradesh had requested the Ministry of Railways in 1964 to appoint a Committee of experts to examine the factors leading to the decline in the annual earnings of the S.S. Light Railway since 1958-59, the Ministry of Railways did not make any specific study of the management and working of the S.S. Light Railway on the ground that the reasons for the losses suffered by this Railway as stated by the Company, were so patent that there appeared to be

no need for such an investigation. It is, however, stated by the Ministry of Railways that, as a measure of financial control, the annual budget estimates of earnings and expenditure, as submitted by the Company, were regularly examined before they were sanctioned by the Railway Board.

1.60. The Committee are surprised to note that the Ministry of Railways did not find it worthwhile to make an investigation into the management and working of the Company so as to ascertain independently the true causes of the continuous losses suffered by it, in spite of a specific request made by the State Government of Uttar Pradesh in 1964. The Ministry of Railways merely remained content with the causes stated by the Company in their notice of closure and the statements of annual budget estimates of earnings and expenditure as submitted by the Company. That the Ministry of Railways did not consider it worthwhile to make an enquiry into the working of an apparently losing privately managed Railway line shows that adequate concern was not felt regarding the closure of a public utility service and the consequent sufferings to the people of the area. The Committee feel that a proper enquiry was the minimum exercise that should have been carried out before coming to any final decision, on the closure of the S.S. Light Railway.

1.61. The Committee are unable to appreciate why the Ministry of Railways should be guided solely by financial considerations in this case and completely ignore the factor of public interest and the difficulties that were likely to be faced by the lakhs of inhabitants of the area consequent on the closure of the Railway line. In this connection, the Committee note that there are a large number of branch lines on the Indian Railways which though unremunerative for a number of years, are being continued in public interest. The Committee regret, that in the case of the S. S. Light Railway, however, a utility service to the community which was available to them for sixty-five years, was allowed to close down instead of taking steps to improve the service according to the standards of service maintained on the Government Railways.

1.62. According to the notice of closure of the Company, the apparent reasons leading to the closure of the S.S. Light Railway were the unhealthy road transport competition on the one hand and the mounting costs of operations on the other. The Ministry of Railways have also endorsed this position. The Committee, however, feel that there were other contributory factors also, like heavy establishment charges, wide-spread ticketless travel, slow movement

of trains and corruption and inefficiency in the management of the Railway.

The Committee are not also convinced that the problem of road competition was in-surmountable. It should not have been difficult for the Central Government to persuade the Government of Uttar Pradesh to take steps to ease the pressure of road competition.

In regard to the alleged mounting cost of operations of the S. S. Light Railway, the Committee do not feel that the situation was so grave as to warrant a closure of the Railway line itself. The mounting cost of operations has been a general phenomenon on all the Railways in the country and the S. S. Light Railway was no exception. The Ministry of Railways have made attempts to tackle this situation on other Railways by revising the fares and freight rates from time to time. This could also be done in the case of the S. S. Light Railway.

The Committee do not, therefore, agree that there were sufficient grounds to close the Railway line. On the contrary there is enough justification for reviving the old Railway line in public interest.

1.63. The Committee are distressed to find that an element of unhealthy competition by the road transport crept in and ultimately led to the closure of the S. S. Light Railway. A more imaginative approach could have avoided such a competition and the closure of the Railway. The Committee recommend that the Ministry of Railways should reconsider the whole matter and persuade the State Government of Uttar Pradesh to solve this problem. The Committee hope that the State Government would be too willing to lend their hand of cooperation. The two modes of transport, viz., the Railway and the road transport, should serve to supplement each other rather than work at cross purposes. The ultimate aim should be to provide an efficient system of rail-road transport to the public.

1.64. The Committee fail to appreciate how the proposition of rendering financial assistance to the Company could be found suitable for the State Government of Uttar Pradesh when the Central Government themselves did not find it worthwhile to do so. The Committee feel that an effort has been made to shift the entire responsibility for the running on closure of the Railway line on the State Government of Uttar Pradesh, although Railways is a Central subject. The State Government can much less be expected to support an allegedly losing concern which is primarily the responsibility of the Central Government. Besides, a State Government is not,

expected to have the requisite expertise to run a Railway line. The Committee are not persuaded to believe that the State Government can manage a concern, which is primarily the responsibility of the Central Government, better than the Central Government themselves.

