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CONFIDENTIAL

REPORT

ON

RATING AND ROUTING OF TRAFFIC

ON THE

GREAT INDIAN PENINSULA RAILWAY

BY

D. S. BURN,

CHIEF TRAFFIC MANAGER.

Bombay :

PRINTED AT THE " BRITISH INDIA PRESS "

1926.

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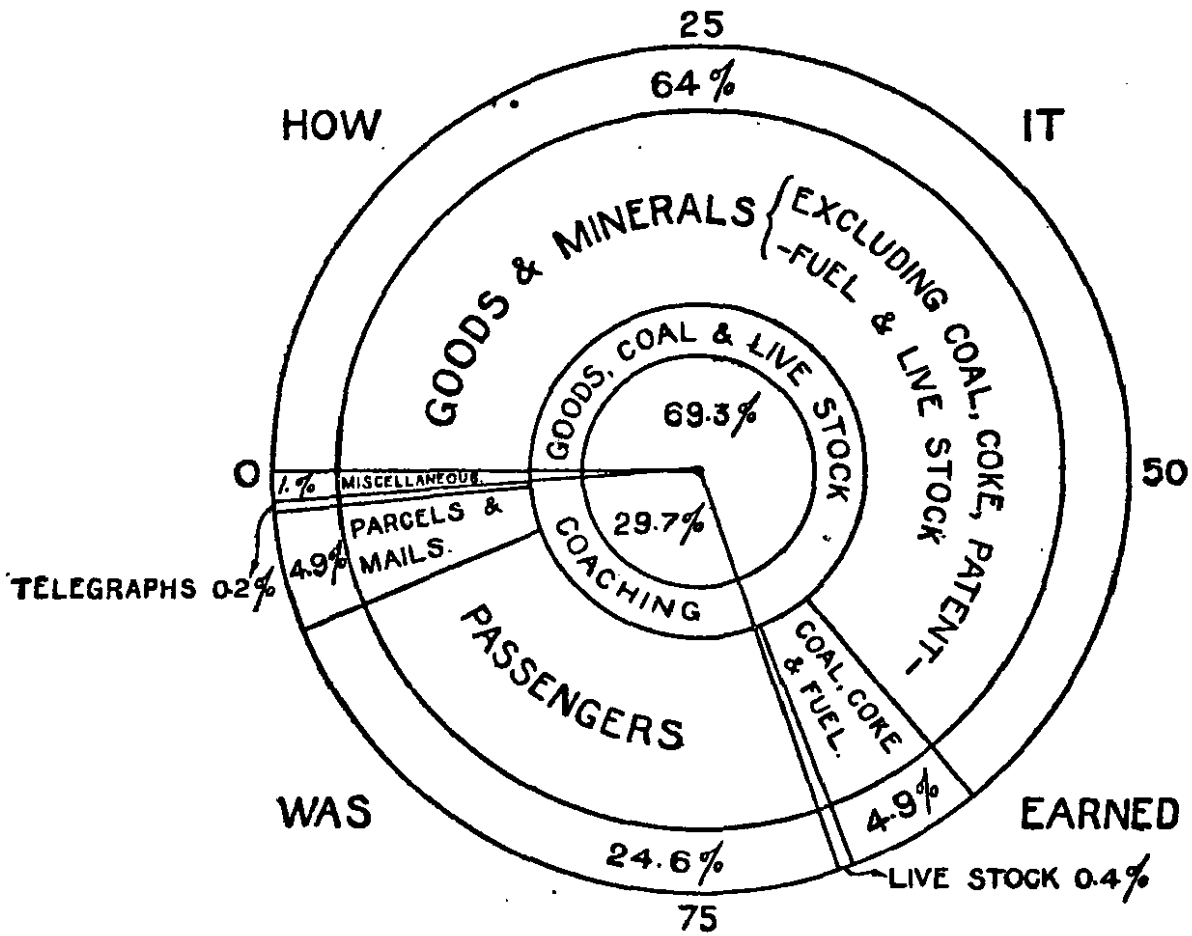
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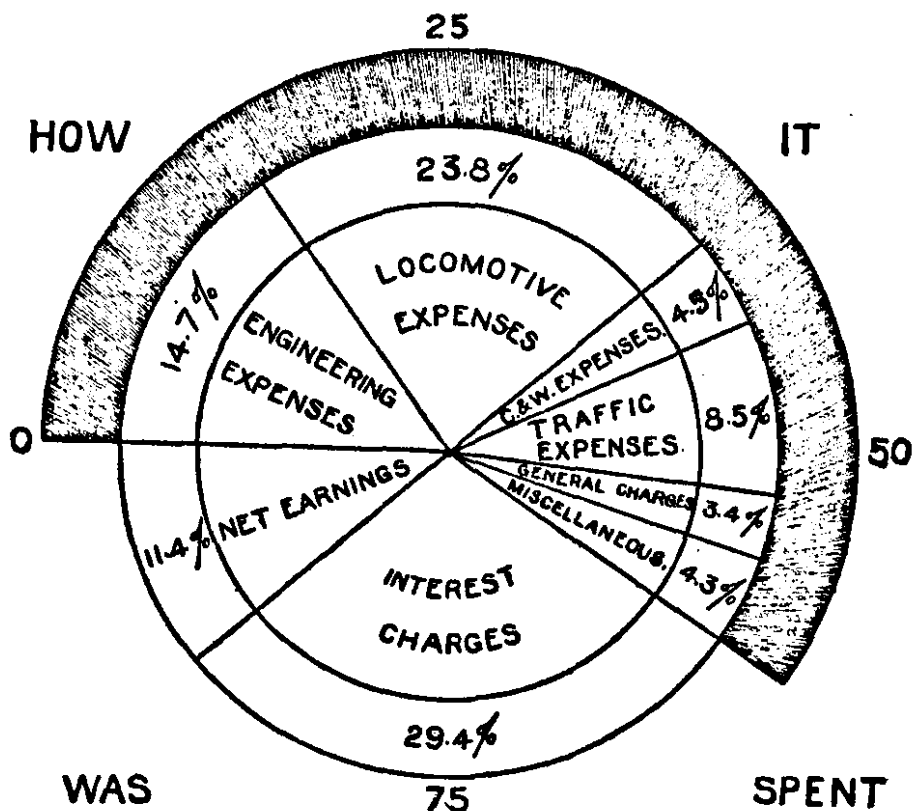
A map of the G.I.P. Railway and its connexions, and a commodity map of the G.I.P. Railway are in the pocket at the end of the report.

G.I.P. RAILWAY REVENUE 1913-14.

EARNINGS Rs. 91595184/-

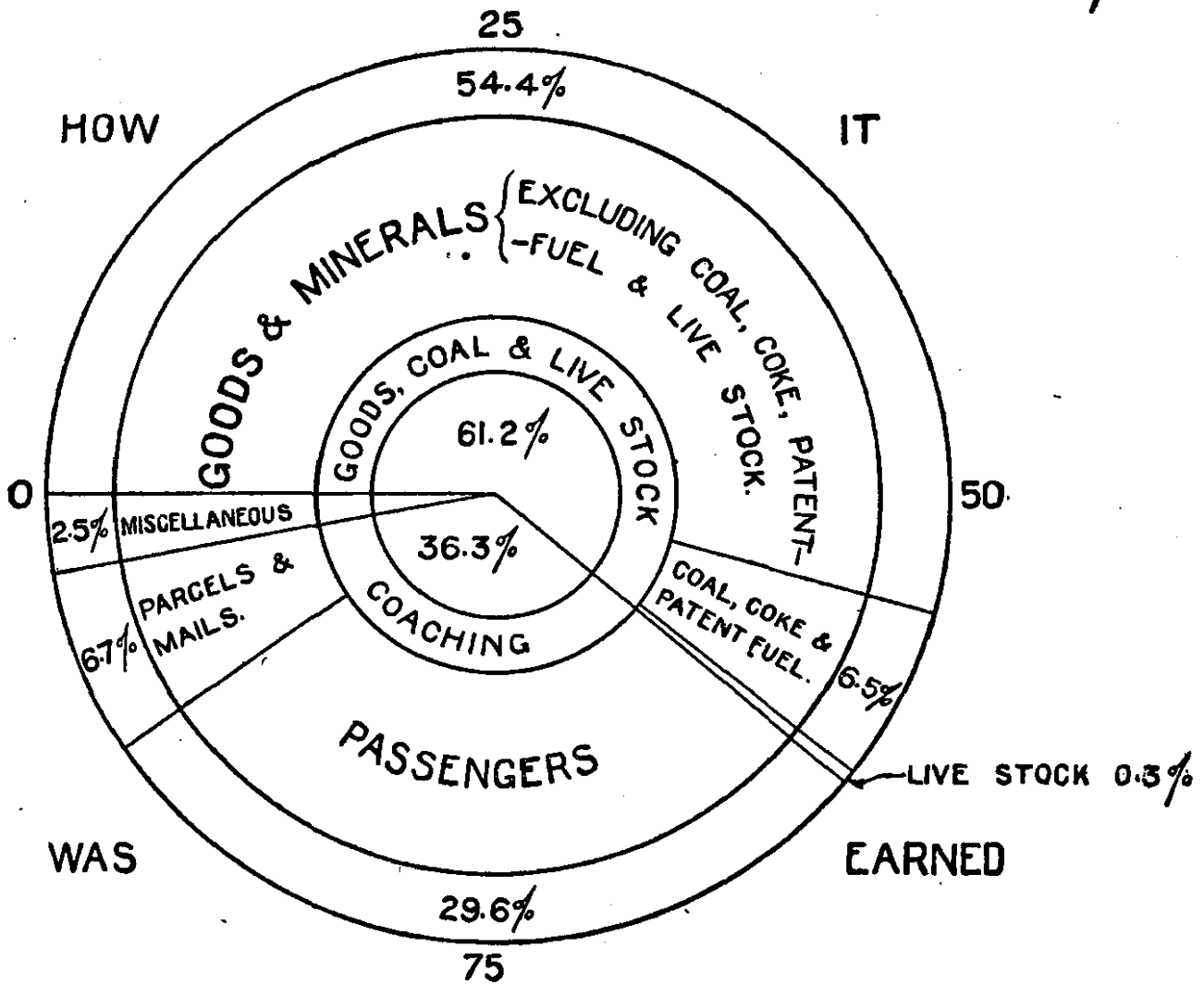


EXPENDITURE Rs. 55090788/-

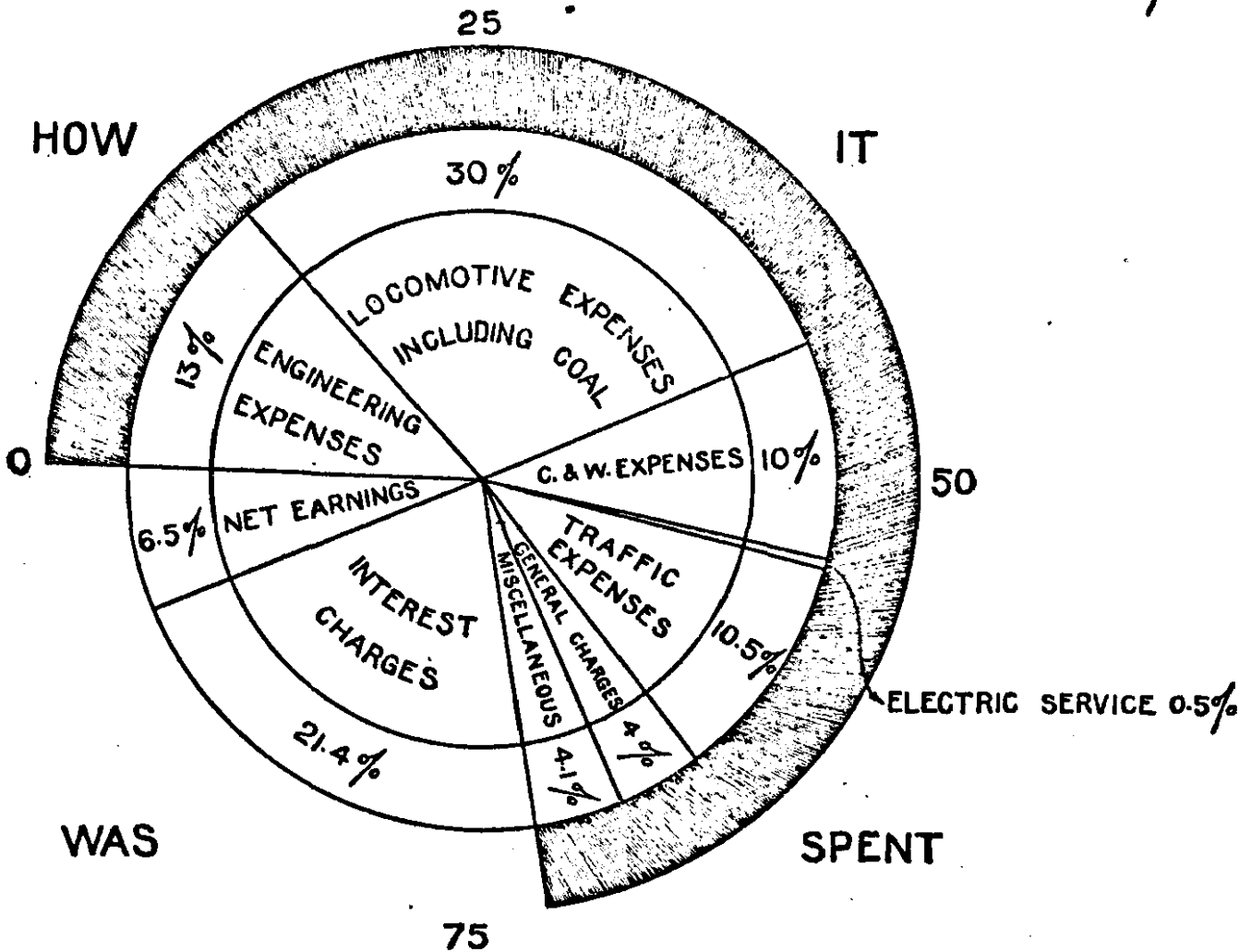


G.I.P. RAILWAY REVENUE 1925-26.

EARNINGS Rs. 1514.71.611/-



EXPENDITURE Rs. 10.9288.832/-



INTRODUCTION.

On my return from leave on 19th December, 1924, I was instructed to investigate and report upon:—

(a) Our rating policy in regard to:—

- (i) possible charges of undue preference;
- (ii) its suitability for encouraging both local and through traffic;
- (iii) rating and routing agreements;

(b) Simplification of rating;

(c) The economics of transportation on the G. I. P., with special reference to the nature of proof required by existing rates tribunals in support of the retention or increase of railway rates.

I was told that I was not to abide strictly by the terms of reference, if I thought this undesirable, as they were intended simply as a general guide.

2. It appears to me that the best way to deal with the matter is:—

- (a) to give a brief account of the G. I. P. Railway and its working results.
- (b) to state the main principles governing railway rates for the carriage of merchandise;
- (c) to describe the conditions under, and certain of the methods by which our goods and coaching rates and fares are determined;
- (d) to describe the machinery employed for the quotation of rates;
- (e) to set forth our principal rating and routing agreements, the principles governing them, and the circumstances which led up to them;
- (f) to describe the economics of transportation from the point of view of the commercial department;
- (g) to deal with the question of undue preference;
- (h) to set forth the financial position;
- (i) to state the policy in goods and coaching rating of this railway, shewing its suitability for encouraging both local and through traffic and for increasing revenue, with illustrations drawn from rates in operation;
- (j) to set forth the position the commercial department should occupy in determining the general policy of a railway;

- (k) to show progress made in simplification of rating ;
- (l) to describe the working of the Railway Rates Tribunal of Great Britain ;
- (m) to make some remarks about the proposed Railway Rates Tribunal of India, stating nature of proof required by some of the existing rates tribunals in support of the retention of or increase in railway rates, and
- (n) to make concluding remarks.

3. The report first gives a brief account of the G. I. P. Railway and its working results, it then provides a statement of the main principles governing railway rates, so that a standard may be readily available by which to judge the policy of the railway. The third chapter gives a general idea of the system of rating on the G. I. P. Railway (and indeed on all the principal Indian railways) and goes into considerable detail. Chapters IV to VIII lead up to the most important part of the report, *viz.* chapter IX, which is a description of our policy in goods and coaching rating. Chapters X, XI, XII and XIII deal with supplementary subjects and the report is concluded with chapter XIV.

CHAPTER I.

A brief account of the G. I. P. Railway and its working results.

The original Great Indian Peninsula Railway Company was incorporated by Act of Parliament on 1st August 1849, and the first section, from Bombay to Thana, was opened on 18th April 1853—the first railway line in India. It was carried through to Poona on 14th June 1858, except for the ghaut section, about 16 miles long, which was finished on 14th May 1863. The railway was extended to Raichur on 1st May 1871, joining the Madras Railway which had reached that station on 15th March, in the same year. In the north-east the line reached Bhusaval, 276 miles from Bombay, on 20th May 1863, except for the ghaut section, about 10 miles long, which was finished on 1st January 1865. Nagpur was reached on 30th February 1867, and Itarsi and Jubbulpore on 1st January and 8th March 1870, respectively. The limits of the old G. I. P. were reached by 1871.

2. The Indian Midland Railway which was handed over to the G. I. P. Railway to work in 1901, opened its first section—Dholpur to Agra—on 10th January 1878, and on 1st January 1889, finished its main trunk line from Itarsi to Agra, the connexion at Itarsi being made on 1st November 1884. The limits of the Indian Midland Railway were reached in 1899.

3. The Agra-Delhi Chord Railway was handed over to the G. I. P. Railway to work in 1909.

4. The Itarsi-Nagpur Railway was completed on the 4th September 1924.

5. The line from Bombay to Kalyan is quadruple, from Kalyan it is double to Poona and to Itarsi; and from Bhusaval to Nagpur.

6. On the 30th June 1925, the contract between the G. I. P. Railway Company and the Secretary of State was determined; and the direct working of the railway was taken over by the Government of India.

7. The financial arrangements are dealt with in chapter VIII.

8. A map of the G. I. P. Railway system and its connexions is in the pocket in the cover of this report, also a commodity map.

9. The railway has 3,733.00 route miles including running powers (74.24 miles). The following statement shows how the mileage is made up:—

I. The Great Indian Peninsula Railway; proper (5'-6" gauge) :—

	Miles.
1. Mahim connection Chord Line.. .. .	1.29
2. Bombay Harbour Branch	10.74
3. Kurla to Chembur	1.24
4. Bombay to Jubbulpore	614.94

	Miles.
5. Kalyan to Raichur	409.39
6. Nagpur Branch from Bhusaval to Nagpur	243.78
7. D. & M. Line from Dhond to Manmad	145.44
8. Khopoli Branch from Palasdhari to Khopoli ..	7.17
9. Dhulia Branch from Chalisgaon to Dhulia	35.21
10. Amalner Branch from Jalgaon to Amalner	34.06
11. Khamgaon Branch from Jalamb to Khamgaon ..	7.56
12. Amraoti Branch from Badnera to Amraoti	5.07
13. Mohpani Branch from Gadarvada to Mohpani and Gotitoria	12.22
14. Wardha to Balharshah	82.50
15. Itarsi-Nagpur	183.92
16. Amla to Parasia (Pench Valley Branch)	53.81
17. Tadali to Ghugus (Colliery Branch)	8.10
18. Itwari Main Line (taken over from B. N. Railway)..	0.34
19. Majri to Rajur	13.25
	1,870.03
II. The Indian Midland Section (5'-6" gauge) :—	
1. Main Line and Branches	804.52
2. Bhopal State Railway	57.21
3. Bina-Kotah Railway	188.57
4. Bhopal-Ujjain Railway	114.13
5. Cawnpore-Banda Railway	83.61
	1,248.04
III. The Agra-Delhi Chord Line (5'-6" gauge) :—	
1. Agra to Kilokri	114.33
2. Kosi Kalan to Sanket	5.67
	120.00
IV. The Jubbulpore-Naini Section (5'-6" gauge) :—	
1. Jubbulpore to Naini	222.71
2. Link to Chheeki	0.15
	222.86
<i>Worked by the G. I. P. Railway.</i>	
V. Dhond-Baramati Railway (2'-6" gauge)	27.26
VI. Pachora-Jamner Railway (2'-6" gauge)	34.62
	61.88

	Miles.
VII. Central Provinces Railways (2'-6" gauge) :—	
1. Murtajapur-Ellichpur Section	47.81
2. Murtajapur-Yeotmal Section	69.75
3. Pulgaon-Arvi Section	21.39
	138.95
VIII. Running Powers, etc. :—	
1. Kilokri to Delhi Central	7.34
2. Dadar to Colaba and Mahim to Bandra	8.82
3. Cawnpore to Lucknow	44.63
4. At Cawnpore, Agra and other junctions	8.95
5. Naini to Allahabad	4.50
	74.24
Grand Total ..	3,736.00

10. The sections of the line not entirely belonging to the State are :—

	<i>Owners.</i>
Bhopal-Itarsi Ry. (5'-6" gauge) ..	State and Bhopal Durbar,
Bhopal-Ujjain Ry. (") ..	Bhopal & Gwalior Durbar,
Bina-Guna-Baran Ry. (") ..	Gwalior & Kotah Durbar,
Kurla-Chembur Ry. (") ..	Bombay Development Di- rectorate,
Dhond-Baramati Ry. (2'-6" gauge) ..	D. B. Ry. Company,
Ellichpur-Yeotmal Ry. (") ..	C. P. Ry. Company.
Pachora-Jamner Ry. (") ..	P. J. Ry. Company.
Pulgaon-Arvi Ry. (") ..	C. P. Ry. Company.

11. The running powers exercised by the G. I. P. Railway over foreign lines and by foreign lines over the G. I. P. Railway are :—

Over foreign lines.

	Miles.
B. B. & C. I. Ry. Dadar to Colaba for goods trains ..	7.49
Mahim to Bandra for local trains only	1.33
At Ujjain for passenger and goods trains	0.24
Idgah to Agra Fort for passenger and goods trains	1.32
	10.38
E. I. Railway.—At Cawnpore for passenger trains..	0.97
Do. for goods trains	0.52
Naini to Allahabad for passenger and goods trains	4.50

Between Belanganj and Jumna Bridge Goods Depot for goods trains	1.86	
At Cawnpore (O. & R.) for passenger and goods trains	0.86	
Between Cawnpore and Lucknow for pas- senger trains only	44.63	
		————— 53.34
B. N. Railway.—At Katni for passenger trains	1.60	
Between Nagpur and Itwari Bazar for goods trains	1.58	
		————— 3.18
N. W. Railway.—Kilokri to Delhi for passenger and goods trains	7.34	
		————— 7.34
Total		74.24

Over the G. I. P. Railway.

B. N. Railway.—At Nagpur for passenger and goods trains	0.85	
		————— 0.85
B. B. & C. I. Ry.—Dadar Junction to Carnac Bridge for goods trains	3.11	
Muttra Junction to Kilokri for passen- ger and goods trains	81.63	
Mahim to Gowari for passenger and goods trains	1.99	
Fatehpur Road Junction to Belanganj Junction for goods trains	1.04	
		————— 87.77
E. I. Railway.—Belanganj to Agra Cantt. for passenger trains	3.37	
		————— 3.37
Total		91.99

12. The rolling stock of the G. I. P. Railway consists of:—

Rolling Stock.

	Locomo- tives.	Rail motors.	Coaching vehicles.		Goods vehicles.	
			Bogies.	Four wheelers.	Bogies.	Four wheelers.
Stock authorised	1,265	1	1,316	1,353	2,218	19,543
Stock on line	1,262	Nil.	1,097	1,325	1,685	19,459
Percentage under repairs and rene- wals at any one time (1925-26) ..	11.7	..	17.6	12.9	4.97	4.81

13. The following statement shows the additions to and renewals of rolling stock from 1905:—

Year.	Locomotives.		Coaching stock.				Goods stock.			
	Additions.	Renewals.	Additions.		Renewals.		Additions.		Renewals.	
			Bogies.	Four wheelers.	Bogies.	Four wheelers.	Bogies.	Four wheelers.	Bogies.	Four wheelers.
1905	2	15	28	6	12	36	..	316	..	221
1906	39	19	33	..	10	31	..	227	..	237
1907	26	19	77	..	..	67	..	142	..	152
1908	57	14	49	1	15	17	2	780	..	64
1909	11	3	93	15	30	21	2	589	..	145
1910	18	9	36	25	3	2	40	454	..	104
1911	36	14	36	59	26	10	60	601	..	63
1912 .. .. .	..	14	22	2	10	..	2	552	..	11
1913 Qr. .. ..	..	10	..	..	..	..	..	..	..	..
1913-14	63	3	57	17	24	15	75	841	5	490
1914-15	70	21	24	2	27	..	175	453	..	123
1915-16	47	18	25	..	19	10	314	130	8	122
1916-17	3	..	56	..	14	..	18	32	20	11
1917-18 .. ..	..	..	22	..	10	..	..	50	..	10
1918-19 .. ..	..	..	1	..	1	4	..	17	..	41
1919-20 .. ..	..	..	..	..	..	26	..	8	..	24
1920-21	21	9	..	..	1	27	70	..	50	159
1921-22	23	20	..	..	32	..	280	11	290	34
1922-23 .. ..	..	1	8	1	48	..	..	92	3	231
1923-24	43	15	37	..	..	..	14	1,173	..	643
1924-25 .. ..	..	..	53	..	..	2	204	350	..	13
1925-26 .. ..	..	..	25	30	1	30	9	1,153	..	364

14. The total number of employees on the system on 31st March 1926, was 114,491, and the wages bill for March 1926, Rs. 40,13,912. Staff.

15. The electrified suburban service between Victoria Terminus and Kurla *via* the Harbour Branch was opened on 3rd February 1925, and was extended to Bandra on 3rd February 1926. The electric service from Kurla to Thana was opened on 21st June 1926, and the main line electrification from Victoria Terminus was opened for traffic on 1st November of the same year. Electrification.

16. Statements shewing the working results from 1905 to 1925-26, the principal commodities carried, and the gross earnings from 1913-14 to 1925-26 are attached as appendices "A", "B" and "C".

CHAPTER II.

The main principles governing railway rates for the carriage of merchandise.

1. In the Report on General Revision of Railway Rates and Charges, 1920, by the Rates Advisory Committee, submitted to the Minister of Transport, the following are stated as the major principles governing the fixing of railway rates, tolls and charges for the carriage of merchandise :—

First :—Such charges must in no case be less than the cost to the railway companies of rendering the required services ;

Secondly :—They must in no case be more than the value of the services to the traders.

It is further laid down that under the first head, in the cost referred to must be included the actual expenditure upon wages, whether for labour, superintendence or administration ; the purchase price of materials consumed in rendering the services, and the expense of maintaining the railway with the equipment of every kind, proper allowance being made for repairs and renewals. While it is not essential in any given year that provision should be made for a return upon the capital invested, such a return becomes necessary over a period of years, both as an act of justice to the undertakers and to secure that the money required for extensions, improvements and developments may be forthcoming, as well as to form an inducement to financiers to venture their capital in similar undertakings for the benefit of the trade of the country, and the development of its industries.

2. The first principle must be taken with the qualification attached to it by the Committee *viz.*, “ that it will suffice if the out-of-pocket costs of carriage are covered and a balance remains to contribute to the general costs, provided that there is other traffic which can bear rates high enough “ to meet the remainder of the general costs ”. Further, it should be noted that, for a period, it may be good policy for a railway to charge less than the out-of-pocket expenses of carriage, in order to tide an industry over a critical period.

3. It is not possible to ascertain the cost of carrying any commodity (using the word “ cost ” in the sense given it in the first principle), because :—

- (a) expenditure is incurred on behalf of the goods service and on behalf of the coaching service, and no accurate adjustment of such expenditure can be made between them ;
- (b) the figures on which it is possible to work can only be arrived at by reference to a principle of averages ;
- (c) costs vary over different sections of a railway, some of which carry mainly goods and others mainly passenger traffic ;
- (d) costs vary with the grades ; the length of haul ; the quantity of the consignments ; according to whether other traffic is offering, and on account of many other reasons.

4. The net additional cost to a railway company of carrying any extra traffic which is offered when the railway is already in full operation can be arrived at approximately. The actual expenditure involved in running an

additional train can be nearly ascertained, if the elements common to other forms of traffic are omitted. In this expenditure will be included the wages of driver, fireman and guard, cost of coal and oil, wear and tear to the line and rolling stock (based upon average figures), and the expense of loading and unloading. The other elements which are excluded are practically constants if no large increase of traffic occurs. If an opportunity of securing additional traffic, which cannot afford to pay much more than out-of-pocket expenses arises, advantage should be taken of it if the rate offered is the best obtainable, and is appreciably greater than the out-of-pocket expenses incurred in carrying the goods. By so doing the railway will receive the actual cost of carriage and in addition a balance which will go towards meeting its general charges.

5. The Rates Advisory Committee point out that the principle stated above, although primarily applicable to the quoting of exceptional rates, has an important bearing on the fixing of rates for varying classes of traffic generally. I quote verbatim from their report:—

“ There are some classes of traffic which cannot bear a rate much
 “ exceeding the actual cost of conveyance ; these therefore must not be
 “ charged the whole rate which would be necessary if the general expenses
 “ and interest on capital had to be raised from traffic of these classes
 “ alone, but by paying a rate somewhat in excess of the actual cost of
 “ conveyance they will make a useful contribution to the general
 “ expenses of the line. The amount which each class of traffic can
 “ be called upon to bear will vary according to its capacity to bear it.
 “ The principle may be expressed in figures thus:—If to pay all the
 “ expenses of the line, together with interest on capital, the aggregate of
 “ the rates must be 100 per cent. above the out-of-pocket expenses of
 “ handling and carrying all the traffic, it is quite proper, and is in the
 “ circumstances necessary, that the 100 per cent. should be provided
 “ in differing degrees by different classes of traffic, and it may be quite
 “ right that for one class of traffic the rates should be above the out-of-
 “ pocket expenses by only 20 per cent., for another by 50 per cent.,
 “ for another by 100 per cent., while the classes best able to pay, should
 “ be charged 150 per cent. and 200 per cent. above the out-of-pocket
 “ expenses. This is no hardship upon the more highly rated traffic.
 “ The moderated charges on the lower rated goods have made it possible
 “ that they should be carried by rail, and have thus secured a contri-
 “ bution to general expenses, reducing the amount which would have
 “ fallen upon the more valuable traffic if it had been compelled alone to
 “ provide for all the general expenses. Even in raw materials there
 “ is a large differential in value and capacity to bear the cost of transit ;
 “ no one will complain if the rates are not the same for low-grade iron
 “ ore worth 15s. a ton, raw cotton worth from £60 to £100 a ton and raw
 “ silk worth over £2,000 a ton ”.

6. The principle is carried into practice by dividing merchandise into classes and fixing maximum rates upon an ascending scale, so that rates are low for goods the value of which is small as compared with their weight, and rise as the value rises. Railways have carried the subdivision further, and quoted exceptional rates below these class rates where they have considered that such reduced rates were necessary to secure and develop the traffic.

7. The second principle stated in para. 3, no one will dispute, for it is clear that if the charges are more than the value of the services to the traders no traffic will pass. Colson defines the “ value of the service of transport ”

as the "augmentation of value which transport gives to the article, i.e., "the difference between the value of an object at the point of departure, "and its value at the point of arrival".

8. We have seen that (a) charges must not be more than the value of the service rendered, nor (b) less (in normal circumstances) than the cost of service. There are two special factors which, within these limits, help to determine the rate:—the maximum legally chargeable and competition. Sometimes the maximum (a) and the minimum (b) come near together. But there are occasions when the cost to the railway company is very much below what the trader would pay rather than be deprived of the opportunity of sending the goods by rail, particularly when a single railway has a monopoly of carriage. The requisite protection is given the trader, by the Government imposing limits on charges, in exchange for the powers granted to railway companies to acquire land compulsorily, and otherwise interfere with public and private rights. Very frequently there are alternative routes, by railway, road or sea. The effect of competition, generally, is to keep down rates.

9. To determine the proper charge is very difficult. A high rate may restrict the amount of traffic without wholly destroying or diverting it. More traffic will pass at a low rate. The problem is to find the rate which will bring the greatest profit to the railway. It may be that at a rate of 10s. per ton two thousand tons of traffic would pass giving the railway a profit of 4s. per ton, but that at a rate of 12s. 6d. only one thousand tons would pass, and the profit not be so much as 6s. 6d. per ton, because of the greater relative cost of carrying the smaller tonnage. Even if the profit remained at 6s. 6d. per ton the increased rate would produce a reduced net revenue to the railway. Whether at a rate of 8s. per ton as much as four thousand tons would be likely to pass is a question for the judgment of those who have to fix the rates. If they believe that it would, they may fairly reduce the rate, trusting to the economy effected by handling large quantities to enhance the profits. Broadly speaking railway charges are fixed not according to an estimated cost of service but "on what the traffic can bear", that is to say on the value of the service rendered to the public.

10. *Prima facie* and other things being equal, charges should be based on mileage; the principal factor which prevents many charges being made on this basis is competition. Things being as they are, to apply equal mileage rates universally is impracticable. It is often necessary to charge more for commodities passing over a short distance than for those passing over a long distance, and this is in the interests both of the railways and of the traders. To take a typical example:—A city, which we may call "X," is situated in the interior of a country and is served by two ports "A" and "B". "A" is 400 miles distant from "X", and "B" 600 miles. In order that "B" may be able to compete for the traffic of "X" with "A", it is necessary for the railway owning the line between "B" and "X" to charge reduced rates between these points. If the principle of equal mileage rates were enforced, the railway between "B" and "X" would have either to increase the rate between "B" and "X" or to reduce the rates at stations between these points. If the first action were taken, the traffic between "B" and "X" would be lost, to recoup which it would be necessary to raise the rates at stations between "B" and "X". If, on the other hand, the rates at stations between "B" and "X" were reduced, the railway would be giving up revenue which the traffic could afford to bear, and which would have to be made up at the expense of traffic not so well able to bear it.

11. It is essential for reasonable stability in railway charges to be maintained ; that rates should not move up and down with every fluctuation of trade, and that, at the same time, freedom in rate-making should not be sacrificed.

12. Rate making is not a science but an art. I quote from " Elements of Railway Economics " by the late Sir William Ackworth :— " There is no norm to which a particular rate ought to conform. It passes the wit of the most experienced official of the executive government, of the most learned judge of a railway tribunal, to decide whether a given rate of, say, one penny per ton-mile is *per se* reasonable, or whether $\frac{1}{8}$ ths *d.* or $1\frac{1}{8}$ ths *d.* would be more or less reasonable. Fixing a railway rate is, in one word, an art not a science, and it is an art which, in Bagehot's phrase, must be exercised ' in a sort of twilight an atmosphere of probabilities and of doubt, where nothing is very clear, where there are some chances for many events, where there is much to be said for several courses, where nevertheless one course must be determinedly chosen and fixedly adhered to ' " .

13. The conclusions of this chapter may thus be summarised :—

- (a) Charges must not be less than would suffice if the out-of-pocket costs of carriage are covered, and a balance remains to contribute to the general costs, provided that there is other traffic which can bear rates high enough to meet the remainder of the general costs ;
 - (b) Charges must not be more than the value of the services to the traders ;
 - (c) Broadly speaking rates are based " on what the traffic can bear "
 - (d) *Prima facie* and other things being equal, charges should be based on mileage ;
 - (e) Things being as they are, to apply equal mileage rates universally is impracticable ;
 - (f) It is often necessary to charge more for commodities passing over a short distance than for those passing over a long distance ;
 - (g) Reasonable stability in railway charges should be maintained, but freedom in rate-making should not be sacrificed ;
 - (h) Rate making is not a science but an art.
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CHAPTER III.

A description of the conditions under and certain methods by which our goods and coaching rates and fares are determined.

SECTION I.

GOODS RATES.

1. The rates for merchandise (including coal) over the G. I. P. Railway and in through booking are contained in Goods Tariffs Part 1A, 1B, 1C, Part II, Part III-A and III-B and in the local and foreign rate circulars issued subsequent to the publication of the tariffs.

2. On all the principal Indian railways, commodities are grouped into ten classes as shewn below:—

Class.	Maximum, pie per maund per mile.	Minimum, pie per maund per mile.	Class.	Maximum, pie per maund per mile.	Minimum, pie per maund per mile.
1st ..	.38	.100	6th ..	.83	} .166
2nd ..	.42	.100	7th ..	.96	
3rd ..	.58	} .166	8th ..	1.04	
4th ..	.62		9th ..	1.25	
5th ..	.77		10th ..	1.87	

3. Certain exceptions to the above classification are allowed, some railways retaining for some commodities the classifications which obtained on 30th June 1910, on which date General Classification of Goods, Pamphlet No. 1, was issued by the Indian Railway Conference Association. The present exceptional rates of the G. I. P. Railway are shewn below. They are not exactly the same as those in force on 30th June 1910, certain exceptional powers of charge of little importance having been relinquished.

4. The exceptional rates do not apply over the whole system, which is divided into the following three sections so far as the quotation of these rates is concerned:—

- (1) *G. I. P. section*, which is that part of the G. I. P. Railway system from Bombay to Jubbulpore, Bhusaval to Nagpur, Bombay to Raichur and branches;
- (2) *Indian Midland and Agra-Delhi Chord sections*, which include the lines from Itarsi to Kilokri and branches, and
- (3) *The Jubbulpore-Naini section*, which extends from Jubbulpore to Naini.

5. The following are the exceptional rates grouped under the sections over which they apply:—

Over the G. I. P., Indian Midland and Agra-Delhi Chord sections:—

- (a) Iron or steel of the following descriptions coming under division "B":—

Hoops, loose;	}	each weighing under 20 seers.
Plates, loose;		
Sheets, loose;		
Wire;		

- (b) Kerosine or paraffin oil, non-dangerous, i.e., having a flashing point at or above 76° Fahr.

The commodities shown under (a) can be charged at 4th class R.R., and 2nd class O.R. when conveyed in minimum loads of 300 maunds, instead of the ordinary classification of 2nd class without any weight condition, and the commodities shown under (b) can be charged at 6th class, instead of at 4th class as ordinarily classified.

Over the G. I. P. section :—

- (c) Bookbinding cloth, broad cloth, calico, cambric, cotton velvet, flannel, hosiery, linen, mullmull, muslin, piecegoods, cotton or woollen ; puggies of khaki, shawls, common ; thread, cotton, woollen, flax or hemp ; turbans, twist, cotton, woollen, flax or hemp ; yarn, cotton or woollen ; all of which must be in bales, press-packed, and bound with iron bands or packed in boxes or cases ;
- (d) Cotton, full-pressed, half-pressed, loose ;
- (e) Wool, full-pressed, half-pressed, loose ;

The commodities shown under (c) can be charged at " C " schedule, 1 pie per maund per mile, instead of at the 6th class R.R. and 4th class O.R. as ordinarily classified ; that under (d) when full pressed at the same schedule and when half-pressed or loose at the 9th class, instead of at the 4th, 6th and 8th classes respectively, and that under (e) when full-pressed at the same schedule, and when half-pressed or loose at the 9th class, instead of at the 4th, 6th and 8th classes respectively.

Over the Indian Midland and Agra-Delhi Chord sections :—

- (f) Cotton, half-pressed ;
- (g) Wool, half-pressed.

The commodities shown under (f) and (g) can be charged at 8th class, and when sent in minimum quantities of 81 maunds at 6th class, instead of at 6th class without any weight condition as ordinarily classified.

There are no exceptional rates over the Jubbulpore-Naini section.

Object of minimum rates.

6. The principal object in the laying down of minimum rates is to check undue competition. Under the guarantee system it is possible to work certain railways at a loss without affecting the interests of the shareholders.

Rates for coal.

7. Rates for coal are shewn in the section dealing with that commodity in Chapter IX.

8. There are five varieties of rates :—class, adjusted class, schedule, adjusted schedule and station-to-station.

Class rates.

9. The class rate for any commodity is the maximum of the class in which the particular commodity is placed. It does not include terminals, nor short distance charges, transshipment charges, or tolls where such are leviable. All goods travel at class or adjusted class rates except those for which schedule, adjusted schedule or station-to-station rates apply.

Adjusted class rates.

10. An adjusted class rate is one quoted between particular stations, on account of competition, at less than the maximum of the class. It includes terminals.

11. A schedule rate is one quoted on a basis lower than the maximum of the class, applying to all stations and *via* junctions, unless otherwise stated. Schedule rates come between class and station-to-station rates. If it were not for them many more station-to-station rates would have to be quoted. Schedule rates

(a) They may be on a uniform basis, such as 250 pie per maund per mile or may vary according to distance or weight either on the sliding or the telescopic (cumulative) principle. They may be quoted in any of the following units of quantity ; per maund, per ton or per wagon.

(b) The following is an example of a sliding scale schedule rate varying according to distance :— Sliding scale schedule rates.

For distances.

1 to 425 miles33	}	pie per maund per mile.
426 to 700 miles	.. ..	.25
701 and beyond	.. ..	.15

(c) The following is an example of a telescopic schedule rate varying according to distance :— Telescopic schedule rates.

For the first and up to 100 miles ∴ 200 pie per maund per mile.

For extra distances above 100 miles, not exceeding 200 miles, to be added to the charge for 100 miles. } 166 pie per maund per mile.

For extra distances above 200 miles, not exceeding 500 miles, to be added to the charge for 200 miles. } 143 pie per maund per mile.

For extra distances above 500 miles to be added to the charge for 500 miles. } 100 pie per maund per mile.

A list of the schedule rates in force on the G. I. P. is given in appendix D.

12. An adjusted schedule rate is a rate quoted between particular stations on a basis lower than that of the ordinary schedule on account of competition. It includes terminals. Adjusted schedule rates.

13. A station-to-station rate is a lump-sum rate quoted between two stations and is inclusive of all terminals, short distance charges, transshipment charges and tolls. Station-to-station rates are quoted to assist commodities which cannot stand higher rates; to stimulate traffic, and to meet competition from other railways and means of transport. Station-to-station rates.

14. The principle of quoting lower rates for greater quantities is observed in the quotation of many schedule and station-to-station rates. Lower rates for greater quantity.

15. No rebates of any kind are given on the G. I. P. Railway. Rebates.

16. It is usual in most countries to concede for export traffic through a seaport, rates which are not available to that seaport for local traffic. There are no such rates on the G. I. P. Railway. Rates for exports available for Bombay locally.

17. Seasonal rates were tried for stone and certain other commodities in 1922 and subsequently but were not a success. There are none in operation on this line at present. Seasonal rates.

Applicability of Bombay rates to stations up to and including Kalyan and to Ambarnath and Badlapur.

18. The goods depôts of the G. I. P. Railway in Bombay are Wadi Bandar and Byculla, and all rates quoted between Bombay and other stations apply to both depôts. All station-to-station rates quoted to and from Bombay are applicable to and from Dadar, if cheaper. The Administration is prepared to quote the same station-to-station rates to and from stations between Bombay and Kalyan, also Ambarnath and Badlapur, as are quoted to and from Bombay, but except those to and from Dadar, they must first be notified. The reason is that the district between Bombay and Ambarnath and Badlapur is regarded as lying within the Bombay industrial area.

Terminals.

19. In local booking of commodities charged at class rates, a terminal of 6 pies per maund is charged for terminal services at the forwarding station and 6 pies per maund at the receiving station, and in through booking of these commodities 8 pies are charged for terminal services at the forwarding or receiving station as the case may be. The terminals charged on traffic carried at schedule rates are shewn in appendix D.

Short distance charge.

20. A short distance charge of 3 pies per maund, subject to the differential rule as to distance, is levied on traffic carried at class rates when the distance over the G. I. P. is less than 75 miles, except for cross traffic, that is, traffic passing over the G. I. P. from one foreign railway to another. The instances in which short distance charges on traffic carried at schedule rates are levied are shewn in appendix D. This charge is in addition to the terminals specified above, unless the terminals and the short distance charge aggregate more than 12 pies, when only 12 pies are charged; the effect of this is to make the short distance charge leviable only on through traffic.

Transshipment charges.

