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C O N T E N T S

1. The Indian Railway Management
2. The Indian Railway Committee
(State management of Indian
Railways.)

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THE
INDIAN RAILWAY MANAGEMENT

By

R. D. MEHTA, C.I.E.

Author of "Indian Railway Economics" & "Indian Railway Policy"



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PREFACE

I would mention that Colonel Waghorn did not state facts when he, in replying to Mr. Ahmed in the Legislative Assembly on 24-1-22, said that he believed that one Indian was officiating as Government Inspector at the present moment. This would lead one to believe that the Government had given at least one Indian a fair chance, especially at a time when Government Inspectors are going into questions of Registrations of goods and distribution of wagons. But Colonel Waghorn's statement was not consistent with real facts. Colonel Waghorn ought to have known better as the appointments of Government Inspectors are made by the Railway Board and they work directly with the Board. Similarly, Colonel Waghorn also said that there had been changes since the issue of Mr. Ghose's book, but it would be seen from my article on "Railway Rates," which is published in this pamphlet, that all such discriminations as that were in existence before, are there yet, and, that matters have gone worse. I challenge Colonel Waghorn to contradict one single statement or figures of my article on Railway Rates. The attitude of the Railway Board has compelled me to publish this pamphlet.

Most of the matter that is contained in this pamphlet has already been published either in the *Englishman* or the *New Empire* or the *Bengali*, except those contained in the Appendices and in the last chapter, for which there was no time. My sincere thanks are due to the editors of these papers for their courtesy.

There are one or two points, which have not been

dealt with, or were rather omitted; one of them is the attitude of the Railway Companies towards the Government. In this connection, I would invite attention to para. 6296, page 300, Vol. III of the Acworth Railway Committee's report. The Board of Directors of the South Indian Railway Company gave instructions to their Agent in India not to discuss matters with the Committee beyond giving any information that they wanted. Sir William Acworth pointed out this to the Railway Board, and enquired if they considered the action of the South Indian Company proper, and the Board had to admit that they did not, and they also admitted the helpless position of the Government, in spite of the fact that it was, by far, the largest owner.

The next is that the Railway Companies are all powerful, and that the Railway Board can not do anything in cases of complaints made to them by the users of railways. I have some personal experience in the matter, particularly with the East Indian Railway, and I found the Railway Board helpless; all that the latter can do is to refer the complainant back to the Railway, against which the complaint is made. That this is so is plainly admitted in Railway Board's "Monograph on Indian Railway Rates," wherein it is stated that in the case of complaints, made to the Board of Trade in London, against railway companies in England the Board of Trade has the power to depute one of their officers or to appoint any other competent person to carry out independent investigation, and to record evidence, &c., but that in India the Railway Board relies on the information that is given to them by the Agent of the Railway Company, against which the complaint is made; an independent enquiry is seldom

conducted; where an enquiry is conducted the railways are found wanting (e.g., the E. I. Railway was found wanting in the Coal Traffic Conference Enquiry, and, when Sir T. R. Wynne held an enquiry into the cause of the complaint made by the Indian Merchants Chamber, Bombay about preferential treatment to Ralli Bros. regarding wagon supply at Cawnpore the complaint was found to be correct). But it is much to be regretted that when Mr. K. Ahmed, M.L.A., drew attention of the Railway Board to the evidence given by the Bombay Indian Chamber regarding preferential treatment to Europeans the Railway Board, instead of trying to obtain from Bombay copies of the papers that were handed over to the Railway Committee, simply replied that they had not had the papers. This is the attitude of the Railway Board, which is apparently due to their having no powers under the Railway Act, which, when it was revised last, was framed, admittedly, without full regard to the interests of the public in India because of the existence of old Railway Companies and their contracts. I have dealt with this point in the Appendix A. Even a prominent European Government official, who was responsible for the Agricultural Department of a big Province in India, said as follows in his evidence before the Indian Industrial Commission :—

"I think there is a strong feeling that a complaint to the Railway Board should not merely be met by a reference to the Company, but that the Board should have powers to compel the railways to remove anomalies and to remedy any obvious defects."

I can also say emphatically that there is a great deal

of truth in the statement published in the open letter of the Indian Piecegoods Association, in which they said that the East Indian Railway was very indifferent to the complaints of the public, compared with the attention paid by the other Railways, such as the B. N. Ry. This was said in an open letter to the Viceroy.