1.65. The Committee find substance in the arguments of the petitioner and others that it was because of inadequate attention by the Company to replacements and renewals which led to frequent breakdowns and slow speed of this Railway and the consequent loss of considerable passenger traffic to the speedier road transport. It appears more logical that a slow moving and inefficient Railway was unable to compete with the fast moving road transport and lent itself to wide-spread ticketless travel. Since the Railways are a utility service and the life-line of the community, the Government were expected to exercise greater vigil and to go deeper into the working of this privately managed Railway.

1.66. From the submissions made before the Committee, the Committee find that the existing arrangements for transportation of passengers and goods by road in the area served by the erstwhile S. S. Light Railway are not at all adequate. The general public has been put to great inconvenience after the sudden closure of the Railway line and the area is stated to be languishing. The trading community has been hit rather hard by such closure. A sizeable number of the student community has also been adversely affected by this closure. The Committee urge upon the Ministry of Railways to keep these factors in view and provide the people of this area with adequate, safe and quick Railway facilities.

1.67. The Committee have been informed that certain private parties have offered to run the old Railway line and that the Government are willing to consider their proposals on certain conditions. The Committee wonder why should the private parties be interested in running this Railway line unless they consider it profitable. The Committee believe that with the vast resources and expertise available at the disposal of the Government, as compared to the limited resources of private parties, a more rational management should make it possible to achieve certain overall economies and make the Railway line a profitable proposition.

The Committee, therefore, recommend that the Government should take over and run the S. S. Light Railway themselves. Such a step would also be in keeping with the general national policy of nationalising the Rail and road transport.

1.68. The Committee note that under the Agreement with the S. S. Light Railway Company, the Central Government (Ministry of Railways) had an option, recurring at regular intervals, to purchase the S. S. Light Railway. However, at the time of the last option that fell due last in 1969, the Government did not find it a financially justifiable proposition and, therefore, decided not to purchase the S. S. Light Railway. The narrow gauge line of the S. S. Light Railway, therefore, continued to be a private property, in which the Government had no interest. The Committee further note that originally, the Ministry of Railways had sanctioned reconnaissance Engineering and Traffic Surveys to explore the possibility of converting the S. S. Light Railway into a broad gauge line. Subsequently, however, it was decided that, since the Ministry of Railways had not exercised the option to purchase the Railway line, the feasibility of having a broad gauge line connecting Delhi-Shahdara with Saharanpur on a separate alignment might be examined. After investigating several alternatives, the Ministry of Railways selected an alignment taking off from Ghaziabad, running parallel to Ghaziabad—Meerut line upto Guldhar station and then turning towards the West and joining the narrow gauge alignment behind Gotra station. The cost of the Project has been estimated at Rs. 12.02 crores.

The Committee further note that the proposed broad gauge line will roughly yield a return of less than 1 per cent as against a standard rate of 10 per cent which is the prescribed minimum yield to justify investment. The Project is thus stated to be highly unremunerative.

The Committee also note that if instead of construction of a new broad gauge line, conversion of the existing narrow gauge line into a broad gauge one is undertaken, the cost will be slightly less and is estimated at Rs. 10.99 crores. But the Engineering Survey for conversion would have involved excavation of the foundations of the bridges and other structures on the narrow gauge alignment and would have been comparatively more difficult. Besides, the conversion of the existing narrow gauge line would have had to be done under 'traffic' and would have thus taken a longer period. However, taking into consideration the estimated cost of conversion and other relevant factors like expected growth of passenger and goods traffic, it was found that the conversion would also be heavily unremunerative.

The Committee, however, feel that the growth of such an agriculturally rich area would be badly hampered in the absence of

adequate Railway facilities. The Committee recommend that in the existing circumstances, the best course would be for the Ministry of Railways to revive the existing narrow gauge Railway line of S.S. Light Railway and simultaneously to re-examine the entire question of constructing a broad gauge Railway line in its place.