21. Transshipment charges are made on goods charged at maund rates, at 2 pies per maund, and on goods charged at wagon rates at Rs. 4 for each wagon used at forwarding station, when transhipped at Dhond, Pachora, Murtajapur and Pulgaon. A charge of 3 pies per maund is made on through consignments of bones *via* the following metre gauge junctions with the B. B. & C. I. Ry.:—Cawnpore, Delhi Sadr., Muttra junction, Idgah (Agra), Ujjain and Khandwa. A transshipment charge of 1 pie per maund (or Re. 0-2-3 per ton) for unloading and the same charge for loading is made at Itwari on manganese ore. A charge of 6 pies per maund is levied on all railway materials and stores handled by the staff at transshipping stations.

Tolls.

22. The following tolls are charged:—From Thana (Chandni Bunder) 2 pies per maund; to and from Thana (Chandni Bunder) Rs. 2 per wagon.

Feeder line charges.

23. The following feeder railways of the G. I. P. Railway, *viz.*, the Central Provinces (including Pulgaon-Arvi), Dhond-Baramati, and the Pachora-Jamner Railways, have maximum rates which are approximately 50 per cent. higher than those of the G. I. P. Railway. The general classification of goods applies, subject to the same exceptions as are in force over the G. I. P. Railway. Their minimum rates are the same as on the G. I. P. Railway. They are treated as foreign lines in rating, 8 pies terminal being charged at the forwarding or receiving station, as the case may be, in through booking with the G. I. P. Railway and *via*, and 6 pies at the forwarding and 6 pies at the receiving station in local booking. The G. I. P. Railway schedule rates do not apply over these feeder railways but their rate for cotton full-pressed and piece goods, cotton or woollen, press packed, is on the same basis.

Rates consist of two parts.

24. Rates consist of two parts, a charge for conveyance and a charge for terminal services. In class rates the terminals are added to the conveyance charge; in station-to-station, adjusted class and adjusted schedule rates

they are included in the lump-sum charge. The terminal charge certainly includes :—

- (a) station terminals for the accommodation provided at goods stations and its upkeep, and
- (b) service terminals for services rendered in loading and unloading, covering and uncovering wagons, weighing, checking, clerkage, watching and labelling. It is probable that still further services are properly included under service terminals. An opinion as to what are properly included under the services for which terminal charges are made, with judicial authorities, is given as appendix E and a note on Siding Terminals by Mr. Goldney as appendix F.

25. Many rates are quoted purely on account of competition. They come under four main categories :— Competitive rates.

- (a) those between rival points of supply or demand and a common point ; for example, the rates between Calcutta and Cawnpore on the one hand and those between Bombay and Cawnpore on the other ;
- (b) those between two common points served by two routes, such as the rates between Dadar and Ujjain by the G. I. P. route and by the B. B. & C. I. ;
- (c) port-to-port rates quoted to combat competition by sea, and
- (d) rates quoted on account of competition met with internally, such as that from motors, carts and waterways.

26. Station-to-station and -adjusted class rates are employed and occasionally adjusted schedule rates. They are frequently fixed on what is known as the bedrock principle.

27. To ascertain on the bedrock principle the difference to be observed between the rates between Calcutta and Cawnpore and those between Bombay and Cawnpore for goods carried at the first and second classes, the miles from Calcutta to Cawnpore and from Bombay to Cawnpore are each multiplied by $\cdot 10$ pie. The smaller amount is subtracted from the larger and the remainder is the bedrock difference. To arrive at the bedrock difference for the third and higher classes the miles by each route are multiplied by $\cdot 166$. The bedrock principle.

28. Agreements are made to avoid unrestricted competition with a consequent uneconomical forcing down of rates. The main factor in competition is the lowest charges that railways can quote against one another. $\cdot 10$ pie and $\cdot 166$ pie per maund per mile are therefore selected when working out the bedrock difference as they are the minimum charges for the first and second class and the higher classes respectively.

29. The distance from Calcutta to Cawnpore is 633 miles which multiplied by $\cdot 10$ is, say, 63 pies or 5 annas and 3 pies ; while the distance from Bombay to Cawnpore is 839 miles which multiplied by $\cdot 10$ is, say, 84 pies or 7 annas. The bedrock difference for goods classified under the first and second classes is 1 anna and 9 pies.

30. To ascertain the bedrock difference between rates between two common points served by two routes, similar calculations are made.

31. To determine the bedrock difference between a common point and a station *beyond* a junction between two railways, the minimum charge from the common point to the junction is ascertained and added to the maximum charge (which includes terminals and short distance charges where leviable) from the junction to the station concerned on the one hand, and on the other, the minimum charge is worked out from the common point to the station concerned. By subtracting the smaller from the larger amount the bedrock difference is obtained.

32. As an illustration: on the Ujjain-Bhopal branch, adjusted class rates are quoted between stations from Parbati to Ujjain (both inclusive) and Bombay. They are necessary because Ujjain is 169 miles nearer Bombay by the B. B. & C. I. route than by that of the G. I. P., and if the ordinary class rates were in force, goods between stations on the branch up to and including Parbati and Bombay would travel by the B. B. & C. I. route. Let us take Tajpur as an example of the working out of the bedrock principle:—

	Distance Miles.	Minimum charge.	As. p.	Short distance charge Pies.	Terminal Pies.	Total. As. p.
Bombay to <i>via</i> Ujjain by B. B. & C. I.	466	× .10 Maximum charge	=3 11	..	..	3 11
<i>Via</i> Ujjain to Tajpur	10*	× .38	=0 4	3	8	1 3
		Minimum charge.				5 2
Bombay to Tajpur <i>via</i> G. I. P. ..	626	× .10	=5 3	..	..	5 3

* The actual distance is 9 miles, but 10 miles is the minimum distance for charge.

The bedrock difference is 1 pie, the charge for goods at first class rates from Bombay to Tajpur by the B. B. & C. I. route being Rs. 1-0-8 and by the G. I. P. Rs. 1-0-9.

Schedule rates
are not
generally
adjusted.

33. It is not our usual practice to adjust our schedule rates, for, so far as public merchandise is concerned, those of one railway do not usually correspond with those of another. Sometimes the basis of a G. I. P. public schedule rate is the same as that of another railway, but in no instances, except in those of coal and live stock, are the commodities to which the respective public schedule rates apply identical in every particular, and the basis of the schedule rate for coal is not the same on all railways. The only schedule rate adjusted on the G. I. P. is the old "J" schedule (now a combination of Conference schedules "B" and "J") which is adjusted on the Ujjain and Kotah branches, because it applies to grain and seeds, amongst other commodities, and has the same basis as that of a B. B. & C. I. schedule which (amongst other things) includes grain and seeds of which considerable quantities are carried on these branches.

Station-to-
station rates
are usually
quoted instead
of adjusted
schedule rates.

34. Instead of adjusted schedule rates, station-to-station rates are usually quoted where necessary. Many of our station-to-station rates for grain, pulses and common seeds have been put in force to prevent diversion

of our traffic ; for example, those rates from stations Narsinghpur to Jubbulpore (both inclusive) to Bombay which were in force before this railway took over the Jubbulpore-Naini section on 1st October, 1925. The charge per maund from Narsinghpur to *via* Jubbulpore at the G. I. P. grain schedule was 2 annas 5 pies, and from *via* Jubbulpore to Howrah at the E.I. grain schedule was 9 annas 9 pies, total 12 annas 2 pies. Accordingly a station-to-station rate, annas, 11 pies 6 was quoted from Narsinghpur to Bombay.

35. The usual differences maintained, so far as the E. I. Railway is concerned, are (a) the bedrock difference at the junctions, and (b) 3 pies in favour of the G. I. P. Railway at its stations short of the junctions, but the station-to-station rate from Jubbulpore to Bombay (which was based on the difference between it and the E. I. grain schedule rate from Jubbulpore to Howrah) was only 8 annas and 9 pies, and in order to prevent carting from the Narsinghpur area to Jubbulpore to obtain the advantage of the cheap rate from that junction, the Narsinghpur rate was brought down by a further 5 pies, and amounted to 11 annas 6 pies.

Differences maintained with E. I. Ry.

36. Usually the rate is fixed on the shorter distance. Jubbulpore is 616 miles from Bombay and 731 from Calcutta, but the E. I. grain schedule is on a lower basis than that of the G. I. P. (the charge at G. I. P. grain schedule from Jubbulpore to Bombay would be 13 annas 11 pies) and the rate was fixed by the railway with the longer distance, the railway with the shorter distance in this instance charging one anna less.

Rate usually based on shorter distance.

37. In quoting a station-to-station rate from a station on one railway to a station on another, there are sometimes alternative routes, one of which favours the sending railway (by giving it a longer lead than would the other route), while the other is to the advantage of the receiving railway. The route adopted is determined by ascertaining which is the cheaper when the sending railway charges its maximum over its mileage, and the receiving railway its minimum over its mileage by the route favouring the receiving railway, and the sending railway charges its minimum and the receiving railway its maximum (each on its own portion) over the route favouring the sending railway. For example:—

Method of ascertaining route between stations on different Railways.

Ekdil is a station on the E. I. Railway between Cawnpore and Tundla which has traffic to be carried to Chirgaon on the Cawnpore branch of the G. I. P. There are two routes, (a) *via* Cawnpore and (b) *via* Jumna Bridge. The first route is favourable to the E. I., the second to the G. I. P.

RATE ON BEDROCK PRINCIPLE.
From Ekdil to Chirgaon.

Miles.		Per maund.	Rate on bedrock principle.
80	Ekdil to <i>via</i> Cawnpore	0 3 0*	0 0 8 Minimum
118	<i>Via</i> Cawnpore to Chirgaon	0 4 5*	0 4 5* Maximum
198		0 7 5	0 5 1
77	Ekdil to <i>via</i> Jumna Bridge	0 2 11*	0 2 11* Maximum
157	<i>Via</i> Jumna Bridge to Chirgaon	0 5 8*	0 1 4 Minimum
234		0 8 7	0 4 3

* Terminal included.

If a station-to-station rate were quoted between Ekdil and Chirgaon, the route would be *via* Jumna Bridge.

38. Another example may be given. Since this line took over the Jubbulpore-Naini section there are two routes from Katni to Nagpur, one (a) entirely by the G. I. P. route and the other (b) by the G. I. P. route to Jubbulpore and the B. N. route thereafter:—

Route.	Miles.	1st Class.		Rates applied on bedrock principle.	
(a) Entirely by G. I. P.	396	As. 13	ps. 6*	As. 3	ps. 4 Minimum
(b) Katni to <i>via</i> Jubbulpore (G.I.P.) <i>Via</i> Jubbulpore to Nagpur (B.N.)	57	2	9†	2	9†maximum.
	222	7	8‡	1	10 Minimum
	279	10	5	4	7

* Terminals included.

† Short distance charges and terminals included.

‡ Includes one terminal.

Method of arriving at through rates.

The G. I. P. charges its minimum rate by route (a), and its maximum rate between Katni and Jubbulpore by route (b) and the B. N. charges its minimum rate between Jubbulpore and Nagpur. The charge by route (a) is the smaller on the bedrock principle, therefore any station-to-station rate would be quoted by that route.

Method of dividing through rates.

39. In arriving at a through class rate (that is a class rate applied over more than one line) or a through public schedule rate (except that for coal and schedules "M", "N", "O" and "P" which are worked out on the through distance) the distance is taken to the junction, the rate ascertained, then the distance is taken from the junction to destination and *that* rate ascertained, the rates are rounded off, then both are added together to obtain the through rate.

Method of dividing through rates in special circumstances.

40. As a general rule through station-to-station rates are divided in mileage proportion, but if the lead over one railway is less than 75 miles usually the total rate, less three pies, is divided in mileage proportion between the two railways and the three pies are then added to the proportion of the railway with the short lead.

Differential rule as to distances.

41. Generally, when a through rate is to be arrived at, if one of the railways concerned has a schedule rate for the commodity for which the rate is quoted operating *via* the Junction, the said railway takes as its proportion the charge by the schedule rate or that arrived at in mileage division of the through rate whichever is smaller. Should, however, it be agreed for a through rate to be quoted from a point common to railways A and B to a station on railway B, there being alternative routes, one entirely *via* B and the other partly *via* B and partly *via* A, the proportion of the through rate belonging to railway B would be its full class or schedule rate.

42. The differential rule for distance referred to in para. 12 lays down that:—"Provided it be specially notified that the differential rule as to distance applies, when goods of the same description and booked in the same direction are charged at different rates according to distance the charge for the lesser distance shall not exceed the charge for the greater distance." This rule is occasionally applied on the G. I. P. Railway. To

give an example of its operation :—We quote a station-to-station rate of Re. 0-11-8 per maund for grain, pulses and common seed from Agra to *via* Raichur for Adoni and stations beyond on the M. & S. M. Railway and *via*. The differential rule as to distance is applied from all stations between Agra and Rohini (excl.), the C/B C/J schedule rate from these stations to *via* Raichur. being more than the above station-to-station rate.

43. The differential rule for weight provides :—

Differential
rule for weight.

Except where otherwise specially provided, when goods of the same description and booked in the same direction are charged at different rates according to weight, the charge for the lesser weight shall not exceed the charge for the greater weight.

There is no exception to this rule on the G. I. P. Railway.

44. The combined rule reads :—

“(a) Provided it is specifically notified that the combined rule “applies, whenever it may be cheaper to book goods to a station “and thence to re-book to destination than it would be to book “direct, the charge will be the sum of the combined rates, “unless a station-to-station rate exists, in which case that will “be the rate chargeable.”

“(b) For the purpose of the application of this rule, a local rate cannot “be combined with any other rate in through booking.”

Its object is to prevent the quotation of great numbers of station-to-station rates. The following is an example of its working :— We have a station-to-station rate of Re. 0-13-0 from *via* Ujjain to *via* Bhatinda (*via* Delhi Sadr). The combined rule is applied. Let us see how it works for grain, pulses and common seed going from Tarana Road to Amritsar.

Miles.	(a)	Rs. a. p.
20 Tarana Road to <i>via</i> Ujjain	0 1 6 C/B C/J schedule.
736 <i>Via</i> Ujjain to <i>via</i> Bhatinda (G. I. P. and N. W. route).	..	0 13 0 Station-to-station rate.
127 <i>Via</i> Bhatinda to Amritsar	0 4 3 C/K schedule.
883		1 2 9

Miles.	(b)	Rs. a. p.
20 Tarana Road to <i>via</i> Ujjain	0 1 6 C/B C/J schedule.
634 <i>Via</i> Ujjain to <i>via</i> Bhatinda (B. B. & C. I. route).	..	0 13 2 “ ”
127 <i>Via</i> Bhatinda to Amritsar	0 4 3 C/K schedule.
781		1 2 11

Miles.	(c)	Rs. a. p.
531 Tarana Road to <i>via</i> Delhi Sadr.	0 12 8 C/B C/J schedule.
278 <i>Via</i> Delhi Sadr. to Amritsar	0 7 5
809		1 4 1

The rate shewn under (a) using the station-to-station rate of Re. 0-13-0 from *via* Ujjain to *via* Bhatinda in combination with the C/B C/J schedule rate from Tarana Road to *via* Ujjain of Re. 0-1-6 and the *via* Bhatinda to Amritsar C/K schedule rate of Re. 0-4-3, total Rs. 1-2-9 is cheaper than the rates arrived at under (b) and (c), and the combined rule being in operation, is the rate applicable.

Routing of local traffic.

45. There is a special rule on the G. I. P. with regard to the routing of local traffic which reads :—

“ In local booking, that is between any two stations on the G. I. P. Railway, including feeder lines, when the charge by a foreign railway route is cheaper than the charge by the G. I. P. Railway local routes, the former charge, that is the cheaper, is also made by the G. I. P. Railway route provided it does not fall below 1/10th pie per maund per mile for commodities classified first and second classes in the General Classification of Goods or in the Exception List and 1/6th pie per maund per mile for other commodities. This rule does not apply in booking between the following points :—

“ (a) Bombay and Tarana Road, Tajpur, Ujjain, Antah, Bhonra, Digod and Kotah ;

“ (b) Khandwa and Ujjain ;

“ (c) Bombay and Delhi Sadr.”

The following is an example of the working of this rule :—

When sending grain from Tajpur to Bir, there is a route *via* the B. B. & C. I., which works out to Re. 0-6-2.

Miles.		Re.	a.	p.	
10	Tajpur to <i>via</i> Ujjain	0	1	2	C/B C/J schedule.
126	<i>Via</i> Ujjain to <i>via</i> Khandwa by the B. B. & C. I.	0	3	6	..
22	<i>Via</i> Khandwa to Bir	0	1	6	..
<hr/>		<hr/>	<hr/>	<hr/>	
158		0	6	2	
<hr/>		<hr/>	<hr/>	<hr/>	

The rate from Tajpur to Bir at the C/B C/J combined schedule is Re. 0-8-0, the rule for local routing of traffic is brought into operation and the grain sent by the G. I. P. route for Re. 0-6-2.

Risk Notes.

46. When goods are in bad condition ^{and}/_{or} so defectively packed as to be liable to damage, leakage or wastage in transit, they are only accepted for conveyance when risk note form “ A ” has been executed by the sender. Under the terms of the note the Railway Administration is held harmless and free from all responsibility for the condition in which the goods may be delivered to the consignee at destination and for any loss arising from the same, except upon proof that such loss arose from misconduct on the part of the servants of the Railway Administration.

47. Up to 1st October 1924, there was no clause to the effect that the railway would be liable upon proof that loss occurred from misconduct on the part of the servants of the Railway Administration.

48. When the sender elects to despatch at a "special reduced" or "owner's risk" rate, articles or animals for which an alternative "ordinary" or "risk acceptance" rate is quoted he is required to execute a risk note form "B". Under the terms of the note, in consideration for the special reduced rate, the sender agrees and undertakes to hold the Railway Administration harmless and free from all responsibility for any loss, destruction or deterioration of, or damage to, the said consignment from any cause whatever, except upon proof that such loss, destruction, deterioration or damage arose from the misconduct of the servants of the Railway Administration; provided that in the following cases:—

- (a) Non-delivery of the whole of the said consignment or of the whole of one or more packages forming part of the said consignment packed in accordance with the instructions laid down in the Tariff, or, where there are no such instructions, protected otherwise than by paper or other packing readily removable by hand and fully addressed, where such non-delivery is not due to accidents to trains or to fire;
- (b) Pilferage from a package or packages forming part of the said consignment properly packed as in (a), when such pilferage is pointed out to the servants of the Railway Administration on or before delivery, the Railway Administration shall be bound to disclose to the consignor how the consignment was dealt with throughout the time it was in its possession or control, and, if necessary, to give evidence thereof before the consignor is called upon to prove misconduct, but if misconduct on the part of the Railway Administration or its servants cannot be fairly inferred from such evidence, the burden of proving such misconduct shall lie upon the consignor.

49. Under the old risk note form "B", which was superseded by the present form on 1st October 1924, the Railway was exempted from liability for any cause whatever, before, during and after transit, *except for the loss of one or more complete packages due to the wilful neglect of the Railway Administration.* The term "wilful neglect" was not held to include fire, robbery from a running train, or any other unforeseen event or accident, that is to say, in consideration of a reduced rate charge for the consignment the railway was not responsible for any loss, destruction, deterioration or damage arising from any cause whatever, not even for the loss of one or more complete packages unless such loss was due to wilful neglect on the part of the Railway Administration; fire, robbery from a running train, or any other unforeseen event or accident not being held to constitute wilful neglect. The revised risk note gives protection to the railway for destruction, deterioration, damage or loss of one or more complete packages and pilferage from a package or packages, only when it is not proved that the destruction, deterioration, damage or loss arose from the misconduct of the railway staff.

50. No general principle has been adopted in the General Classification of Goods in fixing the difference in the charges for goods carried at owner's risk under risk note form "B" and those carried at railway risk. Sometimes the goods at owner's risk are charged one class lower than those at railway risk, at others two classes lower; sometimes goods are classified only at railway risk, at others only at owner's risk. The risk conditions on which schedule rates are quoted are shewn in appendix D. Usually schedule rates are at owner's risk. Notable exceptions are those for grain and seeds and for salt. In station-to-station rates the owner's risk condition is usual. It is to be noted that in the station-to-station rates for those important commodities grain and seeds (except rice) and salt, owner's risk condition is

not usually imposed. For cotton, both railway and owner's risk station-to-station rates are quoted between certain points, the railway risk rates being six pies per maund more than those at owner's risk.

Rates for live
stock.

51. The following are the charges for live stock :—

(i) *Pigs, sheep and goats.*

(a) Pigs, sheep and goats, three or less in number, if carried in the guard's brake van, are charged at 1 annas each for every 50 miles ;

(b) When pigs, sheep and goats are carried in vehicles, other than horse boxes, by goods or mixed trains consigned by the same sender to the same consignee, they are charged at the following rates in through booking, charges being made on the through distance and divided in mileage proportions :—

	Per 4-wheeled vehicle per mile at O.R.
(i) Between broad gauge lines	Re. 0 4 0
(ii) Between metre or narrow gauge lines .. .. .	.. „ 0 3 6
(iii) Between railways of different gauges :—	
50 animals or less .. .. .	.. „ 0 4 0
For every additional 10 animals or less .. .. .	.. „ 0 1 0

The railway risk rates are 20 per cent. higher than owner's risk rates ;

(c) In local booking pigs are charged at 5 pies per animal per mile, subject to a minimum charge as for 5 animals. Prepayment of freight is optional ;

(d) In local and in through booking from stations on the G. I. P. Ry. sheep and goats, 75 in number in each 4-wheeled vehicle are charged at the rates shown in (b) above. Any number in excess of 75 loaded in the same vehicle are charged at 5 pies per animal per mile. The total charge in through booking is calculated on the total distance and divided in mileage proportion. In booking from a station on a foreign railway, the rates and conditions on the foreign railway apply through to destination. The charge is calculated on the total distance and divided in mileage proportion.

(ii) *Low priced horses, ponies, mules, donkeys, horned cattle and other animals (except pigs, sheep and goats, wild animals, camels and elephants).*

(a) When carried in vehicles other than horse boxes by goods or mixed trains, consigned by the same sender to the same consignee and conveyed in the same vehicle are charged at the following rates :—

	Per 4-wheeled vehicle per mile at O. R.
(i) Between broad gauge lines	Re. 0 5 0
(ii) Between metre or narrow gauge lines .. .. .	.. „ 0 3 6
(iii) From broad gauge railways to metre or narrow gauge railways.	.. „ 0 5 0
(iv) From metre or narrow gauge railways to broad gauge railways.	.. „ 0 3 6

The railway risk rates are 20 per cent. higher than owner's risk rates ;

(b) In local booking the following charges are made:—

	Per mile at O. R.
(i) When loaded in horse boxes and carried by goods or mixed trains for the first animal.	Re. 0 4 0
For every additional animal .. ..	.. .. 0 1 0
(ii) When loaded in cattle wagons by goods or mixed trains .. ..	.. .. 0 5 0

(The number of animals to be loaded in a vehicle is 8 horses, or 10 ponies or mules, etc.)

(c) Sucklings and calves when accompanying the parent animals in the same vehicles are charged at the following rates:—

- (i) Sucklings and calves 2½ feet high at the shoulder and below Free
- (ii) Sucklings and calves over 2½ feet high at the shoulder are treated as full grown animals and charged at rates shown in (ii) (a) and (b) above.
- (iii) Sucklings and calves not accompanying the parent animals and carried in a separate vehicle are charged through to destination at the rates and conditions of the forwarding railway.

(iii) *Elephants and elephant calves.*

Elephants Re. 0 12 0 per wagon per mile. In addition a haulage charge of 3 annas per elephant wagon per mile is made from and to the station of supply.

Elephant calves not exceeding 5 ft. 3 in. in height. 0 5 0

(iv) *Camels.*

Camels are charged at 5 annas per animal per mile subject to a minimum charge of 8 annas per wagon per mile and are carried under special arrangements.

52. In 1917, the Government of India imposed a surcharge on goods traffic of 1 pie per maund on coal, coke and firewood and 2 pies on all other goods. On and from the 1st April, 1921, they decided to replace this by a surcharge on railway goods and coaching traffic. The tax was levied by means of a surcharge at the rate of Re. 0-2-6 per rupee of freight payable on all traffic, excluding the following:—consignments conveyed wholly in Native States or Foreign Territory, railway stores and railway coal for home line consumption, water, live stock, firewood, fodder, grain and pulse, military traffic to

which military rules and rates apply, passengers, consignments on which the freight payable is less than Re. 1, flour covered by a certificate issued by the Director of Civil Supplies, flour carried under the authority of the Food Stuff Commissioner and consignments which were the property of Government at the time of despatch.

53. The result of the imposition of the surcharge on the traffic of the G. I. P. Railway was a return of Rs. 85,81,110 in the financial year ending 31st March 1922. The gross earnings of the railway on account of freight on goods and parcels for the same year were :—

Goods	Rs.	7,72,84,377
Parcels	„	70,82,810
Total	„	<u>8,43,67,187</u>

That is to say, the surcharge yielded an amount equal to 10·2 % of the railway freight.

54. The Government of India eventually agreed that the surcharge should be incorporated in the railway rates on and from 1st October 1922, and the following action was accordingly taken. In place of the previous six classes ten classes were introduced as shewn below :—

Class.	Previous classes. Maximum, pie per maund per mile.	Minimum, pie per maund per mile.	Class.	New classes. Maximum, pie per maund per mile.	Minimum, pie per maund per mile.
1st	·33	} ·10	1st	·38	} ·10
2nd	·50		2nd	·42	
3rd	·66	} ·166	3rd	·58	} ·166
4th	·83		4th	·62	
5th	1·00		5th	·77	
X	1·50		6th	·83	
			7th	·96	
			8th	1·04	
			9th	1·25	
			10th	1·87	

Two classes in the new classification took the places of the 1st, 2nd, 3rd and 4th classes of the old classification, being respectively 15 and 25 % higher. The 5th class and the " X " class were replaced by the new 9th and 10th classes which were 25 % higher, respectively. Commodities were re-classified, many of the more important having their maxima increased 25 %. Schedule and station-to-station rates were increased where possible. The result was, roughly, that the class rates were increased by about 20 %, and the schedule and station-to-station rates by about 15 %.

55. Action taken in incorporating the surcharge in coaching traffic rates is described in section III of this chapter.

SECTION II.

Coaching Fares.

1. Schedule of maximum, minimum and actual fares chargeable over the G. I. P. Railway and lines worked by it, except Central Provinces, Dhond Baramati and Pachora-Jamner Railways.

Particulars.	Actual fares.	Max.	Min.
<i>Passenger fares :—</i>		Pies.	Pies.
First Class	18 pies per mile	32	12
Second Class	9 " "	16	6
Intermediate Class by mail and express trains.	7½ " " for the first 300 miles, plus 6 pies per mile for distances beyond	7½	3
Intermediate Class by ordinary trains	6 pies per mile for all distances ..	6	3
Third Class by mail	5 pies per mile for the first 300 miles, plus 4½ pies per mile for distances beyond	5	1½
Third Class by ordinary trains ..	4 pies per mile for the first 150 miles, plus 3½ pies per mile for distances 151 to 300 miles, plus 3 pies per mile for distances beyond.	4	1½

Schedule of maximum, minimum and actual fares chargeable over the Central Provinces, Dhond-Baramati and Pachora-Jamner Railways.

Particulars.	Actual fares.	Max.	Min.
<i>Passenger fares :—</i>		Pies.	Pies.
<i>Central Provinces Railways :—</i> <i>Murtajapur-Yeotmal and Murtajapur-Ellichpur sections.</i>			
1st Class	27 pies per mile }	34	12
2nd Class	15 " " }		
3rd Class	5 " "	5½	1½
<i>Pulgaon-Arvi section.—</i>			
Upper Class	27 pies per mile	34	12
Lower Class	5 " "	5½	1½
<i>Dhond-Baramati and Pachora-Jamner.—</i>			
Upper Class	15 pies per mile	34	12
Lower Class	5 " "	5½	1½

2. Season tickets are issued between :—

- (a) Bombay and Kalyan (including Chembur and stations on the Harbour Branch) and all intermediate stations ;
- (b) Stations Victoria Terminus to Sandhurst Road on the one hand and stations between Kurla and Kalyan (including Chembur)

on the other hand, available by the main line or the Harbour Branch ;

- (c) Stations Victoria Terminus to Sandhurst Road on the one hand and Kolvada and Sion jointly, on the other ;
- (d) Stations on the suburban section of the G. I. P. and on the suburban section of the B. B. & C. I. ;
- (e) Lonavla and Bhore Ghat Reversing ;
- (f) Lonavla and Khandala ;
- (g) All stations Poona to Lonavla, and
- (h) Poona and stations Hadapsar to Dhond.

3. The following were the bases introduced on 1st April 1902, for calculating the charges on suburban monthly season tickets :—

1st class	12	pies	per	mile.
2nd class	6	"	"	"
3rd class	2½	"	"	"

To arrive at the charge for the first mile, 40 single journey fares were taken. To arrive at the charge for one mile and a quarter, 2½ per cent. was deducted from the charge for one mile and the charge for one quarter of a mile added ; for each subsequent quarter of a mile 2½ per cent. was deducted from the charge up to and including the last quarter of a mile, and the charge for a quarter of a mile added.

4. The following is an example of how the fares were worked out and the actual charge determined upon for a first class monthly ticket :—

Method of calculation.	Result of calculation.			Amount charged.		
	Rs.	a.	p.	Rs.	a.	p.
1 mile, 40 single fares	2	8	0	2	8	0
Deduct 2½ per cent.	0	1	0			
	2	7	0			
1¼ mile, add 40 single fares for a quarter mile	0	10	0			
Rate for 1¼ mile	3	1	0	3	4	0
Deduct 2½ per cent.	0	1	3			
	2	15	9			
1½ mile, add 40 single fares for a quarter mile	0	10	0			
Rate for 1½ mile	3	9	9	3	12	0
Deduct 2½ per cent.	0	1	5			
	3	8	4			
1¾ mile, add 40 single fares for a quarter mile	0	10	0			
Rate for 1¾ mile	4	2	4	4	4	0
and so on.						

5. The same methods of calculation are still in force, but on and from 1st April 1921, the fares were increased by 15 % and on 1st December 1922, by 10 % on original fares, so that the total increase is 25 %. The increase of 25 % is added to the old fares. The total is not rounded off beyond the nearest anna.

6. The extra charges for the availability by two routes for monthly tickets (issued under (b) above) are for first class, four rupees ; second class, two rupees, and third class, one rupee.

7. The extra charges for the privilege of availability at two stations at one end for monthly tickets (issued under (c) above) are first class, three rupees ; second class, one rupee eight annas, and third class, twelve annas.

8. For first class fares, all fractions of a quarter rupee are calculated to the next quarter rupee ; for second class any fraction of two annas is treated as two annas, and for third class all fractions of an anna are treated as an anna. These methods apply also to quarterly and half-yearly season tickets. This rounding off is *before* the 25% increase is added.

9. The charges for second class monthly, quarterly and half-yearly season tickets are one-half of those of the first class monthly, quarterly and half-yearly season tickets.

10. For all classes the charges for quarterly season tickets are $2\frac{1}{2}$ times those of monthly season tickets, and for half-yearly season tickets are twice the charges for quarterly tickets, with a deduction of 5 per cent.

11. Students of not more than 18 years of age and children of more than three and less than twelve years of age are charged at half the rates charged for adults.

12. In calculating fares for students' and children's tickets fractions of an anna are treated as an anna.

13. The minimum charge for a monthly ticket is Rs. 2-8-0 for first class, Rs. 1-4-0 for second class and Re. 1-0-0 for third class. Minimum charge.

14. The following are the descriptions of season tickets issued under (a) :— Suburban season tickets between the G. I. P. and B.B. & C. I.Rys.

(i) "Two-route" season tickets between G. I. P. Railway stations north of Dadar and pairs of stations south of Dadar, available *via* Dadar or by direct route. Between G. I. P. Railway stations north of Dadar up to Kalyan and

- | | |
|--|--|
| (1) <u>Church Gate ;</u>
V. T. (Bombay) | (2) <u>Marine Lines ;</u>
Masjid. |
| (3) <u>Charni Road ;</u>
Sandhurst Rd. | (4) <u>Grant Road ;</u>
Byculla. |
| (5) <u>Mahalakshmi ;</u>
Chinchpokli. | (6) <u>Lower Parel ;</u>
Currey Road. |

(ii) "Two-route" season tickets between B. B. & C. I. Railway stations north of Dadar and pairs of stations south of Dadar available *via* Dadar or by the direct route.

Between B. B. & C. I. Railway stations north of Dadar, Mahim to Virar and

- | | |
|---|--------------------------------------|
| (1) <u>V. T. (Bombay) ;</u>
Church Gate. | (2) <u>Masjid ;</u>
Marine Lines. |
| (3) <u>Sandhurst Rd. ;</u>
Charni Road. | (4) <u>Byculla ;</u>
Grant Road. |

- (5) Chinchpokli ;
Mahalakshmi. (6) Currey Road ;
Lower Parel.

(iii) "Through" season tickets between G. I. P. and B. B. & C. I. Ry. stations.

Between G. I. P. Railway stations north of Dadar up to Kalyan and B. B. & C. I. Ry. stations south of Dadar ;

(iv) "Through" season tickets between G. I. P. and B. B. & C. I. Ry. stations.

Between B. B. & C. I. Ry. stations north of Dadar, Mahim to Virar, and G. I. P. Ry. stations south of Dadar ;

(v) "Through" season tickets between G. I. P. and B. B. & C. I. Ry. stations.

Between B. B. & C. I. Ry. stations north of Mahim to Virar and G. I. P. Ry. stations on the Harbour Branch including Masjid and Victoria Terminus (Bombay) ;

(vi) "Two-route" season tickets between B. B. & C. I. Ry. stations north of Bandra and Victoria Terminus or Church Gate, Masjid or Marine Lines, and Sandhurst Road or Charni Road route, available *via* Mahim or by direct route.

Between B. B. & C. I. Ry. stations, Bandra and beyond up to Virar, and

- (1) V. T. (Bombay) ; (2) Masjid ;
Church Gate. Marine Lines.

- (3) Sandhurst Rd ;
Charni Road.

(vii) "Two-route" season tickets between two pairs of G. I. P. and B. B. & C. I. suburban stations.

Between

- (1) Matunga ; (2) Dadar ;
Matunga Road. Dadar.
(3) Parel ; (4) Currey Road ;
Elphinstone Road. Lower Parel.

and

- (1) V. T. (Bombay) ; (2) Masjid ;
Church Gate. Marine Lines.
(3) Sandhurst Rd ; (4) Byculla ;
Charni Road. Grant Road.

- (5) Chinchpokli.
Mahalakshmi.

15. The bases of charge on through season tickets are the same as those for local season tickets, with the proviso that the charge on a through season ticket to a G. I. P. station south of Dadar shall not be less than the charge made for a B. B. & C. I. local season ticket to the corresponding B. B. & C. I. station. The charge for the facility of using two stations is an amount varying proportionately to the distance from the point of interchange to destination. The actual surcharge on account of interchangeability over the whole distance between Dadar and Victoria Terminus or Church Gate for a first class monthly season ticket is Rs. 4 ; for a second class, Rs. 2 ; for a third class, one rupee. The minimum surcharge is for first class, one rupee ; for second, eight annas ; for third, four annas.

16. The extra charges for monthly season tickets issued under (7) from Matunga and Matunga Road to Victoria Terminus and Church Gate for third class is Rs. 1-2-0, from Dadar (G. I. P.) and Dadar (B. B. & C. L.), one rupee, from Parel and Elphinstone Road fourteen annas and from Currey Road and Lower Parel twelve annas. Charges for other classes and distances are in proportion.

17. The charges for season tickets for stations outside the suburban area are arrived at in the same way as the charges for season tickets inside the suburban area up to $33\frac{1}{2}$ miles. For distances beyond $33\frac{1}{2}$ miles, the average fare per mile for $33\frac{1}{2}$ miles is added to the fare for $33\frac{1}{2}$ miles. The distance of the suburban area, Victoria Terminus to Kalyan, is $33\frac{1}{2}$ miles.

18. Special trains for the monsoon races at Poona were started on this railway in June 1898. From the 1st April 1926, the return fares were first class Rs. 14, second class Rs. 8, and third class Rs. 4-8-0 as against the charges last season of Rs. 16, Rs. 10, and Rs. 5 respectively. The present reduction is equal to about 37 per cent. Race special tickets.

19. First and second class coupon tickets were first issued on this line in 1901. They are now issued between Bombay and Poona, Devlali or Nasik Road, at the following reduced fares :— First and second class coupon tickets at reduced fares.

	Rs.	a.	p.
Book of 12 first class coupons ..	81	0	0
„ 12 second „ „ ..	40	8	0

Each coupon is available for one journey. The reduction in cost of journeys obtained by using these coupons is about 40 per cent.

20. Week-end return tickets were first issued on this line in June, 1905. From 1st April 1926, the following are the charges made and the stations between which the tickets are issued :— First and second class week-end return tickets at one and a half fares.

Stations.	Bombay (V. T.)		Byculla.		Dadar.		Thana.	
	1st	2nd.	1st.	2nd.	1st.	2nd.	1st.	2nd.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Nasik Road ..	16 8	8 4	16 4	8 1	15 11	7 13	..	..
Devlali ..	15 15	8 0	15 11	7 13	15 3	7 10	..	..
Khandala ..	11 0	5 9	10 10	5 4	10 2	5 1	8 1	4 1
Lonavla ..	11 4	5 10	11 0	5 9	10 7	5 4	8 6	4 2
Kirkee ..	16 13	8 6	16 8	8 4	16 1	8 1	14 0	6 15
Poona ..	16 13	8 6	16 8	8 4	16 1	8 1	14 0	6 15
Neral ..	7 10	3 14	7 5	3 11	6 15	3 8	4 11	2 6
Matheran ..	18 10*	14 14*	18 5*	14 11*	17 15*	14 8*	..	..

* 1st class on G. I. P. Railway and upper class on Matheran Steam Tramway. Full rates over M. S. T.

Between Bombay (V. T.) and	1st Class return fare.			2nd Class return fare.		
	G. I. P.	M. & S. M.	Total.	G. I. P.	M. & S. M.	Total.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Wathar	16 13	12 15	29 12	8 6	6 8	14 14
Satara Road	16 13	14 10	31 7	8 6	7 5	15 11
Miraj	16 13	30 0	46 13	8 6	15 0	23 6
Kolhapur	16 13	35 7	52 4	8 6	17 12	26 2
Belgaum	16 13	45 15	62 12	8 6	23 0	31 6

21. The tickets are issued on Fridays, Saturdays, Sundays and Mondays in each week and are available for the return journey up to noon on the following Tuesday; passengers, however, may complete their journeys by 19 Down and 8 Up advertised to arrive at Poona and Bombay at 12-40 and 13 hours respectively.

Reduced rates for season tickets to families of first and second class season ticket holders.

22. From the 1st March 1926, first and second class season tickets are issued for all stations Victoria Terminus to Bandra and Victoria Terminus to Kalyan, including the Harbour and Chembur branches, at half the ordinary season ticket fares, to wives and unmarried daughters of first and second class season ticket holders. This concession is limited to two members in each family, and the tickets are issued only between the stations and for the period for which the season ticket of the head of the family is available.

Mileage books for mercantile firms.

23. From the 1st April 1926, mileage tickets books are issued to representatives of mercantile firms for journeys on business totalling 3,000 miles. Each mileage book contains 500 tickets, each ticket representing a distance of 6 miles. When a ticket is required the mileage book is presented to the booking clerk, who removes from it the number of tickets necessary for each journey and issues a first class ticket for the station required. The price of each book is Rs. 234-6-0, which is equal to 15 annas for every 12 miles travelled. By the use of the book a reduction on the ordinary first class fare of about 16 per cent. is obtained. The books are used in through booking with the M. & S. M. and S. I. Railways.

Adjusted coaching fares.

24. Between Bombay, Dadar and *via* and certain stations shown below on the one hand, and Delhi and *via*, Muttra and *via*, Agra and *via* and stations near these junctions on the other hand, fares by all classes except intermediate (the B. B. & C. I. have no intermediate class accommodation on their trains to Delhi) are adjusted by the G. I. P. to make them equal to those charged by the B. B. & C. I. Railway *via* Muttra or *via* Agra. This is on account of the

distance by the B. B. & C. I. route between Muttra and Bombay and Agra and Bombay being 93 miles and 61 miles, respectively, shorter than that by the G. I. P., and because the B. B. & C. I. Railway's bases for all the classes are different from those of the G. I. P. The bases are as follows: —

<i>G. I. P. Railway.</i>		<i>B. B. & C. I. Railway.</i>	
1st class.	18 pies per mile.	{	1 to 150 miles, 24 pies per mile.
		+	
		{	151 and over, 18 "
2nd class.	9 "	{	1 to 150 miles, 12 "
		+	
		{	151 and over, 9 "
3rd mail.	1 to 300 miles, 5 "	{	1 to 300 miles, 4 "
	+	+	
	301 and over, 4½ "	{	301 and over, 3 "
3rd ordy.	1 to 150 miles, 4 "	{	1 to 300 miles, 3½ "
	+	+	
	151 to 300 miles 3½ "	{	301 and over, 2¾ "
	+		
	301 and over, 3 "		

25. The actual sections between which fares are adjusted are as follows:—

		Stations between		
1st & 2nd class ..	Bombay and Diva both inclusive.	} and Agra and Delhi both inclusive.		Sections between which fares are adjusted.
3rd mail ..	Bombay and Raichur both inclusive.	} and Jhansi and Delhi both inclusive.		
	Pimpri and Ahmadnagar both inclusive.			
	Bombay and Lasalgaon both inclusive.			
3rd ordinary ..	Bombay and Yevat both inclusive.	} and Banmore and Delhi both inclusive.		
	Bombay and Kasara both inclusive.			

26. The differences in the fares between Bombay and Calcutta are arrived at on the bedrock difference on the through distance. The fares *via* Nagpur are calculated on mileage. The distance between Bombay and Calcutta *Via* Nagpur is 1,223 miles, 126 less than that *via* Naini. One anna is the minimum amount chargeable for a first class ticket per mile: 126 annas = Rs. 7-14-0 and consequently the first class fare from Bombay to Calcutta *via* Naini is the same rate as that *via* Nagpur plus Rs. 7-14-0. The difference between second class fares is Rs. 3-15-0 and between third ordinary one rupee.

SECTION III.

COACHING RATES.

1. Schedule of maximum, minimum and actual rates for coaching traffic, except luggage and parcels, chargeable over the G. I. P. Railway and lines worked by it, except Central Provinces, Dhond-Baramati and Pachora-Jamner Railways.

Particulars.	Actual rates.	Maximum.	Minimum.
<i>Carriages.—*</i>		Pies.	Pics.
Carriage, single	54 pies per mile	54	30
Motor car, single	96 " " at R.R. } 72 " " " O.R. }	96	36
Aeroplanes	96 " " " R.R. } 72 " " " O.R. }	96	36
Motor boats	96 " " " R.R. } 72 " " " O.R. }	96	36
Two or more carriages on one truck despatched by the same consignor to the same consignee from and to the same stations loaded in the same truck.	54 pies per mile for a single carriage, plus 30 pies per mile for every additional carriage. }	84	42
Two motor cars despatched by the same consignor to the same consignee from and to the same stations in one truck.	144 pies per mile at R.R. } 108 " " " O.R. }	144	Per truck 54
<i>Horses.—*</i>			
Single horse	48 pies per mile	48	per horse 18
For every additional animal despatched by the same consignor to the same consignee from and to the same stations.	12 pies per mile		
<i>Dogs.—</i>			
Each	72 pies per 50 miles or portion thereof.	144	per 50 miles or portion thereof. 48
In packs	96 pies per four-wheeled vehicle per mile.		

* Subject to a minimum charge of Rs. 10 for each four-wheeled vehicle used.

2. Schedule of maximum, minimum and actual rates for coaching traffic, except luggage and parcels, chargeable over the Central Provinces, Dhond-Baramati and Pachora-Jamner Railways.