It is also to be observed that on the G. I. P. Ry. there was one serious strike of guards and drivers in 1896-1897, another of the Indian staff two or three years later; there were two serious strikes of European Guards and drivers on the East Indian Railway, and, the position was most serious at Asansol, where all trains were hung up, and this must be well-known to the present Agent of the E. I. Ry. because he was the District Officer at Asansol at the time. Besides on the same Ry. (the E. I. Ry.) there was one serious strike of the Indian staff in the Traffic Department in 1905 or 1906. Strikes of Locomotive and Carriage Department Workshopmen have also taken place on the G. I. P. and the E. I. Ry. on a large scale, but, perhaps, the B.N.Ry. people know and can manage things better, for the strikes on that railway are not serious, and I am told that Sir George Godfrey, the present Agent of the B. N. Ry. has issued a notification to the entire B. N. Ry. staff that he is always prepared to listen to the grievances of the staff, and, that the Agent does not view with disfavour those employees, who are members of the Labour Union. If this information is correct certainly credit is due to Sir George Godfrey. It is a pity that the same can not be said of the E. I. Ry. authorities. I am also told that a European driver who insulted an Indian subordinate on the B. N. Ry. was severely dealt with.

Even in the case of Traffic Inspectors, the East Indian

Railway give bigger travelling allowance to Europeans than to the Indians in the same grade, but such is not the case on State railways. I was told that this distinction was on the E.I.Ry. even some 3 or 4 years ago. I wonder if it exists now. So long as distinctions remain in pay, quarters, leave rules, travelling allowances to the same class of workmen there will be discontent, and those in receipt of better privileges will naturally treat those, who, on account of their nationality, get lower allowance or salaries, as their inferiors even if both may be in the same grade.

The Indian Station Masters, and Assistant Station Masters, it seems, have a hard lot. In a pamphlet that was submitted to the Railway Committee by an Indian, (who rose high in railway service and is a recognised Indian of "marked ability and sound railway knowledge," having been so spoken of by an ex-Viceroy, in one of his public speeches) he wrote as follows :—

"There is great difference of pay between Europeans and Indians for similar work (such as Guards, Station Masters and Assistant Station Masters), although it can not be said that the responsibility in the case of the Indians is much less. In fact, where there are European Station Masters or Assistant Station Masters the clerical staff under them is strong. It is true that Europeans and Anglo-Indians are only placed at important stations, but even when (say Serampore on the East Indian Railway) same stations were worked by Europeans or Anglo-Indians the pay was 3 times, (more than twice at least) that of an Indian.

The case of Assistant Station Masters at road side stations is deserving of enquiry. All the road side stations may not have very heavy traffic of their own, but they have constant train work, and the Assistant Station Master, during the night, works under great difficulties and his position is most responsible, under heavy through traffic. Imagine the case of an Assistant Station Master, in pitch dark night and in pouring rain, attending to line clear enquiries, asking for line clears, giving "in reports," and "out reports" receiving them, issuing instructions to Jemadars and Pointsmen regarding reception, stabling and despatch of trains, arranging crossing (sometimes of 3 or 4 trains at a time with inadequate facilities), attending to shunting, attaching and detaching of vehicles, and to loading and unloading of packages, and at the same time seeing to signals."

One last word before I finish with the Prefatory remarks.

A very great deal is made by the Government and the railway officials of the point that Indian Railways must be run on purely commercial principles on account of efficiency and, therefore, for railway earnings.

"Efficiency for what" is my question.

What are the Indian Railways made for? As the Indian tax-payers are solely responsible for finance and for losses the Indian Railways must be run for their good wholly and solely, and if efficiency is for their good then only efficiency is desirable, but if the so-called efficiency

is to be carried out at their cost then sooner such efficiency goes the better.

If the Indians are to be kept out of responsible, lucrative, and higher appointments for a long long time to come then sooner such efficiency, which works against the interests of the Indian people, disappears the better; will the British people stand it if the British railways (if they belonged to the British tax-payers) were officered and controlled by say Americans, because they are more go ahead in railway matters—one or two exceptional cases, like that of Sir Thornton, England might allow, but certainly there would be a howl if the British railways were first purchased from the Companies by the State, out of British tax-payers money, and then made over again to the companies to be run against British national interests, and by people, who were not British, on the ground of efficiency.