1.69. The Committee are concerned to find that the private Railways which are run by the private Companies, can be closed down by the Companies at their will, as they are registered under the Indian Companies' Act and can go into liquidation, in which event the business of the Companies can be discontinued resulting in closure of the Railways. As there are still a number of privately owned Railway lines in the country, serving the needs of a large travelling public, the Committee would like that the existing contracts with the private Companies should be reviewed in the light of the experience gained so far so that these Companies do not close down at will like the S.S. Light Railway. The Committee also suggest that a study of the existing rules may be undertaken to see whether they need any modification for exercising greater control on the working of such Railways. In this connection, the Committee cannot over-emphasise the need for vigilance and would suggest that a constant review of the working of privately owned Railways may be undertaken so as to ensure that these Railway lines are kept in operation, giving the expected standard of service, and the travelling public are not suddenly faced with a fait accompli by closure of the Railway line. Whenever, there is a fear of such Railway lines closing down on the question of their economic viability, adequate alternative arrangements should be made well in advance without causing much inconvenience to the Rail users of the area.

ANANT PRASAD SHARMA,

Chairman,...

Committee on Petitions.

NEW DELHI:

18th May, 1972.

APPENDIX*

(प्रतिवेदन का पैरा 1 देखिए)

श्री श्रीचन्द, ग्राम एलम, जिला मुजफ्फरनगर, उत्तर प्रदेश का

अभ्यावेदन

क

सेवा में,

श्रीमान सचिव,

विधान सभा, उत्तर प्रदेश

लखनऊ ।

महोदय,

अधोहस्ताक्षरी की विनम्र याचिका दर्शाती है कि उत्तर प्रदेश के सहारनपुर, मुजफ्फरनगर और मेरठ के जिलों के पश्चिमी भागों में "मारटिन बर्न एंड को" ने 93 मील लम्बी दिल्ली शाहदर से सहारनपुर तक एस० एस० लाइट रेलवे का निर्माण 1905 में किया था । इस लाइन से कम्पनी को गत तीन चार साल के सिवाय, दूसरी रेलों के मुकाबले में बहुत बड़ा लाभ रहा है गत 4 वर्षों के लगभग इस रेलवे के कर्मचारियों और सरकार के कुप्रबन्ध के कारण हानि रही । कम्पनी ने इस लाइन को 1-9-70 से बन्द करके इसको बेच डाला है । सहारनपुर और दिल्ली के बीच सड़क होते हुए भी यात्रियों को और माल को भेजने और लाने में अत्यन्त कठिनाई पड़ रही है ।

बड़ी लाइन इन जिलों के पूर्व में इस छोटी लाइन से 30-40 मील की दूरी पर है, जिससे इस क्षेत्र के निवासियों को कोई सुविधा माल लाने ले जाने और यात्रा करने में नहीं है । इस लाइन के हटने से निम्न प्रकार के कष्ट यहां की जनता को हो गए हैं ।

1. इस क्षेत्र में बड़ी घनी आबादी है, यात्रियों के आने जाने और माल को बाहर भेजने और लाने में बड़ी कठिनाई का सामना करना पड़ रहा है और यात्रियों को 12-12 घंटे तक मोटर अड्डों पर पड़ा रहना होता है ।

2. इस लाइन पर गड़ और अनाज की बड़ी बड़ी मंडियां, रातपुर, नतावाबाद, शामजी, कांधला, बड़ीत, बागपत और खेरड़ा हैं ।

† यह अभ्यावेदन उत्तर प्रदेश विधान सभा सचिवालय द्वारा लोक सभा सचिवालय को प्रेषित किया गया था ।

3. यह क्षेत्र कृषि का क्षेत्र है, खेतों के लिए रसायनिक खाद के मिलने में बड़ी कठिनाई हो गई है और किसानों को खाद महंगा मिलने लगा है।