Particulars.	Actual rates.	Maximum.	Minimum.
<i>Carriages.—*</i>		Pies.	Pies.
Carriage, single	} Carriages and motor cars are not accepted for conveyance.	81	30
Two or more carriages on one truck.		per 126	truck. 42
Motor car, single		144	36
<i>Horses.—*</i>		per	horse
Single horse	48 pies per mile	48	18
Every additional animal loaded in the same vehicle to and from the same stations and despatched by the same consignee to the same consignee.	24 pies per mile		
	This traffic can only be booked from and to Murtajapur, Karanja, Banosa, Darwaha Moti Bagh, Yectmal, Anjangaon, and Ellichpur on the C. P. Railways.		
<i>Dogs.—</i>		per 50 miles or portion thereof.	
Each	96 pies per every 50 miles or fraction thereof on the local distance.	144	48
Dogs are not booked over the Dhond-Baramati Railway.			

3. Rates for parcels not exceeding one cubic foot by measurement or 5 seers in weight:—

- (a) When the weight does not exceed two and a half seers, the charge will be six annas per 500 miles or fraction of 500 miles subject to a maximum charge of one rupee and eight annas.
- (b) When the weight exceeds 2½ seers, but does not exceed five seers, the charge will be six annas per 250 miles or fraction of 250 miles, subject to a maximum charge of three rupees.

Note.—In calculating charges on articles which are booked at half or quarter parcels rates, when they do not exceed five seers in weight, the charges are arrived at by dividing the actual charges at full parcels rates, and not by taking the proportion of the maximum charge.

Example.—On a parcel weighing 2½ seers booked for a distance of three thousand miles the charge at half parcels rates is Rs. 1-2-0 and at quarter parcels rates Re. 0-9-0 and not Re. 0-12-0 and Re. 0-6-0, respectively.

Charges at full, half and quarter parcels rates on parcels not exceeding 5 seers calculated at the rates given in clauses (a) and (b) above:—

Distances.	Full Parcels Rates.		Half Parcels Rates.		Quarter Parcels Rates.	
	2½ Seers.	5 Seers.	2½ Seers.	5 Seers.	2½ Seers.	5 Seers.
	Miles.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Not exceeding	250	0 6	0 6	0 3	0 3	0 3
Exceeding 250 miles but not exceeding 500	500	0 6	0 12	0 3	0 6	0 3
.. 500	750	0 12	1 2	0 6	0 9	0 5
.. 750	1,000	0 12	1 8	0 6	0 12	0 6
.. 1,000	1,250	1 2	1 14	0 9	0 15	0 8
.. 1,250	1,500	1 2	2 4	0 9	1 2	0 9
.. 1,500	1,750	1 8	2 10	0 12	1 5	0 11
.. 1,750	2,000	1 8	3 0	0 12	1 8	0 12
.. 2,000	2,250	1 8	3 0	0 15	1 11	0 14
.. 2,250	2,500	1 8	3 0	0 15	1 14	0 15
.. 2,500	2,750	1 8	3 0	1 2	2 1	1 1
.. 2,750	3,000	1 8	3 0	1 2	2 4	1 2
.. 3,000	3,250	1 8	3 0	1 5	2 7	1 4
.. 3,250	.. .. .	1 8	3 0	1 5	2 10	1 5

* Subject to a minimum charge of Rs. 10 for each four-wheeled vehicle used.

4. (a) Rates for parcels exceeding one cubic foot in measurement or five seers in weight will be charged as shown in the following table ;

(b) Luggage when not carried in vehicle loads whether booked for conveyance by the same train in which the owner travels or not, will be charged at the rates given in the table below by weight only, upon the gross weight of the total number of packages ;

DISTANCE.		Weight.				Additional charge for fractions in excess of even maunds.
		Exceeding 5 seers, or exceeding 1 cubic foot but not exceeding 10 seers, or 2 cubic feet.	Exceeding 10 seers, or exceeding 2 cubic feet but not exceeding 20 seers, or 4 cubic feet.	Exceeding 20 seers, or exceeding 4 cubic feet but not exceeding 30 seers, or 6 cubic feet.	Exceeding 30 seers, or exceeding 6 cubic feet but not exceeding 40 seers, or 8 cubic feet.	
Miles.		Rs. a.	Rs. a.	Rs. a.	Rs. a.	The amount entered in the respective columns. Note.—For fractions in excess of even maunds the charges laid down in rate column 1 are applicable to all weights not exceeding 10 seers.
Not exceeding..	25	0 6	0 6	0 6	0 6	
Exceeding 25 miles but not exceeding	50	0 6	0 6	0 12	0 12	
"	50	0 6	0 12	1 1	1 1	
"	75	0 6	0 12	1 1	1 7	
"	100	0 12	1 1	1 7	1 13	
"	125	0 12	1 1	1 7	2 2	
"	150	0 12	1 7	1 13	2 8	
"	175	0 12	1 7	2 2	2 13	
"	300	1 1	1 13	2 8	3 3	
"	325	1 1	1 13	2 13	3 9	
"	350	1 1	2 2	3 3	3 14	
"	375	1 1	2 2	3 3	4 4	
"	450	1 7	2 8	3 9	4 10	
"	475	1 7	2 8	3 14	4 15	
"	500	1 7	2 13	4 4	5 5	
"	525	1 7	2 13	4 4	5 10	
"	600	1 13	3 3	4 10	6 0	
"	625	1 13	3 3	4 15	6 6	
"	650	1 13	3 9	5 5	6 11	
"	675	1 13	3 9	5 5	7 1	
"	750	2 0	3 14	5 10	7 7	
"	775	2 0	3 14	5 14	7 12	
"	900	2 3	4 4	6 3	8 2	
"	925	2 3	4 4	6 9	8 7	
"	950	2 3	4 7	6 11	8 13	
"	1,050	2 8	4 13	7 1	9 3	
"	1,075	2 8	4 13	7 7	9 8	
"	1,100	2 8	4 15	7 10	9 14	
"	1,125	2 8	4 15	7 10	10 1	
"	1,200	2 13	5 5	8 0	10 7	
"	1,225	2 13	5 5	8 5	10 13	
"	1,250	3 3	5 10	8 7	11 2	
"	1,275	3 3	6 0	8 7	11 4	
"	1,300	3 3	6 6	8 13	11 10	
"	1,400	3 9	6 11	9 3	12 0	
"	1,500	3 14	7 1	9 8	12 5	
"	1,550	3 14	7 1	9 14	12 11	

Note.—The rates do not apply to betel or pan leaves, butter, cheese (not imported), cream and Khoa (dried) milk, booked at owner's risk.

5. Rates for

(i) *Betel or pan leaves,*

(ii) *Butter and cheese (not imported),*

(iii) *Cream and khoa (dried) milk,*

when booked at owner's risk (risk note form B or H) will be charged as under, subject to a minimum charge of 4 annas.

DISTANCE.		Weight.						Additional charge for fractions in excess of even maunds.
		Not exceeding 2½ seers or 1 cubic foot.	Exceeding 2½ seers but not exceeding 5 seers or 1 cubic foot.	Exceeding 5 seers, or exceeding 1 cubic foot but not exceeding 10 seers, or 2 cubic feet.	Exceeding 10 seers, or exceeding 2 cubic feet but not exceeding 20 seers, or 4 cubic feet.	Exceeding 20 seers, or exceeding 4 cubic feet.	Exceeding 30 seers, or exceeding 6 cubic feet.	
		Miles.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Not exceeding 25 miles ..	..	..	0 4	0 4	0 4	0 4	0 4	0 4
Exceeding 25 but not exceeding 50	50	..	0 4	0 4	0 4	0 4	0 8	0 8
" 50	"	75	0 4	0 4	0 4	0 8	0 12	0 12
" 75	"	100	0 4	0 4	0 4	0 8	0 12	1 0
" 100	"	125	0 4	0 4	0 8	0 12	1 0	1 4
" 125	"	150	0 4	0 4	0 8	0 12	1 0	1 8
" 150	"	175	0 4	0 4	0 8	1 0	1 4	1 12
" 175	"	200	0 4	0 4	0 8	1 0	1 8	2 0
" 300	"	325	0 4	0 8	0 12	1 4	1 12	2 4
" 325	"	350	0 4	0 8	0 12	1 4	2 0	2 8
" 350	"	375	0 4	0 8	0 12	1 8	2 4	2 12
" 375	"	400	0 4	0 8	0 12	1 8	2 4	3 0
" 450	"	475	0 4	0 8	1 0	1 12	2 8	3 4
" 475	"	500	0 4	0 8	1 0	1 12	2 12	3 8
" 500	"	525	0 8	0 12	1 0	2 0	3 0	3 12
" 525	"	550	0 8	0 12	1 0	2 0	3 0	4 0
" 600	"	625	0 8	0 12	1 4	2 4	3 4	4 4
" 625	"	650	0 8	0 12	1 4	2 4	3 8	4 8
" 650	"	675	0 8	0 12	1 4	2 8	3 12	4 12
" 675	"	700	0 8	0 12	1 4	2 8	3 12	5 0
" 750	"	775	0 8	1 0	1 6	2 12	4 0	5 4
" 775	"	800	0 8	1 0	1 6	2 12	4 2	5 8
" 800	"	825	0 8	1 0	1 9	3 0	4 6	5 12
" 825	"	850	0 8	1 0	1 9	3 0	4 10	6 0
" 950	"	1,050	0 12	1 0	1 9	3 2	4 12	6 4
" 1,050	"	1,075	0 12	1 4	1 12	3 6	5 0	6 8
" 1,075	"	1,100	0 12	1 4	1 12	3 8	5 4	6 12
" 1,100	"	1,125	0 12	1 4	1 12	3 8	5 6	7 0
" 1,125	"	1,200	0 12	1 4	1 12	3 8	5 6	7 2
" 1,200	"	1,225	0 12	1 4	2 0	3 12	5 10	7 6
" 1,225	"	1,250	0 12	1 4	2 0	3 12	5 14	7 10
" 1,250	"	1,400	0 12	1 8	2 4	4 8	6 0	8 0
" 1,400	"	1,550	0 12	1 12	2 8	4 12	6 8	8 8
Over 1,550	..	..	1 0	2 0	2 12	5 0	7 0	9 0

The amount entered in the respective columns.

6. Rates for

(i) Ice,

(ii) Return empty wrappers of ice in which ice was originally booked, provided :—

1. that they are returned within seven days of receipt at destination,
2. that particulars of original booking are quoted on forwarding note, and
3. that the consignor and the consignee of the returned empties are the consignee and consignor respectively, of the articles originally booked,

when booked at owner's risk (risk note form B or H) will be charged as under :—

Parcels not exceeding in weight.	For first 50 miles.	For every additional 50 miles or part thereof.
	Rs. a. p.	Rs. a. p.
10 seers	0 2 0	0 1 0
20 "	0 3 0	0 1 6
40 "	0 4 0	0 2 0
For every additional 20 seers above a maund	0 1 0	0 0 6

N.B.—All the fore-going rates for parcels and luggage apply on the through distance, with one minimum only, divisible in mileage proportion between all railways parties to the Indian Railway Conference Association, except the Darjeeling-Himalayan Railway, the Nilgiri Railway System of the South Indian Railway and the Kalka-Simla Railway.

7. List of articles charged at half parcel rates at owner's risk. Charges must be prepaid, risk note form B or H being obtained :—

Bazar baskets (this applies only to packages containing miscellaneous articles of fresh and other provisions such as meat, fruits and vegetables), bacon and ham, bread, curd, cut flowers, eggs when securely packed in boxes or strong baskets, fish fresh (includes oysters) and smoked, fruits fresh, green ginger, green groundnuts, green leaves of all kinds, excepting betel or pan leaves, green singaras, lucerne grass, meat fresh or dried, milk, newspapers and magazines, public treasure boxes returned empty, railway guide tariff and time tables, returned empty cylinders consigned to the Agra observatory provided the cylinders are returned within a month of their receipt, seed potatoes covered by a certificate from the Agricultural Department, sweetmeats Indian, vegetables whether fresh or dry (except the following which will be charged at the full parcel rates:—arvi root (ghoiya), banda (kachaloo), garlic (lusson), gourd (louki), onions, petha (white ground melon, benincasa cerifera), plantain flower (moocha), potatoes, potatoes sweet (bhoona, rataloo, sankaloo or sukkurkund), singarah (tecoor or paniphul), yams such as elephant yams, kanda (sooran or karnai roots), kachoo (chama roots or chamagudda), parcels weighing not more than 5 seers intended for the bona fide use of Messrs. A. H. Wheeler & Co.'s bookstalls.

8. *List of articles charged at quarter parcels rate at owner's risk :—*

Parcels weighing more than five seers provided no single package exceeds 40 seers or 8 cubic feet in measurement intended for the bona fide use of Messrs. A. H. Wheeler and Company's Bookstall; Government treasure boxes in which treasure was carried, on their return empty from destination to the original forwarding station, provided they are returned within 7 days of receipt at destination, and particulars of original booking are quoted on the way bill.

9. *Charges for coaching traffic other than parcels and luggage.*

(i) *Dogs, horses and other live animals by passenger trains.*

Dogs.—

- (a) When carried in the guard's van, dogs are charged at 6 annas for every 50 miles for each animal in local and through booking. In through booking, charges are calculated on the total distance and divided in mileage proportion ;
- (b) When in owner's charge in the passenger carriages, double the above charges are made ;
- (c) Dogs or hounds in batches are conveyed in horse boxes or other vehicles and are charged at 8 annas per four-wheeled vehicle per mile. Charges are calculated on the through distance and divided in mileage proportion. Not more than 24 dogs are loaded in one vehicle.

(ii). *Horses, ponies, mules, cattle, etc. (except pigs, sheep, goats, wild animals, camels and elephants).*

- (a) When carried in horse boxes or other vehicles, these are charged at the following rates :—

	Per mile on the through distance.
For the first animal	Re. 0 4 0
For every additional animal	„ 0 1 0

These rates are subject to a minimum charge of Rs. 10 on the through distance for each four-wheeled vehicle used.

- (b) In booking between railways of different gauges, the charges should be made according to the number of horse boxes or other vehicles used on the forwarding railway irrespective of the number of vehicles used at the junction.

- (c) Sucklings and calves accompanying the parent animals or not are treated and charged for as full grown animals.

(iii) *Elephants and elephant calves.*

These are charged at the following rates :—

	Per animal per mile on the through distance.
Full grown elephant	Re. 1 0 0
Elephant calves not exceeding 5 feet 3 inches in height :—	
For the first animal	„ 0 12 0
For every additional animal in the same vehicle sent by the same consignor to the same consignee	„ 0 6 0
Elephant calves not exceeding 5 feet 3 inches in height loaded with full grown ani- mals or parent animals	„ 0 4 0

These rates are subject to a minimum charge of Rs. 10 per vehicle used, on the through distance.

(iv) *Camels.*

These are charged at the following rates :—

	Per animal per mile on the through distance.
For the first animal, .. ..	.. Re. 0 12 0
For every additional animal in the same vehicle and sent by the same consignor to the same consignee .. ..	.. 0 6 0

These rates are subject to a minimum charge of Rs. 10 per vehicle used, on the through distance.

A haulage charge of 4 annas per mile is made on elephant wagons from and to station of supply.

(v) *Calves, pigs, sheep and goats.*

Small calves under 2½ feet in height at the shoulder, pigs, sheep and goats not exceeding three in number are carried in brake vans or luggage vans at double the dog rate for each animal at owner's risk. Pigs are only accepted in crates.

(vi) *Wild animals in cases.*

These are charged at 5 annas per four-wheeled vehicle per mile on the through distance at owner's risk subject to a minimum charge of Rs. 10 per vehicle used.

(vii) *Dead wild animals.*

These are carried by passenger train only and are charged at full parcels rate. The charge must be prepaid.

(viii) *Large birds.*

Large birds, such as peacocks, storks, etc., are charged at the dog rate separately for each bird; they are carried only in brake vans.

(ix) *Birds (other than poultry and pet birds) in cages.*

These are charged at full parcels rate at owner's risk.

(x) *Live poultry.*

Live poultry in baskets, cages or hampers are charged at full parcels rate at owner's risk, and are accepted when tendered for despatch in the standard size of baskets, i.e., 3 feet in diameter and 12 inches in height and the number of poultry to be loaded in each basket is as under :—

Large fowls	30
Medium „	40
Small „	60
Large ducks	18
Small „	27
Chickens	60

Valuable poultry are charged at the same rate as dogs, sheep, etc. They must be insured.

10. (i) The following are the adjusted distances for charge on passengers' excess luggage and all other coaching traffic (including military traffic), such as parcels, specie, palanquins, haulage of private and special saloons, and engine power for special trains between the stations mentioned below :—

Adjusted distances.

Stations between which the reduced mileages apply.		Adjusted distances.
		G. I. P.
Bombay to Byculla	Agra Cant. & via	775
	Idgah (Agra) & via	775
	Agra Fort & via	775
	Raja-Ki-Mandi	775
	Belanganj	775
	Bilochpura	775
	Sikandra	781
	Runkuta	784
	Kitham	790
	Farah	787
	Bad	781
	Muttra Jn. & via	775
	Chhatikra	781
	Ajhai	788
	Chata	794
	Kosi-Kalan	801
	Hodal	808
	Sholaka	815
	Rundhi	821
	Palwal	827
Asaoti	834	
Ballabgarh	840	
Faridabad	845	
Tuglakabad	852	
Okhla	855	
Hazrat Nizam-ud-din	859	
Delhi Sadr.	865	
Delhi Jn. & via	865	
Delhi Sadr. Delhi Jn., Subzimundi and via, Delhi Jn. via A. D. C. route.	Jumna Bridge	122
	Agra Fort	122
	Idgah (Agra) & via	122
	Agra Cant.	122
Via Delhi (via A. D. C., to and from Ghaziabad, and via Ghaziabad for Moradnagar to Kesri stations on N. W. Ry. and for O. & R. Section of E. I. Railway.	Jumna Bridge	109
	Agra Fort	109
	Idgah (Agra) & via	109
	Agra Cantt.	109
	Raja-Ki-Mandi	111
	Belanganj	112
Bilochpura	112	

(ii) The following adjusted distances for charge on coaching traffic (including military traffic) except passengers, apply only when traffic is routed *via* the Southern Punjab Railway :—

	G. I. P.	N. W.	Total miles.
(1) Between Bombay and—			
Bhatinda and <i>via</i> ..	794	170	964 (a)
Fazilka and <i>via</i> ..	794	246	1040 (b)
(2) Between Dadar and <i>via</i>			
and—Bhatinda and <i>via</i> ..	786	170	956 (a), (c)
Fazilka and <i>via</i> ..	786	246	1032 (b), (c)
(3) Between Khandwa and <i>via</i>			
and—Bhatinda and <i>via</i> ..	580	180	760 (a), (d)
Fazilka and <i>via</i> ..	580	256	836 (b), (d)
(4) Between Kirkee			
and—Delhi Jn. and <i>via</i> ..	969	....	969
(5) Between Poona and <i>via</i>			
and—Delhi Jn. and <i>via</i> ..	973	....	973

- (a) In bookings to or from North-Western Railway stations north or on either side of Bhatinda, the adjusted distance will be added to the distance between *via* Bhatinda and the North-Western Railway station concerned.
- (b) In bookings to or from North-Western Railway stations Ladhuka, Chananwala and Amruka (on the Ferozepore City-MacLeodganj Road section), the adjusted distance will be added to the distance between *via* Fazilka and the North-Western Railway station concerned.
- (c) In bookings to or from Great Indian Peninsula Railway stations on the Dadar-Kasara and Kalyan-Dhond (exclusive) sections and *via*, the adjusted distance will be added to the distance between *via* Dadar and the Great Indian Peninsula Railway station concerned or *via*.
- (d) In bookings to or from Great Indian Peninsula Railway stations south of Khandwa (except to or from stations referred to in (c) above) and *via*, the adjusted distance will be added to the distance between *via* Khandwa and the Great Indian Peninsula Railway station concerned or *via*.

Surcharge.

11. (a) *Parcels and luggage.*

The rates for parcels and luggage which applied before 1st April 1921, were increased as recommended by the Traffic Committee to meet the enhanced cost of the carriage and handling by 25 per cent. These enhanced rates which came into force from 1-4-1921 were subject to the imposition of Surcharge, *i.e.*, 2 annas and 6 pies per every rupee of freight paid.

On the 1st April 1922, the surcharge on all goods, parcels and luggage traffic was withdrawn by Government, and from the same date the parcel and luggage rates were further increased as shown below so as to incorporate the surcharge. On the rates which applied before 1st April 1921, the total increase comes to from 41 to 50 per cent.

Miles.	1 Rates in force on 31-3-1921.	2 Rates in force from 1-4-1921.	3 Rates in force from 1-4-1922.	4 Percentage in- crease of 3 over 2.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
25	0 4 0	0 5 0	0 6 0	20 %
50	0 8 0	0 10 0	0 12 0	20 %
100	1 0 0	1 4 0	1 7 0	15 %
300	2 0 0	2 8 0	2 13 0	13 %
500	3 8 0	4 6 0	4 15 0	13 %
650	4 8 0	5 10 0	6 6 0	13 %
900	5 8 0	6 14 0	7 12 0	13 %
1,500	8 8 0	10 10 0	12 0 0	13 %

(b) *Other coaching traffic (excluding passengers).*

On the same date the rates for other coaching traffic, which had been in force for many years, were increased as shown below to incorporate the Surcharge and bring them into line with existing conditions.

1 Description.	2 Rates in force on 31-3-1922.	3 Rates in force from 1-4-1922.	4 Percentage increase of 3 over 2.
1. Single dog	48 pies for every 50 miles	72 pies for every 50 miles	50 %
2. Dogs in batches	60 pies per mile per vehicle.	96 pies per mile per vehicle.	60 %
3. Single horse, pony, mule.	36 pies per mile per vehicle	48 pies per mile per vehicle.	33 %
4. Single motor car, motor boat and aeroplane.	72 pies per mile per vehicle, R.R. 54 pies per mile per vehicle, O.R.	96 pies per mile per vehicle, R.R. 72 pies per mile per vehicle, O.R.	33 % 33 %
5. Two motor cars belonging to the same owner and in one truck.	108 pies per mile per truck, R.R. 84 pies per mile per truck, O.R.	144 pies per mile per truck, R.R. 108 pies per mile per truck, O.R.	33 % 29 %
6. Single carriage, palanquins and dhoolies.	42 pies per mile per truck.	54 pies per mile per truck.	29 %
7. Two or more carriages when loaded in one truck.	54 pies per mile per truck.	84 pies per mile per truck.	56 %
8. Single boat	42 pies per mile per truck.	54 pies per mile per truck.	29 %
9. Two or more boats in one truck.	54 pies per mile per truck.	84 pies per mile per truck.	56 %

SECTION IV.

MILITARY CHARGES.

The following are the rates chargeable per vehicle per mile inclusive of terminals (except for reserved saloons occupied by high army officials), subject to a minimum charge of Rs. 5 per vehicle of every description for the carriage by railways of Royal Naval, Military, Royal Air Force, Royal Marine, and Royal Indian Marine traffic:—

(i) Rates for coaching traffic.

	Standard gauge.	Metre or narrow gauge.
(a) Coaching traffic per 4-wheeled vehicle per mile	Re. 0 5 6	Re. 0 4 0
Coaching traffic per 6-wheeled vehicle per mile	„ 0 8 3	„ 0 6 0
Coaching traffic per bogie vehicle per mile	„ 0 11 0	„ 0 8 0
(b) Small bodies of troops, <i>i.e.</i> , individuals on warrants ..	At contract rates.	
(c) Military parcels traffic booked by passenger train	Ordinary parcels rates, subject to a maximum of the vehicle rate.	

Note.—For individuals on warrant by ordinary trains the contract rate charged for 1st class is ordinary 2nd class fare, and for 2nd class, the lowest fare, *viz.*, mail 3rd class fare by mail and ordinary 3rd class by ordinary trains, except by the Punjab and Poona mail trains for which 2nd class fare is charged, as 2nd class is the lowest class on these trains.

(ii) Rates for goods traffic (including live stock).

	Standard gauge.	Metre or narrow gauge.
(a) Goods traffic per 4-wheeled vehicle per mile (O. R.) ..	Re. 0 5 0	Re. 0 3 6
Goods traffic per 6-wheeled vehicle per mile (O. R.) ..	„ 0 7 6	„ 0 5 3
Goods traffic bogie vehicle per mile (O. R.)	„ 0 10 0	„ 0 7 0
(b) Small consignments other than coal, coke, patent fuel and explosives .. ..	.38 pie per maund per mile.	
(c) Coal, coke, patent fuel, and explosives	At tariff rates.	

2. These rates apply to:—

- (a) Military traffic booked on warrant or credit note;
- (b) Military traffic debitable to the Training Grant;
- (c) Indian State Forces when moved at Government expense;
- (d) Indian Territorial Force including University Training Corps;
- (e) Stores, the property of Government at the time of despatch;
- (f) Safety cartridges answering certain definitions, and
- (g) Kerosine oil, non-dangerous.

› The rates do not apply to :—

- (i) Journeys performed by officers and others who draw travelling allowance under the provisions of Army Regulations ;
- (ii) Military stores, the property of Civil departments and Military Works Service ;
- (iii) Stores consigned to and by Regimental Canteens, Messes and Cantonment Magistrates ;
- (iv) Goods or live-stock not the property of Government in the Army Department at the time of despatch.

3. The rates charged for armoured and patrol trains run at the request of the Military Authorities are Rs. 3 per train mile by broad gauge and Rs. 2 per train mile by metre gauge, subject to a minimum charge of Rs. 50 in each case, no charge being made for hire or detention.

4. RISK :—All military stores, baggage, etc., carried at the vehicle rate or at the rate of .38 pie per maund per mile, also excepted articles, coal, explosives and other dangerous goods are carried at the risk of Government, the risk note form not being executed.

5. HANDLING :—The Military Authorities perform all handling both loading and unloading (use of cranes being paid for at tariff rates), except of :—

- (i) Goods traffic booked at .38 pie per maund per mile ;
- (ii) Parcel traffic at parcels rates ;
- (iii) Transshipment of goods at Junctions and from railways to ferries and *vice versa*.

6. The minimum number of vehicles to be paid for on a special train :—The minimum number of vehicles to be paid for troop special trains shall be 16 four-wheeled vehicles or their equivalent, bogies to count as two and six-wheeled vehicles as one-and-a-half units, brake vans included in the number will be charged for at the vehicle rate.

7. Adjusted distances chargeable are shewn in para. 7 of the preceding section.

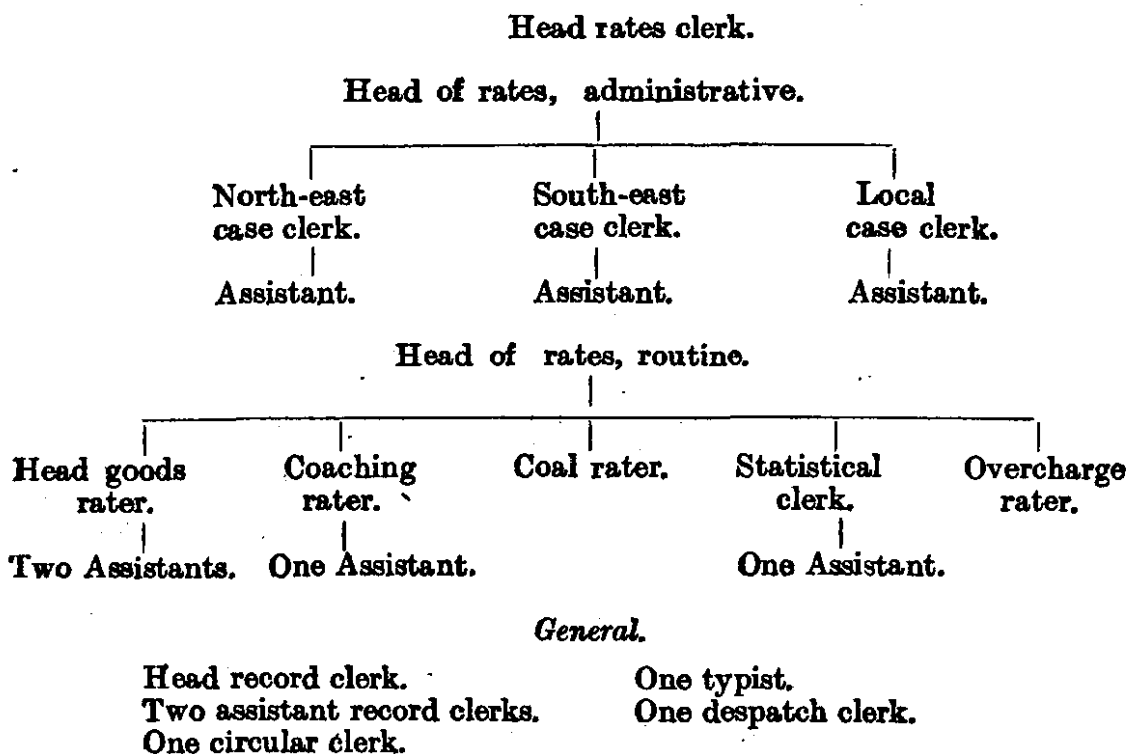
N.B.—The information given in this chapter and its appendices was correct on 1st April 1926.

CHAPTER IV.

Machinery employed in the quotation of rates.

1. The Rates Section under a deputy traffic manager consists of one officer, twenty-four clerks and seven traffic canvassers. It is divided into three parts, administrative, routine and general, and deals with the following subjects:—Rates policy, quotation of rates, rates agreements, reports from canvassers and station masters on traffic prospects and other rates matters, rates statistics, projects, canvassing, assisted sidings, and matters appertaining to the Conference and to the Commercial Committee for Interchange. Two of its chief duties are to check all foreign rate circulars to see that rating agreements are observed, and to bring to notice any quotations which demand action.

2. The following are the rates section clerks and their arrangement:—



3. Besides the head rates clerk and the heads of the routine and administrative sides, there are three clerks (the case clerks) each of whom is capable of putting papers up to an officer direct for orders. At one time all papers passed through the head of the section. The present organisation facilitates business, trains clerks for higher positions, and interferes with any attempt to "corner" knowledge of rating.

4. The traffic canvassers are distributed as follows:—

One head traffic canvasser attached to the office and the remainder as shown below:—

Bombay Division	..	Bombay to Igatpuri, Kalyan to Lonavla;
Poona	..	Lonavla to Raichur, Dhond to Manmad;

Bhusaval Division	..	Igatpuri to Nagpur ;
Itarsi	..	Bhusaval to Katni, Itarsi to Nagpur, Itarsi to Jubbulpore, Jubbulpore to Katni ;
Bina	..	Ujjain to Bhopal, Kotah to Katni, Itarsi to Jhansi, Manikpur to Katni ;
Jhansi	..	Jhansi to Cawnpore, Jhansi to Delhi, Jhansi to Naini, Cawnpore to Banda.

5. They have to see that no traffic which should follow a route favourable to the G. I. P. is diverted, and that traffic is stimulated in every possible way by quotation of suitable rates (which they should suggest where necessary) and by provision of suitable facilities. They instruct station masters and goods clerks in the proper routing of traffic, and stimulate them to watch for instances of diversion, and to make suggestions for suitable rates. They have a thorough grasp of the Abstract of Agreements not only so far as their own sections are concerned, but for the whole line. They have not only to keep a watch on their own sections but on passing traffic. They make a point of examining wagon labels. It is essential for them to keep in touch with the civil authorities, merchants and public generally. They draw attention to station-to-station rates on which no traffic has passed for a year, and on which there is no likelihood of any traffic passing, and when such rates are withdrawn they make notes in their books, and specially watch to see that the rates are again quoted if required. As schedule rates are not usually adjusted between places where adjusted class rates are in operation, great care has to be taken to see station-to-station rates are put in force when necessary to prevent traffic passing by competitive routes. Touch must be kept with the Weekly Notices, and local and foreign rate circulars kept up to date. When a traffic canvasser reports that traffic is being diverted over a foreign line owing to our rates being too high he states what amount has been diverted; how much is still following the G. I. P. route; when the diversion commenced; what alteration in rates he proposes to prevent diversion, and what effect this alteration would have on other stations. His report has to be sufficiently complete for action to be taken without further correspondence. There was formerly a marked disposition on the part of canvassers to bring irregularities to light and then leave all remedial measures to head office. They have to be taught to help hunt their own hares.

6. Traffic canvassers not only devote their attention to goods traffic but to coaching and parcels. There is diversion of passenger traffic by motor cars. They suggest means to combat this. Timings of passenger and parcel trains are watched, and advice given if the traffic canvassers think they can be improved. Traffic canvassers are told that they must not be satisfied by bringing an irregularity to notice. They must see that it is put right before they leave off their representations, and the quicker it is put right the more it redounds to their credit.

7. Sections are changed at intervals, so that a new man is given the opportunity of finding out irregularities that may have escaped his predecessor's notice. Traffic canvassers maintain carefully kept note books,

with a page or pages devoted to each station on the division. In no other way can they bear in mind points that need continued attention. The books are always available for inspection, and are handed to relievers when traffic canvassers go on leave or on transfer. They submit weekly diaries and preserve copies of them and of all their reports. They keep the signallers at their headquarters' stations advised of their movements so that they can be readily reached by telegram. They are picked men engaged on very important duties, and are looked to by the Administration to show an example of loyalty and devotion to duty to the rest of the staff.

8. It is extremely important to put traffic canvassers in charge of sections for which they are personally responsible. They become acquainted with traffic conditions, and are in touch with the civil authorities and people. The knowledge that their work is liable to inspection during which irregularities which they have failed to report are likely to come to light keeps them up to their work. This is a far better arrangement than to concentrate them in headquarters, and detail them on special work from time to time.

9. The quotation of rates is assisted more by good traffic canvassers than by any other means, for their information is up-to-date, and they can bring to light important facts which would never be known by the study of tariffs and statistics.

10. It is necessary to stimulate the interest of the divisional and station staffs in rates matters and obtain their co-operation in bringing matters which require investigation to light. The quotation of rates must be concentrated at head office, but a general interest should be encouraged over the whole line.

11. The institution of officers' note books recording salient facts and figures about the traffic of individual stations and districts generally, was recommended by the Railway Board many years ago, and the revival of these books is under consideration.

12. One of the most important matters in the Rates Section is to arrive at what are the best statistics to be maintained. There is a danger of such a mass of statistics being accumulated that the object desired is defeated; it may be difficult to see the wood for the trees.

The following are some of the most useful publications and statistics :—

(i) Statements of traffic carried under agreements with foreign lines.

1. Bombay Agreement,
2. Poona Agreement,
3. Upper India Traffic Agreement.

(ii) Statement showing traffic booked between pairs of stations under the following commodities (yearly) :—

1. Agricultural implements,
2. Bones, including hoofs, horns, common and skins scrap,
3. Cement,
4. Cotton, raw,
5. Cotton, manufactured,
6. Cotton seed,

7. Coal and coke,
8. Fire bricks,
9. Fire clay,
10. Fodder,
11. Fruits and vegetables, fresh,
12. Grain and pulses,
13. Groundnuts,
14. Hemp (jute, moonj, flax, tow),
15. Hides and skins (including goat skins and sheep skins),
16. Iron and steel,
17. Jagree,
18. Kerosine oil,
19. Leather, common,
20. Lime chunum and lime stones,
21. Manganese ore,
22. Matches, safety,
23. Mowha flowers,
24. Oils other than kerosine,
25. Oil seeds other than cotton seed,
26. Paper in bales or bundles,
27. Pipes, earthenware,
28. Pipes, cement or concrete,
29. Refractory bricks,
30. Sugar,
31. Salt,
32. Sand,
33. Timber, wrought and unwrought,
34. Tobacco,
35. Wool.

(iii) Approximate return of the following commodities in maunds and rupees, as compared to the corresponding week of the previous year (weekly) :—

1. Cotton,
2. Wheat,
3. Rice { *via* Nagpur,
 } all other stations,
4. Other food-grains,
5. Oil seeds,
6. Sugar and jagree,
7. Salt,
8. Cotton, manufactured,
9. Metallic ore,
10. Metals,
11. Kerosine oil,
12. Railway materials and rolling stock of other lines,
13. General goods,
14. Coal { G. I. P. Ry.,
 } public and foreign railways,
15. Company's materials { Capital,
 } Revenue.

(iv) Approximate return of coaching traffic as compared to the corresponding week of the previous year (weekly).

(v) Statement of inward and outward traffic passing junctions (monthly) under the following commodities :—

1. Cotton, raw,
2. Cotton seeds,
3. Cotton manufactured,
4. Coal, coke and patent fuel including that of other railway companies,
5. Food grains (excluding rice),
6. Fodder,
7. Kerosine oil,
8. Live stock,
9. Marble and stones,
10. Metallic ore,
11. Oil seeds other than cotton seeds,
12. Oils other than kerosine,
13. Rice,
14. Salt,
15. Wood, unwrought.

(vi) Monthly statements of selected traffic for which station-to-station rates have been quoted, and which requires special attention.

(vii) Operating diagrams :—

1. Annual earnings and working expenses,
2. Weekly earnings,
3. Earnings and train miles (passenger trains), weekly.
4. Do. (goods trains), "
5. Tons lifted and average distance hauled, 1910-26
6. Weight of principal commodities, yearly.
7. Earnings from principal commodities, "
8. Passenger earnings, "
9. Number of passengers carried, "
10. Number of passengers carried in each class, "
11. Earnings from passengers carried in each class, "
12. Passenger unit miles, "
13. Average distance travelled by each class of passenger, "
14. Parcel earnings, "
15. Commodity graph, weekly.
16. Graph shewing total passenger booking, mileage and earnings, monthly.
17. Do. (cumulative), "
18. Graph shewing booking, mileage and earnings from 1st class passengers, "
19. Do. from 2nd class passengers, "
20. Do. from inter. " " "
21. Do. from 3rd mail class " "
22. Do. from 3rd ordy. " " "
23. Suburban booking, mileage and earnings inclusive of season tickets, "
24. Graph shewing season ticket bookings as compared to ordinary ticket bookings on the suburban sections, "
25. Parcels earnings graph, "
26. Diagram shewing direction of flow of traffic, section by section. "

CHAPTER V.

The principal rating and routing agreements, the principle governing them, and the circumstances which led up to them.

Rating and routing agreements are entered into to prevent wasteful competition, and generally represent the arrangements at which railways would have eventually arrived had recourse been taken to unrestricted competition.

2. Our principal rating and routing agreements and arrangements are :—

- (a) The Poona Agreement entered into with the M. & S. M. Railway on 19th and 20th November 1901 ;
- (b) The agreement re: (a) full pressed cotton from H. G. V. Railway to Bombay ; (b) all goods traffic between H. G. V. Railway stations (including Hyderabad and Secunderabad) and stations on the G. I. P. Railway, and (c) between broad gauge stations on the N. G. S. Railways and G. I. P. stations, entered into with the N. G. S. Railway on 21st December 1901 ;
- (c) The Cawnpore Agreement entered into with the E. I. Railway on 11th August 1905 ;
- (d) The Tapti Valley Agreement entered into with the B. B. & C. I. Railway on 8th September 1906 ;
- (e) The Upper India Agreement entered into with the B. B. & C. I. Railway on 13th June 1910 ;
- (f) The agreement re rates between stations on the East Coast section of the M. & S. M. Railway north of Tettu, and stations on the G. I. P. Railway, entered into with the M. & S. M. and N. G. S. Railways on 8th March 1911 ;
- (g) The agreement re traffic between internal stations and between junctions of the G. I. P. and B. B. & C. I. Railways entered into on 2nd May 1911 ;
- (h) The arrangement governing the extension of the Barsi Light Railway from Pandharpur to Miraj ;
- (i) The arrangement between the G. I. P., N. W. and B. B. & C. I. Railways as to the routing of certain traffic, and
- (j) Balharshah-Kazipet (Warangal) Agreement entered into with the N. G. S. and M. & S. M. Railways on 1st September 1925.

3. *The Poona Agreement* provides for the allotment of traffic between certain stations on the G. I. P. and on the M. & S. M. Railways as shown below :—

No.	Class of traffic.	STATIONS.		Division.
		From	To	
10	All goods traffic except salt.	Bombay stations, viz., Wadi Bandar, Byculla and Dadar and <i>vice versa</i> .	Stations Poona to Dhupdhal (now called Gokak Road) and Kengeri to Nanjangud inclusive and <i>vice versa</i> .	Allotted to the all rail route <i>via</i> Poona.
11	Do.	Do.	Kistna Canal siding (Bezwada) and <i>vice versa</i> .	Allotted to the all rail route <i>via</i> Hotgi.
12	Do.	Bombay stations, viz., Wadi Bandar, Byculla and Dadar.	Stations on the Hotgi section Tadval to Hombal inclusive for all inward traffic from Bombay.	Do.
13	Do.	Bombay stations, viz., Wadi Bandar, Byculla and Dadar, and <i>vice versa</i> .	All M. & S. M. Railway stations other than above on S. M. section and <i>vice versa</i> .	Allotted to the sea route <i>via</i> Mormugao.
14	Do.	Bombay, Wadi Bandar, Byculla and Dadar and <i>vice versa</i> .	Bangalore, (city and cantonment) and <i>vice versa</i> .	$\frac{1}{2}$ to the sea route <i>via</i> Mormugao, $\frac{1}{2}$ to the <i>via</i> Raichur and Guntakal route and $\frac{1}{2}$ to the <i>via</i> Poona route.
15	Do.	Bombay, Wadi Bandar, Byculla, Dadar and <i>via</i> Dadar and Konkan stations up to Karjat and <i>vice versa</i> .	Guntakal and <i>vice versa</i> .	$\frac{1}{2}$ to the <i>via</i> Raichur and $\frac{1}{2}$ to the <i>via</i> Hotgi route.
16	All goods traffic except rice from Masulipatam.	Bombay, Wadi Bandar, Byculla, Dadar and <i>via</i> Dadar and Konkan stations up to Karjat and <i>vice versa</i> .	Bezwada, Tadepalli and Masulipatam, Kistna Canal and Belatur and <i>vice versa</i> .	$\frac{1}{2}$ to the <i>via</i> Hotgi and $\frac{1}{2}$ to the <i>via</i> Wadi route.
17	Salt	Bombay, Wadi Bandar, Byculla, Dadar and <i>via</i> Dadar and Konkan stations and <i>vice versa</i> .	All M. & S. M. Ry. stations on the S. M. section including Bangalore city and cantonment and Guntakal and Dharmavaram and <i>vice versa</i> but not <i>via</i> these junctions.	Allotted to <i>via</i> Poona or <i>via</i> Hotgi whichever forms the shortest route.

This agreement, which was entered into before the amalgamation of the Madras and the Southern Mahratta Railways, was made because of the antagonistic interests of the railways in the routing of traffic between the G. I. P. and S. M. Railways, it being to the interest of the G. I. P. to draw traffic to Bombay and to that of the S. M. Railway to draw it to the port of Mormugao.

So far as items 14, 15 and 16 are concerned the railway carrying traffic in excess of its allotments retains 50 per cent. of the freight earned, and hands the remainder over to the other.

If 50 per cent. exactly covers the cost of dealing with the pooled traffic, it makes no difference in the net receipts derived from it, if each railway carries the same amount of traffic or one more than the other. As an illustration :—

Traffic to be divided is one crore of rupees ;

Railway X carries traffic bringing in 40 lakhs.		Railway Y carries traffic bringing in 60 lakhs.	
<i>X's share.</i>		<i>Y's share.</i>	
40 lakhs less 50 per cent. for working expenses.	20 lakhs.	50 lakhs less 50 per cent. for working expenses.	25 lakhs.
50 per cent. of 10 lakhs car- ried in excess by Y.	5 „	10 lakhs, 50 per cent. of which are transferred to X and the remaining 50 per cent. used in work- ing expenses.	
	—		—
	25 „		25 „
	—		—

If the working expenses are less than 50 per cent. the railway carrying excess gains, if they are more it loses.

The usual principle of determining the sphere of influence of rival routes for division of traffic, *viz.*, the bedrock principle, could not be followed with propriety in this agreement as the West of India, Portuguese Railway, now worked by the M. & S. M. Railway and the Bombay Steam Navigation Company are not bound, by minimum rates. The allotment of certain stations to the rail and other to the sea route was made after careful consideration of all the factors.