Is it good for India that our State Railways should be run purely for so-called efficiency if it means

- (1) that the Indian Railways Act can not be revised purely to secure Indian interests on account of existence of companies and their contracts, as was plainly admitted when the Act was last revised
- (2) that the Indian Railways would not allow same or better facilities to the internal trade and industries of India as is allowed to the foreign trade. This was clearly the policy in the past
- (3) that the Indian Railways are to be run for purposes of efficiency and railway earnings only, and, that on these grounds British manufactured goods for Indian Railways, free

export of Indian raw materials and predominance of British officers on our railways are encouraged to the detriment of our industries, mills and our children.

Is it not better that the railways should be worked for economic and industrial development of India, and, that is really the function of State railways, as is proved in the case of German and Belgian State Railways.

I would quote the following from the remarks of Sir Ibrahim Rahimtolla which he made in questioning a witness before the Fiscal Commission in Calcutta :—

“Mr.—pointed out to you that the change of railway policy might reduce the revenues but you have given an answer to that (Note. The answer was that this would not be the case). You said that if the industries were developed the railways would get double lead (by carrying raw materials to the mills and factories and by bringing back manufactured goods e.g., wheat and flour, oil seeds and oil). There is another source. The railways are State owned and most of the net profits go to the Imperial Revenue. Therefore, the State would, if the industries are successful, get substantial revenue by means of income tax, super tax and various other charges, so that even if there is a small diminution in the railway returns it will be more than compensated by the increased revenue by development of industries”

- (4) that efficiency is no efficiency if under the garb of this, Indian are kept out of higher Railway

appointments. I have dealt with this point in detail later on in this pamphlet and shewn that even qualified Assistant Engineers and Overseers are debarred from holding appointments of permanent Way Inspectors, who are all Anglo-Indians. Indians have been kept out of administrative grades, and have not been taken on as responsible officials on the Board, and there is not a single Indian yet, on Company managed State lines, as a District Traffic Superintendent or as an Executive Engineer, after 70 years of railways in India. But European Executive Engineers have been put on the top of Indians (even Indians of 20 years' experience and of European College training of very high order have been superseded) as Government Inspectors, and the Indian, who officiated before, was not given the chance. When the vacancy occurred for 2 months the Indian was put on, but when the vacancy occurred for 9 months the Indian was superseded by a European, who was junior. This is not the way to give the Indians an opportunity. They are condemned before they are tried for a reasonable time in the higher appointments. Perhaps the Agents of railways did not like the idea of an Indian Government Inspector inspecting their railways and giving them orders or instructions

(5) that efficiency is no efficiency if it means that wholesale manufacture of railway materials must take place in Great Britain, and that 7

per cent. loans are raised and the benefit goes to British financiers, British manufacturers, and to British workmen, instead of to Indians. The railways, which are to all intents and purposes the property of the Indian tax-payers ought to encourage manufacture of materials in India and extend the scope of their railway shops. I have dealt with this point fully in my article on expenditure of 150 crores later on in this pamphlet.

With these remarks I beg of my readers to read the pages that follow.

R. D. MEHTA.

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APPENDIX

Lord Meston and his admirers and friends amongst Indian railway directors and managers, and a few amongst us, and, the Anglo-Indian community, who are in favour of Company Management of Indian Railways, are but voicing the confirmed views of the Government and of the British traders. The whole question came before the Imperial Legislative Council in April 1915, and every Indian member was in favour of State Management. It will be interesting to note what the old Editor of the *Bengalee* Mr. Surendra Nath Banerji (Sir Surendranath now) had to say in the matter in the said Council.

"Year after year the Government is becoming more and more national, year after year our voice is becoming more and more potent ; therefore within a measureable distance of time State Management will mean management of railways by the people and through the representatives of the people. That is what State Management will ultimately imply. But perhaps it may be said that I am looking ahead. Let me confine my vision nearer home. At present State Management means a management more responsible to public opinion than Company Management can ever be. State Management means a management which pays greater attention to the requirements of the people than to the requirements of £. s. d."

The *Bengalee* has been good enough to suggest that the *Patrika* is co-operating with the Government organs viz. *The Times of India* and *The Pioneer* in pressing for State Management of Indian Railways. But *The Bengalee* will do well to study the question more closely, and, it will then find that the *Patrika*, though it may be incidentally saying the same thing as these papers, is going directly against the views of the GOVERNMENT in the matter and is only voicing the popular Indian views. Lord Meston in supporting Company Management is simply repeating what the Government and the Anglo-Indian community and the British traders and the railway companies have always supported, viz. Company Management.