4. इस क्षेत्र से रेल द्वारा एक बहुत मात्रा में दूध दिल्ली जाता था।

5. इस लाइन पर शामली, कांघला और बड़ौत नगर पालिकाएँ हैं और कई टाउन एरिया हैं।

6. इस लाइन पर 6 डिग्री कालेज और 21 उच्चतर माध्यमिक विद्यालय हैं।

7. कराना के पास यमुना नदी पर पुल होने से पंजाब और हरियाणा के निवासियों का आना जाना और व्यापार करना इस रेल द्वारा अधिक हो गया है।

अतः उपरोक्त कठिनाइयों को दूर करने के लिए प्रादेशीय सरकार से क्षेत्र के निवासियों की प्रार्थना है कि केन्द्रीय सरकार को लिखा जाय कि इस छोटी लाइन के उखाड़े जाने के साथ ही साथ बड़ी लाइन शीघ्रातिशीघ्र बनाने आरम्भ कर दी जाय।

नाम	पता	हस्ताक्षर
श्रीचन्द्र	ग्राम व पत्रालय-एलन जिला--- मुजफ्फरनगर	श्रीचन्द्र 6-7-71

प्रतिहस्ताक्षर
श्री धर्मवीर सिंह,
दस्य, विधान सभा,
मुजफ्फरनगर

English translation of representation* from Shri Shrichandra of Village Alam, Distt. Muzaffarnagar, U.P.

To

The Secretary,
U.P. Vidhan Sabha,
Lucknow.

Sir,

The petitioner respectfully submits as under:—

1. Martin Burn and Company had constructed 93 mile long S.S. Light Railway in the western parts of the districts of Saharanpur, Muzaffarnagar and Meerut in Uttar Pradesh in 1905 and earned huge profits from the said Railway line as compared to other Railways since then, except for the last three or four years. During the last 4 years, the said Company suffered losses due to the mismanagement by its employees and the Government. The Company closed this line on 1st September, 1970 and sold it. Although there are roads between Saharanpur and Delhi, yet a great deal of difficulty is experienced by passengers and in the transportation of goods.

2. The broad-gauge line in the east of the said districts is at a distance of about 30—40 miles from the said narrow-gauge line and is not useful for the residents of this area in the transportation of goods and in performing the journeys. The people in this area are experiencing following difficulties due to the closure of the said S.S. Light Railway:—

- (a) This area is thickly populated and the people are experiencing great difficulties in the transportation of goods and in journey, and have to wait for about 12 hours at the bus-stops to board a bus.
- (b) There are big mandis of gur and foodgrains at Rampur, Jalalabad, Shamli, Kandhla, Baraut, Baghpat and Khekra on this line.
- (c) It is an agricultural area and a good deal of difficulty is being experienced by farmers in getting chemical fertilisers for the agricultural purposes and the farmers have to pay more price for these fertilisers.

*Original in Hindi. This representation was forwarded by the U.P. Vidhan Sabha Secretariat to the Lok Sabha Secretariat.

- (d) Large quantity of milk was sent to Delhi from this area through the said Railway.
- (e) There are Shamli, Kadhla and Baraut Municipalities and many town-areas on the said line.
- (f) There are 6 Degree Colleges and 21 Higher Secondary Schools on the said line.
- (g) As there is a bridge over Jamuna river near Kairana, people from Punjab and Haryana used to come and carry on their trade through the said Railway.

3. Therefore, the people of this area request the Central Government to undertake construction of broad-gauge line there immediately after the dismantling of the said narrow-gauge line so as to obviate the aforesaid difficulties of the public.

Name	Address	Signature
Shrichandra	V. & P. O. Alam, Distt. Muzaffarnagar	Sd. Shrichandra

Counter signed by :
Shri Dharamvir Singh,
Member, Vidhan Sabha,
Muzaffarnagar.

- (a) This area is thickly populated and the people are experiencing great difficulties in the transportation of goods and in journey and have to wait for about 12 hours at the bus-stops to board a bus.
- (b) There are big mandis of gur and foodgrains at Rampur, Jalehah, Shamli, Kadhla, Baraut, Baghat and Khera on this line.
- (c) It is an agricultural area and a good deal of difficulty is being experienced by farmers in getting chemical fertilisers for the agricultural purposes and the farmers have to pay more price for these fertilisers.