The rates for traffic allotted to the all rail route are cheaper than by the rail cum sea route and maintain the minimum difference of 18 pies for 1st and 2nd class goods and 24 pies for other classes. The rates between Bombay and Bezwada are equal *via* Hotgi and *via* Wadi, between Bombay and Guntakal are equal *via* Raichur and *via* Hotgi, the sea route not participating. For Bombay-Bangalore traffic equal rates obtain by the three routes, *via* Mormugao, *via* Guntakal and Raichur and *via* Poona. For salt traffic rates are quoted either *via* Poona or *via* Hotgi, whichever is the shorter route, no other route being recognised.

4. The agreement re (a) full pressed cotton from the H. G. V. Railway to Bombay ; (b) all goods traffic between the H. G. V. Railway stations including Hyderabad and Secunderabad and stations on the G. I. P. Railway, and (c) between broad gauge stations on the N. G. S. Railways and G. I. P. stations, lays down that :—

- (i) The G. I. P. Railway is to quote the same rate from Manmad to Bombay as from Kurduwadi to Bombay ;
- (ii) The rates between stations shewn in (b) above may be adjusted by the N. G. S. Railways where necessary by the shortest route, and

- (iii) The rates between stations on the G. I. P. Railway and broad gauge stations on the N. G. S. Railways, for example between Jalgaon and Warangal, shall be equal by the broad gauge route *via* Wadi to the route *via* Manmad, or cheaper when the broad gauge route is shorter.

This agreement was entered into consequent upon the opening of the H. G. V. section of the N. G. S. Railways, which constituted an alternative route for traffic between certain G. I. P. Railway stations and broad gauge stations of the N. G. S. Railways.

5. *The Cawnpore Agreement* lays down :—

- (a) the rates to be quoted on all goods traffic between Cawnpore and Bombay and Cawnpore and Howrah ;
- (b) the route to be followed by all goods traffic between *via* Cawnpore to and from foreign lines and the section Khaga to Etawah on the E. I. Railway and Bombay.

The effect of the agreement is to give the G. I. P. Railway the right to maintain the bedrock difference between the rates for traffic between Cawnpore and *via* and Howrah, and Cawnpore and *via* and Bombay ; and to enable the E. I. Railway to get its maximum rates over its length for traffic from and to stations on either side of Cawnpore. The bedrock difference maintained is Re. 0-1-9 for 1st and 2nd classes and Re. 0-2-10 for other classes.

This agreement was made on account of the competition of Bombay and Calcutta for the trade of the Cawnpore area and that passing through it.

6. *The Tapti Valley Agreement* provides that wherever the Amalner route is shorter and rates by that route higher than *via* Dadar, the traffic shall be routed *via* Amalner and charged at *via* Dadar rates, station-to-station rates being quoted and divided in mileage proportion between the two railways.

This agreement was made consequent on the construction of the Tapti Valley Railway from Amalner to Kankrakhari (now Udhna) on 15th March, 1900.

7. *The Upper India Agreement* provides for the goods traffic between Bombay on the one hand and Delhi and *via*, Muttra and *via*, Agra and *via* and Cawnpore and *via*, and Agra-Delhi Chord stations on the other hand being divided between the G. I. P. and B. B. & C. I. Railways in equal proportions. Traffic carried in excess of allotment by one railway is credited to the other, less 25 per cent. allowance for haulage.

The present allotment, which is liable to variation from time to time, is :—

(a) To the G. I. P. Railway route :—

Agra,
Cawnpore,
Agra-Delhi Chord stations,
Via Agra for O. & R. Railway,
Via Agra for E. I. Railway territorial stations Sasni to Khurja,
Via Cawnpore for E. I., O. & R., R. & K. and B. & N. W. Railways.

(b) To the B. B. & C. I. route :—

Delhi, Hathras City, Cawnpore-Achnera stations,
Via Delhi for N. W., D. U. K., S. P. B., E. I., O. & R., S. S.
 Light Railway, and Khurja-Hapur Railway,
Via Hathras for Khurja-Hapur Railway,
Via Kasganj for R. & K. Railway.

The rates by the allotted route are one anna per maund lower than by the non-allotted route except for Bombay-Agra traffic where the difference is 6 pies.

8. *The agreement re rates between stations on the East Coast section of the M. & S. M. Railway north of Tettu and stations on the G. I. P. Railway, provides that :—*

- (i) Between stations on the East Coast section of the M. & S. M. Railway north of Tettu and Bombay stations, half the traffic shall be routed *via* Wadi and half *via* Hotgi ;
- (ii) Between the above mentioned stations on the M. & S. M. Railway and stations on the G. I. P. Railway south of Manmad, excluding Bombay stations and stations Nalvar to Raichur, the traffic shall be routed in the same way, and
- (iii) Between the above mentioned stations on the M. & S. M. Railway and stations on the G. I. P. Railway north of Manmad, the traffic shall be routed one-third *via* Bezwada and Manmad (*via* Secunderabad) ; one-third *via* Bezwada and Wadi, and one-third *via* Bezwada and Hotgi.

Should the traffic carried by one route exceed its proportion, the route carrying the excess amount shall refund to the route or routes which should have carried it, 50 per cent. of the earnings on the excess, retaining the remainder for its expenses.

Clause I.—The rates between *via* Bezwada and Bombay are equal *via* Hotgi and *via* Wadi.

Clause II.—The rates between *via* Bezwada and *via* Hotgi (*via* Wadi) are divided on mileage between the N. G. S. and G. I. P. and are equal to those by the M. & S. M. route, the G. I. P. quoting its own rates beyond Hotgi.

Clause III.—The rates between *via* Bezwada and Manmad (*via* Wadi) and *via* Bezwada and Manmad (*via* Hotgi) are equal to those between *via* Bezwada and Manmad by the N. G. S. route, being divided on mileage of each railway concerned. The G. I. P. charge their own rates beyond Manmad.

This agreement was entered into consequent upon the opening of the H. G. V. section of the N. G. S. Railway which made the *via* Bezwada and Manmad route the shortest for stations north of Manmad.

9. *The agreement re traffic between internal stations and between junctions of the G. I. P. and B. B. & C. I. Railways lays down that :—*

- (a) For traffic between stations both of which belong to one railway, the other railway not being represented at either, there shall be no competition, the railway owning the stations retaining the traffic by adjustment of rates if this is possible ;

- (b) For traffic between junctions where both railways are interested, the shortest route shall retain the traffic when the difference in distance between the two routes exceeds 33 per cent. ;
- (c) When the difference does not exceed 33 per cent., the rates shall be equalised and traffic divided equally, the railway carrying any traffic in excess of its share to retain 25 per cent. of the excess, the balance being credited to the other railway.

Under (a) rates are arbitrarily adjusted: the difference maintained is three pies. Under (b) rates are adjusted on the bedrock principle, subject to a maximum difference of one anna per maund.

10. *The extension of the Barsi Light Railway from Pandharpur to Miraj* which is under construction is governed by the following conditions:—

- (i) That the Government of India will, if they consider it expedient to prevent undue competition, permit the G. I. P. Railway to quote for traffic to and from Kurduwadi and *via* from and to Bombay, the same mileage rates and for the same distance, as the Barsi Light and the West of India Portuguese Railway Companies may charge for traffic to and from stations on the Barsi Light Railway from and to Mormugao.
- (ii) That the Barsi Light Railway Company shall not quote *via* Barsi Road, or *via* any other junction they may in future have with the Great Indian Peninsula Railway, higher mileage rates than they quote *via* Miraj or any other junction which they may have with the Madras and Southern Mahratta Railway for Mormugao.

The introduction of the words "and for the same distance" is to limit the G. I. P. Railway's right to go below the minimum, for traffic to and from Bombay in competition with the Barsi, M. & S. M. and W. I. P. Railways, to *such distances* as the Barsi and W. I. P. Railways (which have no minimum) may quote rates below 1/10th pie per maund per mile for traffic to and from Mormugao. Were the words omitted the G. I. P. Railway could quote below the minimum for the whole distance from Kurduwadi to Bombay; as they are included the G. I. P. can only quote rates below the minimum for that portion of their route which is equal to the mileage over the Barsi Light and W. I. P. Railways on which a rate below 1/10th pie per maund per mile is quoted.

11. *Arrangement between the G. I. P., N.W., and B. B. & C. I Railways as to the routing of certain traffic.*

Prior to 1st June 1922, the B. B. & C. I. Railway quoted rates for grain and common seeds from Bhatinda and *via*, Kotkapura and *via* and from some of their own metre gauge stations to Khandwa and *via* and Dadar and *via*, based on 1/10th pie per maund per mile. In response to these quotations the G. I. P. and N. W. Railways jointly quoted reduced rates *via* Delhi.

The B. B. & C. I. Railway's action resulted in the unnecessary forcing down of through rates for traffic (principally grain and cotton seeds) exchanged between the Punjab and Central Provinces and Berar and this was pointed out.

After considerable correspondence the G. I. P. and B. B. & C. I. and N. W. Railways came to an agreement by which traffic is allotted as shown below:—

- (i)—Traffic allotted to the B. B. & C. I. Railway.
- (a) From stations on the Rewari-Bhatinda Fazilka and Delhi-Bandikui sections (excluding Delhi) to joint stations of the G. I. P. and B. B. & C. I., viz., Ujjain, Khandwa, Amalner and Dadar, locally, and *vice versa*.
- (b) From joint stations of B. B. & C. I. and N. W. Railways, viz., Hissar, Bhatinda, Goniana, Jaitu, Kotkapura and Fazilka to Ujjain, Khandwa, Amalner and Dadar, locally, and *vice versa*.
- (c) From *via* Bhatinda (J. B. Railway) and *via* Hissar (J. B. Ry.) to, Ujjain and *via* Khandwa and *via*, Amalner, and *via*, and Dadar and *via*, and *vice versa*, except stations for which rates on the bedrock difference are cheaper *via* Delhi.
- (ii)—Traffic allotted to the G. I. P. cum N. W. Ry., route, via Delhi.
- (a) From stations N. W. Railway (excluding joint stations, viz., Hissar, Bhatinda, Goniana, Jaitu, Kotkapura and Fazilka) to joint stations of the G. I. P. and B. B. & C. I., viz., Ujjain, Khandwa, Amalner, and Dadar and *vice versa*.
- (b) From joint stations of B. B. & C. I. and N. W. Railways, viz., Hissar, Bhatinda, Goniana, Jaitu, Kotkapura and Fazilka to stations on G. I. P. Railway (excluding Ujjain, Khandwa, Amalner and Dadar) and *vice versa*.
- (c) From stations on N. W. Railway (excluding stations joint between N. W. and B. B. & C. I. Railways) to all stations on G. I. P. Railway and *vice versa*.

The first item (a) deals with the traffic between the competitive areas in the Punjab served by the metre gauge section of the B. B. & C. I. and by the N. W. Railway, excluding the joint stations of the B. B. & C. I. and N. W. Railways, viz., Hissar, Bhatinda, Goniana, Jaitu, Kotkapura and Fazilka and the G. I. P. and B. B. & C. I. Railways' joint stations, viz., Ujjain, Khandwa, Amalner and Dadar. The B. B. & C. I. Railway can hold this traffic to their route and it is therefore allotted to them, the broad gauge *via* Delhi keeping the traffic between the N. W. Railway stations and the said four joint stations of the G. I. P. and B. B. & C. I. Railways.

In the second item (b), the traffic between the joint stations of the B. B. & C. I. and N. W. Railways on the one hand, and joint stations of the G. I. P. and B. B. & C. I. Railways, and G. I. P. stations generally, on the other hand is dealt with. The B. B. & C. I. Railway retains the traffic between the joint stations of the N. W. Railway and itself and of the G. I. P. and itself agreeing not to compete for traffic between stations on the N. W. Railway excluding the joint stations between the N. W. Railway and itself and stations on the G. I. P. Railway and *via*.

The third item (c) deals first with traffic between the J. B. Railway stations reached *via* Bhatinda and those reached *via* Hissar and the four above-mentioned joint B. B. & C. I. and G. I. P. stations, and *via* and second with that between stations on the N. W. Railway and stations on the G. I. P. Railway. The first mentioned traffic is allotted to the B. B. & C. I. route and as a set off, the all broad gauge route carries the traffic from stations on the N. W. Railway to all G. I. P. stations.

This arrangement allows the traffic concerned to follow the shortest route. It has been agreed that the longer route may maintain rates on bedrock difference, but in actual practice this has not been done.

To give effect to the allotment of traffic by the all broad gauge route, adjusted class rates and station-to-station rates for certain commodities have been introduced, which make the allotted all broad gauge route cheaper by one pie per maund than the metre gauge route.

12. *The Balharshah-Kazipet (Warangal) Agreement* lays down that :—

(i) The N. G. S. Railways and M. & S. M. Railway shall not quote rates which shall make the through rates between stations on the Wardha-Balharshah branch or beyond, and Coconada or Madras or Mormugao lower than those quoted by the G. I. P. from the same stations to Bombay, provided that the maximum rates over the railways participating in the routes to Coconada, Madras and Mormugao are not exceeded, in which event the maximum rates will be quoted ;

(ii) Similarly, the G. I. P. shall not quote a rate *via* Balharshah to and from Bombay, which will make a through rate to and from stations on the Balharshah-Kazipet Section lower than the through rates quoted from and to the same stations and Bombay *via* Wadi, provided that the maximum rates over the G. I. P. Railway are not exceeded, in which event the maximum rates will be quoted ;

(iii) That the N. G. S. Railway shall have a free hand to quote rates within the prescribed maxima and minima from and to stations on the Balharshah-Kazipet section, subject to the proviso that where in consequence of low local or through rates the rebooking rate from stations on the existing G. I. P. Railway to Coconada, Madras or Mormugao and *vice versa* would be less than the direct rate, the N. G. S. Railway and the M. & S. M. Railway shall make such traffic arrangements as to render rebooking impossible, and if no other means of stopping rebooking are effective, they shall take steps to prevent it by raising the local rates.

(iv) The G. I. P. Railway shall not quote a lower rate per mile for traffic between stations on the M. & S. M. Railway and *via* and stations on the G. I. P. Railway and *via*, for which the Balharshah-Kazipet Railway is the shortest route, than they quote *via* Balharshah for traffic to and from the same stations.

This agreement was entered into on account of the construction of the Balharshah-Kazipet section of the N. G. S. Railways which is expected to be completed during 1927.

13. Although we have no direct agreement or arrangement with the N. W. Railway about the relation which rates between Karachi and Delhi, Muttra, Agra and Cawnpore bear to rates between Bombay and these cities, it is a subject in which we are keenly interested, and no account of our rating and routing arrangements would be complete, which did not deal with it. Howrah rates have been included (although the Upper India Agreement has already been dealt with in para. 7) as it is convenient to deal with the principal ports together. The following is a table of the distances concerned :—

Distance from	To			
	Delhi.	Muttra.	Agra.	Cawnpore.
Howrah	903	*826	789	633
Karachi	†907	†778	†780	†987
Bombay (G. I. P.)	957	868	838	839
Bombay (B. B. & C. I.)	862	773	779	992

* Via Jumna Bridge.

† Via broad gauge.

‡ Via Kuchaman Road and Hyderabad (Sind).

The class rates between Delhi and the stations in the first column are adjusted so as to be equal except to Bombay (G. I. P.) where they are one-anna higher under the Upper India Agreement come to between the G. I. P. and B. B. & C. I. Railways. They are based on the shortest route to Karachi *via* Kuchaman Road and Hyderabad, 781 miles.

The class rates between Muttra and Karachi and Muttra and Bombay (G. I. P.) are adjusted so as to be equal. They are based on the Bombay (B. B. & C. I.) distance. Those to Bombay (B. B. & C. I.) are one anna higher under the Upper India Agreement.

The E. I. do not compete for Muttra traffic against the other ports.

The class rates between Agra and the stations in the first column are adjusted so as to be equal except to Bombay (B. B. & C. I.), where they are six pies higher. Under the Upper India Agreement the rates by the allotted routes are one anna cheaper except the Agra-Bombay rates *via* the G. I. P. which are six pies cheaper than those by the B. B. & C. I. route. This difference is maintained to avoid unnecessary reduction of rates, the allotted route being longer than the alternative route. If the ordinary difference were maintained the Karachi and Howrah rates would also be reduced. They are based on the Bombay (B. B. & C. I.) distance.

The class rates between Cawnpore and *via* and Bombay (G. I. P.) on the one hand, and between Cawnpore and *via* and Howrah on the other, are adjusted, and maintain the bedrock difference in favour of the E. I. route under the Cawnpore agreement. The class rates between Cawnpore and *via* and Bombay (G. I. P.), and between Cawnpore and *via* and Bombay (B. B. & C. I.) are adjusted and maintain a difference of one anna in favour of the G. I. P. route under the Upper India Agreement. The class rates between Cawnpore and *via* and Karachi are adjusted and maintain a difference in favour of the Cawnpore-Bombay (G. I. P.) rates on the bedrock principle. To illustrate what has been said:—The first class rate between Howrah and Cawnpore is Rs. 1-4-9; between Bombay (G. I. P.) and Cawnpore the adjusted class rate is Rs. 1-6-6 (maintaining the bedrock difference of one anna nine pies); between Cawnpore and Bombay (B. B. & C. I.) it is Rs. 1-7-6 (one anna higher than the G. I. P. rate) and between Cawnpore and Karachi it is Rs. 1-7-9 (one anna three pies higher than the G. I. P. rate to Bombay) preserving the bedrock differences.

The rates on the Cawnpore section are adjusted as far as Punch to prevent rebooking.

The adjustment of the class rates between *via* Delhi, *via* Muttra, and *via* Agra, and the ports is on the same principle as that observed in the rates between these cities and the ports. The rates between *via* Cawnpore and the ports are the same as those between Cawnpore and the ports.

14. In addition, the following arrangements may be mentioned:—

(a) The rates between Bombay and Calcutta *via* Nagpur and *via* Naini are fixed on the bedrock difference on the total distance.

(b) The rates between G. I. P. stations south of Bhusaval and *via* Nagpur are fixed on the bedrock difference up to *via* Nagpur and *via* Naini when the Bengal Nagpur Railway desire this to be done, except as mentioned in (a).

CHAPTER VI.

The economics of Transportation from the point of view of the Commercial department.

In an article in "The Railway News" of June 1918, the view was put forward that traffic and locomotive officers are in conflict through considering successful administration from different standpoints, it being represented to the Traffic Manager by high receipts and to the Locomotive Superintendent by low costs. Looked at from the narrow departmental point of view there is the same conflict of interest between the Commercial and Transportation departments. If traffic is obtained at rates which are too low (even though greater gross revenue be produced) or costs kept down unduly, net revenue is sacrificed. Rates must not be made too low nor train service improperly curtailed. Regarded from the broad point of view of the railway as a whole, the interests of the departments are identical, their aim being to gain the desired revenue, whatever that may be, with the lowest operating ratio consistent with the proper upkeep and working of the undertaking. It is essential to have the claims of increase of revenue and of economy properly balanced. The matter is dealt with at some length in Chapter X but it is necessary to refer to it here, for the subject is constantly forcing itself on one's attention when writing on the economics of railway working.

2. The subjects can best be dealt with under the following heads:—

- (a) The loading of wagons,
- (b) the movement of empties, and
- (c) the question of bogie wagons.
- (d) reasonable facilities.

Some aspects are dealt with in other parts of this report, *e.g.*, the advisability of goods travelling by the shortest route, which is discussed in the section on methods for decreasing cost of operation in Chapter IX.

3. The two most important factors in the cost of goods train working are the loads in the wagons and the number of wagons behind the engines. The increases in the loads of the wagons and of the trains (other things being equal) add to the "freight ton miles moved per engine hour," the application of which formula is of the highest value as an index to operating efficiency; it gives the net result of freight train working. The object of all concerned should be to move the highest practicable number of freight ton miles per engine hour. The loading of wagons.

4. The loading of wagons is a responsibility belonging to the Commercial department, and during 1923 special efforts were made to improve the average wagon load over the whole line. Wadi Bandar, our largest goods booking depot, was obtaining an average load of 7½ to 8 tons per wagon compared with 14 to 15 tons at other stations. Although the outward traffic at Wadi Bandar is mainly in small lots, which operate against a high average wagon load, it was seen that much improvement could be made. The re-organisation of Wadi Bandar loading was taken in hand towards the end of the financial year 1923-24.

5. An officer was placed on special duty to supervise the work of loading in all the sheds, and it was found possible at the majority of the scales, to

delay loading until a full wagon load was available, without unduly congesting the sheds. This was done without causing delay to wagons. Consignments for particular stations or sections were held up in the sheds for 48 hours in order to collect full wagon loads. The immediate result was an increase in the average load from $7\frac{1}{2}$ tons to 10 tons per wagon, and the number of empties required for loading in the sheds in the morning was reduced from 200 to 150 wagons, thus freeing 50 empties a day for loading up-country or for interchange.

6. The allotment of the scales in the various sheds at this time was based largely upon commodities, certain scales being allotted to certain commodities, and as these were tendered for despatch to any station on the G. I. P. Railway and *via*, it was evident that loading was seriously handicapped. The allotment of the scales in the outward sheds was therefore revised, scales being allotted for all kinds of traffic to particular stations, sections and junctions. The revision was at first opposed by merchants and dalals. We were, however, able to give quicker loading, quicker issue of railway receipts and better all round service, and the objections of the merchants were withdrawn.

7. The re-arrangement of the scales further improved the average wagon load which reached at one time in August, the high "peak" figure of 14 tons per wagon. The number of empties required for the morning's loading was further reduced from 150 to 105. The number of road vans despatched daily was reduced from 87 to 34 per day and the number of section road vans from 65 to 38 vans per day. During the year 1923-24 the total tonnage loaded at Wadi Bandar was 467,110 tons and the number of wagons loaded, excluding section road vans, 57,311. During the year 1924-25 the total tonnage loaded was 524,747 tons and the number of wagons, excluding section road vans 41,687. Taking into account the higher tonnage loaded and the smaller number of wagons utilised, these figures show a saving of more than 22,000 wagons in the year 1924-25.

8. The yearly savings in wagon days may thus be summarised :—

- (a) The average time taken for loading a wagon at Wadi Bandar is 17 hours. There has been effected on this account, therefore, a saving of over 16,000 wagon days.
- (b) The average time spent before a wagon is placed in position at Wadi Bandar is 14 hours. The reduction in morning supply of empties from 200 to 105 has caused a saving of over 16,000 wagon days.
- (c) The average delay per wagon caused by unloading up-country is 24 hours. Over 10,000 wagons were saved at Wadi Bandar on through traffic (apart from road vans and section road vans) which gives a credit of over 10,000 wagon days saved up-country.
- (d) The average time taken at tranship sheds is 45 hours. The reduction in the number of road vans and section road vans represents a saving of over 27,000 wagon days at tranship sheds up-country.

The total wagon days saved under (a), (b), (c), and (d) is over 69,000. The slide rule has been employed in making the above calculations.

9. It is interesting to see the effect of these economies in wagon usage at Wadi Bandar on the total loading of the whole line. A saving of over 69,000 wagon days increases our average daily loading power by

190 wagons, and as the greater proportion of the savings are effected during the busy season, our wagon capacity was increased probably by 250 wagons daily, during the busy season itself. Alternatively, the saving could have been utilised to improve our interchange position with foreign railways.

10. The increase in the average load at Wadi Bandar naturally tends to improve our train working, and the proportion of freight to tare of wagon loaded at Wadi Bandar has been greatly improved.

Year.	Freight tons.	Tare tons.	Gross tons.	Percentage of freight tons to gross tons.
1923-24	467,110	506,000	973,110	48
1924-25	524,747	369,900	893,747	58

In the year 1923-24, tare on wagons loaded from Wadi Bandar was 52 per cent. of the gross tons, whilst in the year 1924-25 it was only 41 per cent. Actually there is a reduction in gross tons of 79,363. The average haul per ton is 287.46 miles, and based on this figure the savings in ton miles are 22,800,000 which are equivalent to 49,200 train miles. Calculating by the formula given for the dependent cost of the average train mile in Mr. Barnett's book "Notes on G. I. P. Statistics," we find in 1924-25 it comes to Rs. 1.876: thus a saving of Rs. 92,000 was made. This figure has been included in the total Rs. 7,15,000 of saving in operating costs shewn in para 11.

11. The average wagon load over the whole line which in 1923-24 was 12.53 tons in 1924-25 became 13.4 tons. The value of this increase is estimated as follows. In 1923-24 the wagons on a goods train were:—

Wagons (excluding brakes)				
Loaded	..	..	..	19.8
Empty	..	..	..	6.6
Total				26.4
Weight				
Tare of wagons	..	..	..	233 tons.
Freight	..	..	..	249 "
Total ..				482

If the average wagon load had been 13.6 tons instead of 12.6 tons, the freight would have gone into 18.3 wagons, and presumably the proportion of empty wagons would have remained the same, 1 empty to 3.02 loaded, say, 6.1 empty vehicles per train, making a total of 24.4 vehicles per train and a saving of two vehicles. The weight of the train would then have been:—

Tare of vehicles	..	..	..	215 tons.
Freight	..	..	..	249 "
Total ..				464

a reduction of 18 tons per train. The total train mileage for 1923-24 was 10,161,668 and the improved loading caused a saving of 182,910,024 ton miles. Assuming that the average weight of a train had remained the same, there would have been a saving of 381,415 train miles. According to Mr. Barnett's formula the dependent cost of the average train mile for the 31st March 1925 was Rs 1.876 and the improvement in loading in the year 1923-24 resulted in a saving of Rs. 7,15,000 in operating costs.

12. An improved average wagon load reduces loaded wagon mileage and must therefore correspondingly reduce empty wagon mileage. In the year 1923-24 the wagon mileage was 267 millions in the proportion of 75 per cent. loaded and 25 per cent. empty. Through the increase in the average wagon load of the year 1924-25 compared with 1923-24 of .87 tons (had other conditions remained the same) the wagon mileage would have decreased from 267 to 246 millions. We moved, however, 3.5 per cent. greater freight tonnage in 1924-25 and the average load per ton increased from 263.37 miles to 287.54, both of these circumstances tending to increase our wagon mileage. Taking these facts into consideration and presuming that other circumstances were the same, the vehicle mileage would have been 274½ millions. Had the loading not been improved 299 million miles would have been required to handle the tonnage with the 3.5 per cent. increased freight and the increased average load. Had the loading not been improved (other conditions remaining the same) 299 million wagon miles would have been required to handle the 1924-25 traffic.

13. The tonnage lifted in 1924-25 was approximately 9,950,000 tons and with the improved wagon load 732,000 wagons were required to lift it. In 1923-24, the tonnage lifted was 9,604,445 and required 766,000 wagons. If the average wagon load had been the same in 1924-25 as in 1923-24, namely, 12.53 tons we should have required 793,000 wagons to lift the 9,950,000 tons. The increased wagon load has therefore saved the use of 61,000 wagons (793,000—732,000) in the year, and as the round turn per wagon in 1924-25 was about 8 days, the saving approximately is $61,000 \times 8 = 488,000$ wagon days. Calculating on the interchange value of a wagon Rs. 2.4, this represents a saving of Rs. 10,98,000 in the year. If we calculate on the earning value of a wagon per day, namely, Rs. 12 the present day figure, the saving is many lakhs of rupees. It is an established fact that during 1924-25 we have been able to move an increased tonnage with less delay for wagons and I attribute this greatly to the increased wagon load.

14. There has also been made possible a considerable reduction in shunting, for a reduction in wagon movement (other things being equal) connotes a reduction in shunting. It is impossible, however, to compute, even approximately, how much of the savings under this head can be attributed to the improvement in the wagon load.

15. The savings as the result of the improved loading are:—

(a) in operating costs (<i>vide</i> para 11)	.. ..	Rs.	7,15,000
(b) wagon user (<i>vide</i> para 13)	.. ..	..	10,98,000
(c) a large but indeterminate sum on account of reduction in shunting (<i>vide</i> para 14).			

16. Certain details of the revised arrangements for loading at Wadi Bandar are of interest. The outward traffic was carefully analysed and all points for which a full load offered daily were allotted separate bays or parts of bays for its collection. Adjoining scales were allotted to adjacent sections up-country so as to minimise the gravity of

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mis-despatches. The tranship arrangements throughout the line were revised. Shed foremen were made jointly responsible with loaders for the average tonnage obtained. A spirit of competition was fostered amongst the loading staff by transferring them from one shed to another and comparing the results obtained by each man. The work of each loader was examined by an officer on the following morning and responsibility brought home without delay. Closer supervision was exercised over the labour engaged in loading to ensure that the fullest use was made of space available. At certain transshipment points where facilities are limited the close packing of through road vans impeded sorting and transshipment and caused accumulation of through road vans. Much help was given to transshipping junctions by the withdrawal from road vans of all traffic for stations or sections beyond the junction for which separate wagon loads could be obtained by holding up consignments for 48 hours.

17. From March 6th, 1926, a further revision in the loading arrangements of smalls has been introduced. Briefly the revision consists in the amalgamation of piece goods consignments in small lots with general goods in small lots. Formerly piece goods traffic, both in full wagon loads and in smalls were loaded separately from all other traffic, an arrangement which caused duplicate road vans to be run, and which interfered with the fixed programme of section road van loading arrangements on this railway. The loading of piece goods in small lots with general goods in small lots resulted in a further saving of from 12 to 18 wagons per day; section road vans were reduced by 16 to 20 vans a day and a corresponding increase in through loads obtained. During a period of nine weeks ending March 1926, 92,692.4 tons of traffic were loaded in 8,756 wagons, giving an average wagon load, inclusive of through loads, tranship vans and section road van traffic of 10.6 tons per wagon. In 1925 the average wagon load, inclusive of all traffic was 9.7 tons per wagon. In 1924 and 1923 the average load was 10.0 tons and 8.5 tons per wagon respectively. Thus in nine weeks under review a saving of 775 wagons was obtained as compared with the loading average in 1925. In 1923 and 1924 the same amount of traffic despatched during these nine weeks would have entailed the additional loading of 2,087 and 485 wagons respectively in each year. Apart from the direct savings in wagon user, the securing of a maximum number of through wagon loads sealed direct to destination has reduced mis-despatches, breakages and pilferage of goods. The claims compensation account of the G. I. P. Railway has been reduced from Rs. 16,17,132 in 1923-24 to Rs. 3,41,129 in 1925-26. Some of this reduction may be attributed to sustained effort in improving the average wagon load at Wadi Bandar and on divisions.

18. It has been pointed out that the system of holding up loads at starting points to enable full wagon loads to be collected is analagous to "nominated loading." The advantage nominated loading has is that, under its operation while the goods are waiting despatch, they are under the charge and at the responsibility of the merchant. The main disadvantages of nominated loading are that :—

- (a) it is doubtful if railways have a legal right to decline to receive goods during booking hours ;
- (b) a sufficient supply of empties must always be available.
- (c) there must be no considerable stoppages of traffic between the stations where it is in operation and the destination stations, and

- (d) it is liable to lead to diversion of traffic where there are alternative routes. If wagons are not available or there is a restriction in force on the "nominated" day merchants will have to wait to despatch their goods till the next "nominated" day when there may again be difficulty.

The system has been adopted with gratifying results on British Railways and on the E. I. Railway, and we are giving further consideration to its introduction where desirable.

19. The minimum wagon load on this line is 120 maunds, and if there is likelihood of a further load for the same destination being obtained within 48 hours, goods are detained. All consignments of less than 120 maunds are sent in tranship trains. The minimum weight of a load has been decided upon after experience and consideration. Twenty years ago it was 27 maunds. If the only end to be achieved were a high wagon load the minimum weight would be increased, but as has been pointed out, the ultimate end is to move the highest practicable number of freight ton miles per engine hour, and it is believed that if the minimum were more than 120 maunds, much strain would be put on the staff of the tranship trains and too much delay to trains would result. The effect would be to increase the load per wagon but to reduce the speed of transit with, it is believed, the net result of reducing the freight ton miles moved per engine hour.

20. The results of saving in wagon power have been expressed in terms of money because this is the most convenient form, but it must be remembered that it has been generally assumed in so doing that wagons are in constant demand. This is not so in reality, and the estimated savings in money must be regarded as merely approximations.

21. The criticism has been made that as loading at Wadi Bandar is usually against the direction of the flow of traffic it matters little whether wagons are well loaded or not as they have to move whether loaded or empty. Even though wagons are moving against the flow of traffic it is of the greatest importance to concentrate loads because of:—

- (a) the greater supply of empty wagons for direct despatch to stations where needed;
- (b) the reduced wagon user;
- (c) the reduction in shunting, and
- (d) the reduction in length of loading and unloading platforms.

Further the balance of traffic is sometimes in the down direction and it is only possible to get the best loading by consistent uninterrupted effort. During the busy season in Wadi Bandar from December to June the traffic in the up direction exceeds that in the down direction roughly in the proportion of 3 to 2. In the slack months the balance changes and empties have to be worked into Wadi Bandar to supplement the inward released wagons available for outward loading. This has occurred during the following months since October 1924:—November 1924, July, September and October 1925 and August and September 1926.

The movement
of empties.

22. One of the responsibilities of the commercial department is to supervise the supply of empties throughout the line. To enable this supervision to be exercised stock returns are supplied to that department as well as to the Transportation department and a weekly meeting held to decide upon the action to be taken. The Transportation department being responsible for cost of operation is naturally extremely averse from working empties specially, and did not the subject receive constant attention there

would be danger of stations at the end of branches having an insufficient supply of wagons owing to the inward loaded wagons received being inadequate for the clearance of outward goods. The result would be diversion of traffic to other routes or its missing its market and not travelling at all.

23. The question is whether it is desirable to increase the percentage of goods bogie vehicles on our line. Bogie wagons.

24. It is recognised that, compared with two four-wheelers, a bogie vehicle :—

- (a) can be designed which has no larger proportion of tare to gross weight ;
- (b) costs less to build if manufactured in large numbers ;
- (c) costs less to repair and maintain ;
- (d) in similar circumstances costs less to haul ;
- (e) occupies less siding accommodation, and
- (f) gives a shorter train length for equivalent capacity.

25. The main point to be settled is whether by increasing our percentage of high capacity stock we shall increase our net revenue or not. Fifteen per cent. of the capacity of our present goods stock is provided by bogie wagons, our proportion of high capacity stock being much greater than that of any other Indian railway. There is no doubt whatever that up to now and at the present time the introduction of the high capacity wagons has reduced and is reducing our net revenue.

26. The principal disadvantages in our existing bogie wagons are that (a) at present one is more expensive to build than two four wheelers ; (b) their capacity is less ; (c) their ratio of tare to load no better ; (d) their ratio of empty to loaded mileage greater ; (e) they are non-poolable ; (f) more difficult to handle at stations and in marshalling and sorting yards, and (g) generally in unsuitable to traffic conditions in this country.

27. Bogie wagons are non-poolable stock. The consequence is that they inevitably incur more light mileage than four-wheeler stock. Further they can only obtain loads at particular stations and have frequently to be worked at considerable cost against the movement of empties. They are more difficult to handle at small stations where hand-shunting has to be employed and in gravity yards, and when one is marked " sick " the equivalent of two four-wheeled wagons is put out of use. But their chief difficulty is their unsuitable size which renders it impossible to obtain for them as high a rate of load to tare as we can get for four-wheelers.

28. It has been represented that if low rates were quoted for consignments for bogie wagons the difficulty about loads could be overcome. In the busy season we can find loads for our bogies without reducing the rates charged for them. In the slack season we can carry the goods in our four-wheeler wagons. It follows that if we made a reduction in rates we should do so without any return in the busy season, and in the slack season in exchange for the lower operating cost (whatever that might be) of hauling a certain number of bogies instead of a certain number of four-wheelers. No one can give us any figure of real worth to show what the saving in operating cost would be and until we get a reliable figure we cannot say what reduction (if any) we could make with advantage to obtain consignments in bogie loads. We do not believe that the operating saving would approach the loss in revenue.

29. It may be argued that though in present circumstances high capacity wagons are not suitable, if they were universally adopted in India or their number greatly increased and they were received freely in interchange they would prove profitable and this point requires examination. The principal argument for their extended use is the great reduction in operating expenses which has followed their adoption in America. The average size of consignments, the climate, the gauge in that continent are very different from those which obtain here. In America there are great forwarding companies which take over goods from the public, collect them into car loads, and hand them over to the railways. Their organisation has been built up over many years and has reached a high pitch of excellence and it is largely due to them that the average load carried on American railways is so large, and that consequently the adoption of high capacity cars has been possible. There are no corresponding agencies in India and it would be exceedingly difficult, if not impossible, to organise them. The Pennsylvania, a typical American railway, according to its annual report for 1923, had 255,164 wagons, their average capacity being 41 tons, their average load 33.5 tons, the percentage of load to capacity, 81.70. In 1925 our wagons totalled 19,681, our average load was 13.4 tons, average capacity of our goods stock, 19.4 tons; our percentage of load to capacity 69.07. It is through their extraordinary good loading that the American railways obtain their excellent operating results; to increase our capacity without greatly increasing our loading is to court disaster.

30. Before it can be decided that an increase in bogie stock is desirable it is essential that tests be made by a dynamometer car under the charge of a properly qualified person to ascertain the economic advantage of bogie wagons over four-wheelers when worked in trains by themselves and with four-wheelers. When this has been arrived at it should be ascertained what is the average weight of a consignment tendered for despatch, (the average load in a wagon is already known) and the opinions of railways are as to whether it is feasible to increase it and the wagon load and if so to what extent.

Reasonable
facilities.

31. A railway provides public service in the same way as, for example, the Postal Department. That is to say, it is not subject to competition as is an ordinary commercial organisation and cannot regard its operations purely from the commercial point of view. The Postal Department has to provide post and telegraph offices in places where no profit can be hoped for, the cost of working the offices being inevitably greater than any revenue the department can expect to receive, but these facilities are supplied because the public reasonably demands them. Similarly a railway has, in certain circumstances, to provide passenger and goods facilities for which it cannot recoup itself. It is peculiarly the duty of the Commercial department to keep watch to see that the reasonable demands of the public are met.

CHAPTER VII.

Undue Preference.

So far as not varied by statute, common law applies. Having regard to the circumstances attending the introduction into India of the railway system there, the common law applicable is the common law of England, there being none indigenous to India on this point.

2. At common law, the price charged by a carrier for the conveyance of goods must be no more than a reasonable remuneration (Harris 3 Taunton, p. 264). But this does not mean he is bound to charge all persons equally; apart from the statutory law where applicable, he is not so bound (Bazendale 4 C.B. (N.S.), p. 63, Branley 12 C.B. (N.S.) 63).

3. A railway company is the creature of statute. But the statutes governing railway companies are not exhaustive of their rights and obligations which are affected by common law so far as applicable.

4. In India, railway companies may or may not be common carriers according to circumstances. They are not common carriers as regards passengers. Nor are they common carriers as regards goods which they do not profess to carry, or carry only under a special contract contracting them out of the liability of a common carrier. The G. I. P. Railway being owned by Government cannot be taken to be common carriers.

5. The responsibility of a Railway Administration, *as carriers*, for the loss, destruction or deterioration of animals or goods delivered to the Administration to be carried by railway shall be that of a bailee under section 72 of the Indian Railways Act IX of 1890 and the relevant sections of the Indian Contract Act of 1872.

6. Under the Indian Railways Act IX of 1890, every Railway Administration is bound to afford all reasonable facilities for traffic upon the railways belonging to or worked by it (sec. 42 (1). Sub-sections (3) and (4) indicate the nature of these facilities.)

7. Up to this point, the only restriction upon the quantum of charge leviable by a railway for the carriage of goods is that it must be reasonable. But as the Indian Railways Act goes on, it goes further and more narrowly restricts the right to charge. Section 42 (2) provides that "A Railway Administration shall not make or give any undue or unreasonable preference or advantage to or in favour of any particular person or Railway Administration or any particular description of traffic in any respect whatsoever, or subject any particular person or Railway Administration or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever." This provision is in similar terms to that contained in section 2 of the English Railway and Canal Traffic Act of 1854. Consequently, the English decisions thereunder are, generally speaking, applicable to the construction of this section of the Indian Act.

8. Turning now to these decisions, the question arises what is an undue preference? The Indian Railways Act does not define undue preference. This is not surprising, because, as the English decisions show, an undue preference is not so much a question of law as a question of fact dependent upon the circumstances of each particular case (*Pickering Phipps vs. The*

London and North-Western Railway Co., 8 R & C. T. cases, pp. 83 and 95). Having regard to the elasticity of the principle above enunciated whereby the question is dependent upon the facts of each particular case, it is natural to find that where there is in fact a preference, it does not follow that it is an undue preference (Pickering Phipps, *Supra*).

9. Moreover, there is no limit to the relevant considerations which the Railway Commissioners may take into consideration in deciding a case of alleged undue preference although any, one of them standing by itself may be of the smallest weight (*Fairweather vs. The Corporation of York* 11 R & C. T. cases, p. 211). The scope of relevant considerations is wide. Under sec. 42 (4) (g) of the Indian Railways Act, the Commissioners in apportioning the through rate shall take into consideration *all* the circumstances of the case and under sec. 43 (2) in deciding whether a lower charge does or does not amount to an undue preference, the Commissioners may, so far as they think reasonable, *in addition to any other considerations affecting the case*, take into consideration whether such lower charge is necessary for the purpose of securing in the interests of the public the traffic in respect of which it is made. The words in italics show the wide scope of the enquiry.

10. In considering whether a preference is or is not an undue preference, it is not the interests of the complainant alone which are to be considered; fair regard must also be had to the interests of the railway company. The obligation to take into account the interests of the public is not intended to preclude and does not in any way affect the railway company's right to fair and reasonable consideration of its interests (*Abram Coal Co. vs. The Great Central Railway Company*, 12 R. & C. T. cases, p. 125). This principle receives some recognition in the Indian Railways Act, *vide* sec. 42 (4) (h), which provides that the Commissioners shall *not in any case* compel any Railway Administration to accept lower mileage rates than the mileage rates which the Administration may for the time being legally be charging for like traffic carried by a like mode of transit on any other line of communication between the same points, being the points of departure and arrival of the through route. Further, under section 43 (1) whenever it is shown that a Railway Administration charges for similar services a lower rate to A than it does to B, the Act does not say this amounts to an undue preference. It merely provides that the burden of proving that the lower charge does not amount to an undue preference shall lie on the Railway Administration. As noted above, the proof at such enquiry in order to be complete must include proof of the interests of the railway company as well as those of the complainant and the general public.

11. There is no unfairness in putting this burden of proof on the railway company, because its duty and responsibility in fixing its rate is to take into due account every determining factor and material circumstance of the case under consideration. The Railway Administration having fixed its rate in the light of these circumstances is therefore presumably fully equipped to prove its reasonableness and also if it is a preference, that the preference is not an undue preference.

12. It will be readily appreciated that since no definition of an undue preference is in the nature of things obtainable and no hard and fast line can be drawn between preferences admissible and preferences inadmissible, all that can be done is to give some illustrations showing how particular cases have been decided. Such illustrations follow:—

In *Liverpool Corn Traders Association*, 8 R. & C. T. cases, p. 114, a lower rate was charged for the carriage of corn flour, etc., from the Severn Ports to Birmingham than was usually charged from Birkenhead to Birmingham

although the mileage was (with one exception) greater from the Severn Ports to Birmingham than from Birkenhead to Birmingham. The Railway Commissioners (Sir Frederick Peel dissenting) held that the preference was justified. The ground of decision was that it was proved the Liverpool and Birkenhead traders were able, notwithstanding the difference of rates, to compete effectively in the Midland markets with the traders who used the Severn Ports; that the Liverpool and Birkenhead traders occupied upon the whole, and taking the whole year round, in the Midland markets a position of substantial superiority over their competitors at the Severn Ports; and further that the rates from the Severn Ports to the Midland markets had been fixed with reference to an effective competition maintained by the river and canal routes between the same termini; and that therefore the lower rate from the Severn Ports to Birmingham was not an undue preference. This decision of the Commissioners was subsequently confirmed by the Court of Appeal.

In *Spillers and Bakers, Ltd.*, XII R. & C. T. cases, p. 70, a trader made a complaint of undue preference on the ground that a railway company carried coal for shipment for other persons at a rate lower by about 33 per cent. than it carried similar coal for him over the same parts of their line. There was no evidence that the rates charged to the complainant, which were those charged to all traders in the district, were unreasonable, except in so far as they were more than the shipment rates. The railway company having shown that they could not raise their shipment rates, partly because of agreements by which they were bound, partly because of competition with another railway company, and partly because of the fact that the traffic would not stand increased rates, it was held that the low shipment rates were necessary to secure the traffic in the public interest and that the complaint of undue preference failed.