The Indians have all along asked for State Management. When the Government saw that their attempts to get the Indian public bodies into giving their opinions in favour of Company Management had failed they thought of domiciled Indian Companies ; and they sent out their Circular Letter No. 188-F16 dated, Simla, 5th April, 1916 and, in the note, which accompanied this letter, attempts were made to dwell largely on the advantages of company managed lines. This is what the Government said therein in introducing the subject :—

"A third alternative has been suggested to the Government of India, namely, neither to retain the existing system in tact nor to have recourse to State Management, but to have an Indian Company with a Board of Directors in India. The proposed Board, it is suggested, would include, as the Home Boards do at present, a Government Director with a power to veto ; for the rest of the Board there would be the commercial community, both European and Indian, in Calcutta and Cawnpore on which to draw."

Cawnpore and Calcutta contain a very large portion of the European Commercial Community. Even the Agent of one of the biggest company managed lines in India had to admit that the grounds set forth, in the aforesaid circular, by the Government of India, Railway Department, were narrow. He had to say that "the question of State or Company management was one of State policy and must be decided on general, political, and financial considerations but not upon everyday experience of those commercially interested." So it will be seen that in siding with the Company Management on commercial grounds alone the *Bengalee* and the Anglo-Indian Journals of Calcutta are siding with the avowed views of the Government and of the British traders. It is a pity that the *Bengalee* should have at this last and critical moment thrown its lot with the Anglo-Indian journals of Calcutta when the sense of justice has at last induced even the *Pioneer* and the *Times of India* to recognise the rights of the Indians to have state management of Indian Railways. Lord Meston's views need not surprise us. There is nothing new in them, for he simply reiterates what the Government of India have all along said in the past and will

perhaps advocate it yet but we also know the Government of India at least in the past voiced the views of the Anglo-Indian community, and this Mr. Marshal Reid of one of the European Chambers plainly gave out when he said "we have always had our way with the Government." Sir Ibrahim Rahimutulla pointed this out when replying to the arguments of the Government and of the Anglo-Indian Community in connection with the resolution that he moved on the very question of State Management of Indian railways in the Imperial Legislative Council in April 1915. He said as follows :—

I will frankly confess that I never expected the support of the representatives of Chambers of Commerce for the very lucid reason which the Hon'ble Mr. Marshall Reid gave. He said "it will take time, but we will have our way in the matter of the Muttrā-Aligarh Section as we have always had our way, with Government." Sir, we cannot expect support from contented and self-satisfied people. I have brought forward this resolution in the interests of the Indian tax-payers and I think the general consensus of non-official opinion in this Council must have convinced Government that they regard it as a matter of great importance that the management of railways should vest in the State.

And the Indian non-official members did unanimously ask for State Management. Therefore, Lord Meston though he may be one of the "truest friends of India", he is, in this instance, going against the popular Indian public opinion. He may be a great financial expert on Indian questions, but we have seen that his recommendations in respect of allotment of finances for Bengal left nothing else for the ministers of Bengal to do but to set out on a begging mission to Simla, with the results we know.

"Sir Henry Burt" or "Sir R. N. Mukherji" group whatever you may call it, want to keep State Management of railways in India only as an ideal. As each contract expires, it is to be renewed every time or a new Company formed for what they might call "Short periods." This is a very nice way indeed of dealing with India and her aspirations and real wants. On the plea of experiment "State Management" is to be delayed

and delayed till it is never to be realised fully and completely ; on the otherhand, a great attempt may be made to convert even the Oudh and Rohilkhand State Railway into a so-called Company line and to include it in the E. I. Ry. Company.

Lord Meston and friends object to "nationalization of Indian Railways" but are not the Indian Railways to all intents and purposes nationalised already so far as the ownership is concerned ; but inspite of nationalization India is denied the full benefits of it. Then why confuse people by saying that there are great objections to "Nationalization" and why bring in the words "Private enterprise." It is surely very queer sort of "Private enterprise" that does not use any enterprise at all to provide the whole capital and takes not the slightest risk but expects the Government to find the great bulk of the capital, and, also to take the responsibility for any loss, even in respect of the very small portion of the capital, which the companies, or the so-called private enterprise, want to find. Where does private enterprise come in at all? Let the supporters of Company management use the proper words and adhere to whole truth. Instead of private enterprise we see only a government within Government, sometimes very powerful, especially in going against the interests of Indian industries, even the Government that creates it and gives it all the money and land is unable to interfere in such cases, although it interferes in many others.