In the *Port of Manchester Warehouses, Ltd.*, 17 R. & C. T. cases, p. 54, the railway company quoted a low preferential rate for cigarettes brought to Manchester over the Manchester Ship Canal and stored in the Ship Canal Company's Warehouse within the dock area; whereas they charged a higher rate, that is the ordinary Manchester rate, for similar goods which had also travelled over the canal, but had been stored in the applicant's warehouse outside of, but near to, the dock area. The lower rate was based on corresponding rates from Liverpool which were regulated by sea competition. The Commissioners held by a majority that the preference was justified on the grounds (a) that a low rate based on the Liverpool rates was necessary in order to induce the traffic to be consigned over the canal in the public interest and (b) that inasmuch as the traffic using the applicant's warehouse had been taken outside the docks, it should be charged at the Manchester rate, holding that the only practical way in which to distinguish between goods consigned from Manchester Town and Manchester Port respectively was to draw a line between goods on the premises of the Ship Canal Company and those which had passed out of the control of that company. Mr. Justice Lush, in that case, said of the rate in question "It is not capriciously fixed. It is fixed to make the rate accord with the Liverpool rate. It is fixed in order to prevent traffic being diverted to Liverpool, or to attract it by canal to Manchester. It is obviously in the interests of the locality—that is in the interests of the public—to attract traffic there by the canal, which was constructed for the purpose of enabling seaborne traffic to be conveyed direct to Manchester." This was upheld by the Railway Rates Tribunal who held "that the fact of the existence of a low exceptional rate for similar goods, not being in fact an undue preference, is not alone a sufficient ground for ordering the reduction of a rate for the carriage of goods which are in competition with those which have the benefit of the low exceptional rate, but that the existence of such a low exceptional rate is one of the circumstances to be taken into

“consideration when determining whether a particular rate ought to be reduced, and that much will depend upon what is shewn to be the reason for the grant of the exceptional rate, and whether a similar reason exists wholly or in part in respect of the rate sought to be reduced.”

13. The decision in *Lever Bros., Ltd.*, 13 R. & C. T. cases, p. 301, shows that it is not necessarily an undue preference for a railway company to serve one of two traders in the same line of business on more favourable terms than his rival in trade is served by another railway company. This decision was appealed and confirmed. Lord Justice Williams said :—

“I agree with Lawrence J. that it is not an undue preference for a railway company to serve one of two traders in the same line of business on more favourable terms than his rival in trade is served by another railway company and that to say the trader whose goods are carried at the less favourable terms can penalise the company carrying his rival's goods on more favourable terms than the other railway by recovering the value of any difference in treatment would be to make competition amongst railways impossible.”

It is a well settled principle that a railway company may not favour the traffic of one locality more than that of another where the circumstances are alike and there is a competition of interest. As a general rule, in the matter of railway rates, a town or locality is entitled to the benefit of its geographical position in the absence of other considerations operating and relevant (*Browne & Theobald's Law of Railways*, 4th edition, p. 427, Voce “Competitive Districts” and authorities there cited, particularly *Newry* 7 R. & C. T. cases, p. 184). In the *Newry* case the railway company carried goods from several towns to and from Belfast at much lower rates than they did for the merchants of *Newry*, although *Newry* was much nearer these towns than Belfast, and it was held that these lower rates amounted to an undue preference in favour of Belfast as against *Newry*. A higher rate in respect of increased cost of working a portion of the line more expensive to work than other portions is permissible (*Oxlade* 1 R. & C. T. cases, p. 72; *Foreman* 2 R. & C. T. cases, 202).

14. The charging of a lower rate in order to ward off a threat of competition is an illegal preference (*Harris vs. Cockermonth Ry. Co.*, 1 R. & C. T. cases, p. 97). It is however otherwise where there is an effective competition of routes in actual operation (*Browne & Theobald's Law of Railways*, 4th edition, p. 430, Voce “Competition of Routes,” and authorities there cited.) In such cases, the difference of rate must be in reasonable relation to the factor of competition (*Charrington vs. Midland Railway Co.*, 11 R. & C. T. cases, p. 222). In that case, it was decided that the existence of competition by sea is a justification for a reasonable reduction in the rates to and from the points affected by such competition. But where the alternative routes are as much at the command of the complainants as of the traders to whom the alleged preference has been given, no difference of rate is permissible on the ground of competition (*Daldy vs. Midland Railway Co. and others* 10 R. & C. T. cases p. 313).

15. Coming to facts which more particularly affect this Administration :—

- (a) From *Cawnpore* to *Bombay*, there is competition for the export traffic through *Bombay* to *Europe*. This competition is between the *G. I. P. Railway* which carries direct from *Cawnpore* to *Bombay* and the *East Indian Railway* which strives to carry *Cawnpore* traffic *via* *Howrah* (*Calcutta*). By reason of this competition, the rates from *Cawnpore* to *Bombay* are lower

42 and 43 of the Indian Railways Act, the obligation not to grant undue preference or advantage is limited to the actions of each railway company concerned. A railway company carrying goods at a lower rate than another railway company is legitimate competition which is allowable (Browne & Theobald's Law of Railways, 4th edition, p. 430, Voce "Competition," and authorities there cited and Lever's case *supra*). Competition is in the public interest.

16. The two principal cases in which allegations of undue preference have been made against the G. I. P. Railway are (a) Messrs. Birla Bros., Ltd., complaints in 1921 regarding certain rates from Cawnpore to Bombay being lower per maund per mile than rates from Gwalior, Agra and Delhi, and (b) the recent representation from certain Sholapur millowners and merchants dealing in piece-goods that the rates for piece-goods from Sholapur were higher per maund per mile than those from certain other places.

17. We had no difficulty in showing that the differences in rates complained of had been rendered necessary by competition, and in view of recorded decisions in similar cases, we have no doubt that should we be called upon to defend our policy in court, we have every right to anticipate a favourable decision.

18. The main points that are to be noted in this chapter are :—

- (a) that in the Indian Railways Act there is no definition of undue preference ;
- (b) that undue preference is not so much a question of law as a question of fact dependent on the circumstances of each particular case ;
- (c) that in considering whether a preference is or is not an undue preference, it is not the interests of the complainant alone that have to be considered : fair regard must also be had to the interests of the Railway Administration ;
- (d) that where active competition exists a lower mileage rate may properly be charged than where there is no competition ;
- (e) that there can be no undue preference as between railways ;
- (f) that a railway may not favour the traffic of one locality more than that of another where the circumstances are alike, and there is competition of interest ;
- (g) that a higher rate in respect of increased cost of working a portion of the line more expensive to work than other portions is permissible ;
- (h) that for a complaint of undue preference to be sustained, the complainant must prove actual damage ;
- (i) that a railway may carry at a lower rate for a trader who agrees to send large quantities of goods, provided the railway is ready and willing to carry at the same rate for all persons who can send the same quantities ;
- (j) that providing the effect of lower rates is to give a locality a source of supply which would otherwise not be available, or to bring from a distance goods which would otherwise not come into the market at all, they may be, and in the case of food will be, justified ;
- (k) that an unloading shed in railway premises may be rented to a merchant, providing its use is not incidental to the conveyance of goods.

CHAPTER VIII.

The Financial Position.

1. On the 30th June 1900, the contract of the Great Indian Peninsula Railway Company with the Secretary of State terminated, having been entered into for a term of fifty years.

2. The Secretary of State made a new contract with the Great Indian Peninsula Railway Company on 21st December 1900, under which the Railway was leased for a fresh term of 25 years ending on 30th June 1925, and it was agreed that the Company should maintain, manage and work the Great Indian Peninsula system and also the Indian Midland Railway system during this period.

3. It was arranged to replace the capital of the old Company by terminable annuities, payable in equal amounts up to the 17th August 1948, except for £2,575,000, which remained as the capital of the new Company, £1,750,000 (G. I. P.) and £825,000 (I.M.)

4. It was provided that the Company should from time to time, if, and when required to do so, by the Secretary of State increase its new capital by the creation of such value as the Secretary of State might from time to time prescribe.

5. *Interest on capital.*—The share capital of the Company, viz., £2,575,000 bore interest at the rate of 3 per cent. per annum, which was agreed to be paid to the shareholders half yearly out of the revenues of India by the Secretary of State.

6. *Surplus profits.*—It was agreed that after meeting all working expenses including interest charges, the surplus profits, if any, would be divided between the Government and the Company in the proportion of 19/20th to the former and 1/20th to the latter and that should the Company, with the sanction of the Secretary of State, increase its new capital and issue further shares of stock as fully paid up, the Company's share in such surplus would thenceforth be increased by an additional fractional share bearing the same proportion to the original fractional share of 1/20th as the additional capital of the Company would bear to the authorised capital of £2,575,000, provided always that the total fractional share of the Company in such surplus would in no event exceed a one-tenth share.

7. The net earnings of the G. I. P. Railway undertaking for the year ending 31st March 1925, which amounted to Rs. 6,27,69,847, were applied in the following manner :—

(i) In payment to the Secretary of State for India of a contract amount representing annuity which was determined under the G. I. P. Railway Purchase Act of 1900, whereby the line was purchased for a sum of £40,781,568 payable up to 17th August 1948, in the form of a terminable annuity of £1,268,516	Rs. . . 2,00,00,000
(ii) Interest charges at 3½ per cent. per annum on capital overdrawn or provided by the Secretary of State up to 31st March 1915, amounting to Rs. 13,12,70,595.	49,22,648
Carried forward Rs. ..	<u>2,49,22,648</u>

	Rs.
Brought forward	2,49,22,618
(iii) Interest charges at 4½ per cent. per annum on capital overdrawn or provided by the Secretary of State from 1st April 1915 to 31st March 1918, amounting to Rs. 3,97,82,830, <i>vide</i> Secretary of State's letter No. P. W. 216 of 18th February 1915	16,90,770
(iv) Interest at 5½ per cent. per annum on capital overdrawn or provided by the Secretary of State from 1st April 1918 to 31st March 1920, amounting to Rs. 2,34,69,974, <i>vide</i> telegram from Railway Board No. 3 A dated 19th February 1918 ..	12,90,848
(v) Interest at 6½ per cent. per annum on capital overdrawn or provided by the Secretary of State from 1st April 1920 to 30th June 1922, amounting to Rs. 6,48,63,348, <i>vide</i> Railway Board's Express letter No. 170 F. 20 dated 1st May 1920	42,16,116
(vi) Interest at 6 per cent. per annum on capital overdrawn or provided by the Secretary of State from 1st July 1922 to 31st October 1922, amounting to Rs. 31,66,540, <i>vide</i> Railway Board's Express letter No. 170 F. 20 of 15th July 1922	1,89,992
(vii) Interest at 5½ per cent. per annum on capital overdrawn or provided by the Secretary of State from 1st November 1922, until further notice, <i>vide</i> Board's letter No. 57 dated London, 7th December 1922, and Railway Board's No. 170 F. 20 of 2nd January 1923 (overdrawn to the end of March 1925, Rs. 3,86,40,778)	18,77,232
(viii) Interest at 3½ per cent. on £1,500,000 Debenture stock in existence before 30th June 1900 ..	
G. I. P. £ 1,350,000	
I. M. R. £ 150,000	
Total £ 1,500,000	6,68,422*
(ix) Interest at 3½ per cent. per annum on £1,000,000 advanced by the Secretary of State under East Indian Loans Account, 1905, to meet requirements on capital account :—	
G. I. P. £ 850,000	
I. M. R., £ 150,000	
Total £ 1,000,000	4,45,615*
(x) Interest at 3½ per cent. per annum on £1,000,000 Debenture stock raised on 16th July 1908, by the G. I. P. Railway Company as sanctioned by the Secretary of State,	4,79,893*
(xi) Interest at 3½ per cent. per annum on £2,500,000 Debenture stock raised on 16th July 1910, by the G. I. P. Railway Company as sanctioned by the Secretary of State	11,99,733*
Total Rs. ..	<u>3,69,81,269</u>

* *Note.*—Sterling interest charges were converted into Indian currency at the average rate of exchange, *viz.*, 17 ¼ d. and 17 ½ d. per rupee for the two half years of 1924-25.

8. The surplus after meeting the charges was divided between the Government and the Company in the proportion of 19/20th to the former and 1/20th to the latter.

9. The total net earnings of the G. I. P. Railway system for the year ending 31st March 1925 were Rs. 6,27,69,847, which, deducting the earnings of the Native State and other worked lines, viz., Rs. 47,00,809, is equal to Rs. 5,80,69,038. The interest charges were Rs. 3,69,81,269, as shown above and the balance of the net earnings make up the surplus profits Rs. 2,10,87,769.

10. On the 30th June 1925, the new contract terminated and from the following day the interest charges are as follows :—

(i) Interest on debt (G. I. P. section) £965,182 6s 8d at Rs. 10 to the £	Rs. 96,51,823
(ii) Interest on debt (I. M. section) £18,364 18s 0d at Rs. 10 to the £	1,83,649
(iii) Interest chargeable against companies on advances (G. I. P. Railway) £40,625 at Rs. 10 to the £ ..	4,06,250
(iv) Interest on capital deposited by companies (G. I. P. Railway) £38,625 at Rs. 10 to the £	3,86,250
(v) Interest on capital outlay charged to Head 53 "Construction of State Railways" (G. I. P. and I. M.) in the Finance account	1,83,72,116
Adjustment of the exchange charges in connexion with Transactions in England for the financial year 1925-26 :—	
(a) Interest on debt (G. I. P. Ry.) item (1) above	31,33,108
(b) Interest on debt (I. M. Ry.) item (2) above.	60,382
(c) Interest chargeable against companies on advances (G. I. P. Ry.) item (3) above..	1,32,610
(d) Interest on capital contributed by companies (G. I. P. Ry.) item (4) above ..	1,27,857
Total interest charges Rs. ..	3,24,54,045

11. The capital at charge of the G. I. P. Railway system was Rs. 1,09,75,42,345 and the interest charges for the year 1925-26 amount to Rs. 3,24,54,045, plus interest on the capital outlay on Native State and other worked lines (capital included in the above) amounting to Rs. 13,48,911, the total interest charges being Rs. 3,38,02,956. This being deducted from the net earnings Rs. 4,21,82,779 leaves the net profit on the G. I. P. Railway undertaking, Rs. 83,79,823. The Government of India desire State Railways to produce one per cent. of profit on the capital at charge. In calculating the capital at charge at end of 1925-26, it must be remembered that the Jubbulpore-Naini line, the capital outlay upon which was Rs. 3,96,10,000 was handed over to the G. I. P. Railway only on 1st October 1925; so that to arrive at the percentage of earnings, so far as this capital is concerned, only half should be taken into account. The total amount of profit to be realised accordingly is 1 per cent. upon Rs. 1,05,79,32,345 (which is the capital outlay upon the G. I. P. Railway less the Jubbulpore-Naini line) Rs. 1,05,79,323, plus 1 per cent. on Rs. 1,98,95,000 (which is half the capital outlay on the Jubbulpore-Naini line) Rs. 1,98,050, total Rs. 1,07,77,373. The net profits, therefore, fall short of the required amount by Rs. 23,97,550 (Rs. 1,07,77,373 minus Rs. 83,79,823). It must, however, be taken into account that depreciation has been charged to the revenue account from 1st April 1925, for the first time (no such charge having been made before) and amounts to Rs. 1,45,96,000.

12. The statement given below shows the interest earned on capital at charge, year by year, from 1913-14. The average interest earned over the 13 years is 5·04 per cent.

**Financial results of the working of the G. I. P. Railway Undertaking
including Native State and other worked lines.**

Year.	Mileage open at end of each year.	Total Capital at charge including suspense, to end of each year, i.e., on (i) lines open, and (ii) lines partly or wholly under construction.	Gross earnings.	Net earnings.	Percentage of net earnings on total capital outlay.
		Rs.	Rs.	Rs.	
1913-14 ..	2,965·70	64,11,14,613	9,15,95,184	3,65,04,396	5·69
1914-15] ..	2,981·31	67,21,56,567	8,31,35,794	3,09,80,618	4·61
1915-16 ..	3,111·73	70,61,70,052	9,70,15,146	4,17,02,547	5·90
1916-17 ..	3,108·92	71,22,19,714	10,46,48,363	4,84,13,562	6·80
1917-18 ..	3,112·58	72,03,68,395	11,35,11,468	5,29,99,389	7·35
1918-19 ..	3,121·29	72,73,16,271	12,83,33,079	5,47,78,945	7·53
1919-20 ..	3,121·07	74,41,67,728	13,62,93,064	5,10,40,994	6·86
1920-21 ..	3,121·07	* 92,54,25,910	13,83,04,893	3,18,80,321	3·44
1921-22 ..	3,121·41	* 95,76,85,590	13,73,61,991	1,16,90,807	1·22
1922-23 ..	3,164·23	* 97,08,29,779	15,04,90,036	3,78,13,200	3·89
1923-24 ..	3,175·50	* 1,02,70,71,916	14,84,41,758	4,89,83,571	4·77
1924-25 ..	3,232·30	* 1,03,60,26,171	15,69,27,914	6,27,69,847	6·06
1925-26 ..	3,456·75	† 1,09,75,42,345	15,14,71,611	4,21,82,779	3·84

The average yearly interest paid for the whole period 1913-14 to 1925-26 is 5·04 per cent.

* Includes premia paid by Government in the purchase of the line.

† Including capital cost of the Jubbulpore-Naini section.

13. The two diagrams at the beginning of this report show the G. I. P. revenue for 1913-14 and 1925-26, respectively and how it was spent. The year 1913-14 has been selected as it was immediately before the Great War occurred and upset everything, and sufficiently long ago to enable a comparison to be made between periods a considerable distance apart.

14. The gross earnings and working expenses during 1913-14, with certain details, were as follows :—

	Rs.
<i>Total earnings</i>	9,15,95,184
(i) Goods and mineral (other than coal and live stock)	5,86,27,126
(ii) Coal, coke and patent fuel	45,35,006
(iii) Live stock	3,39,736

(iv)	Passengers 1st class	..	..	..	11,80,928	
	2nd "	..	..	..	12,90,718	
	Inter.,	..	..	..	3,61,428	
	3rd mail	..	..	..	16,83,776	
	3rd ordinary	..	..	..	1,72,41,134	
	Season	..	..	..	3,55,259	
	Troops	..	..	..	4,91,721	2,26,04,964
(v)	Parcels, mails etc.	..	..	..	..	44,89,463
(vi)	Miscellaneous	..	..	..	..	9,98,889
Total expenses						5,50,90,788
Abstract A.	Maintenance of structural works	..	..	..	..	1,36,40,813
B.	Maintenance and supply of locomotive power	..	..	..	..	2,19,29,351
C.	Maintenance and supply of carriage and wagon stock	..	..	..	..	42,63,493
D.	Traffic	..	..	..	..	78,78,861
E.	General	..	..	..	..	32,49,772
G.	Miscellaneous	..	..	..	..	41,28,498
Capital at charge	..	..	..	..	..	64,11,14,613
Interest on capital	..	..	..	..	..	3,49,72,020
Net profit	..	..	..	..	..	15,32,376

15. The gross earnings and working expenses during 1925-26, with certain details, are given below :—

						Rs.
Total earnings	..	..	..	..	..	15,14,71,611
(i)	Goods and minerals (other than coal and live stock)	..	..	..	..	8,23,71,253
(ii)	Coal, coke and patent fuel	..	..	..	..	98,50,761
(iii)	Live stock	..	..	..	..	4,06,651
(iv)	Passengers, 1st class	..	..	..	24,32,307	
	2nd "	..	..	..	27,11,361	
	Inter.,	..	..	..	7,62,630	
	3rd mail	..	..	..	51,81,181	
	3rd ordinary	..	..	..	3,17,00,441	
	Season	..	..	..	10,76,117	
	Troops	..	..	..	9,67,695	4,48,31,732
(v)	Parcels, mails, etc.	..	..	..	..	1,01,61,544
(vi)	Miscellaneous	..	..	..	..	38,49,670
Total expenses						10,92,88,832
Abstract A.	Maintenance of structural works	..	..	..	..	1,95,93,647
B.	Maintenance and supply of locomotive power	..	..	..	..	4,55,82,546
C.	Maintenance and supply of carriage and wagon stock	..	..	..	..	1,51,71,410
C (a).	Electric service	..	..	..	..	8,45,071
E.	Traffic	..	..	..	..	1,56,66,143
F.	General	..	..	..	..	61,22,779
G.	Miscellaneous	..	..	..	..	63,07,236
Capital at charge	..	..	..	..	..	*1,09,75,42,345
Interest on capital	..	..	..	..	..	3,38,02,956
Net profit	..	..	..	..	..	83,79,823

16. The revenue on goods and minerals has increased 40 per cent ; on coal, 117 ; on passengers, 98 ; on parcels, mails, etc., 126 ; and the increase in total earnings is 65 per cent.

* Including capital cost of the Jubbulpore-Naini Section.

CHAPTER IX.

A statement of policy in goods and coaching rating, showing its suitability for encouraging both local and through traffic with illustrations drawn from rates in operation.

The Great Indian Peninsula Railway became a State Railway on 1st July 1925, and from that date the basic principle underlying its policy in rating is to adjust its charges to produce 1 per cent. of profit on the capital at charge.

2. It will be convenient to divide this chapter into the following sections:—

1. The method of fixing rates ;
2. (i) Rates quoted for certain principal commodities excepting coal ;
(ii) Rates quoted for coal ;
3. Rates quoted to develop indigenous industries and agriculture ;
4. Competitive rates ;
5. Seasonal rates ;
6. Siding charges ;
7. Feeder lines ;
8. New construction ;
9. Publicity ;
10. Other methods for increasing traffic ;
11. Methods for decreasing cost of operation ;
12. Coaching fares and charges & miscellaneous ;
13. Conclusion.

SECTION I.

The method of fixing rates.

The task before an officer responsible for quoting rates is to quote only such as are reasonable in all the circumstances. The "Concise Oxford Dictionary" gives the following definitions of "reasonable":—"sensible, moderate, not absurd, not greatly less or more than might be expected, "not extortionate, tolerable, fair". The word "reasonable" is not a fixed, unalterable mathematical term ; on the contrary, it is indefinite and uncertain. If a rates officer is asked how he arrives at a particular rate he can only reply that he does so by the help of experience and in the light of general principles. It is impossible to apply any formula or lay down rigid rules in arriving at a particular rate ; each must be considered on its own merits, the attendant circumstances being taken into account. Unless a rate is much too high or much too low, it is not possible to determine "whether it is reasonable in itself", for the reasonableness of a rate is conditioned by the other rates and charges made by the Administration.

2. The following extract from a judgment of Lord Justice Bowen in *Mogul Steamship Company v. McGregor, Gow & Co.* is apposite:—

"We were told that competition ceases to be the lawful exercise of trade, and so to be a lawful excuse for what will harm another,

than the rates to Bombay from some places between Bombay and Cawnpore where the competition for the export traffic does not apply. The difference of rate in favour of Cawnpore is not an undue preference so far as that rate is justified by competition. *Spillers case supra*. How far the difference in rate is so justified is a question of fact. In the case of the Lancashire Patent Fuel Co. (12 R. & C. T. cases, p. 77), it was held that coal carried for shipment at a lower rate than coal carried for a trader locally was not an undue preference and was not traffic in competitive articles; so that the complainant had no *locus standi*. There must be competition so that the complainant is injured by a preference to his competitor to enable the former to succeed.

- (b) A company may carry at a lower rate for a trader who agrees to send large quantities of goods or send them in a manner which lessens the cost of their conveyance to the company provided the company is ready and willing to carry at the same rate for all persons who can offer the same advantages (Browne & Theobald's Law of Railways, 4th edition, p. 428, Voce "Cost in relation to Quantity," and authorities there cited).
- (c) Again the fact that the effect of lower rates is to give a locality a source of supply which would otherwise not be available or to bring from a distance goods which would otherwise not come into the market at all may, and in the case of food will, justify a preference in charges and treatment (Liverpool Corn Traders' Association, 8 R. & C. T. cases, 114; Pickering Phipps, 8 R. & C. T. cases page 83).
- (d) A company is justified in carrying at a lower rate in consideration of a guarantee of large quantities of traffic or full train loads sent at regular intervals (Nicholson 5 C. B. (N. S.) 366; Ransome 8 C. B. (N. S.), p. 709 (*cf.* 10 R. & C. T. cases, 303) provided that offer of such lower rate is made public and is open to all traders (Anderson Company, 14 R. & C. T. cases, 136); and circumstances which make it better worth the while of the railway to carry the goods of one trader rather than those of another may be taken into consideration (Hickleton, 12 R. & C. T. cases, 63).
- (e) Occasionally a trader is allowed to occupy an unloading shed in railway premises at an agreed rent when the shed is not required for railway use. The principle determining whether such rent can be charged at all is whether the privilege for which it is charged is or is not incidental to the conveyance of goods. If it is, no charge can be made. If it is not, a reasonable charge can be made (Aberdeen Commercial Company, 3 R. & C. T. cases, 205; Chatterley, 3 R. & C. T. cases, 238). Probably, the renting of the warehouse would be held to be justified and not to be an undue preference as not being either incidental to the carriage of goods or in the nature of a privilege capable of being thrown open to every trader equally (London and N. W. Railway Co., 14 R. & C. T. cases, p. 165).
- (f) As to whether on a comparison of different rates charged by two different railway companies for similar goods over similar distances, the lower rate can be held to be an undue preference over the higher, the answer is in the negative. Under sections

“ if carried to a length which is not fair or reasonable. The offering of
 “ reduced rates by the defendants in the present case is said to have
 “ been ‘ unfair ’. This seems to assume that, apart from fraud, intimi-
 “ dation, molestation, or obstruction, or some personal right *in rem* or
 “ *in personam*, there is some natural standard of ‘ fairness ’ or ‘ reasonable-
 “ ness ’ (to be determined by the internal consciousness of judges and
 “ juries) beyond which competition ought not in law to go. There
 “ seems to be no authority, and I think, with submission, that there is no
 “ sufficient reason for such a proposition. It would impose a novel
 “ fetter upon trade. The defendants, we are told by the plaintiffs’
 “ counsel, might lawfully lower rates provided they did not lower them
 “ beyond a ‘ fair freight ’, whatever that may mean. But where is it
 “ established that there is any such restrictions upon commerce ? And
 “ what is to be the definition of a ‘ fair freight ’ ? It is said that it ought
 “ to be a normal rate of freight, such as is reasonably remunerative to the
 “ shipowner. But over what period of time is the average of this reason-
 “ able remunerativeness to be calculated ? All commercial men with
 “ capital are acquainted with the ordinary expedient of showing one
 “ year a crop of apparently unfruitful prices, in order by driving com-
 “ petition away to reap a fuller harvest of profit in the future ; and until
 “ the present argument at the bar it may be doubted whether shipowners
 “ or merchants were ever deemed to be bound by law to conform to
 “ some imaginary ‘ normal ’ standard of freights or prices, or that Law
 “ Courts had a right to say to them in respect of their competitive
 “ tariffs, ‘ Thus far shalt thou go and no ‘ further ’. To attempt to limit
 “ English competition in this way would probably be as hopeless an
 “ endeavour as the experiment of King Canute ”.

3. Lord Bowen deals with competitive ship freights, but certain of his remarks are applicable to the point under discussion. He refers to the assumption that apart from fraud, and some other considerations mentioned, there is some natural standard of reasonableness beyond which competition ought not in law to go, and dismisses it as unwarranted. It is surely equally wrong to assume “ some natural standard of reasonableness ” in rates not affected by competition. He also points out the difficulty of defining “ fair freight ”, and asks “ over what period of time is the average of its remunerativeness to be calculated ”.

4. The following is a useful working definition of a reasonable rate :—
 “ the proper rate for any commodity, between any points, is that, which taken
 “ in conjunction with all other charges made, results in a fair return, over a
 “ term of years, on the capital expended ”. I do not think any important
 consideration is omitted. The rate must obviously be not more than the
 traffic can bear, for if it is greater than the value of the service to the trader
 no traffic will pass. Efficiency of working is taken into account, for if a
 railway is not efficiently worked the fair return on its capital will
 assuredly be less than had its affairs been competently conducted. In the
 Transportation Act, 28th February 1920, of the United States of America is
 included the following rule for rate-making :—“ In the exercise of its power to
 “ prescribe just and reasonable rates the commission shall initiate, modify,
 “ establish or adjust such rates so that carriers as a whole (or as a whole in
 “ each of such rate groups or territories as the commission may from time to
 “ time designate) will under honest, efficient and economical management and
 “ reasonable expenditures for maintenance of way, structures and equipment,
 “ earn an aggregate annual net railway operating income, equal as nearly
 “ as may be to a fair return upon the aggregate value of the railway property
 “ of such carriers held for and used in the service of transportation ”.

5. The following are some of the factors, certain of which must be and others may have to be, taken into account when fixing a rate:—

1. Maximum and minimum charges sanctioned by Government ;
2. Cost of service :—
 - (a) Whether traffic is "additional" or not ;
 - (b) Whether in train-loads, wagon-loads, or small quantities ;
 - (c) Relation of bulk of goods to weight ;
 - (d) Whether goods are travelling in direction of flow of traffic or not ;
 - (e) Packing ;
 - (f) Special facilities required, *e.g.*, quick transit ;
 - (g) Risk attendant on transportation ;
3. Increase in value which transportation gives, that is to say, value of service to trader—what the traffic can bear ;
4. Undue preference ;
5. Competition with other railways, roads, seas, and rivers ;
6. Value of goods ;
7. Rates charged in similar circumstances ;
8. Rates charged over other parts of the line ;
9. Whether a reduced rate by increasing traffic will result in more net revenue ;
10. Indirect advantage of quoting low rates for commodities such as coal ;
11. The advantage of enabling local industries to compete with imported articles ;
12. The desirability of "keeping every one in business."

6. The questions 2 (a) whether the traffic is "additional" and (b) whether it is travelling in the direction of the flow of traffic do not arise if the goods concerned can bear a normal rate. "Additional" traffic is carried at about one third the cost of ordinary traffic. It is impossible to say how much less the cost of carrying traffic against the flow is than the cost of carrying it with the flow. The quantity of traffic is one of the most important factors to be considered. It is impossible to fix accurately the difference in costs of moving different amounts, but the greater the amount the smaller the cost per unit. The accommodation required is affected by the relation of the bulk of goods to their weight. Packing has a bearing both on the amount of space required and on the risk attendant on transportation. Special quick transit obviously adds to cost. For most commodities the risk attendant on transportation is small. In the year ending 31st March 1926 our gross goods revenue was Rs. 9,26,28,665, and the amount of claims paid on account of goods Rs. 3,28,325, the latter sum being .35 per cent. of the former. It is impossible to fix accurately the increase in value which transportation gives, even apart from the fact that it is continually changing. In India, it is highly probable that the value of the service to the trader is generally underestimated. The policy in rating is often not so much to quote rates which the traffic can bear as to refrain from quoting those which the traffic cannot bear. The danger of giving undue preference has constantly to be guarded against and the task is made more difficult by its being impracticable to define it. The question is dealt with in chapter VII. Fixing rates affected by competition is more easy

than fixing others, for where competition is concerned there is more definite data on which to decide. The value of goods is one of the most important considerations in fixing a rate, for the service to the trader by the transportation of highly priced goods is much greater than that afforded by the conveyance of those of low price. There is great range in quoting rates for costly commodities. Rates charged in similar circumstances and those operating over other parts of the line are useful aids in fixing rates for commodities carried under similar conditions. Whenever a new rate is being considered, the question of whether net revenue will be increased by its quotation arises, though this is not always the immediately determining factor. It is frequently desirable to reduce present profits in order that more may be made in the future. The carriage of coal at low rates stimulates the production of manufactured articles, which are carried at relatively high rates, and may keep collieries in being, with attendant passenger traffic and goods traffic arising from demands for commodities for the use of the workers and their dependents. It is necessary to take proper measures to assist indigenous industries. Provided they are not uneconomically supported, this policy is good both for the railway and for the public, the interests of one being those of the other. It is to the advantage of a railway "to keep every one in business" if no economic law is broken thereby. It is clearly better to get some slight gain by quoting low rates than to get none at all through omitting to quote them.

Additional
traffic.

7. It is necessary to explain what is meant by "additional" traffic in the preceding paragraph. Additional traffic is that which can be carried at the "dependent" cost without loss. In Notes on G. I. P. Railway Statistics, January 1926, the dependent cost is defined to be "that part of expenditure that is dependent on a moderate variation in the number of train or ton-miles. The word 'moderate' is introduced to prevent 'dependent' cost being stretched to cover cases where the variation is large enough to enforce a change in railway policy, for if the volume of traffic increased so largely as to cause an alteration in policy, many more items of expenditure might be affected than are affected by a moderate increase; there is no practical difficulty in this limitation of meaning, indeed the limited meaning is the only one required for every-day use, in order to answer the question—what will it cost to run an additional particular train now?" The expression "a change in railway policy" might be altered with advantage into "an increase in railway facilities," such as the provision of more locomotives or the doubling of tracks. It is clear that unless a railway is working up to its full capacity in every respect, increases in traffic can be dealt with at a lower operating ratio than can the traffic already being moved. If the volume is so small as not to cause the provision of any additional facilities, the increases can be carried at about one third of the cost of traffic already in existence as stated in para. 6. Even when it is necessary to provide certain increased facilities, the operating ratio will be less than the existing ratio. What the ratio will be is dependent on many factors, the most important of which is the volume of the traffic. On this railway we have estimated that over a term of years the operating ratio of increased traffic will be about two-thirds of the present operating ratio.

Cost of
service.

8. One of the most important considerations to be borne in mind in rating is the cost of service, which is referred to in para. 6. In 1925-26 the cost of hauling a goods vehicle one mile was 40.5 pies and the cost of hauling a goods unit (one ton) one mile was 4.73 pies. These figures were obtained by dividing the total expenses for goods traffic by the total vehicle miles and by the total freight ton miles, respectively. By this method all factors are, of course, taken into account. The figures have the disadvantage of

being averages, and of the total working expenses of both coaching and goods traffic having been divided between coaching and goods according to the ratio existing between the gross ton mileage of all coaching trains and the gross ton mileage of all goods trains. It is impossible to divide these expenses accurately, and possibly the method adopted is as good as can be contrived, but many people think that a better way is to divide according to the ratio of coal consumed on coaching and goods services. The figures are useful as general guides. Those applying to this line for the last ten years are given below.

Year ending 31st March.	Cost of hauling a goods vehicle one mile.	Cost of hauling a goods unit (one ton) one mile.
	Pies.	Pies.
1st half year 1917	17.71	2.32
2nd ,, 1917	19.62	2.20
1st ,, 1918	19.67	2.50
2nd ,, 1918	22.09	2.54
1st ,, 1919	25.91	2.64
2nd ,, 1919	29.57	3.04
1st ,, 1920	33.91	3.33
2nd ,, 1920	32.31	3.59
Year 31st March 1921.. .. .	42.76	4.26
,, 1922.. .. .	56.87	5.48
,, 1923.. .. .	48.18	5.01
,, 1924.. .. .	43.09	4.57
,, 1925.. .. .	35.54	3.87
,, 1926.. .. .	40.50*	4.73

The principal causes of the great differences are the War, and the varying amounts spent in revenue maintenance year by year.

SECTION II (i)

Rates quoted for principal commodities except coal.

In this section are given the rates quoted for certain of the principal commodities carried on this railway, with particulars of tonnage and revenue, and rates charged at present and in the past, with pertinent comments.

* Excludes departmental vehicle miles.

2. The commodities selected are:—(a) cotton, full-pressed, half-pressed and loose, (b) piece-goods, (c) grain and seeds, (d) timber, unwrought and wood, (e) salt, (f) Kerosine oil, (g) manganese ore, (h) stone, (i) sugar, refined and unrefined, and (j) iron and steel.

COTTON.

1. Raw cotton, the vast bulk of which travels after having been fully pressed, is by far the most important commodity carried by the G. I. P. Railway, which transports more of it than any other railway in this country. The following statement gives the tons carried and the revenue earned from the year ending 31st December 1901 to the year ending 31st March 1926:—

Year ending 31st December.	Weight carried. Tons.	Amount earned. Rs.	Year ending 31st March	Weight carried. Tons.	Amount earned. Rs.
1901	338,443	83,14,035	1914	451,576	98,55,830
1902	312,427	73,99,257	1915	375,356	85,75,130
1903	351,594	84,47,784	1916	501,726	1,13,09,868
1904	296,230	70,11,275	1917	350,248	79,54,072
1905	407,858	1,02,08,262	1918	300,821	65,15,980
1906	363,527	87,23,423	1919	309,738	73,68,028
1907	387,177	90,96,734	1920	488,094	1,27,26,492
1908	264,945	59,38,072	1921	420,953	1,20,18,227
1909	362,610	85,91,545	1922	519,232	1,57,47,034
1910	370,163	85,93,858	1923	489,321	1,83,17,594
1911	284,960	65,34,574	1924	430,930	1,58,94,557
1912	357,185	83,07,948	1925	412,256	1,52,75,483
Quarter ending 31-3-1913	166,210	39,43,514	1926	397,027	1,38,69,183

2. The maximum rates at which cotton, full-pressed, half pressed and loose can be charged over the different sections of this railway are as follows :—

	Rates over G.I.P. section.	Rates over Indian Midland and Agra-Delhi Chord sections.	Rates over Jubbul-pore-Naini section.
Cotton, full pressed ..	<p>"C" Schedule, 1 pie per maund per mile (Exceptional classification).</p> <p>At O.R. 6 pies lower per maund than "C" schedule.</p>	<p>4th class, ·62 pie per maund per mile (Ordinary classification).</p>	<p>4th class, ·62 pie per maund per mile (Ordinary classification).</p>
Cotton, half-pressed ..	<p>9th class, 1·25 pie per maund per mile (Exceptional classification)</p>	<p>8th class, 1·04 pie per maund per mile (Exceptional classification).</p> <p>6th class, ·83 pie per maund per mile O.R. (Exceptional classification).</p> <p>6th class, ·83 pie per maund per mile, when in minimum quantities of 81 maunds only (Exceptional classification).</p> <p>4th class, ·62 pie per maund per mile, O.R., when in minimum quantities of 81 maunds only (Exceptional classification)</p>	<p>6th class, ·83 pie per maund per mile (Ordinary classification).</p>
Cotton, loose ..	<p>9th class, 1·25 pie per maund per mile (Exceptional classification)</p>	<p>8th class, 1·04 pie per maund per mile (Ordinary classification).</p> <p>6th class, ·83 pie per maund per mile O. R. (Exceptional classification).</p>	<p>8th class, 1·04 pie per maund per mile (Ordinary classification).</p>

The ordinary classifications for (a) cotton, full-pressed, (b) cotton, half-pressed, and (c) cotton loose are 4th class ·62 pie per maund per mile, 6th class ·83 and 8th class 1·04.

3. In 1914 the maximum rates were :—

	Rates over G. I. P. section.	Rates over Indian Midland and Agra-Delhi Chord sections.
Cotton, full pressed ..	<i>Old "Q" Schedule,</i> ·80 pie per maund per mile (Exceptional classification).	<i>Old 2nd class,</i> ·500 pie per maund per mile (Ordinary classification).
Cotton, half-pressed. ..	<i>Old 5th class,</i> 1 pie per maund per mile.	<i>Old 4th class,</i> ·833 pie per maund per mile. <i>Old 3rd class,</i> ·666 pie per maund per mile O.R. <i>Old 3rd class,</i> ·666 pie per maund per mile, when in minimum quantities of 81 maunds only. <i>Old 2nd class,</i> ·500 pie per maund per mile, O.R., when in minimum quanti- ties of 81 maunds only.
Cotton, loose ..	As for cotton, half-pressed ..	As for cotton, half-pressed, except rates having minimum weight condition.

4. The effect of the alterations has been :

Cotton, full-pressed. The schedule rate at R. R. has been increased 25 per cent. The old 2nd class rate at R. R. has been increased to the new 6th class rate at R. R. 66 per cent.; while the increase from the old 2nd class rate at R. R. to the new 4th class rate at O. R. (there was no O. R. class rate in 1914) is 24 per cent., plus the extra risk to the public.

Cotton, half-pressed. The old 5th class rate 1 pie per maund per mile, the old 4th class rate ·833 pie per maund per mile, the old 3rd class ·666 pie per maund per mile at O. R. and at R. R. when in minimum quantities of 81 maunds, and the old 2nd class O.R. when in minimum quantities of 81 maunds have all been increased 25 per cent.

Cotton, loose. The position of rates for cotton, loose, is precisely the same as that of rates for cotton, half-pressed, except those having minimum weight condition.

5. Our principle is invariably to charge our schedule or class rates for all descriptions of cotton except when, on account of competition, we are forced to quote station-to-station rates. Further, we always charge from G. I. P. Railway stations lower rates to Bombay than are obtainable to Calcutta and Karachi, when we are in a position to do so.

6. In pursuance of our policy a great many station-to-station rates were and are quoted. Most of our cotton is obtained from the Central Provinces and the Berars. We have lost much revenue on account of the lower classification of cotton on the Bengal Nagpur Railway, which has had much more effect than any other cause in keeping down our cotton rates. Accordingly I shall deal with this matter at some length.

7. In 1894 the Bengal Nagpur Railway obtained special sanction to reduce the classification of cotton from 2nd class to special class for distances over 600 miles, and quoted a rate from *via* Nagpur to *via* Asansol of about 1-7th pie per maund per mile. The effect of this was further to force down the G. I. P. rates from Nagpur, and many other stations on the Nagpur-Bhusaval line, to Bombay. We have constantly endeavoured to induce the B. N. R. to raise their rates for full-pressed cotton from Nagpur and adjacent stations to Calcutta, because this would be to the advantage of us both. From 1st September 1918 to 28th February 1920 the rate for

full-pressed cotton from Nagpur to Calcutta was 15 annas 9 pies per maund at owner's risk (adjusted class rate), and the B. N. R. were asked to raise it to 1st class on actual distance, plus terminals, that is Rs. 1-6-11, on the understanding that the G. I. P. rate from Nagpur to Bombay would be raised to Rs. 1-9-2, railway risk, and Rs. 1-8-8, owner's risk, from Rs. 1-2-7, railway risk, and Rs. 1-2-1 owner's risk, these rates to apply differentially to all stations between Nagpur and Borgaon. On the 13th December 1919 the B. N. R. made the counter-proposal to raise their rates to Shalimar and *via* Shalimar by 2 annas a maund from 1st March 1920, if we agreed to raise our rates from Nagpur and stations affected on the Nagpur-Bhusaval section to the same extent. The B. N. R. could have raised these rates by 7 annas and 2 pies per maund without exceeding their maximum. We pressed for the raising of the rate to the maximum allowable but meanwhile agreed to the proposal.

8. After further discussion the B. N. R. intimated on 30th April 1921 that they would increase their cotton rates from Nagpur and *via* to Calcutta by about 26% provided the G. I. P. agreed to increase their rates in proportion and in future to charge the same mileage rates between *via* Nagpur and stations south of Bhusaval as they charged between *via* Jubbulpore and stations south of Bhusaval if required to do so by the B. N. R. To enable the B. N. R. to take this action it was necessary for them to get the permission of the Railway Board to the withdrawal of the exceptional first class classification for cotton full-pressed at O. R. This was eventually obtained, and on the 1st January 1923 rates of Rs. 1-11-4 per maund O.R. from Nagpur to Shalimar and of Rs. 1-11-0 per maund O.R. from *via* Nagpur to Shalimar and *via* and *via* Howrah were quoted. The G. I. P. quoted rates from Nagpur and from *via* Nagpur to Bombay of Rs. 1-11-5 O. R. and Rs. 1-11-1 O. R., respectively.

9. The B. N. R. are still not quoting the highest rate in their power from Nagpur to Shalimar. Instead of quoting the full 4th class rate with terminals they are charging 4th class rate on the bed-rock difference at railway risk and 10% lower rates at owner's risk. We wrote to them on the 19th January 1925 pointing out that by their action they forced us to quote lower rates than the traffic could bear, not only from Nagpur but from many other stations on the Bhusaval-Nagpur line. Our rates are kept below their maximum as far as Murtajapur. They replied in March that they regretted they did not feel justified in doing so, that it was naturally their endeavour to establish a steady traffic in cotton to Calcutta and that though they had had one or two good years immediately after the War, the traffic in 1923-24 showed a very heavy decrease. They said it was possible that there might again be a slight revival in the export of cotton from Calcutta and it was not therefore in their interests to imperil this revival by an enhancement, however small, in their rates.

10. We pointed out in return, that the suggested increase in the rates would not cause the slightest reduction in the amount of cotton grown, and that as the proposal was for us both to raise our rates, the destination of the cotton could not be affected, and that therefore their agreement to the proposed enhancement would in no way jeopardise the possible revival in the movement of cotton to Calcutta. They replied regretting their inability to agree to our proposal. We are again trying to persuade them.

11. The principal other quotations of station-to-station rates are necessitated by the B. B. & C. I. and E. I. Railways having the ordinary classification for cotton. Certain rates are necessary on account of cart competition.

12. The Bombay Millowners gave a statement to the Tariff Board, Cotton Textile Industry Enquiry, in which the request was made that railway rates should be reduced as "railway freight has gone up since the War." The railway charges on cotton have increased 53·6%. This figure has been arrived at by ascertaining the charge per ton-mile in 1914-15 and comparing it with the present charge. The increases in the prices of different varieties of cotton are shewn in para. 16, and on the average are greater than the increase in railway charges.

13. It is necessary to explain why the G.I.P. Railway is allowed to charge exceptional rates for cotton. Cotton is a very valuable commodity, the railway charge represents a small proportion of its cost to the consumer, and there is no doubt that it can bear the charge levied. A special meeting of the Committee of the Bombay Chamber of Commerce, was held on 3rd January 1902 to enable the members to meet Mr. Robertson, C.V.O., the Special Commissioner appointed by the India Office to enquire into the administration and working of Indian railways. Mr. Muirhead, the then General Traffic Manager of this railway, asked the members present whether if rates for cotton were reduced, it was likely that business or the area under cotton would be increased. Mr. Zygoras, the head of Ralli Bros., our biggest constituents, replied that he did not consider any increase in business would follow a decrease in rates, and added that the railway rates for cotton had not been considered too high. This was nearly a quarter of a century ago, and the maximum rate has only been increased 25 per cent. notwithstanding the enormous increase in working expenses and in the price of cotton. It is probably true that rates at the present time could be considerably increased without in any way restricting the movement of cotton. No complaints about the general level of the rates had been received from the merchants up to the time of the Cotton Textile Industry Enquiry.

14. The area under cotton in West Khandesh, East Khandesh, Nasik, Ahmadnagar, Poona, Sholapur, Satara, Belgaum, Bijapur, and Dharwar, which are the districts in British India (excluding the Central Provinces and Berar) in which most of the cotton carried over the G.I.P. is grown, has increased from a yearly average of 2, 599, 517 acres in the five years ending 1905-06 to a yearly average of 2,891,072 acres in the five years ending 1923-24, an increase of 11 per cent. While in the Central Provinces and Berar the area under cotton has increased from a yearly average of 4,536,000 acres in the five years ending 1907-08 to a yearly average of 4,967,600 acres in the five years ending 1923-24, an increase of 9·5 per cent.

15. The increase in the average tonnage carried yearly in the last five years compared with the average tonnage carried yearly in the five years ending 1905 is 31·7 per cent. as pointed out in para. 1.

16. The following figures shew the increase in the price of cotton. The first week in July was taken at random.

Quality.	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Week ending	Percentage increase of 7 over 1
	7-7-1899 (1)	6-7-1900 (2)	7-7-1905 (3)	8-7-1910 (4)	9-7-1915 (5)	10-7-20 (6)	7-7-1926 (7)	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Broach M.G. Fine	167	234	242	297	214	451	330—335	99
Amraoti M.G. Fine	134	216	212	283	188	280	285—305	120
Khandesh M.G. Fine.	128	224	204	265	156	254	255—265	103
Bengals M.G. Fine	131	205	198	272	188	242	255—266	96·6
Dharwar S.G. Good	144	231	238	300	210	491	339	135·4

17. The very low general classification of the old 2nd class (cotton is now generally classified at 4th class) was adopted from the classification of the E.I. Railway, which administration has its rates for cotton kept down by river competition, and was constructed and is operated very cheaply. Even had a higher classification been allowed the E.I., little use could have been made of it, and as that railway carries only a comparatively small amount of cotton, the matter was of little importance to it. Cotton is the most important commodity carried on the G.I.P., which is not alone in being allowed to charge exceptional rates for it. The higher classifications allowed over parts of the G.I.P. Railway for half-pressed and loose cotton naturally follow the higher classification of full-pressed cotton. It is necessary to charge cotton, other than full-pressed, at higher rates to induce pressing before transport by rail, thus enabling transport facilities to be employed to the best advantage.

18. It is essential for this administration to retain special facilities for charge where such are justifiable. The cost of service must be taken into consideration when fixing a rate, for it is impossible to determine the reasonableness of a rate without regarding the expenses of operation and a fair return on capital. The G.I.P., owing to the ghats leading up to the tableland of India and other heavy gradients, and to its distance from the collieries which supply it, has been put to heavy charges for construction and is costly to operate. The financial position does not admit of cotton rates being reduced without rates on other commodities being increased. Even if this were not so, the present cotton rates should be retained, and any surplus employed in the reduction of rates on commodities the movements of which can be stimulated. The average yearly interest earned on the capital at charge of the G.I.P. from the year ending 31st March 1914 to the year ending 31st March 1926, both inclusive, is 5·04 per cent.

19. The reduction in rates, which would have followed the adoption of the general classification for full-pressed cotton, would have been equal to a very small fraction of the fluctuations in the price of cotton which continually occur, and to illustrate what these fluctuations may mean, the following example may be given. A firm, say on the 22nd December last, instructed their agents to buy cotton in Murtajapur, when the price for Fine Berar Cotton was Rs. 33-7-6 per maund in Bombay. By the 25th January, the price had risen to Rs. 37-2-1 per maund, a difference of Rs. 3-10-7 in favour of the buyer. The present railway freight Murtajapur to Bombay is Rs. 2-0-10 per maund. If the ordinary classification for cotton had been adopted, it would have been Rs. 1-4-11 per maund, and a difference of Rs. 0-11-11 per maund would have been lost to the railway without affecting the movement of the traffic. The same remarks apply to cotton for other localities.

20. It must always be remembered that the G.I.P. Railway is prevented from taking full advantage of its exceptional classifications for cotton of various descriptions because of adjacent railways having lower classifications.

21. Cotton is grown all over the G.I.P. though much the greatest production is in the places mentioned in para. 14. The N.G.S. Railways send very large quantities *via* Manmad, the Barsi Light Railway despatch a considerable amount *via* Kurduwadi, and a good deal is received *via* M & S.M. Railway junctions. The great mass goes to Bombay where in a normal year one third of the amount received is used in the local mills, the remainder being exported mostly to Europe and Japan.

COTTON IN FULL-PRESSED BALES.

Receipts at and exports from Bombay port, also mill consumption in the Island of Bombay.

Receipts.

Year ending 31st Aug.	India.	Foreign countries.	Total.
1913	2,733,000	48,000	2,779,000
1914	3,733,000	6,000	3,739,000
1915	2,683,000	5,000	2,688,000
1916	3,133,000	6,000	3,139,000
1917	3,103,000	17,000	3,120,000
1918	2,279,000	27,000	2,306,000
1919	2,525,000	18,000	2,543,000
1920	3,405,000	22,000	3,427,000
1921	2,763,000	116,000	2,879,000
1922	3,353,000	109,000	3,462,000
1923	3,580,000	61,000	3,641,000
1924	3,199,000	93,000	3,292,000
1925	3,539,000	95,000	3,634,000
Total ..	40,028,000	621,000	40,649,000

Exports.

Year ending 31st August.	Europe.	China and Japan.	Elsewhere.	Total.	Bombay Mill consumption.
1913	534,000	1,023,000	30,000	1,587,000	*1,072,000
1914	1,301,000	1,245,000	24,000	2,570,000	1,078,000
1915	405,000	1,441,000	15,000	1,861,000	1,026,000
1916	294,000	1,691,000	8,000	1,993,000	1,096,000
1917	302,000	1,321,000	7,000	1,630,000	1,135,000
1918	293,000	1,213,000	7,000	1,513,000	1,068,000
1919	195,000	885,000	11,000	1,091,000	1,000,000
1920	629,000	1,579,000	24,000	2,232,000	957,000
1921	494,000	1,381,000	26,000	1,901,000	1,081,000
1922	645,000	1,896,000	52,000	2,593,000	1,074,000
1923	851,000	2,086,000	53,000	2,990,000	1,060,000
1924	1,104,000	1,558,000	53,000	2,715,000	821,000
1925	713,000	2,021,000	33,000	2,767,000	995,000
Total ..	7,760,000	19,340,000	343,000	27,443,000	13,443,000

* Year ending 30th June.

Cotton is despatched *via* Nagpur for the mills on the B.N. Railway and for export principally to Japan. Last year 108,345 maunds were sent *via* Nagpur. Besides the destinations mentioned above cotton is sent to the following towns on the G.I.P. for use in the spinning and weaving mills: Sholapur, seven mills; Gulbarga, one; Kurla, two; Burhanpur, one; Chalisgaon, one; Jalgaon, two; Amalner, one; Akola, two; Badnera, one; Pulgaon, one; Hinganghat, one; Ellichpur, one; Nagpur, two; Jubbulpore, one; Ujjain, three; Cawnpore, seven; Morar Road, one, and Agra five. Nearly all cotton is ginned and fully pressed before it travels over this railway. There are 27 gins and 11 presses on the Sholapur Division, 334 gins and 169 presses on the Bhusaval Division, 37 gins and 8 presses on the Bina Division and 23 gins and 23 presses on the Jhansi Division.

PIECE GOODS, COTTON OR WOOLLEN.

1. The term "piece goods" includes book-binding cloth, broad cloth, calico, cambric, cotton velvet, flannel hosiery, khadi or khadder, linen, lois, mull-mull, muslin, puggies, thread cotton or woollen, flax or hemp; turbans, twist, cotton or woollen, flax or hemp; and yarn.

2. The following statement gives the tons carried and revenue earned from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st Dec.	Weight carried. Tons.	Amount earned. Rs.	Year ending 31st March.	Weight carried. Tons.	Amount earned. Rs.
	Tons.	Rs.		Tons.	Rs.
1901	68,322	15,16,466	1914	127,443	25,19,154
1902	61,452	13,72,068	1915	119,847	23,44,414
1903	68,382	15,04,643	1916	141,651	27,93,705
1904	73,802	16,08,309	1917	145,819	28,33,636
1905	81,494	17,03,680	1918	153,460	31,84,074
1906	83,804	17,42,040	1919	136,578	33,27,445
1907	96,098	22,16,145	1920	129,309	33,34,019
1908	98,525	22,23,437	1921	122,410	33,91,485
1909	106,625	25,20,520	1922	145,688	43,92,295
1910	112,871	28,16,374	1923	130,619	48,82,999
1911	111,364	22,72,063	1924	123,431	44,52,465
1912	128,947	25,94,805	1925	133,352	44,32,517
Quarter ending 31-3-13	28,889	5,74,409	1926	155,637	47,15,051

The increase in the average carried yearly in the last five years compared with the average carried yearly in the first five years is 94 per cent.

3. The maximum rates at which piece goods, cotton or woollen, can be charged over the different sections of this Railway are as follows :—

Commodity.	Rates over the G. I. P. Section.	Rates over the Indian Midland and Agra-Delhi Chord sections.	Rates over the Jubbulpore-Naini section.
Piece goods, cotton or woollen, in bales, press packed and bound with iron bands or packed in boxes or cases.	"C" schedule, 1 pie per maund per mile. (Exceptional classification).	6th class, ·83 pie per maund per mile. (Ordinary classification.)	6th class, ·83 pie per maund per mile. (Ordinary classification.)
	At O. R. 6 pies lower than "C" schedule.	4th class, ·62 pie per maund per mile, O. R. (Ordinary classification.)	4th class, ·62 pie per maund per mile, O. R. (Ordinary classification.)
Piece goods, cotton or woollen, not press packed, nor packed in boxes or cases.	8th class, 1·04 pie per maund per mile. (Ordinary classification.)	8th class, 1·04 pie per maund per mile. (Ordinary classification.)	8th class, 1·04 pie per maund per mile. (Ordinary classification.)
	The O. R. classification 6th class ·83 pie per maund per mile does not apply	6th class, ·83 pie per maund per mile, O. R. (Ordinary classification.)	6th class, ·83 pie per maund per mile, O. R. (Ordinary classification.)

The ordinary classifications are :—

- (a) Piece goods, cotton or woollen, press packed, etc., 6th class, R.R., ·83 pie per maund per mile, and 4th class O.R. ·62 pie per maund per mile ;
- (b) Piece goods, not press packed, etc., 8th class 1·04 pie per maund per mile, and 6th class O.R. ·83 pie per maund per mile.

4. In 1914, the maximum rates were :—

Commodities.	Rates over the G. I. P. section.	Rates over the Indian Midland and Agra-Chord sections.
Piece goods, cotton or woollen, in bales, press packed and bound with iron bands or packed in boxes or cases	Old "Q" schedule, ·80 pie per maund per mile. (Exceptional classification.)	Old 2nd class, ·500 pie per maund mile. (Ordinary classification.)
	Old "N" schedule, Miles. Pie per maund per mile. 476 to 650 ·44 651 to 900 ·333 901 and beyond ·25 At O. R. D. 476, subject to differential rule as to distance (Exceptional classification). (a) over the G. I. P. section ; (b) From any station (except Bombay) on the G. I. P. section to stations between Barwa Sagar and Mataundh, both inclusive.	

Commodities.	Rates over the G. I. P. section.	Rates over the Indian Mid-land and Agra-Chord sections.
Piece goods, cotton or woollen, not press packed, nor packed in boxes or cases.	<p><i>Old "Q" schedule,</i> 60 pie per maund per mile. From Jubbulpore and <i>via</i> to <i>via</i> Itarsi and to <i>via</i> Khandwa and <i>vice versa</i>, and to <i>via</i> Itarsi and to <i>via</i> Jubbulpore from stations on the G. I. P. section (Exceptional classification.)</p> <p><i>Old "Q" schedule,</i> 80 pie per maund per mile. (Exceptional classification.)</p>	<p><i>Old 3rd class,</i> 666 pie per maund per mile. (Ordinary classification.)</p>

The ordinary classifications were :—

- (a) Piece goods, cotton or woollen, press packed, etc., old 2nd class, 500 pie per maund per mile;
- (b) Piece goods, cotton or woollen, not press packed, etc., old 3rd class, 666 pie per maund per mile.

5. The effect of the alterations has been :—

- (a) The schedule rate for piece goods, cotton or woollen, press packed, over the G.I.P. section has been increased 25 per cent. The old schedule "N" at O.R. has been cancelled. Over the rest of the system the old class rate at R.R. has been increased 66 per cent., while the increase from the old class rate at R.R. to the new class rate at O. R. is 24 per cent., plus the extra risk to the public ;
- (b) The class rate for piece goods, cotton or woollen, not press packed, over the G.I.P. section has been increased 30 per cent. and over the rest of the system by 56 per cent., while the increase from the old 3rd class rate at R.R. to the new 8th class rate at R.R. is 56 per cent., and to the new class rate at O.R. (not available over the G.I.P. section) is 25 per cent., plus the extra risk to the public.

6. We always charge our schedule or class rates for piece goods, except when on account of competition we are obliged to charge station-to-station rates. On account of our exceptional powers of charge over the G.I.P. section there are many station-to-station rates in our tariff.

7. Station-to-station rates for piece goods have been increased on account of competing railways increasing their rates, thus enabling the G.I.P. to bring their rates nearer the normal level. It must be emphasised that the piece goods and the cotton station-to-station rates are deviations from the normal and that an increase in them should not be regarded as a hardship, seeing that, whatever the increase may be, the rate does not exceed the normal. Every station-to-station rate quoted for piece goods and for cotton is an advantage to the merchants, which they obtain as the result of competition.

8. The railway charges on piece goods have increased 50.4 per cent. since 1914-15. This figure has been arrived at by ascertaining the charge per ton-mile in 1914-15 and comparing it with present charge. The prices of long cloth and 20s. yarn have increased by 79 and 72 per cent., respectively, but for several years during the period under review their prices were very much higher than at present. The prices of long cloth and of 20s. yarn at the peak period August 1918, were over 300 per cent. above 1914 prices.

9. It is necessary to explain why the G.I.P. Railway is allowed to charge exceptional rates for piece goods. It will be observed that many of the arguments in justification of the exceptional rates for cotton are applicable to those for piece goods.

10. Piece goods, twist and yarn are very valuable commodities and the railway charges represent a small proportion of their cost to the consumer.

11. It is essential financially for the railway to retain exceptional charges.

12. The manufactured article is not charged more than the raw material.

13. No complaints about the general level of the rates have been received from the merchants up to the time of the Cotton Textile Industry Enquiry now in session.

14. The principal centres for the distribution of piece goods on this Railway are Bombay, where there are seventy-seven cotton mills and a big import trade, Cawnpore and Sholapur. Piece goods are also despatched from the other towns of this Railway possessing mills shewn in para. 21 of section II (i) and are brought on to the line in large quantities from Ahmedabad, and in comparatively small quantities from Calcutta and Madras and via M. & S. M. Ry. junctions.

GRAIN, PULSES AND SEEDS, COMMON.

1. The following is a statement shewing the weight carried and amount earned yearly for grain, pulses and seeds, common, from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st Dec.	Weight carried. Tons.	Amount earned. Rs.	Year ending 31st March	Weight carried. Tons.	Amount earned. Rs.
1901	1,438,391	1,29,79,664	1914	2,016,543	2,03,47,837
1902	1,315,323	1,40,80,845	1915	1,591,773	1,41,78,744
1903	1,395,952	1,55,94,338	1916	2,079,681	1,90,26,832
1904	1,491,776	1,64,25,467	1917	1,862,034	1,79,46,989
1905	1,414,695	1,36,83,644	1918	1,831,594	1,84,15,465
1906	1,384,579	1,20,55,734	1919	2,225,023	2,36,40,372
1907	1,544,144	1,42,24,004	1920	2,128,968	1,97,78,746
1908	1,091,132	1,00,88,613	1921	1,988,776	2,27,55,890
1909	1,320,824	1,22,50,990	1922	1,875,335	2,26,35,914
1910	1,475,948	1,48,05,157	1923	1,711,778	2,24,66,978
1911	1,850,144	1,79,86,097	1924	1,901,376	2,53,96,063
1912	2,161,642	2,13,71,465	1925	2,187,059	2,97,51,041
Quarter ending 31-3-13. ..	534,529	56,86,409	1926	1,934,598	2,45,96,934

2. The maximum rate at which grain, pulses and seeds, common, are charged over this railway is C/B C/J schedule, the bases of which are as follows:—

C/B.*	Any distance	-333 pie per maund	per mile.
C/J†.	1 to 150 miles	-380	" "
	plus		
	151 to 250 "	-333	" "
	plus		
	251 to 500 "	-200	" "
	plus		
	501 to 700 "	-130	" "
	plus		
	701 and beyond	-100	" "

This is a combined schedule.

* For distances up to 300 miles.

† For distances 300 miles and over.

The ordinary classification for grain, pulses and seeds, common, is 1st class 38 pie per maund per mile, R.R.

3. In 1914, the maximum rates were at J schedule, the bases of which were as follows :—

1 to 425 miles	·333 pie per maund per mile.
426 to 700 "	·25 " "
701 and beyond	·15 " "

Differential rule as to distance applied. The ordinary classification was 1st class 33 pie per maund per mile at R.R.

4. There has been an increase of from 14 to 46 per cent. for distances 400 miles and over. Much of the long distance traffic, however, is carried at station-to-station rates.

5. The reasons for increase in these and other rates are set forth in the enclosure to this chapter.

6. Grain and seeds are grown all over the G.I.P. Railway, jowar and bajri being the staple food of most of the people served by this railway. They are also imported in great quantities from Cawnpore and *via*, and *via* Delhi.

7. The increase in prices, during the last 20 years, is estimated as follows :—

Gingelly seed	about 90 per cent.
Linseed	" 110 "
Rapeseed	" 50 "
Wheat	" 110 "

TIMBER UNWROUGHT, AND WOOD.

1. The following is a statement shewing the weight carried and amount earned yearly for timber, unwrought, and wood from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st December.	Weight carried.	Amount earned.	Year ending 31st March.	Weight carried.	Amount earned.
	Tons.	Rs.		Tons.	Rs.
1901	154,281	4,66,099	1914	165,443	7,48,426
1902	155,245	5,19,653	1915	161,221	6,86,992
1903	162,238	5,30,917	1916	155,499	7,08,442
1904	166,737	6,00,909	1917	175,309	9,10,381
1905	165,751	5,84,293	1918	234,966	14,88,101
1906	188,998	7,47,043	1919	294,579	19,75,473
1907	170,944	6,05,182	1920	233,419	12,34,761
1908	160,505	5,85,305	1921	212,616	9,37,824
1909	161,343	6,18,668	1922	223,195	10,66,420
1910	158,599	6,75,896	1923	241,632	12,57,689
1911	172,591	8,14,720	1924	243,029	11,69,769
1912	164,611	6,95,743	1925	170,789	9,08,590
Quarter ending 31st March 1913	60,624	2,53,142	1926	159,371	9,30,012

2. The maximum rates at R.R. and at O.R., WR/16 tons, which can be charged on the G.I.P. Railway, are as follows:—

1st class 38 pie maund per mile.

* "R" schedule at O.R. † WR/16 tons L.

1 to 100 miles	..	Re. 0 8 0	per wagon per mile.
plus			
101 to 200 "	..	" 0 7 0	" "
plus			
201 to 300 "	..	" 0 5 0	" "
plus			
301 and over	..	" 0 4 6	" "

3. In 1914 the maximum rates were:—

1st class R.R. 333 pie per maund per mile.

* Old Z/1 schedule O.R.

1 to 100 miles	..	Re. 0 7 0	per wagon per mile.
plus			
101 to 200 "	..	" 0 6 0	" "
plus			
201 and over	..	" 0 4 0	" "

The ordinary classification was 1st class 333 pie per maund per mile.

4. The traffic carried at the first class rate bears an increase of 14 per cent., and that carried at the schedule rate from 14 to 18 per cent.

5. Some station-to-station rates are quoted from Bombay to suburban stations and to Agra and *via* and Delhi and *via* and from one or two up-country stations.

6. The chief points of distribution are Bombay for timber imported from Burmah and Malabar; stations on the Kalyan-Khopoli and Kalyan-Kasara sections, stations on the Itarsi-Nagpur Railway, *via* Poona, *via* Jubbulpore (B.N), *via* Itwari, and *via* Nagpur.

SALT N.O.C.

1. The following is a statement shewing the weight carried and amount earned yearly for salt N.O.C. from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st December.	Weight carried.	Amount earned.	Year ending 31st March.	Weight carried.	Amount earned.
	Tons.	Rs.		Tons.	Rs.
1901	192,022	16,44,376	1914	259,977	23,09,347
1902	177,360	17,10,227	1915	267,784	24,20,478
1903	179,515	17,47,231	1916	285,325	25,98,207
1904	187,585	18,07,942	1917	273,679	24,61,204
1905	204,055	19,76,296	1918	270,848	25,54,187
1906	221,163	21,30,470	1919	330,315	29,46,067
1907	173,659	16,86,359	1920	271,709	25,43,057
1908	244,319	22,83,536	1921	224,616	22,26,285
1909	247,737	23,08,996	1922	244,736	25,33,638
1910	253,185	23,76,757	1923	273,877	32,37,574
1911	246,632	22,93,338	1924	186,873	23,01,210
1912	259,026	23,64,723	1925	280,223	33,47,290
Quarter ending 31st March 1913	84,431	7,89,555	1926	240,594	28,78,929

2. The schedule rate at which salt N.O.C. is charged from Konkan stations (Bombay to Kasara inclusive and Kalyan to Khopoli inclusive),

* Not applicable from Bombay nor from *via* Jubbulpore nor *via* Itwari.

† A note giving meaning of different symbols is included in Appendix "G."

including *via* Dadar, to stations Igatpuri and Lonavla and beyond and *via* is schedule "K" R.R. W/400 L, the bases of which are as follows:—

1 to 300 miles	..	·35	pie per maund per mile.
plus			
301 to 400 "	..	·30	" "
plus			
401 to 500 "	..	·25	" "
plus			
501 to 600 "	..	·20	" "
plus			
601 and beyond	..	·10	" "

From other stations it is charged at 1st class ·380 pie per maund per mile R.R., which is the ordinary classification.

3. In 1914, the maximum rates for salt N.O.C. from Konkan stations, including *via* Dadar, to stations Igatpuri and Lonavla and beyond and *via* were as follows:—

Old schedule "O"
W/270

1 to 150 miles	..	·33	pie per maund per mile.
151 to 400 "	..	·30	" "
401 to 800 "	..	·25	" "
801 and beyond	..	·20	" "

Differential rule as to distance applied.

From other stations it was charged at first class ·333 pie per maund per mile. The general classification was old 1st class ·333 pie per maund per mile..

4. The present schedule bears an increase ranging from 6 to 35 per cent. for distances up to 400 miles, for distances beyond it falls off gradually by 20 to 28 per cent. The traffic carried at the 1st class rate has to bear an increase of 14 per cent.

5. Large numbers of station-to-station rates are quoted chiefly on account of competition with salt producing stations on other lines.

6. The chief points of distribution are Wadala, Ghat Kopar, Bhandup, Nahur, Thana, Khopoli and *via* Dadar (Bhayander), *via* Ujjain ((Pachobadra)

7. It is estimated that the price of salt in the last twenty years has decreased about 30 per cent.

KEROSINE OIL (NOND-ANGEROUS).

1. The following is a statement shewing the weight carried and amount earned yearly for kerosine oil (non-dangerous) from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st December.	Weight carried. Tons.	Amount earned. Rs.	Year ending 31st March.	Weight carried. Tons.	Amount earned. Rs.
1901	53,452	7,05,748	1914	84,480	12,20,615
1902	45,811	6,48,754	1915	89,454	12,55,049
1903	47,085	6,59,833	1916	94,144	12,10,870
1904	46,351	6,64,513	1917	102,469	12,61,894
1905	55,998	7,69,924	1918	91,074	11,84,259
1906	62,502	8,82,118	1919	81,366	10,62,134
1907	67,045	9,54,553	1920	109,911	16,15,877
1908	63,725	9,10,225	1921	85,377	15,65,287
1909	68,257	9,52,573	1922	95,086	19,72,254
1910	77,008	10,72,720	1923	91,789	20,50,189
1911	83,624	11,14,008	1924	92,782	20,50,230
1912	80,974	11,30,416	1925	107,149	24,21,601
Quarter ending 31st March 1913	20,118	2,89,640	1926	109,169	25,14,475

2. The maximum rate at which kerosine oil (non-dangerous) can be charged on this railway is 6th class R.R., .83 pie per maund per mile. It is charged at this rate when booked from the following stations and *via* :—

- (1) From Raichur and *via*, Delhi and *via*, Muttra Junction and *via* Sholapur, Hotgi and *via*, and Tilati ;
- (2) From all stations between Nagpur and *via*, and Dhamangaon (both inclusive) including Wardha-Balharshah branch ;
- (3) From all stations between Jubbulpore and *via*, and Piparia (both inclusive) ;
- (4) From all stations between Katni-Murwara and *via*, and Saugor (both inclusive) ;
- (5) From all stations between Manikpur and Jhansi (both inclusive) including Cawnpore-Banda Railway ;
- (6) From all stations between Agra and Gwalior (both inclusive) *via* Idgah (Agra), *via* Jumna Bridge ;
- (7) From all stations between Cawnpore and *via*, and Chirgaon (both inclusive) ;
- (8) From all stations between Ujjain and *via*, and Bhopal (both inclusive) ;
- (9) From *via* Parasia.

Over other portions of the line it is charged at 4th class R.R. .62 pie per maund per mile and at 2nd class O.R. .42 pie per maund per mile.

3. In 1914, the maximum rate was the old 3rd class R.R. .666 pie per maund per mile (exceptional classification) and was charged when booked from stations and *via*, vide clauses (1) to (8), para. 2 above. Over other sections of the line it was charged as follows :—

2nd class	.500	pie per maund	per mile	R.R.
1st	.333	"	"	O.R.

Schedule "K" for distances 476 miles and beyond O.R. (Sliding scale):—

476 to 650 miles	.33	pie per maund	per mile.
651 to 900	.25	"	"
901 and beyond	.20	"	"

Differential rule as to distance applied.

4. The effect of the alterations in class rates has been an increase of 25 per cent. The traffic carried formerly at the "K" schedule rates at O.R. is now charged at the 2nd class rate at O.R. which increase when worked for distances upto 600 miles, ranges from 29 to 55 per cent.

5. The chief point of distribution is Bombay, which serves practically all the G.I.P. except the section Jubbulpore-Naini.

6. The price of kerosine oil from America is estimated to have increased in the last 20 years about 60 per cent., and the price of Burmah oil about 175 per cent.

MANGANESE ORE.

1. The following is a statement shewing the weight carried and amount earned yearly for manganese ore from the year ending 31st December 1907 to the year ending 31st March 1926.

Year ending 31st December.	Weight carried.	Amount earned.	Year ending 31st March.	Weight carried.	Amount. earned.
	Tons.	Rs.		Tons.	Rs.
1901 .. ..	....	....	1914	566,338	41,94,931
1902 .. ..	....	....	1915	316,165	23,48,585
1903 .. ..	....	....	1916	388,996	28,49,417
1904 .. ..	....	....	1917	337,728	25,01,668
1905 .. ..	....	....	1918	200,758	14,65,383
1906 .. ..	....	....	1919	107,747	8,06,509
1907	324,290	24,08,441	1920	182,636	13,84,065
1908	315,847	23,25,343	1921	343,895	28,15,006
1909	318,350	23,32,281	1922	197,622	16,01,643
1910	469,019	34,75,383	1923	350,542	32,73,038
1911	372,350	27,48,550	1924	236,091	22,22,859
1912	469,321	34,77,544	1925	244,523	23,54,542
Quarter ending 31st March 1913	107,406	8,01,012	1926	268,456	24,84,986

2. The maximum rate which can be charged, is 1st class 380 pie per maund per mile.

3. In 1914, the maximum rate was the old 1st class 333 pie per maund per mile.

4. The class rate has been increased by 14 per cent. Manganese ore is, however, charged at station-to-station rates, which have increased approximately 20 per cent.

5. The manganese ore received on the G.I.P. all of which is exported is from mines a short distance beyond Nagpur on the B.N. Railway, and from Deori, Gosulpur, Sehora Road and Satna on the Jubbulpore-Naini section.

6. It is estimated that the price per ton in 1905 averaged about Rs. 20, in 1925 about Rs. 40 and that it is now about Rs. 30 (October 1926).

MARBLE AND STONE.

1. The following is a statement shewing the weight carried and amount earned yearly for marble and stone from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st Dec.	Weight carried. Tons.	Amount earned. Rs.	Year ending 31st March.	Weight carried. Tons.	Amount earned. Rs.
1901	88,695	2,45,355	1914	203,221	6,93,065
1902	86,891	1,84,943	1915	187,794	6,73,271
1903	103,416	2,28,141	1916	201,173	7,55,155
1904	127,921	2,94,831	1917	220,548	7,79,767
1905	132,671	3,68,239	1918	241,466	8,40,062
1906	139,814	4,79,831	1919	280,924	10,98,198
1907	143,433	4,45,140	1920	242,532	9,07,850
1908	174,910	4,69,804	1921	369,754	14,63,188
1909	212,889	5,12,413	1922	344,943	13,60,104
1910	188,766	5,01,977	1923	429,428	18,27,068
1911	162,439	5,27,472	1924	398,829	15,41,068
1912	151,378	5,46,558	1925	366,597	15,10,201
Quarter ending 31-3-13.	48,685	1,48,078	1926	476,653	17,58,791

2. The rates for the different articles under this head, are as follows :—

Commodities.	Rates chargeable.
Marble, wrought. .. ..	.. 6th class, -83 pie per maund per mile (Ordinary classification.) 2nd class C/300 B. G. L. -42 pie per maund per mile (Ordinary classification.)
Marble, unwrought .. ..	.. 2nd class, -42 pie per maund per mile (Ordinary classification.)
Stone N. O; C. | .. ..	.. 1st class, -380 pie per maund per mile (Ordinary classification.) " D " schedule, O. R., C. C. L. 1 to 200 miles -15 pie per maund per mile. plus 201 to 400 " -14 " " " plus 401 to 600 " -13 " " " plus 601 and over -12 " " "

3. In 1914, the rates were :—

Commodities.	Rates charged.
Marble, wrought	<i>Old 3rd class,</i> ·666 pie per maund per mile .. (Ordinary classification). <i>Old 1st class,</i> ·333 pie per maund per mile, O.R., W/300 B. G. (Ordinary classification)
Marble, unwrought	<i>1st class,</i> ·333 pie per maund per mile (Ordinary classification.) <i>" M " schedule, O. R., C. C. L.</i> 1 to 100 miles ·200 pie per maund per mile. plus 101 to 200 " ·166 " " " plus 201 to 500 " ·143 " " " plus 501 and beyond ·100 " " "
Stone N. O. C.	<i>1st class,</i> ·333 pie per maund per mile. (Ordinary classification). <i>" M " schedule, O. R., C. C. L.</i> 1 to 100 miles ·200 pie per maund per mile plus 101 to 200 " ·166 " " " plus 201 to 500 " ·143 " " " plus 501 and beyond ·100 " " " <i>Special scale, applicable from Shahabad and Wadi and via.</i> 1 to 350 miles ·13 pie per maund per mile 351 and beyond ·11 " " " At O. R., C. C. L. Differential rule as to distance applies.

4. The effect of the alterations has been as under :—

Marble, wrought.—The alteration from the old 3rd class to the new 6th class and from 1st class O. R., W/300 B. G. to 2nd class R. R., C/300 B. G. means an increase of 25 per cent.

Marble, unwrought. The increase from old 1st class to new 2nd class is 25 per cent. " M " schedule has been cancelled and not replaced.

Stone N.O.C. The increase from old to new 1st class is 14 per cent. The alteration from the " M " schedule (where it applied) to " D " schedule means a reduction ranging from 7 to 25 per cent, and replacement of the special scale which applied from Shahabad and Wadi and *via* by the new schedule " D " means an increase varying from 13 to 32 per cent.

5. The main points of distribution of marble are Bombay (imported) *via* Muttra (Jaipur) and of stone :—Shahabad; Wadi and *via*, Dhaura, Morar Road, *via* Dholpur.

6. The price of Shahabad stone in the last twenty years has decreased by about one third.

SUGAR AND JAGREE.

1. The following is a statement shewing the weight carried and amount earned yearly for sugar and jagree from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st Dec.	Weight carried. Tons.	Amount earned. Rs.	Year ending 31st March.	Weight carried. Tons.	Amount earned. Rs.
1901.. ..	175,888	23,29,594	1914	247,648	25,81,396
1902.. ..	146,690	17,81,574	1915	188,733	18,20,699
1903.. ..	164,275	18,95,600	1916	200,354	19,75,133
1904.. ..	165,915	19,91,990	1917	194,548	18,62,152
1905.. ..	165,434	22,31,946	1918	198,544	19,30,515
1906.. ..	188,173	21,73,713	1919	216,524	22,96,767
1907.. ..	191,338	21,04,643	1920	193,515	20,99,145
1908.. ..	176,936	18,22,782	1921	156,488	17,13,405
1909.. ..	174,227	17,12,321	1922	196,676	21,36,228
1910.. ..	194,214	19,36,320	1923	214,671	28,88,276
1911.. ..	192,845	19,65,098	1924	213,068	28,56,871
1912.. ..	203,746	20,97,920	1925	235,734	31,97,672
Quarter ending 31-3-13 ..	86,308	8,53,428	1926	249,742	32,01,372

2. The maximum rates at which sugar and jagree are charged are 2nd class .42 pie per maund per mile R.R. ordinary classification, and 1st class .38 pie per maund per mile O.R. (exceptional classification).

The ordinary classification is 2nd class .42 pie per maund per mile R.R.

3. In 1914, the rates were :—

The ordinary classification was 1st class R.R. .333 pie per maund per mile

The Old " K " schedule for distances 476 miles and over, O.R. :—

476 to 650 miles	.333	pie per maund per mile.
651 to 900	.250	" "
901 and beyond	.200	" "

Differential rule as to distance applied.

4. The increase from old 1st class R.R. to 2nd class R.R. is 25 per cent. The replacement of the old 1st class R.R. by the new 1st class O.R. means a rise of 14 per cent. The replacement of the old schedule " K " which applied at O.R. and for distances of 436 miles and over, by the new 1st class O.R. means an increase ranging between 17 and 40 per cent.

5. The main points of distribution are Bombay (imported from Mauritius and Java), Calcutta (also imported), Baramati, Belapur, Cawnpore and *via*, and *via* Naini from the O. & R. section of the E.I. Railway and B. & N.W. Ry.

6. The price of Mauritius sugar has increased about 30 per cent. during the last twenty years.

IRON OR STEEL, AND METALS.

1. The following is a statement shewing the weight carried and amount earned yearly for iron or steel, and metals N.O.C. from the year ending 31st December 1901 to the year ending 31st March 1926.

Year ending 31st Dec.	Weight carried. Tons.	Amount earned. Rs.	Year ending 31st March.	Weight carried. Tons.	Amount earned. Rs.
1901.. ..	97,835	11,80,585	1914	165,211	22,23,693
1902.. ..	161,984	19,76,274	1915	128,200	16,65,871
1903.. ..	182,934	22,00,278	1916	107,285	14,05,499
1904.. ..	166,261	20,54,582	1917	117,562	14,71,822
1905.. ..	259,820	28,46,940	1918	113,665	15,56,081
1906.. ..	395,994	39,40,915	1919	113,679	15,81,524
1907.. ..	98,297	16,51,473	1920	122,397	16,60,495
1908.. ..	93,572	15,15,117	1921	150,045	19,80,666
1909.. ..	107,835	16,63,144	1922	162,043	22,90,846
1910.. ..	120,924	18,79,780	1923	216,263	36,18,062
1911.. ..	134,258	19,21,801	1924	193,210	27,79,659
1912.. ..	141,666	19,62,991	1925	227,679	34,78,579
Quarter ending 31-3-13	43,686	6,00,613	1926	183,503	30,44,806

2. The maximum rates at which iron or steel, and other metals can be charged are as follows :—

Articles.	Rates chargeable.
Iron or steel, Division A ..	6th class, ·83 pie per maund per mile (Ordinary classification.)
	4th class, ·62 pie per maund per mile; O. R. (Ordinary classification.)
Do. Do. B ..	2nd class, ·42 pie per maund per mile (Ordinary classification.)
Metals N. O. C.	4th class, ·62 pie per maund per mile (Ordinary classification.)

3. In 1914 the maximum rates were :—

Articles.	Rates charged.
Iron or steel, Division A...	<i>Old 3rd class,</i> ·666 pie per maund per mile (Ordinary classification.)
	<i>Old 2nd class,</i> ·500 pie per maund per mile, O.R. (Ordinary classification.)
Do. Do, B	<i>Old 1st class,</i> ·333 pie per maund per mile (Ordinary classification.)
For certain articles coming under Iron or steel, Division B	<i>Old 2nd class,</i> ·500 pie per maund per mile (Exceptional classification.)
	<i>Old 1st class,</i> ·333 pie per maund per mile, O.R., W/300 L. (Exceptional classification.)
Metals N. O. C.	<i>Old 2nd class,</i> ·500 pie per maund per mile (Ordinary classification.)

4. The effect of the alterations has been :—

Iron or steel, Division A.—The increase from old 3rd class R.R. to new 6th class R.R. is 25 per cent.; while that from old 2nd class O.R. to new 4th class O.R. is 24 per cent.

Iron or steel, Division B.—The increase from old 1st class to new 2nd class is 25 per cent. The replacement of the old 2nd class (which applied to certain articles) by the new 2nd class means an increase of 16 per cent. The replacement of old 1st class O.R., W/300 L (which applied to certain articles) by the new 2nd class R.R. means an increase of 25 per cent.

Metals N.O.C. The increase from old 2nd class to new 4th class is 24 per cent.

5. The main points of distribution are :—Bombay (local and imported), *via* Nagpur, and *via* Katni from Tatanagar and other manufactories in Bengal.

SECTION II (ii)

Coal.

1. (a) For some time prior to 1st November 1906 the scale for public coal at O.R., C.C.,L. was as under :—

	Pie per md. per mile.
For all distances up to 400 miles inclusive	.. .. 0·15
For distance in excess of 400 miles	.. .. 0·10

This scale was chargeable on the total distance from the colliery station to the destination station, railways concerned sharing the total rate in mileage proportion.

(b) From 1st November 1906, at the instance of the Railway Board, the following lower scale was introduced *from the Bengal collieries only*, with a view to encourage movement to long distances and thereby assist industries in the Punjab, Gujarat and Bombay :—

	Pie per md. per mile.
For the first and up to 75 miles	0·14
For extra distances above 75 miles not exceeding 200 miles to be added to the charge for 75 miles ..	0·12
For extra distances above 200 miles not exceeding 500 miles to be added to the charge for 200 miles ..	0·06
For extra distances above 500 miles to be added to the charge for 500 miles	0·05

From the same date the G.I.P. Railway introduced a ghat charge of annas 8 per ton for coal for stations below the ghats.

(c) From 1st June 1919 the scale shewn in para. (a) was cancelled and the Bengal coal scale shewn in clause (b) was made applicable on the G.I.P. for all coal traffic.

In addition the following charge was levied by the G.I.P. :—

Terminal charge at forwarding station Re. 0-2-0 per ton.

(d) From the 1st April 1920 the G.I.P., East Indian, Bengal Nagpur, Bengal and North Western, Oudh and Rohilkhand, North Western, Eastern Bengal, Bombay, Baroda and Central India, Jodhpur, Bikaner, Madras and Southern Mahratta (north-east line) introduced a slightly enhanced scale of rates as follows :—

	Pie per md. per mile.
For the first and up to 100 miles	0·15
For extra distances above 100 miles not exceeding 200 miles to be added to the charge for 100 miles ..	0·125
For extra distances above 200 miles not exceeding 700 miles to be added to the charge for 200 miles ..	0·06
For extra distances above 700 miles to be added to the charge for 700 miles	0·05

In addition to the above, the following charges were levied by the G.I.P. Railway :—

Ghat charge	8 annas per ton.
Terminal charge at forwarding station .. 2 ..	..

The ghat charge was only charged for wagons descending the ghats.

(e) From 1st November 1920, the scale was further revised as under over the G.I.P. and other railways mentioned in clause (d).

	Pie per md. per mile.
For the first and up to 200 miles	0·15
For extra distances above 200 miles not exceeding 300 miles to be added to the charge for 200 miles ..	0·13
For extra distances above 300 miles not exceeding 700 miles to be added to the charge for 300 miles ..	0·07
For extra distances above 700 miles to be added to the charge for 700 miles	0·06

The ghat charge was made applicable in both directions, and the terminal charges retained. If wagons passed over both the Bhore and Thul ghats, only one ghat charge (8 annas) was levied.

(f) From 1st October 1921 the ghat charge was increased to Re. 1 per ton, and the terminal charge at both ends to 4 annas per ton.

(g) From 1st April 1922 the Railway Board sanctioned a general increase in goods rates, and from the same date the scale of rates for coal was again revised as under over the G.I.P. and other railways mentioned in clause (d).

	Pie per md. per mile.
For distances 400 miles and under:—	
For the first and up to 200 miles	0·165
For extra distances above 200 miles not exceeding 400 miles to be added to the charge for 200 miles ..	0·130

Rates for distances for over 400 miles remained as before.

(h) From 1st June 1923 the ghat charge was levied separately for each ghat, that is to say, if a wagon passed over both ghats two rupees were charged.