The cry of Lord Meston's admirers and freinds is said to be raised on behalf of the Indian traders, merchants and the cultivators. Do not the Indian merchants of Bombay and Calcutta and of other places count? What have the Indian Merchants Chamber and Bureau of Bombay and the Marwari Chamber of Calcutta or the Indian Mining Federation said? Have not they asked for State Management in the strongest terms possible? Do not the representatives of these great bodies contain a large portion of the Indian merchants who use the East Indian, the Great Indian Peninsula and the Bombay Baroda and Central Indian Railways. No, the vpcie of the European Chambers and of the European Mining Association must count. Have not the great bulk of the Indian public and

of the Indian bodies, barring a few rare exceptions, taking the country as a whole, voted against Company Management in their evidence before the Railway Committee? Is not the firm of the only one Indian member of the Committee, out of three, who has sided with Company management, is more European than Indian in its character.

Poor Indian Agriculturist! His name is made use of by those, who oppose the popular Indian public opinion. The poor Indian cultivator tills the land but even hardly gets the wages of a labourer to enable him to make both ends meet, far less to make a saving. He is no partner in making the best out of his productions; e.g., wheat, oilseeds, etc. That is left to be made by those who are mostly outside of India and want India to be used for their manufactured articles and for the productions of their raw materials, and in this respect the Indian Railways have assisted always. Let us see what was plainly admitted in one of the publications of the East India association in England entitled "More Truths about India" in which it was stated as follows:—

"The retention of India, and of a contented India is essential to the well-being of the British Empire as a whole. The sea borne trade of India is the largest within the Empire, save only that of the United Kingdom. India "sends far more food and raw materials to this country than any of the Dominions. She purchases far more British produce and manufactures than any of the Dominions, and her needs make her the mainstay of the cotton mills of Lancashire."

"The United Kingdom enjoys 63 per cent. of the value of imports to India."

It is on behalf of these people in Great Britain that Company Management of Indian Railways is wanted.

Lord Morley admitted that the interest taken by the British traders in Indian railways was great, in one of his Budget speeches in the House of Commons. We have already said why. And the late Mr. Gokhale in one his Budget speeches said as follows:—

My Lord, I have so far tried to show (1) that the huge surpluses of the last four years are in reality only

currency surpluses, (2) that the taxation of the country is maintained at an unjustifiably high level and ought to be reduced, and (3), that India is not only poor, very poor country, but that its poverty is growing....
The English mercantile classes have been conciliated by the Government undertaking construction of railways on a large scale.....a policy which, whatever its advantages has helped to destroy more and more the few struggling non-agricultural industries that the country possessed and throw a steadily increasing number on the single precarious resource of agriculture. And this railway expansion has gone on while irrigation, in which the country is deeply interested has been neglected.

We know how far the good of Indian agriculturists is really sought by those, who find it convenient for their own purpose, to use the name of the poor Indian agriculturist when they find it necessary to oppose the popular Indian opinion in their just demands.

As to adding to the burdens of what is called an already overburdened Government by direct management of railway, by the State, it is to be observed that as far as actual management of railways is concerned the work of the Government will be the same as it is now, the railway Agents will continue to do that. In regard to direction and control the Government have now to exercise a very great deal of control over company worked state lines in matters of sanctioning new works, expenditure, finance, general rules, safety of the public etc. etc. But whereas, at the present moment, this work is hindered and delayed owing to controversy between the Government of India and the companies, and, a great deal of time, energy and correspondence is wasted as the inevitable result of dual control and conflict between the interests of those of the Government and of the Companies, all this will be entirely obviated by direct State management. Moreover, no responsible Government should dread or shirk a task, which is essential to the economic and industrial growth of the country it governs. Prince Bismark insisted that the German Government should undertake the

management of State railways because he considered that "State railways serve chiefly the public interests of traffic.....and in all events they promote only public interests" and he would not have private railways as in his opinion they would not use the privilege of monopoly granted by the Government in all interests of the people.

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