(i) On the 1st August 1923, station-to-station rates were quoted for coal from collieries situated on the G.I.P. only at 10% above the minimum authorised by the Railway Board, which minimum is as follows:—

	Pie per md. per mile.
For the first and up to 300 miles	0·10
For extra distances above 300 miles not exceeding 500 miles to be added to the charge for 300 miles ..	0·06
For extra distances above 500 miles to be added to the charge for 500 miles	0·05

These rates are for distances 200 miles and over and are applied in accordance with the differential rule.

2. The rates for coal on the G.I.P. feeder lines are 15 pie per maund per mile. O.R., C.C.,L.

3. The increased charges made from time to time were on account of the increased working expenses of the railways concerned.

4. The three principal questions that have arisen of late years so far as this railway is concerned are:—

- (a) A demand for the reduction in long distance coal rates, primarily made in connexion with those from the Bengal collieries to Bombay;
- (b) the reduction in rates for coal booked from collieries on this railway;
- (c) a demand for seasonal rates.

5. The main objections to a decrease in long distance coal rates are that:—

- (a) they are already extremely low;
- (b) the proper route for coal from the Bengal collieries to Bombay is via Calcutta;
- (c) any reduction made in the rates from the Bengal collieries would further reduce the rates from the collieries on the G.I.P.;
- (d) any reduction made in long distance rates would be used as a lever for reducing all coal rates, and
- (e) there is no certainty that, if they were reduced, more coal would travel.

6. The rate for coal from the Bengal collieries to Bombay is Rs. 15-6-0 made up as follows:—

Via NAGPUR.

<i>B. N. Ry. proportion :</i>	Rs.	a.	p.
2·31 pies per ton per mile × 633 miles	7	9	8
Terminal charge	0	4	0
<i>G. I. P. proportion :</i>			
2·31 pies per ton per mile × 520 miles	6	4	4
Terminal charge	0	4	0
Ghat charge	1	0	0
Total	15	6	0

Via JUBBULPORE.

<i>E. I. Ry. proportion :</i>			
2·25 pies per ton per mile × 566 miles	6	10	4
Terminal charge	0	4	0
<i>G. I. P. proportion :</i>			
2·25 pies per ton per mile × 616 miles	7	3	8
Terminal charge	0	4	0
Ghat charge	1	0	0
Total	15	6	0

Including the terminal and ghat charges the charge over the G.I.P. per ton per mile *via Nagpur* is pies 2·77 and *via Jubbulpore* pies 2·71, whilst the average cost of hauling one ton one mile over the G.I.P. for the year ending 31st March 1924 was pies 4·57. Coal is hauled at less than the average cost on account of its being carried in full wagon loads for long distances, and because no claims are paid on its account, though these advantages are largely discounted by the increased light mileage incurred in its carriage, but there is a very large margin between 4·57 and 2·77 and an extremely strong case against the reduction of the rate. The Indian Coal Committee write at p. 129 of their report in the summary of recommendations and conclusions:—
“There is not sufficient justification for a rebate on coal sent to Bombay “by the all-rail route”. Mr. Banerjee at p. 144 dissents.

7. In the Statement made by the Indian Mining Federation to the Hon'ble Mr. Chadwick at the coal conference at Calcutta on 22nd Aug. 1923, the following occurs:—"It is further contended that to avoid a scarcity of wagons, coal traffic should be diverted as much as possible *via* part-rail route. We fully acquiesce in the latter statement; we are sure trade as well as consumer will prefer the part-rail to the all-rail route, but then as the ocean freights are not within the control of Government, a rail freight route at a reasonable low figure will tend to keep the upward tendency of the shipping freights within reasonable limits. Again there are distant inland centres, *e.g.*, Ahmedabad, where coal cannot be with advantage transported by part rail route." The Indian Coal Committee at p. 65 of their report, writing of coal from the Bengal collieries, state:—"The natural route for coal intended for Bombay is by sea *via* Kidderpore Docks, and we are of opinion that any rebate given by the railways should be confined to coal sent by this route." There is no doubt both from the public and railway points of view it is better to send coal from the Bengal collieries to Bombay by way of Kidderpore Docks, the cheapest route.

8. The reasons for reducing the rates from the collieries on this railway are fully dealt with in subsequent paragraphs. If the long distance coal rates in operation from the Bengal collieries were reduced, the effect would be to still further lower the rates from the G.I.P. collieries, if these collieries were to be continued in the position as regards rates which they at present hold, and must continue to hold, if they are to remain in business. Any further reduction is greatly to be deprecated.

9. The demand for a reduction in long distance coal rates, as distinct from that for decrease in coal rates generally, was made because this reduction was held by the coal trade to be one of the measures necessary to combat the competition of coal from other countries. But were a reduction made for this specific reason, it would be used as an argument for reducing other long distance coal rates, and then *all* coal rates. The statement of the Indian Mining Federation, referred to in paragraph 6, was made primarily in connexion with competition with coal from foreign countries, and its arguments are directed to this issue, but it is very significant that when the Federation are discussing the question of reduction in rates for coal from the Bengal collieries to Bombay to enable it to compete with coal from other countries in that port, the statement is added as an argument for a reduction in the rate that "there are distant inland centres, *e.g.* Ahmedabad, where coal cannot be with advantage transported by all rail route". This is the only reference to a reduction in long distance coal rates, except in connexion with competition with coal from overseas. It is easy to see the line of argument that would have been pursued had a reduction been made in the rate to Bombay. It would have been said that as it was evidently practicable to reduce the Bombay rate, *ipso facto* the Ahmedabad rate could be reduced and further, that if long distance rates which have extremely low bases could be reduced much more so could rates for shorter distances, as these produced more for the railways per maund per mile than those for long distances.

10. There is no reason to believe that if the rate from the Bengal collieries to Bombay by railway were reduced more traffic would pass. As will be seen from paragraph 6, the Indian Mining Federation desired a reduction because an alternative route charging what the Federation describes as "a reasonable low figure" would "tend to keep the upward tendency of the shipping freights within reasonable limits". The Indian Coal Committee are doubtful whether it would have this result and point out that steamer freights are governed by world considerations and would not be affected by the competition of the railway to a particular destination.

11. Our policy of reducing our coal rates has been severely criticised, and it is necessary to deal with the matter at some length. As a result of the slump in the coal trade in 1923, Bengal coal competed more and more strongly in the markets on the G.I.P. and B.B. & C.I. Railways and there was an alarming falling off in the bookings from G.I.P. collieries. The figures for the years ending 31st March 1922-23 and the months of April and May in 1922 and 1923 are given below:—

AREA.				Year ending.	Coal public & revenue. Tons.	Decrease per cent.
Pench Valley	..	..	..	31-3-1923	260,165	
"	..	..	..	31-3-1922	305,911	
				Decrease	45,746	17
Balharshah	}			31-3-1923	134,113	
Chanda				31-3-1922	169,771	
Ghugus				Decrease	35,658	21
Pench Valley	..	..	..	April, 1923	13,515	
"	..	..	..	" 1922	39,432	
				Decrease	25,917	66
"	..	..	..	May 1923	9,848	
"	..	..	..	" 1922	28,061	
				Decrease	18,213	65
Balharshah	}			April 1923	4,029	
Chanda				" 1922	6,692	
Ghugus				Decrease	2,663	40
"	..	..	..	May 1923	3,612	
"	..	..	..	" 1922	6,788	
				Decrease	3,176	47

The competition chiefly affected the Pench Valley group of collieries, for some of the principal markets of the Balharshah, Chanda groups are in its immediate neighbourhood. The raisings of the latter group were also seriously affected by a fire in the Balharshah colliery which put it out of action from June 1922 till September 1924.

12. Had the rates not been reduced, there is little doubt that the G.I.P. collieries would have been put out of business. The calorific value of their coal is 30% below that of second class Bengal coal and the telescopic principle of the rates in force operated to their detriment, because it reduced their advantage in being nearer than the Bengal collieries to the markets in which there was competition. It was necessary to assist our coal traffic not only on account of itself, but of the traffic, passenger, food stuffs, and general goods, contingent upon it. There are other coal fields for development within the G.I.P. sphere in the Central Provinces and if the collieries already in operation had been allowed to collapse, any hope of the development of coal production on this system must have been abandoned. The Majri-Rajur branch was opened on the 4th May, 1925 to serve the Rajur colliery which

must produce a minimum of 100,000 tons per annum if it is to pay. It is the intention of the G.I.P. Rly. to use Central Provinces coal increasingly. That it is to our advantage to use coal from collieries on our system rather than to go far afield needs no demonstration. Central Provinces coal, it is believed, can successfully be employed as a locomotive fuel provided the engines are designed for its use. An estimate for 24 engines designed to burn Central Provinces coal, to replace engines which have exceeded their normal life was sent home under Agent's letter No. S. 1 of 6th February last, funds to be provided in 1925-26. If these engines are found satisfactory, it is intended eventually to use only Central Provinces coal on our engines, and in the course of a few years many hundreds of thousands of tons of Central Provinces coal may be required. Circumstances may arise where it is expedient, as a temporary measure, to quote rates at less than the cost of service to tide an industry over a crisis rather than to allow it to go out of business. But our action in reducing our rates, which already were extremely low, has increased our receipts per maund per mile owing to the telescopic principle on which the rates are based. Had our rates from G.I.P. collieries not been reduced, the collieries would have shut down and their output would have been replaced by coal from the Bengal collieries. Rates on the Bengal scale on coal from Bengal to this railway and the B.B. & C.I. operating over a long distance produce a lower amount per maund per mile, than rates on the scale 10% above the minimum on coal from G.I.P. Collieries operating over a short distance as illustrated in the table below:—

Taking Bhaga as a point of booking to stations on the G.I.P. Railway at the assumed distances given below, the G.I.P. proportions on the Bengal Coal Scale including the terminal charge and the rate per ton per mile are shown below compared with the rates at Pench Valley Coal Scale with terminals and the rates per ton per mile.

Distance from Bhaga.	G. I. P. distance from Nagpur.	G. I. P. Ry proportion on Bengal Coal Scale rate with one terminal.	Rate per ton per mile.	G. I. P. distance.	Rate at Pench Valley Scale with two terminals.	Rate per ton per mile.
775	142	Rs. a. p. 2 12 8	3.77	142	Rs. a. p. 3 10 0*	4.90
800	167	3 2 4	3.62	167	3 10 0*	4.17
825	192	3 7 8	3.48	192	3 10 0*	3.63
850	217	3 12 8	3.35	217	3 15 0	3.48
875	242	4 1 5	3.24	242	4 3 0	3.32
900	267	4 5 10	3.14	267	4 11 0	3.37
925	292	4 10 1	3.04	292	5 1 0	3.33
950	317	4 14 1	2.96	317	5 5 0	3.22
975	342	5 1 10	2.87	342	5 11 0	3.19
1000	367	5 5 6	2.80	367	5 13 0	3.04

The above table, though of interest, does not give a fair basis of comparison because the G.I.P. collieries are not situated at Nagpur and accordingly the G.I.P. distance does not start where the B.N.R. distance leaves off. A statement, therefore, is submitted (statement "A") which gives comparisons at actual stations to which there are or have been bookings.

13. The result of the reduction in the rates for coal from the G.I.P. collieries is given in statement "B" which shews the figures of booking for the years ending 31st March 1923-24 and '25 as 336, 616; 282, 215 and 405, 583 tons respectively. The reduced rates came into force on 1st August 1923 but had not time to cause much change in the results for the current year but their effect is seen in the year following (that ending 31st March 1925)

which gives the highest recorded bookings. The colliery owners on the G.I.P. have sent a special man to Ahmedabad to demonstrate the best means of utilising the Central Provinces coal and have given mill owners and others advice as to the best boilers to instal with a view of extending their sales.

14. We have been attacked for reducing our rates on the ground that our action gives ground for a specious argument for the reduction of rates on the E. I. and B. N. Railways. Our circumstances are entirely different from theirs. Coal forms about two-thirds of the entire traffic of the E.I.Ry. and about one half of that of the B.N.R., while of the G.I.P. traffic on which the reduced rates are charged it is only about 5 per cent. The calorific value of the G.I.P. coals is 30 per cent. less than that of second class Bengal coal, and it is an axiom in rating that other things being equal goods of lower value can be properly charged at lower rates than those of higher value. Our action has kept our collieries in being, thereby preventing Bengal coal from capturing the markets on the G.I.P. and B.B.&C.I. Railways.

15. Seasonal rates are useful on lines (a) which for a considerable period of the year have difficulty in dealing with the traffic offering, and (b) have a considerable margin for reduction in the rates applying to the commodities which they particularly wish to pass during the slack season. There is extremely little margin, if any, for reduction in coal rates and no small reduction would have any effect. The obvious disadvantages for merchants in buying coal in advance are (a) the locking up of capital, (b) the necessity for facilities for storing, which in many instances would have to be specially provided and (c) the rapid deterioration of Indian coal, especially in the rainy season when the seasonal rates would operate. The effect of making any possible reduction would be that traffic would travel as it does now, and that during the period the seasonal rates were in force would bring in reduced revenue to the Companies. The Indian Coal Committee remark (p.66 of their report) "It is difficult to believe that any reduction which is within the range of practical politics would suffice to induce customers to purchase coal very long before they actually require it for use. The opinion of the coal trade is by no means unanimous in support of the suggestions as will be seen from the oral evidence of the representatives of the Indian Mining Federation. The railways which have the coal fields state that, when the total movement of all traffic including coal is considered there is now little difference between the first and second six months of each year, and that the margin of carrying capacity available is thus not sufficient to make the grant of a reduced rate during the second half of a year an economic proposition." Mr. Banerjee (p. 145 of the report) disagrees with these views.

16. The figures given in statement "B" are of considerable interest and importance, though the difficulty in founding general conclusions upon them is greatly increased by the war period intervening. One satisfactory feature is the progress made in the coal fields on this railway. If one takes the figures for the year ending 31st March 1914, deducts G.I.P. revenue coal 964,650 tons from the total 1,858,829 tons and adds the total of coal imported into Bombay, we arrive at 2,042,230 tons as the result, which represents coal moved for the Government, the public and foreign railways. By taking the same steps for the years ending 31st March 1923-1924-1925 making an allowance for imports for 1925 (only nine months are given in the statement*) the results are respectively 1,939,878; 1,457,464 and 1,591,364 tons, which shows a serious decrease. It is satisfactory that coal from "other countries" shews a progressive decrease during the last four years. Coal has dangerous competition to meet. Severe criticisms of the quality of Indian coal supplied to Bombay are contained in the Report of the Indian Coal Committee and they give the quality as one of the main reasons for the falling off in the demand. I quote from the Committee's report (p. 17):—"In recent years according to the information furnished to us by the Millowners' Association, coal has been superseded

* Statement since brought up to date.

“by electricity in at least 50 per cent. of the cotton mills and other large industrial concerns in Bombay and by oil fuel in 25 per cent. of the remainder. In addition the G.I.P. Railway, one of the largest consumers of Indian coal in Bombay, has already electrified a section of its suburban line and is rapidly proceeding with the electrification of further sections.” The Committee go on to point out that this tendency to use electricity and oil can only be combatted if good Indian coal is sent to Bombay with its quality guaranteed.

17. The task before the Indian coal trade is not merely to compete against foreign coal in India and adjacent ports but to maintain its own position against oil and electricity. Mr. A. A. F. Bray presiding over the annual meeting of the Indian Mining Association in May, 1925 dealt with the position of the Indian coal trade last year when the production was much in excess of the demand. He said that if the collieries owned by railways continued to raise increasing quantities, fresh markets would have to be found. The railways in the past consumed more than a third of the annual average of twenty million tons raised in India, a considerable part of which they purchased from privately owned collieries. He stated that the export trade was reviving though very far yet from the pre-war position. He expected the exports in 1925 to amount to a million and a quarter tons. It is devoutly to be hoped that they may, but we see in the papers the position of affairs at home in the coal trade, freights are low, and to recapture the lost markets will be very difficult. Since November 1924 last year 200 pits have been closed in Great Britain, 150,000 miners are unemployed. The demand by home and foreign markets for the first quarter of this year is at a rate which, if maintained for the whole year, will result in a decrease of 52 million tons compared with last year. Export has gone to pieces. Germany is supplying France with reparation coal. Italy has closed down its purchasing organisation at Cardiff.† The outlook before the Indian coal trade is not cheerful, and for us it is essential to do what we can legitimately to keep the collieries on our own line with their comparatively poor quality of coal in continued and, if possible, increasing business.

18. The foregoing part of this section on coal was written in August 1925. It seems desirable to let it stand and to bring the section up-to-date.

19. On 26th March 1926 the scale for the carriage of coal from Bengal collieries for distances of 400 miles and over was reduced (the differential rule for distance being applied) and this railway followed suit, maintaining so far as practicable the same difference between the new rates as had existed between the old rates.

Statement showing rates per ton at old and new Bengal and Pench Valley coal scales.

Miles.	Bengal scale.		Pench Valley scale.	
	Old rate per ton.	New rate per ton.	10% above the minimum rate per ton.	New scale per ton.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
50	1 2 0	1 2 0	1 2 0	1 2 0
100	2 7 0	2 7 0	2 7 0	2 7 0
125	3 0 0	3 0 0	3 0 0	2 13 0
137	3 4 0	3 4 0	3 2 0	2 13 0
150	3 9 0	3 9 0	3 2 0	2 13 0
200	4 11 0	4 11 0	3 2 0	2 13 0
300	6 8 0	6 4 0	4 11 0	4 4 0
400	7 1 0	6 4 0	5 13 0	5 4 0
500	8 1 0	7 4 0	6 11 0	6 2 0

The above rates are exclusive of terminal charge.

† Written in August 1925.

20. From the 1st April this year up to 31st July the coal despatched from collieries on the G. I. P. Railway was 1,09,857 tons, as compared with 1,27,196 tons in the corresponding period of the previous year.

21. If the Bengal coal rates are further reduced, the position of the G. I. P. collieries will be very seriously affected: some of the rates quoted for them are at the minimum.

22. The importation of South African coal into Bombay has been practically stopped, largely owing to the efforts of the Coal Grading Board set up on the recommendation of the Indian Coal Committee.

STATEMENT "A".

Statement showing rates for public coal and rate per ton per mile from Bhaga to the undermentioned stations on G. I. P. Railway compared with the rates and rate per ton per mile from PENCH VALLEY COLLIERIES (JUNNOR DEO) up to 18-3-1926.

Stations to	FROM BHAGA.						From Junnor Deo.	
	Distance.			Proportions.			Dis- tance.	Rate per ton.
	B. N.	G. I. P.	Total.	B. N.	G. I. P.	Total.		
				Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.
Raichur	633	780	1,413	7 8 0	9 3 0	16 11 0	848	10 0 0
Pies per ton per mile					2.26			2.26
Sholapur .. .. .	..	620	1,253	7 11 3	7 8 9	15 4 0	688	8 12 0
Pies per ton per mile					2.34			2.44
Bombay .. .. .	..	518	1,151	7 14 1	7 7 11	15 6 0	587	9 0 0
Pies per ton per mile					2.78			2.94
Nasik Road .. .. .	..	402	1,035	8 2 0	5 4 0	13 6 0	470	6 14 0
Pies per ton per mile					2.51			2.81
Chalisgaon .. .. .	..	315	948	8 6 2	4 4 10	12 11 0	383	5 15 0
Pies per ton per mile					2.62			2.98
Bhusaval .. .. .	..	242	875	8 10 7	3 7 5	12 2 0	311	5 5 0
Pies per ton per mile					2.75			3.28
Shegaon .. .. .	..	178	811	8 14 2	2 10 10	11 9 0	327	5 8 0
Pies per ton per mile					2.89			3.23
Murtajapur .. .. .	..	132	765	9 0 8	2 1 4	11 2 0	281	4 14 0
Pies per ton per mile					3.03			3.33

Statement showing rates for public coal from Jherriah, Bhaga, and Junnar Deo to Ahmedabad up to 1-4-1926.

Stations from	Distance.				Proportions.			Total rate per ton.
	E. I. R.	G. I. P.	B. B.	Total	E. I. R.	G. I. P.	B. B.	Total.
Jherriah (via Agra East Bank)	625	..	540	1,165	Rs. a. p. 7 10 0	..	6 12 0	Rs. a. p. 14 6 0
Pies per ton per mile					2.34		2.40	
Bhaga (via Katni Murwara and Ujjain)	B. N. 572	362	265	1,199	B. N. 6 12 11	4 2 5	3 6 8	Rs. a. p. 14 6 0
Pies per ton per mile					2.28	2.20	2.48	
Junnor Deo (via Ujjain)		294	265	559	..	4 1 0	3 11 0	Rs. a. p. 7 12 0
Pies per ton per mile						2.65	2.67	

STATEMENT " B ".
GREAT INDIAN PENINSULA RAILWAY.

Statement showing total amount of coal, carried for the public and foreign railways, booked over this railway (a) from coal fields on the E. I. and B. N. railway systems, separately ; (b) from the coal fields on this railway's own system ; (c) from the coal fields on H. E. H. the N. G. S. Railway ; (d) from Bombay to up country ; (e) G. I. P. revenue coal, and (f) other coal for the public, for the period from 1st April 1913 to 31st March 1926.

Period : year ending.	(a) from coal fields on		(b) from coal fields on this Ry. system.	(c) from coal fields on the N.G.S.Ry.	(d) from Bombay.*	(e) G.I.P. Ry. revenue coal.	(f) other coal for the public. †	Total.	Imports of coal into Bombay.		
	E.I.Ry.	B.N.Ry.							Indian coal.	Other coal.	Total.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
31-3-1914 ..	504,021	267,879	17,479	90,966	10,554	964,650	3,280	1,858,829	704,307	443,744	1,148,051
31-3-1915 ..	576,544	357,370	26,574	40,642	6,075	930,660	4,251	1,942,114	613,358	326,228	939,586
31-3-1916 ..	903,944	648,264	35,369	36,840	3,540	1,118,707	8,974	2,755,638	81,221	95,721	176,942
31-3-1917 ..	1,319,873	623,293	61,678	50,725	6,427	1,316,106	301	3,378,403	1,114	33,305	34,419
31-3-1918 ..	946,230	714,447	41,372	59,710	10,858	1,426,846	2,795	3,202,798	....	11,249	11,249
31-3-1919 ..	1,299,819	570,001	121,559	64,795	12,214	1,521,156	6,988	3,596,532	949	53,140	54,089
31-3-1920 ..	1,255,786	444,915	124,269	71,781	7,699	1,399,456	9,476	3,313,382	54,906	24,252	79,158
31-3-1921 ..	965,969	290,755	279,563	56,085	25,437	1,276,024	9,236	2,903,069	401,452	43,095	444,547
31-3-1922 ..	403,559	455,952	402,327	43,204	43,110	1,903,639	30,488	3,282,279	348,416	1,116,198	1,464,614
31-3-1923 ..	430,675	374,325	336,316	39,612	33,522	1,316,982	15,214	2,546,646	89,289	620,925	710,214
31-3-1924 ..	440,417	178,142	282,815	13,071	27,328	1,048,691	14,534	2,004,998	126,065	375,092	501,157
31-3-1925 ..	441,110	185,110	405,583	56,260	19,521	1,184,206	7,585	2,299,375	230,860	260,652	491,512
31-3-1926 ..	395,490	268,789	397,867	56,186	9,512	1,021,867	7,128	2,156,839	221,231	318,297	539,528

* When coal is booked from Bombay it is principally for the stations feeding the Bombay Mills and to Sholapur for the Mills there.

† This represents coal booked on G. I. P. Ry. from stations other than those serving coal fields.

SECTION 3.

Rates quoted to develop Indigenous Industries and Agriculture.

The Government of India in their Railway Department letter No. 705 T of 18th May 1925, addressed the principal railways on the subject of the assistance to be rendered in the development of indigenous industries, and expressed the opinion that railways have it in their power to do much for the encouragement of these industries by the quotation of favourable rates for the carriage of raw material and finished products.

2. The policy of the G. I. P. Railway has always been to encourage indigenous industries. For example, they help the iron and steel industry by quoting an extremely low rate from *via* Nagpur to Bombay for iron and steel, and sulphate of ammonia.

3. The industries located in the area between Bombay and Ambarnath have been allowed the same reduced rate as are quoted to or from Bombay from and to up-country stations, thus putting these industries on the same footing as regards rates as those situated in Bombay City itself.

4. A recent example of the policy of the G. I. P. Railway in regard to indigenous industries is the quotation of a reduced rate of Re. 0-9-5 per maund from *via* Amalner to Nagpur for chloride of magnesium manufactured at Kharaghoda. This reduced rate coupled with that quoted by the B. B. & C. I. Railway from Kharaghoda to *via* Amalner makes the through rate from Kharaghoda to Nagpur Rs. 1-3-2 per maund which is the same as is charged on imported chloride of magnesium from Bombay to Nagpur, thus putting the indigenous on the same footing in regard to the rate as the imported article.

5. Far the most important commodity for which specially low rates are quoted is coal which is dealt with in chapter IX, section II (ii).

6. But *every* station-to-station and schedule rate is quoted to develop industries and agriculture, or to combat competition. There are many station-to-station and schedule rates specially quoted to develop indigenous industries, and some of the more important of these will be mentioned later, but it must be remembered that our help in rating to industries and agriculture is not confined to these rates only. A list of our schedule rates is given as an Appendix to this report.

7. We will first deal with certain of the more important rates quoted, directly or indirectly, to develop indigenous industries.

(i) *Acids.* Station-to-station rates are quoted for acids from Ambarnath, where Messrs. Dharamsi Morarji have erected a factory for their manufacture, to Bombay, *via* Dadar, Poona, Sholapur, *via* Wadi, *via* Raichur to Bangalore, certain stations *via* Poona, Tatanagar and to Delhi Sadr. The ordinary classification for sulphuric acid is 8th class R. R. and 6th class O.R. 1·04 pie per maund per mile and ·83 respectively. A wagon rate is quoted for this acid from Ambarnath to Tatanagar at ·15 pie per maund per mile.

(ii) *Cement.* Station-to-station rates are quoted for cement from *via* Dadar, Katni Cement Siding, Katni, Jukehi, Banmore, Lakheri and Shaha-

bad to a large number of stations on this railway and on foreign lines. In addition, it is charged at schedule C/O. The ordinary classification is 2nd class .42 pie per maund per mile, and both the station-to-station and schedule rates give very large reductions, some of the former being .12 pie per maund per mile.

(iii) *Coal.* The rates quoted for coal are given in chapter IX, section II (ii).

(iv) *Glassware.* Station-to-station rates for glassware, division B, which includes plate glass, stained glass and glass N. O. C. are quoted from Jubbulpore to Bombay and Howrah and from Naini to Satna and Jubbulpore and *via*. The ordinary classification for glass, division B, is 8th class 1.04 pie per maund per mile. The station-to-station rates quoted range from .32 to .39. Station-to-station rates are also quoted for glassware, division C, which includes empty carboys, chimney and globes, inkpots and panes, tiles and pressed glassware. The principal despatching stations are Bombay, *via* Dadar, Kurla, Jubbulpore, Naini and Madras and the destinations Bombay, Madras and certain stations in the United Provinces. The ordinary classification is 6th class .83 pie per maund per mile, and the rates quoted range between .32 and .39.

(v) *Iron and steel.* Station-to-station rates for iron and steel, division B, which division includes the heavier articles are quoted from Bombay to Mulund, Madras, Bangalore City, Mysore, *via* Raichur, Delhi Sadr and *via*, and Nagpur; from Bhadravati to Bombay, Sholapur, Chalisgaon, and certain stations on the B. B. & C. I. Railway; from Hirapur siding to Katni and Jubbulpore and *via*; from *via* Nagpur (for traffic from Tatanagar) to Bombay, *via* Poona, Ahmedabad and Nanded; and from other iron works in Bengal to numerous stations on this railway. The ordinary classification is 2nd class .42 pie per maund per mile. The rates quoted range between .12 and .33.

(vi) *Matches.* Station-to-station rates for matches are quoted from Ghat Kopar, Ambarnath, Kurla, Titvala to a number of stations on this line and in the south of India. The ordinary classification is 9th class R.R. and 8th class O.R., which are 1.25 pie per maund per mile and 1.04, respectively. The rates quoted range between .63 and 1.12. Further, when booked at O.R. W/200 L from Bombay, Dadar, *via* Dadar, Sion, Kurla, Ghat Kopar and Ambarnath, they are charged at rates equal to 7th class .96 pie per maund per mile.

(vii) *Salt.* Station-to-station rates for salt are quoted from Wadala, Dadar, Kurla, Ghat Kopar, Bhandup, Nahur, Thana, Khopoli, Kharagoda, *via* Idgah (Agra) B. B. & C. I., to numerous stations on this and foreign lines. The ordinary classification is 1st class. The rates quoted range from .14 pie to .55. It is also carried at schedule "K" from stations between Bombay and Kasara, and Kalyan and Khopoli.

8. We will now deal with rates quoted in the interests of agriculture.

(i) *Agricultural implements.* Agricultural implements (not machinery) packed, which were charged at 1st class R.R. were included under C/B C/J schedule on and from 13th July 1925 in local booking and on and from 1st

October 1925 in through booking. The rates work out for distances given below as follows :—

Miles.	1st class per maund. Rs. a. p.	C/B C/J schedule per maund. Rs. a. p.	Percentage reduction.
50	0 1 7	0 1 5	11
100	0 3 2	" 0 2 9 .	13
150	0 4 9	0 4 2	12
200	0 6 4	0 5 7	12
300	0 9 6	0 8 4	12
400	0 12 8	0 10 0	21
500	0 15 10	0 11 8	26
600	1 3 0	0 12 9	33

There are station-to-station rates for agricultural implements (not machinery) packed from *via* Nagpur to Bombay and from *via* Katni-Murwara to Ujjain and *via*. These are quoted to help indigenous industries in Bengal.

(ii) *Bones and bonemeal.* We have a number of station-to-station rates quoted for bones, bonemeal and bonedust, also schedule C/M. A large proportion of bonemeal is exported. The class rates are :—

	R. R.	O. R.	R. R. pie per maund per mile,	O. R. pie per maund per mile.
Bones	1st ..	·38	..
Bone meal	2nd 1st	·42	·38
Bone dust	1st ..	·38	..

The Station-to-station rates vary between ·13 pie per maund per mile and ·31.

(iii) *Fodder.* Schedule rate "Q" is quoted for fodder under the head "grass, dry and grass, green". It is for local booking only. In through booking C/B C/J schedule applies. The class rate is first, ·38 pie per maund per mile and the station-to-station rates vary from ·10 pie per maund per mile to ·18.

(iv) *Grain and seeds.* We have a very large number of station-to-station rates quoted for grain and seeds on account of competition. Schedule rate C-B C-J applies in local and through booking. The class rate is first class and the station-to-station rates vary from ·12 pie per maund per mile to ·32.

(v) *Gunnies.* We have a number of station-to-station rates quoted for gunnies, which are used for packing cotton, bagging grain, etc. The main points of despatch are in the neighbourhood of Calcutta. The class rate is second class ·42 pie per maund per mile and the station-to-station rates vary from ·17 pie per maund per mile to ·28.

(vi) *Manures of all kinds.* A reduction in rates for manures of all kinds, including chemical manures N.O.C., oil cake, and sulphate of ammonia, was made on 13th July 1925 in local booking and from 1st October 1925 in through booking. They were charged under schedule "G" as follows:—

	Pie per maund per mile.
For first and up to 100 miles,	·240
Above 100 miles not exceeding 200, to be added to the charge for 100 miles,	·200
Above 200 miles not exceeding 400, to be added to the charge for 200 miles,	·175
Above 400 miles, to be added to the charge for 400 miles,	·100

From the dates mentioned, they come under Conference schedule "CQ", the bases of which are:—

	Pie per maund per mile.
For first and up to 100 miles,	·200
Above 100 miles not exceeding 200, to be added to the charge for 100 miles,	·170
Above 200 miles not exceeding 500, to be added to the charge for 200 miles,	·140
Above 500 miles, to be added to the charge for 500 miles,	·100

The charges compare as follows:—

Miles.	"G" schedule per maund.	"CQ" schedule per maund.	Percentage reduction.
	Rs. a. p.	Rs. a. p.	
50	0 1 0	0 0 10	16
100	0 2 0	0 1 8	16
150	0 2 10	0 2 5	14
200	0 3 8	0 3 1	15
250	0 4 5	0 3 8	16
300	0 5 2	0 4 3	17
400	0 6 7	0 5 5	17
500	0 7 5	0 6 7	11
600	0 8 3	0 7 5	10

(vii) *Mowha flowers.* We have station-to-station rates from stations in the Central Provinces to Nasik, where there is a large distillery for country liquor, to *via* Hotgi and *via* Poona, and to Bombay. The class rate is second class and the station-to-station rates vary from ·18 pie per maund per mile to ·34.

(viii) *Myrobalan.* These are charged under schedule C/O from stations to Bhopal and from Bhopal to Bombay, and are despatched from the Central Provinces, from Poona and *via*, to Bombay for export and to Cawnpore and Bhopal for tanning. The class rate is first class and the schedule rates vary from ·15 pie per maund per mile to ·32.

(ix) *Oil cake.* We have a number of station-to-station rates for oil cake for stations on the Dhond-Baramati Railway, for Bombay, Kopargaon, Delhi Sadr and *via* Delhi, for use as cattle food and manure. The class rate is first class and the station-to-station rates vary from .16 pie per maund per mile to .28.

(x) *Sugar and jagree.* We have many station-to-station rates for sugar and jagree from Baramati, Katpadi, Anakapalli, *via* Raichur, stations on the O. & R. section of the E.I. Railway, stations on the Rohilkund-Kumaon Railway, and B. & N.W. Railway. The class rate is second class and the station-to-station rates vary from .15 pie per maund per mile to .29.

(xi) *Tanstuffs.* There are many station-to-station rates for tanstuffs from Baramati, *via* Hotgi, stations on the Jubbulpore-Naini branch, Jubbulpore, *via* Naini, *via* Delhi Sadr, to Bombay, Kurla, Poona and Bhopal. The class rate is first class and the station-to-station rates vary from .16 pie per maund per mile to .18.

9. There are over 10,000 station-to-station rates in existence on the G.I.P. Railway quoted for 187 main commodities.

SECTION 4.

Competitive Rates.

A large number of our rates quoted in competition with other railways are agreement rates arrived at as explained in chapter V. But there are many competitive rates which are not subject to any agreement, and which we quote along the lines laid down in paras. 37 and 38 of the first section of chapter III. That is to say, when we are able to hold traffic on the bedrock principle by ourselves or in conjunction with a friendly railway we usually keep it to a route favourable to ourselves. There must obviously be a limit to the extent to which this is done, and ordinarily we do not divert traffic from the shorter route if the longer exceeds it by one third or more. The advantages of traffic following the shortest route are dealt with in the eleventh section of this chapter, under the head "Methods of decreasing cost of operation", but so long as each railway is a separate financial unit, competing against all other railways, it will be difficult for any railway to surrender revenue, to which it has a legitimate claim, to a rival.

2. By far the most important competition is for the import and export traffic and our arrangements are clearly set forth in paragraph 13 of chapter V. The agreements arrived at are probably the fairest that could be fixed in the circumstances.

3. On occasion the charge has been brought against Indian railways that rates favour export and import traffic at the expense of traffic between internal parts of the country. On page 50, volume 1 of the Ackworth Committee's Report on Indian railways it is written :—

"It is usual in most countries to concede for export traffic through a seaport, rates which are not available to that seaport for local traffic, and *vice versa* in countries which adopt a free trade policy to fix lower rates for the carriage inward of goods imported through a port than for goods produced locally at the port town". This policy has no support in India. Certain imports and exports have lower rates than those quoted for the same commodities moving between internal points, but this is not because they are "exports" or "imports", but on account of competition, and in every instance the rates quoted for

goods to and from overseas apply also to goods to the ports for local delivery and arising at the ports themselves. The position so far as the G.I.P. Railway is concerned is clearly set forth in para. 13 of chapter V. The reasons why it is necessary to give traffic subject to competition special rates are laid down in para. 10 of chapter II.

4. It would no doubt be possible by greatly reducing certain of our grain and seed rates, to prevent a certain amount of grain and seed which at present goes to Karachi from the G.I.P. Railway for export, from continuing to do so, but here again discretion is necessary in pressing competition. Though each railway is responsible for its own financial salvation there is nothing to be gained by preventing traffic from travelling by a rival railway by unduly forcing down rates. If one railway plays this game it is followed by others, and what one gains on the swings is more than lost on the roundabouts, through a general lowering in the level of rates. The desirability of entering into competition in each particular instance must be judged on its own merits.

5. The influence of rates in determining the destination of goods is inclined to be over-rated. Sir Sam Fay and Sir Vincent Raven on page 106 of their report on the railway and tramway services of New South Wales, 1924, write :—

“ Unless a difference in rates is very great it is not the general experience that trade is diverted from one centre to another solely by reason of railway charges. Sir Mark Sheldon stated the influence governing trade location very clearly when he said :— .

“ The wool grower is not going to send his wool to some new port or some new market simply because it happens to be near his door. It may cost him a little more in trainage, but he is going to send it to the best market where he can get the best price. The matter of trainage or freightage is a very small item compared with the competition for his goods which he can get in a big market, and although it would be very convenient for him, for his personal convenience, or it may be for his district, and so on, I do not think he would be prepared to sacrifice his pecuniary interests for the sake of the district or for the sake just of the sentiment of opening a new port.”

SECTION 5.

Seasonal Rates.

Seasonal rates.

Seasonal rates were tried on this line for stone and certain other commodities in 1922 and subsequently, but have not proved a success. Enquiries show that they are not generally in favour with other railways. We have none in operation at present. The principal factors for the successful application of such rates are :—

- (a) the inability of a railway conveniently to dispose of traffic offering during the busy period, and
- (b) a sufficient margin in the ordinary rate to permit of a large reduction.

If a railway can deal with all the traffic offering during its busy season without difficulty, the charging of a seasonal rate during a slack period results either in the commodity for which the rate is quoted moving in the same proportions throughout the year, the railway giving up part of its

charge during the slack season, or in a proportion of the commodity being held up until the slack season, when a still heavier loss falls upon the railway : in either event the railway loses. There must be a large margin for reduction in the rate to recoup merchants for the loss of interest in their capital which must result from the holding up of their goods and their storage, and for the considerably increased cost of handling during the monsoon which is usually the slack season in India. The matter is being closely watched and should conditions arise justifying seasonal rates they will be quoted without delay.

SECTION 6.

Siding Charges.

The owner pays a survey fee of Rs. 200 per mile of the siding for the first mile and Rs. 50 for every quarter or fraction of a mile in excess of one mile.

2. The first cost of the siding, except that portion which lies on the land of the owner, is debitable partly to the Railway and partly to the owner, the portion borne by the owner being :—

- i. Cost of the land acquired,
- ii. Cost of work to subgrade including earth work, bridge work and ballast.

Cost borne by the Railway is :—

- i. Capital cost of permanent way,
- ii. Girders for bridges,
- iii. Machinery, signals, fencing.

3. The cost of construction of that portion of the siding within the premises of the owner is borne entirely by the owner.

4. A supervision charge of $12\frac{1}{2}\%$ of the total cost of construction of the siding both within the premises of the owner and of the Railway is payable by the owner.

5. For the maintenance of that portion of the siding lying within the premises of the owner he pays the actual cost of maintenance plus a supervision charge of $12\frac{1}{2}\%$ on such cost.

6. A charge of 9 per cent. per annum of the total cost of the siding lying within the premises of the railway, is payable by the owner of the siding to cover interest, 6 per cent. maintenance of the portion of the siding lying within railway premises, $2\frac{1}{2}$ per cent., and depreciation, $\frac{1}{2}$ per cent.

7. In addition to the freight rates up to the station from which the siding takes off, a charge for shunting *loaded* wagons into and from the siding is payable by the owner on the following basis :—

Re. 1 per four-wheeled wagon, and
Rs. 2 per bogie wagon,
Subject to a minimum charge of

- (i) Rs. 6 per hour when the shunting is done by a shunting engine at a station where such an engine is normally provided,
- (ii) Rs. 12 per hour when the shunting is done by a main line engine at a terminal station where a train engine is detained for the purpose,

- (iii) Rs. 15 per hour when the shunting is done by a main line engine and a special trip has to be made for the purpose,
- (iv) Rs. 15 per hour when the shunting is done by the engine of a section train shunting at a roadside station.

Should shunting take less than one hour the minimum charge is reduced proportionately; it is increased proportionately if more than one hour is taken.

SECTION 7.

Feeder lines.

The feeder lines of the G.I.P. Railway are :—

The Dhond-Baramati,	..	27·26 miles,	opened	20-5-14
The Ellichpur-Yeotmal,	..	117·66	„ „	30-9-15
The Pulgaon-Arvi	..	21·83	„ „	25-9-17
The Pachora-Jamner,	..	34·62	„ „	24-3-19

They are all 2' 6" gauge.

2. The Agents for the Dhond-Baramati and Pachora-Jamner are Messrs. Shapoorji Godbole & Co., Bombay and of the Ellichpur-Yeotmal and Pulgaon-Arvi, Messrs. Killick, Nixon & Co., Bombay.

3. The main provisions of the contracts are :—

(i) *Land.*—Land in British territory provided free of cost.

(ii) *Government aid.*—The Government shall allow to each Company at the end of each year by way of rebate such a sum, not exceeding in any year the net earnings of the Great Indian Peninsula Railway, from all traffic, originating or terminating at stations of each railway, as shall together with the net earnings of the Company concerned make up an amount equal to interest for the year at a rate of 5 per cent. per annum on the paid up share capital of the Company. When the net earnings do not suffice to pay interest at 5 per cent., the Companies shall be paid by the working agency out of the working expenses the sum of Rs. 6,000 to the Dhond-Baramati Railway, Rs. 15,000 to the Central Provinces Railways (which include the Ellichpur-Yeotmal and Pulgaon-Arvi Railways), and Rs. 5,000 to the Pachora-Jamner Railway for each year towards the office expenses and expenses of management and direction of the Companies and also all such legal expenses as shall have been incurred by the Company and are debitable to Revenue. When the net earnings excluding rebate, exceed the interest at 5 per cent., such excess, if less than Rs. 6,000 for the Dhond-Baramati Railway, Rs. 15,000 for the Central Provinces Railways and Rs. 5,000 for the Pachora-Jamner Railway, plus the amount of legal expenses, shall be applied towards the office expenses and expenses of management and direction and the legal expenses and the balance to make up the sum of Rs. 6,000, Rs. 15,000 or Rs. 5,000, as the case may be, and the legal working expenses shall be paid by the working agency out of the working expenses.

- (iii) *Terms of working.*—Each line is supplied with plant and machinery, other than fixed machinery, and is managed, worked and maintained in respect of the railway station yard, sidings, rolling stock, etc., for 45 per cent. of its gross earnings.
- (iv) *Distribution of profits.*—When the net earnings of each Company exceed the minimum amount sufficient to give a return of 5 per cent. per annum, such excess shall be applied towards the payment of office expenses, expenses of management and direction of the Company.
- (v) *Rates and fares.*—The working agency shall charge such rates and fares for the carriage of goods and passengers, as shall be agreed upon between the Secretary of State and the working agency, and adopt such classification of goods as shall be in force on the Great Indian Peninsula Railway.

Note. The rates and fares of the feeder lines are described in para. 23 of Section 1, para. 1. of section and para. 2. of section 3 of Chapter III.

(vi) Special obligations as to the conveyance of :—

(a) Mails, troops, police, high Government officials and Government stores.

(b) Government bullion and coin and the persons in charge thereof.

All business connected with the management and maintenance of the lines and conducting the traffic thereon, including police and telegraphs and telegraphic appliances, shall in all respects, as far as practicable, be carried on in the same manner and subject to the same regulations and control by the Secretary of State as the like business on the Great Indian Peninsula Railway.

4. The working results of the feeder railways during the last seven years were :—

Lines.	1919-20.		1920-21.		1921-22.	
	*1	**2	*1	**2	*1	**2
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Central Provinces Rys.	..	1,76,673	10,681	1,49,370	75,360	1,23,389
Dhond-Baramati Ry.	..	28,260	18,176	5,149	-5,223	11,422
Pachora-Jamner Ry.	8,569	-6,612	52,106	-13,400	40,256	-11,757

* Signifies amount in excess of 45 per cent. of gross revenue incurred in working expenses.

** Signifies G.I.P. Railway's proportion of surplus profits after dividend of 5 per cent. had been paid.

Lines.	1922-23.		1923-24.	
	*1	**2	*1	**2
	Rs.	Rs.	Rs.	Rs.]
Central-Provinces Railways	-55,400	1,52,127	-1,07,099	1,44,085
Dhond-Baramati Railway	-20,702	20,472	5,372	18,608
Pachora-Jamner Railway	34,653	-11,596	2,622	-7,797

Lines.	1924-25.		1925-26.	
	*1	**2	*1	**2
	Rs.	Rs.	Rs.	Rs.
Central-Provinces Railways	-2,18,986	2,35,863	-2,13,000	1,63,470
Dhond-Baramati Railway	-1,991	16,685	-30,927	17,007
Pachora-Jamner Railway	8,241	6,764	26,781	-9,357

* Signifies amount in excess of 45 per cent. of gross revenue incurred on working expenses.

** Signifies G.I.P. Railway's proportion of surplus profits after dividend of 5 per cent. had been paid.

SECTION 8.

New construction.

The view of the Railway Board about new construction is set forth in their letter No. 598 P. of 18th June last. It may be summarised briefly as follows :—

Railway administrations should definitely undertake responsibility for developing the country side, particularly in agricultural districts, as the Railway Board are satisfied that there is an urgent need for a rapid expansion of transport facilities alike in the interests of the country and of the railways. The Railway Board regard the extension of service to the public as one of the most important duties of a railway administration and they wish to see this duty "carried out through the medium of the new construction programme as well as in all other railway activities."

2. In the same letter the Railway Board laid down that we should prepare a programme of construction for the five years beginning 1st April

1927, which would enable the funds and staff required to be provided in good time. Our consequent proposals are given in the Quinquennial Programme beginning 1st April next, as shewn below :—

Railway under Survey shown thus ———

Railway under Construction shown ===== 20*
thus.

*Represents probable expenditure in lakhs during the year.

Programme of Railway Survey and Construction.

(The amounts are shown in lakhs.)

Item No.	Name of Projects.	Stand-ard.	Gauge.	Length in miles.	Approximate cost in lakhs of Rs.	Proposed expenditure.					
						1926-27. Rs.	1927-28. Rs.	1928-29. Rs.	1929-30. Rs.	1930-31. Rs.	1931-32. Rs.
461	Agra—Bah.	C.	5'-6"	45	32.08	12.08	20.00	..	..	..	..
470	Aligarh—Muttra	B.	5'-6"	45	64.00	..	14.00	25.00	25.00	..	..
471	Dharwa—Pusad	C.	2'-6"	43	30.43	..	0.43	18.00	6.00	..	..
472	Thana—Mahad	C.	5'-6"	90	1,18.16	..	..	38.16	40.00	40.00	..
473	Kunch—Madhogarh	C.	5'-6"	52	31.20	..	..	15.00	16.20	..	..
474	Nasik-Belapur-Bodegaon.	B. & C.	5'-6"	153	1,34.00	..	..	..	22.00	45.00	45.00
475	Khandwa-Hingoli (Khandwa—Painganga Section.)	B.	3'-3½"	168	2,04.55	..	..	..	..	50.00	50.00
Total mileage of new construction proposed during the five years commencing 1st April 1927 ..				596	..	..	..	..	..	..	..
Total allotment for each year .. Ra.				6,14.42	12.08	40.43	96.16	1,09.20	1,35.00	95.00	
Survey miles for each year .. ..				..	178	230	321	321	..	..
Construction miles for each year .. ..				..	45	133	230	340	411	321	
Additions to mileage each year .. ..				..	..	45	..	140	90	..	

NOTE.—The projects are shown above in the order of their considered importance. The programme aims at an aggregate length under construction of about 300 miles in any one year and a staff of four construction divisions.

3. The amendments the Railway Board propose in our programme are :—

Agra-Bah
Dharwa-Pusad
Thana-Mahad. } The Railway Board suggest construction in each instance, be finished three months earlier than proposed by us.

Nasik-Belapur-Bodegaon.—Railway Board desire engineering Survey to be carried out forthwith and construction begun from 1st July 1927.

Khandwa-Hingoli.—Railway Board desire construction to begin by about 1st January 1929.

4. The Railway Board further wish us to begin construction of the following projects from the date given against each :—

Kartal-Kamasin	..	..	..	..	1st January, 1928.
Khamgaon-Chikli	..	..	..	..	1st July, 1929.
Amraoti-Narkhed	..	..	..	..	1st January, 1930.
Harpalpur-Kalpi (Somerpur)	..	..	..	..	1st January, 1930.
Harpalpur-Chatrapur	..	..	..	..	1st January, 1931.
Yeotmal-Bhamangaon	..	..	..	..	1st January, 1931.
Damoh-Amangang	..	..	..	..	1st July, 1931.

5. Since the 31st March 1926 this department has submitted eight traffic reports.

Statement of traffic survey reports submitted since 31st March, 1926, with date of submission to Agent, gauge, length, estimated capital cost and dividend.

Name of project.	Date submitted.	Gauge.	Length.	Estimated capital cost.	Estimated dividend.
			Miles.	Rs.	
1. Dharwa-Pusad Railway	1-4-26.	2'-6"	43	29,73,825	10·6 %
2. Dhamangaon-Yeotmal Railway	30-4-26.	2'-6"	34	29,36,250	4·23%
3. Hiwarkhed-Akot-Akola-Basim Ry.	19-6-26.	5'-6"	91	77,72,600	2·34%
4. Manmad-Malegaon-Satana Ry.	14-7-26	5'-6"	45	38,42,600 (15,83,925 from Man- mad to Male- gaon only)	1·5
5. Belapur-Shevgaon Railway ..	9-8-26.	5'-6"	46	34,50,750	4·76%
6. Kunch-Jalaun-Madhogarh Ry. ..	13-8-26.	5'-6"	49	30,62,180 (22,79,200 by alternative alignment).	3·4 % 5·0 %
7. Muttra-Aligarh Railway ..	24-8-26.	5'-6"	41	69,30,000	6·16%
8. Nasik-Belapur	31-8-26.	5'-6"	93	90,82,000	·33%

6. In Agent's letter No. 2274-D-134 of 25th September last we have been given a list of all the projects, for which it is stated traffic surveys are now required in the order of their urgency :—

- (1) Talegaon-Mancher ;
- (2) Belapur-Bodegaon ;
- (3) Khandwa-Hingoli ;
- (4) Amraoti-Chandur-Morsi-Narkhed ;
- (5) Parola-Amalner-Soukheda ;
- (6) Khamgaon-Chikli ;
- (7) Baramati-Baura ;
- (8) Damoh-Amangang ;
- (9) Kotah State :—Baran-Sangod-Khanpur-Aklera-Manohar-
than ;
- (10) Dhulia-Nardhana ;
- (11) Borkhedi-Hinganghat Chord ;
- (12) Sholaka-Nuh-Rewari ;
- (13) Kosi Kalan Branch-Alwar ;
- (14) Railways in the quadrilateral area between the Bina-
Katni, Katni-Manikpur, Manikpur-Jhansi and Jhansi-
Bina lines ;
- (15) Harpalpur-Nowgong-Chatarpur ;
- (16) Harpalpur-Rath-Kalpi and Harpalpur-Rath-Supermur ;
- (17) Garooha-Mau Ranipur-Maurana-Lalitpur ;
- (18) Kartal-Attara-Barberu-Kamasim ;
- (19) Chinchwad-Narayanganj ;
- (20) Yeotmal-Wun ;
- (21) Takli-Edlabad ;
- (22) Sawda-Chopda.

SECTION 9.

Publicity.

To publish is "to make generally known," "to noise abroad." It is obvious that publicity can only be desired by those who have something good to make generally known, and that the better it is, the keener they will naturally be to secure publicity for it. The G. I. P Railway from the very beginning has been the leader in publicity amongst Indian railways.

2. The present publicity branch of the Commercial Department was sanctioned as a tentative measure under Railway Board's letter No. 1954 E. 19 of 18th March 1920. The publicity functions of a railway come naturally under the control of the "selling" department of which they are obviously an integral part.

3. For the first two years the work was mainly to secure a revenue from trade advertisements at stations, in carriages and refreshment rooms. The adjustment of station design to conform so far as practicable with advertising requirements has been brought to the notice of the engineering department. It is estimated that up to 31st March last the net revenue secured is Rs. 1,50,882.

4. On 1st April 1922 permanent sanction to the publicity branch was given and further activities were started. St. Nihal Singh wrote three folders entitled "India Beckons," "India Old and New" and "The road to India's Past." A pamphlet on "Sanchi" by Sir John Marshall has been published and booklets entitled "India for the Tourist" and "Kashmir" have been prepared departmentally. Leaflets on Ajanta and Ellora, one in Marathi on Pandharpur, a coloured leaflet drawing attention to the advantages of G. I. P. tourist cars and an art booklet on "Agra and Fatehpur Sikri" with six illustrations in colour, posters on Pandharpur, Mussoorie, Agra and Fatehpur Sikri, and Nasik have been issued. A leaflet in Marathi on Nasik is being published. A very useful illustrated pamphlet on "Safety First" has been issued.

5. Press advertising of Poona, Nasik, Ajanta Caves, Ellora Caves, Agra, Delhi, Gwalior and other places of interest on the line has been conducted. A series of coloured cover designs for the G. I. P. two-anna time-tables has been published. An "All India" Time-table has been produced. Hindi and Marathi time-tables are also issued.

6. Lantern slides have been prepared departmentally and shewn in cinemas in order to advertise the Poona Races, cheap holiday tickets and books of coupon tickets. A cinema film has been made departmentally and displayed to advertise Poona Races.

7. A film of 11,000 feet, illustrative of a tour over India, was prepared and shewn at the Wembley Exhibition. Copies have since been handed over to the Canadian Pacific Railway, who are acting as our Publicity Agents in Canada and the United States, and have been widely displayed throughout America. Copies of certain parts of it have been prepared and shewn with lectures on travel and films of general interest. The wide-spread organisation of the Canadian Pacific Railway possesses all the means of reaching the American public and results are already evident in the increased number of round-the-world-tours coming to India, and in the many enquiries for information about the cost of touring in India and suggestions for itineraries received direct from people in America. Many hundreds of booklets and leaflets have been distributed in America and other countries.

8. An Information Bureau was opened on the 14th October 1924, which has been made great use of by travellers, supplying them with information including itineraries. A poster has been issued drawing the attention of the public to the fact that the Information Bureau will help them. Post cards, booklets, and a large number of photographs have been sold.

9. A great deal of photography is done for the different departments. The photographs shewn in the dining cars and upper class carriages are prepared by the railway photographer. Photographs are taken of upper class stock, production of work in the shops, defective material supplied by manufacturers, latest types of locomotives, and diagrams of rolling stock, station yard drawings, and maps are reduced. Photographs of electric fittings, and of special lighting schemes to illustrate reports, views of collieries, electrical installations in power houses, and works of general interest are prepared.

10. Most of the publication work of the commercial department is looked after by its publicity section, which is responsible for issue of the goods tariffs, time-table and coaching guide, English, Hindi and Marathi time-tables, weekly notices, and for the advertisements which appear in some of these publications.

11. But by far the most notable and picturesque activity has been the starting of a travelling railway cinema, the potentialities of which are incalculable. It began its journeys on 19th November 1925 and so far has visited 193 stations. The following cinema films have been produced in conjunction with the Agricultural Departments of the Bombay Presidency, the Central Provinces, the United Provinces and the Punjab :—

- (1) Improved methods of sugar cane cultivation ;
- (2) Poultry farming in India ;
- (3) Old and new methods of irrigation in the Bombay Deccan ;
- (4) Improvement of cattle in India ;
- (5) Old and new methods of wheat cultivation ;
- (6) Cotton cultivation.

In addition the following films dealing with the work of the staff are under preparation :—

<i>Vacuum Brake</i>	..	Its working and adjustment ; rectification of defects ;
<i>Steam Valve Gear</i>	..	Its working and adjustment ; rectification of defects ;
<i>Breakdown Work</i>	..	Right and wrong ways of re-railing carriages, wagons and engines ;
<i>Firing</i>	..	.. Right and wrong methods. How to obtain a minimum consumption with each class of fuel ;
<i>Lubrication</i>	..	.. Use and adjustment of various trimmings to minimise consumption ;
<i>Track Maintenance</i>	..	How to deal with various types of sleepers and the rectification of faults ;
<i>Safety First.</i>		
<i>First Aid.</i>		

A film on rural uplift in India will be produced shortly.

12. It is difficult to exaggerate the possible effects of cinema propaganda in improving agricultural methods. The performances at many stations are attended by literally thousands of people who show the keenest interest. The use of proper ploughs, the rotation of crops, the advantage of fertilisers can be impressed upon the peasantry by cinema films more graphically and effectively than in any other way. But the cinema has even greater results than this, for the minds of the people are enlarged, they are given wider interests. Two of the greatest causes of increased revenue are a greater desire on the part of the public for material things and for enlarging their experiences by travel. We are fortunately not called upon to judge whether by increasing a man's material wants we are likely to add to his happiness, we are looking at the matter purely from the railway point of view, but as things get back to normal, as railway mileage increases bringing down the costs of transportation and so making a bigger margin for spending, it will be necessary to educate the peasant in the best way to spend his money and the cinema is an unrivalled means of so doing.

13. Much of the criticism passed on railway operations and methods is the outcome of ignorance. Did the public understand the difficulties that railways have to contend with and the action taken to overcome them, a much more sympathetic attitude would result. The publicity section with tactfully prepared press notices can be of the greatest assistance.

SECTION 10.

Other Methods of Increasing Traffic.

We have dealt with the use of publicity in increasing traffic, and now have to deal with other matters within the compass of this report. The most important are :—

- (i) the diffusion of interest in rating and railway affairs generally ;
- (ii) the stimulation of indigenous industries and agriculture ;
- (iii) the increase in railway mileage ;
- (iv) the competition with motor traffic ;
- (v) the decrease in passengers travelling without tickets ;
- (vi) the increase in cotton rates.

Diffusion of interest in rating and railway affairs generally.

2. One of the greatest aims for the successful working of a railway is *esprit-de-corps*. Very often the greater the organization, the more difficult it is to foster this spirit, and for this, amongst other reasons, a State Railway is in a more difficult position than one worked by a Company. Rating is, and has been of necessity, concentrated at the headquarters of railways, but it is extremely important to get the commercial staff interested in the subject.

Stimulation of indigenous industries and agriculture.

3. The action we have taken to stimulate, by judicious rating, indigenous industries and agriculture has already been dealt with in section 3 of this chapter, and in section 9 under the heading "publicity," and the matter receives unremitting attention.

Increase in railway mileage.

4. The increase in railway mileage has been dealt with in section 8 of this chapter, and a very full programme of work has been laid down.

Competition with motor traffic.

5. Motor competition with the coaching services of this railway is a very serious matter and is growing more serious every day. The question is undergoing special investigation. We are trying to ascertain whether it is practicable, in certain districts, to run motor services of our own in competition with those operating against us.

Decrease in passengers travelling without tickets.

6. Very large numbers of passengers are travelling without tickets in spite of all endeavours to stop them. There is no doubt whatever that an amendment of the Indian Railways Act is necessary. The provisions of that Act dealing with the matter are contained in sections 112, 113 and 132. Passengers found travelling without tickets and are unable to pay are usually prosecuted under sections 112 and 113. These sections are non-cognisable and should be made cognisable. At the meeting of the Indian Railway Conference Association, 1925, the following resolution was passed :—

"That in view of the increase of numbers of passengers travelling without tickets and of the loss to Railway and to Government caused thereby, this Conference recommends to the consideration of the Railway Board the advisability of revising the Railway Act in order to provide better security for Railways in recovering fares and penalties for travelling without tickets."

Increase in cotton rates.

7. The question of increase in cotton rates has been fully dealt with in the note on "cotton" in section 3 of this report.

SECTION 11.

Methods of Decreasing Cost of Operation.

The best means of decreasing cost of operation are:—

- (i) to keep a careful watch on employment of staff;
- (ii) to do everything possible to maintain good loading of wagons;
- (iii) to maintain adequate statistics;
- (iv) to convey traffic by the shortest practicable route.

2. There is no satisfactory formula by which one can arrive at the number of staff necessary to be maintained in a goods shed; conditions vary so greatly. The only satisfactory method to determine the number of staff required is for a man of experience to watch the working of a shed over a period. The number of staff employed should be checked at frequent intervals, individual attention being given to the men employed. It often happens that a man is employed in circumstances in which he cannot give his best work and a great improvement can be made by means of his transfer.

Employment of staff.

3. The subject of loading is fully dealt with in Chapter VI of this report.

Good loading of wagons.

4. It is necessary in railway working to have the best statistics available and not too many of them. The Indian Railway Conference Association have appointed a committee to report on commercial statistics, and this should be of the highest value. The appointment of a statistics officer on this railway has been of the greatest assistance. We have been able to get necessary figures much more readily than in the past and in the form in which we require them.

Maintenance of adequate statistics.

5. Other things being equal, traffic should follow the shortest route. This principle cannot be followed absolutely, because (i) each railway is an independent financial unit and is bound, within reason, to endeavour to draw traffic to itself; (ii) certain facilities provided would be thrown out of use; (iii) certain of the shortest routes would become congested. It must be remembered that under (ii) facilities such as engines, staff and wagons can be diverted. It would often be found that if traffic were diverted to the shortest route, rates per maund per mile could be so increased that the revenue would be higher than before.

Conveyance of traffic by the shortest practicable route.

SECTION 12.

Coaching fares and charges, and miscellaneous.

This report is primarily concerned with goods rates but it is necessary to consider coaching fares and charges and miscellaneous earnings and their contribution to the revenues of the railway.

2. The diagram printed with this section shews the earnings and numbers of passengers carried in each class from 1910 to 31st March 1926. On the 1st April last certain fares were altered and are now as follows:—

Coaching charges.

- 1st class, 18 pies per mile for any distance;
- 2nd class, 9 " " "
- Inter class, no change;
- 3rd mail, no change;
- 3rd ordinary, { 4 pies per mile 1 to 150 miles plus.
3½ pies per mile 150 to 300 miles, plus.
3 pies per mile over 300 miles.

The time the revised fares have been in force is not sufficient to enable any judgment to be formed as to the suitability of the alterations from the financial standpoint. The most suitable way to fix coaching fares is by the process of "trial and error" and in due course we shall be able to form an opinion as to whether any further change should be made.

3. Appendix "C" shows the contribution made to the revenues of the railway by passengers under their different heads from 1913-14 to 1925-26. The most outstanding fact is the manner in which our third class passengers (vastly the most important) have increased both in numbers and earnings.

Parcel and luggage earnings.

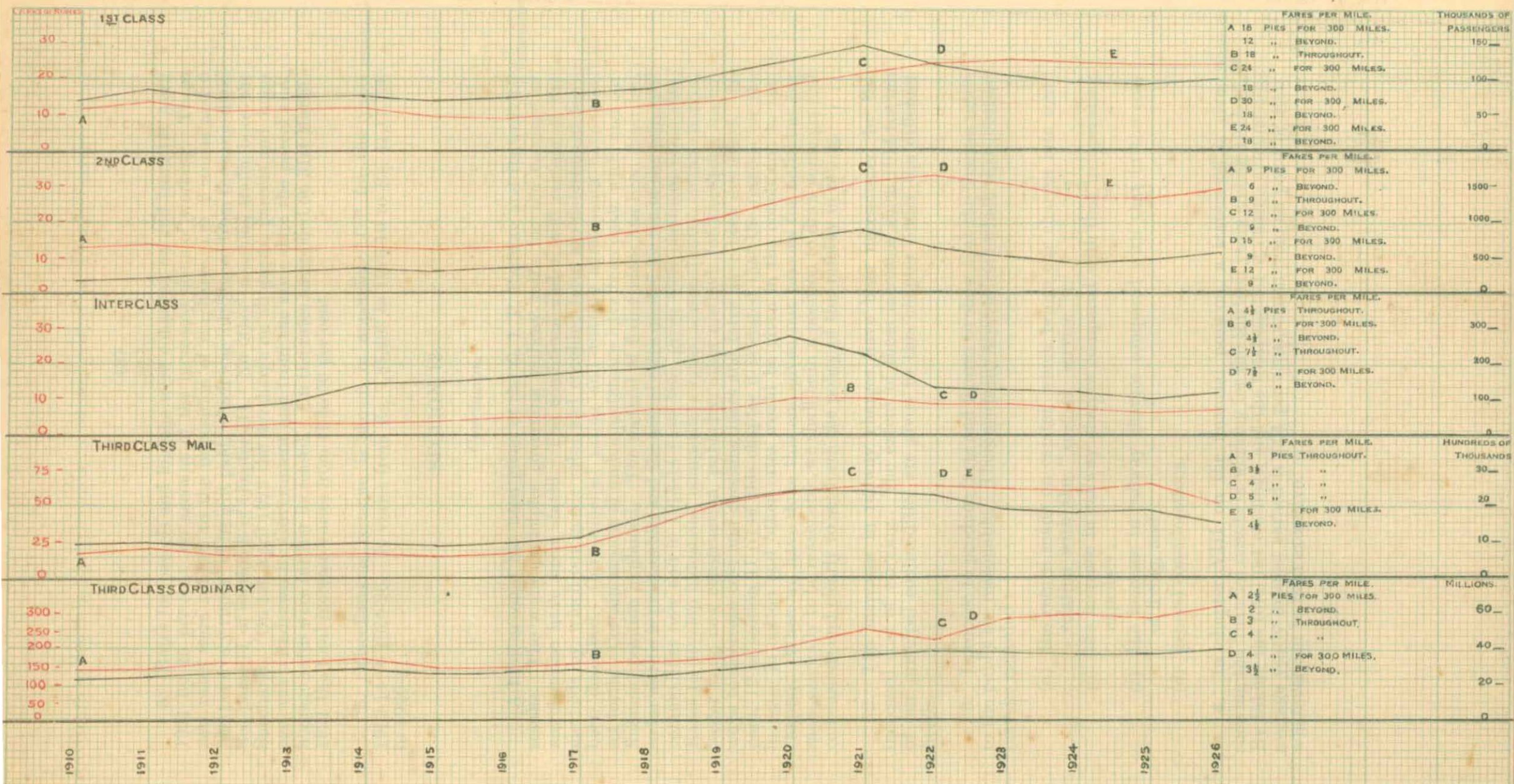
4. The following statement gives the revenue and ton-miles of parcels and luggage from the year ending 31st December 1901 to the year ending 31st March 1926 :—

Revenue and ton-miles of luggage and parcels, 1901 to 1925-26.

Period.	Luggage.		Parcels.	
	Ton-miles.	Amount.	Ton-miles.	Amount.
		Rs.		Rs.
Year ending.				
31st December 1901	1,672,268	3,89,604	6,975,945	12,41,524
" 1902	1,884,953	4,31,792	7,489,807	13,62,328
" 1903	1,921,549	4,42,424	8,107,360	14,79,732
" 1904	1,956,430	4,48,887	8,533,407	15,51,074
" 1905	2,239,759	5,12,593	9,172,889	16,69,992
" 1906	2,547,653	5,84,834	9,377,905	17,05,595
" 1907	2,356,287	5,41,458	9,971,519	18,14,128
" 1908	2,161,489	2,94,985	10,520,334	19,09,906
" 1909	2,311,936	5,30,892	10,807,313	19,71,648
" 1910	2,499,080	5,75,843	11,629,007	21,18,959
" 1911	3,074,749	7,15,254	12,367,741	22,42,422
" 1912	2,820,554	6,88,276	13,597,705	23,20,824
Quarter ending 31st March 1913 ..	631,375	1,54,069	3,776,114	6,44,498
Year ending.				
31st March 1914	2,722,261	6,43,741	14,943,230	26,80,630
" 1915	2,445,560	5,78,979	18,246,131	32,81,036
" 1916	2,581,079	6,08,882	20,443,779	36,77,631
" 1917	2,973,656	7,02,048	28,202,883	50,68,280
" 1918	2,831,251	6,69,145	34,448,011	62,01,870
" 1919	3,356,038	7,92,197	37,016,081	66,18,566
" 1920	3,681,651	8,72,097	40,156,980	71,85,827
" 1921	3,576,663	8,45,173	39,486,049	70,82,810
" 1922	3,930,389	9,28,759	42,078,656	75,47,859
" 1923	4,626,747	10,93,310	43,206,422	77,50,152
" 1924	4,702,099	11,11,116	40,838,567	73,25,418
" 1925	4,859,246	11,48,250	39,914,693	71,59,698
" 1926	5,579,370	13,26,984	38,262,702	68,64,426

EARNINGS & NUMBER OF PASSENGERS CARRIED IN EACH CLASS FROM 1910

(EXCLUDING TROOPS & SEASON TICKET HOLDERS).



5. Rates for parcels and luggage were enhanced on and from 1st April 1921 by 25 per cent. on account of the increased costs of working. These new rates were subject to the imposition of surcharge, i.e. 2 annas and 6 pies per every rupee of freight paid, which was introduced from the same date. See para. 11 of section 3 of chapter III. No other coaching traffic bore the Surcharge. On 1st April 1922 the Surcharge on all goods, parcels and luggage was withdrawn by Government and from the same date the parcel and luggage rates were further increased. On the rates as applied on 31st March 1921 the total increase varies from 41 to 50 per cent.

5. Miscellaneous revenue is shown in appendix "C" for the years 1913-14 to 1925-26. It varies from Rs. 7,85,493 in 1915-16 to Rs. 41,11,796 in 1920-21. Miscellaneous.

SECTION 13.

Conclusion.

A brief account has been given of the G. I. P. Railway and its working results. The main principles governing railway rates for the carriage of merchandise have been stated. The conditions under, and certain of the methods by, which our goods rates and coaching fares are determined have been described. Our principal rating and routing agreements have been set forth. Certain aspects of undue preference have been dealt with and our financial position explained. The method of fixing rates has been described so far as this is practicable, and the actual rates quoted for ten of the principal commodities now and in 1913-14 have been given with pertinent comments. Rates to develop industries, competitive rates, seasonal rates, siding charges, feeder lines, new construction, publicity, other methods for increasing traffic, ways to decrease cost and coaching rates and fares have been described. In para. 12 of section II (i) of this chapter it is stated that the reasons for the increase in cotton and other rates would be given in the conclusion to this chapter. When we have done this and given our reasons for believing our rates generally to be reasonable, we shall be in a position to draw some general conclusions and clearly to set forth the policy of this railway in rating. General remarks.

2. The increases in railway charges have been necessitated by the increased cost of working. The extent of these increases since 1914 for ten of our principal commodities are given in this chapter under the different heads.

3. I propose to produce facts and figures to show that the charges made to the public are reasonable. There are many aspects from which this question may be regarded :—

- (a) the return made on capital, which brings our charges into some relation with the "cost of service";
- (b) the increase in railway charges compared with that in operating expenses;
- (c) the increase in railway charges compared with that in the cost of living, and
- (d) general considerations.

4. In chapter VIII on the financial position, a statement is given shewing the financial results of working for the thirteen years ending 1925-26. By taking the total net earnings, and the total capital at charge, we find the average yearly interest earned is 5.04 per cent., which from no point of view whatever can be held excessive. Return on capital.

5. Before the points can be made that charges are reasonable because their increases since 1901 compare favourably with the increases in operating expenses and in the cost of living, it is obviously necessary to show that the 1901 charges were reasonable. It is mentioned in para. 13 in the portion of this chapter devoted to cotton, that a meeting was held in January 1902 by Mr. Robertson, C. V. O., the Special Commissioner appointed by the India Office to examine into the administration and working of Indian railways, with the Committee of the Bombay Chamber of Commerce. At this meeting it was declared by the Committee that they had no difficulty in getting rates suitable to traffic quoted and that they had no complaints with regard to rates. The Bombay Chamber of Commerce was, and is, a body of great importance, the interests of which extend over huge areas and its opinion is of much weight. Further, shortly prior to 1901 large reductions in rates had been introduced.

Increase in railway charges compared with that in operating expenses.

6. It is clear that what matters to the public is not so much the increase in rates as the increase in the actual amounts they are called upon to pay. It is conceivable that rates might be increased on the average 60 per cent. while amounts paid advanced only 20 per cent. through only a small proportion of commodities being carried at the rates that had been most advanced.

7. We are able to arrive at the increase in amounts paid by ascertaining the charge per ton-mile for each of the years under comparison. The following statement shews the average rate in pies charged for carrying a ton of *public goods traffic, excluding fuel, one mile from the year 1901 to 1926 :—

	Year ending.		Pies.
	31st December 1901	.. ..	6·90
	.. 1902	.. ..	5·83
	.. 1903	.. ..	6·53
	.. 1904	.. ..	6·31
	.. 1905	.. ..	6·75
	.. 1906	.. ..	6·34
	.. 1907	.. ..	5·81
	.. 1908	.. ..	5·63
	.. 1909	.. ..	5·67
	.. 1910	.. ..	5·28
	.. 1911	.. ..	5·04
	.. 1912	.. ..	4·96
	31st March 1914	.. ..	4·72
	.. 1915	.. ..	4·86
	.. 1916	.. ..	4·50
	.. 1917	.. ..	4·10
	.. 1918	.. ..	4·33
	.. 1919	.. ..	4·50
	.. 1920	.. ..	4·94
	.. 1921	.. ..	5·13
	.. 1922	.. ..	6·02
	.. 1923	.. ..	6·75
	.. 1924	.. ..	6·89
	.. 1925	.. ..	6·43
	.. 1926	.. ..	6·60

* Public traffic includes military stores, railway material for other systems and for new construction on home line.

8. The comparison of one year's figures with those of another is not always satisfactory, for the proportions in which commodities travel, their points of distribution and destination, and the distances over which they are hauled frequently vary considerably from year to year. But making allowance for all shortcomings, the figures given below are of great interest and value. In order to minimise the effect of yearly fluctuations, averages for five years have been taken.

Period	..	Average rate charged per ton per mile on public goods traffic excluding fuel. Pies.
5 years ending 31-12-1905	..	6.93
„ 31- 3-1916	..	5.93
„ 31- 3-1926	..	8.60

9. The average amount paid per ton-mile for five years ending 1925-26 has increased 45 per cent. over that for five years ending 1915-16 and 24 per cent. over that for five years ending 1905. The average amount paid for five years ending 1915-16 shows a decrease of 14 per cent. compared with that for five years ending 1905. This decrease is due to the greatly increased quotation of schedule and station-to-station rates. The increases in the period ending 31st March 1926 are due to the necessity for raising charges to cover the enhanced cost of operating. The incorporation of the Government Surcharge from 1st October 1922, described at the end of the first section of chapter III, played a great part in the increase of the rates. It is significant to find that the average charge per ton-mile for five years ending 1925-26 is only 24 per cent. higher than that for five years ending 1905, particularly taking into consideration

(a) The decrease in the purchasing power of money, and

(b) the fact that the prices of labour and commodities have risen out of all proportion to the decrease in (a).

The main factor that has enabled us to increase our rates so little compared with twenty years ago is the great increase in the amount of goods handled. In the year 1901 the ton-miles of general merchandise of the G.I.P. Railway were 937,559,490 compared with those for 1926, 1,788,395,230 an increase of 90.75 per cent.

10. The following statement shows the position so far as coaching fares are concerned.

Statement shewing the average rate (in pies) charged per passenger per mile under each class from the year 1901 to 1926 together with the averages for the five years ending 1905, 1916 and 1926.

Year ending.		Average amount (in pies) charged per passenger per mile.					
		1st class.	2nd class.	Inter. class.	3rd mail.	3rd ordinary.	Total.
31st December	1901.. ..	10·88	4·28	..	2·99	2·04	2·38
"	1902.. ..	10·84	3·78	..	2·99	2·13	2·48
"	1903.. ..	11·25	4·16	..	3·00	2·15	2·51
"	1904.. ..	11·52	4·35	..	2·99	2·16	2·48
"	1905.. ..	11·15	4·45	..	2·98	2·15	2·49
"	1906.. ..	10·85	4·41	..	2·97	2·16	2·48
"	1907.. ..	10·87	4·51	..	3·03	2·15	2·46
"	1908.. ..	10·83	4·53	..	2·96	2·16	2·46
"	1909.. ..	10·85	5·17	..	2·96	2·13	2·43
"	1910.. ..	14·00	6·36	..	2·96	1·98	2·60
"	1911.. ..	13·49	6·30	..	2·98	2·32	2·68
"	1912.. ..	12·87	6·10	4·40	2·97	2·32	2·61
31st March	1914.. ..	13·29	6·18	4·54	2·93	2·32	2·61
"	1915.. ..	12·51	5·93	4·58	2·98	2·28	2·58
"	1916.. ..	12·30	3·90	4·42	2·99	2·26	2·55
"	1917.. ..	11·40	3·63	4·55	3·00	2·34	2·65
"	1918.. ..	16·61	5·57	4·45	3·53	2·80	3·27
"	1919.. ..	11·79	6·70	4·48	3·48	2·87	3·34
"	1920.. ..	13·30	6·48	4·32	3·43	2·73	3·20
"	1921.. ..	14·69	6·76	4·68	3·78	2·74	3·28
"	1922.. ..	22·22	8·78	5·03	3·34	2·68	3·27
"	1923.. ..	24·85	9·92*	7·06	4·94	3·69	4·43
"	1924.. ..	23·03	11·06	7·10	4·60	3·69	4·26
"	1925.. ..	22·08	9·57	7·09	4·60	3·68	4·22
"	1926.. ..	20·60	8·71	6·84	4·65	3·69	4·19
Average 5 years ending	31st December 1905	11·13	4·19	..	2·99	2·13	2·47
31st March	1916.. ..	12·92	5·33	4·49	2·97	2·30	2·60
"	1926.. ..	22·67	10·31	6·45	4·31	3·46	4·04

The percentage increases in average yearly charge for five years ending 1925-26 over average yearly charge for five years ending 1915-16 and 1905, respectively, are 55 and 63.

11. The increase in the cost of working the railway since 1914 is 68·6 per cent. This figure has been arrived at by ascertaining the increased cost of labour, stores, etc., giving each detail its due weight and arriving at a general figure of percentage increase.

12. Let us now consider the increase in railway charges compared with that in the cost of living. Estimates of the cost of living in different parts of India are very meagre. Monographs have been published from time to time by officials and private investigators, but the only records of value to us are those for the City of Bombay. The Bombay Labour Office collects useful information including the cost of living index numbers for the working classes of the city. These are based on family budgets shewing expenditure of food, fuel, rent, clothing and other requirements of working class families.

* Estimated.

13. The period for comparison begins in 1901, but unfortunately the earliest figures compiled by the Bombay Labour Office are those for 1914. We shall use these bearing in mind that the cost of living for the whole of India rose 34·5 per cent. comparing 1914 with 1901. This figure is taken from "The Index Numbers of Indian Prices" compiled by the Department of Statistics, Government of India.

14. The average cost of living of the working classes in Bombay had risen in July 1926 over July 1914, 57 per cent., the highest increase during the period being reached in October 1920 when the percentage increase over July 1914 was 93. The average level from August 1918 to January 1922 was much above the present. Figures for the working classes are of most value for our purpose, as such workers form a very large proportion of the total population.

15. When we come to use the Bombay figure to arrive at a general estimate of the increase in the cost of living amongst the population served by the G. I. P. Railway we are in difficulty. That Bombay occupies a typical position so far as the price of foodstuffs is concerned is borne out by the following figures:—

Retail prices of commodities in 1897, 1921 and June 1926.

COMMODITY.	1897. Rupees per maund.	1921. Rupees per maund.	1926 (June.) Rupees per maund.
RICE.			
Bombay	4·734	7·421	7·547
Poona	3·937	9·374	7·693
Sholapur	3·381	7·353	7·656
Nagpur	4·26	8·065	....
Jhansi	5·122	7·394	....
WHEAT.			
Bombay	6·006	9·78	7·255
Poona	5·706	9·281	8·000
Sholapur	5·698	8·753	8·167
Nagpur	4·454	8·565	....
Jhansi	4·353	7·26	....
SALT.			
Bombay	2·561	2·679	3·125
Poona	2·653	2·78	2·839
Sholapur	2·859	3·155	3·589
Nagpur	3·972	3·396	....
Jhansi	3·646	2·961	....

The continuous increase in railway communications is one of the greatest factors in bringing the prices of commodities in different parts of the country nearer a common level.

16. The main difference in the cost of living in Bombay and other cities in rural districts is the comparative costs of rent and fuel and it is unlikely that these have increased in the same proportion in the rural districts

as in Bombay. We may assume that the cost of living has increased generally to three quarters of the extent of the increase in Bombay, i.e. by 42 per cent.

17. The argument that because our increases in rates are so much smaller than the increase in operating expenses and in the cost of living they are reasonable, is based on assumptions, it is impossible to push the argument home, but I think it will be generally admitted that the assumptions are fair.

General considerations.

18. The greatest proof of the reasonableness of our rates is the amicable relations regarding them which we have with merchants. Requests for the quotation of rates are received from time to time, each is considered on its own merits, and there are very few differences of opinion. Complaints are occasionally made that certain rates are lower than others quoted under competitive conditions, but it is very seldom stated that rates are unreasonable in themselves. If no complaint is received that a rate is too high, it is usually safe to conclude that it is at its proper level or too low. Another most important point is that the Commission provided for under the Indian Railways Act has never been called into being. I shall have more to say about this in the chapter dealing with the proposed Railway Rates Tribunal. Meanwhile, I shall quote from the speech of Mr. Lloyd Jones as President of the Indian Railway Conference Association in 1925 :—

“Hitherto the only regular machinery for representing the interests of the customer as distinct from those of the railway in the fixing of rates has been the right of appeal under chapter V of the Railways Act. In actual practice it has been left to the responsible railway officers to make themselves conversant with the conditions of the trade affected by the rate. On the whole the rate system that has been built up in this way is satisfactory and creditable to the railway administrations. The fact that the Commission provided by the Railway Act has never been called into being, I submit, testifies to the success of the railways in rate making.”

Further, though the Rates Advisory Committee has been open to receive complaints since the 1st May last up to the time of writing (25-10-26) it is understood that only one complaint, and that trivial, has been put before it.

19. When the Surcharge of annas 2 pies 6 per rupee described in chapter III was introduced on 1st April, it was estimated to bring in from all railways 5½ crores and succeeded in doing so. On the G. I. P. Railway it was expected to produce Rs. 101,30,139 and actually produced Rs. 85,81,110. Had traffic been charged what it could bear, this Surcharge, which was not imposed on any scientific basis, could not possibly have met with the success it did, for the additional charge would have enormously reduced the traffic. When it was incorporated in the rates, it was accepted without a murmur and had an excellent effect on the revenues of the railways.

Policy in rating.

20. We are now in a position to formulate the policy in rating of the G. I. P. Railway, which is to fix its rates to produce one per cent. profit per annum on the capital at charge, contriving that the incidence of the rates falls where it can most fairly be borne so as to encourage the greatest volume of traffic in all commodities.

21. It has long been the policy of the railway to maintain its “section capacity” and facilities generally in advance of immediate needs. It is in

a favourable position with regard to future capital expenditure. It is a magnificent property and given ordinary conditions, there will be no difficulty in meeting the financial requirements of Government. The ever present problem is to ensure that the charges for the different commodities bear fairly on the public—that each commodity contributes its due share.

22. It is clearly necessary in following out our policy to make no general decrease in rates or fares until we have made up the deficiency on our return to Government for 1925-26 (Rs. 23,97,550) and have a little margin in hand. Up to and including the week ending 6th November 1926 we have a decrease of Rs. 43,91,183 compared with the corresponding period of the previous year. These figures are corrected with audited figures up to 31st August (it must be remembered that the Jubbulpore-Naini section was taken over on 1st October 1925). Our gross earnings for 1925-26 were Rs. 15,14,71,611 and we estimate that our gross earnings for 1926-27 will be Rs. 15,50,00,000. In spite of the falling off of revenue up to date, we have good reason to anticipate that our earnings will be greater than last year, particularly considering the bumper cotton and grain and seed crops which have to be moved.

CHAPTER X.

The position the commercial department should occupy in determining the general policy of a railway.

All well conducted businesses of considerable size are divided into a manufacturing department and a trading department. On a railway these are termed the transportation and commercial departments. It is essential for the trading department to have its due share in the determination of the policy and in the conduct of the affairs of the concern. If the manufacturing department becomes unduly enlarged, the balance is interfered with and the manufacturing side has an undue influence. No more can an organisation than a machine work to its full power without being properly balanced.

2. The principal functions of the commercial department are to—

- (a) Share in the determination of the general policy of the railway ;
- (b) Represent the railway to the public and be the advocate of both ;
- (c) Share in fixing the timings of trains and arranging the provision of facilities for the public ;
- (d) Fix rates ;
- (e) Develop trade, keeping in touch with the public ; encouraging infant and struggling industries ; preventing diversions of traffic, and seeing that reasonable facilities are provided ;
- (f) Settle claims ;
- (g) Arrange agreements with foreign lines ;
- (h) Manage goods sheds and depots, booking, parcel and luggage offices.

3. Unless the department is given its full position amongst the other departments, it cannot properly discharge its duties. As has been stated in paragraph 1, a railway, like all other great manufacturing organisations, is naturally divided into two sides, the manufacturing and the trading, and unless there is a strong and active trading department the balance of the organisation will inevitably be at fault, economy of operation being given greater attention than the development of traffic and prevention of its loss ; the necessity of spending some money in order to get more money being overlooked. Precisely as in other manufacturing concerns it is necessary for the commercial department of a railway to maintain a steady pressure to attain these objects. One of the most important duties of the commercial department is to be the advocate of the public and of the railway, in a position to know how the demands of the public can best be met to the advantage of both. It is essential for the pressure referred to above to be exerted all over the line and this entails an entirely independent organisation for the commercial department not only at headquarters but throughout the system. This is necessary also to enable the department to carry out the functions mentioned in paragraph 2.

4. On *a priori* grounds, in a developed railway, the commercial side, it may be argued, has not only a claim to share in the general policy but the pre-eminent claim. The activities of the manufacturing side of any industrial concern are regulated by the ability of the "trading" side to market the commodity, and logically one must come to the position that the "trading" (that is, "commercial") department should be the senior partner in directing policy. It is not easy to see that in the developed railway system there is any escape from that issue. In the early days of a railway, the purely constructional side rationally takes pre-eminence, the "policy" being largely with the engineer; in strategic lines also with the soldier and politician. But from early days onwards there should be a progressive transvaluation in favour of the commercial side. In this country we are tempted to cling to valuations that are out of date.

5. One of the reasons advanced for putting commercial duties under the heads of the transportation divisions is that this eliminates friction between the departments. Friction is not necessarily bad. It is clear that without it there could be no transportation. There is a wasteful friction which is caused by departmental and personal jealousies and cannot be too strongly deprecated. There is a fruitful friction such as that set up by the sharpening of a razor on a strop. The fruitful friction which exists between the commercial and transportation departments has the effect of greatly increasing the effectiveness of transportation operations. The placing of the commercial district organisations under the transportation department reduces wasteful friction, but this advantage is greatly outweighed by the loss of fruitful friction which inevitably results.

6. The position of the commercial department is not an academic question, but one of the greatest practical importance.

CHAPTER XI.

Progress made in the simplification of rating.

The report of the Indian Railway Accounts Committee which was first considered by the Indian Railway Conference Association at its meeting in 1922 gave a considerable impetus to the simplification of rates. The following are the main points which arose under that report :—

- (a) Rate registers ;
- (b) Adjusted class rates ; **
- (c) Standard schedules ;
- (d) Substitution of maund schedules for wagon schedules in through booking ;
- (e) Methods of dealing with exceptional classifications on small railways ;
- (f) Alteration of rates at longer intervals ;
- (g) Calculation of rates on continuous mileage.

A special sub-committee was appointed to submit a report to the Conference of 1923 on certain key subjects dealt with by the original Committee.

2. We have introduced rate registers with the B. B. & C. I. Railway, Rate registers. and the preparation of these registers with the Nizam's Guaranteed State Railway, M. & S. M. Railway and Dholpur-Bari Railway was in hand, but in view of the recommendation of the sub-committee appointed at the last Conference, which was duly accepted, we do not propose to proceed further with the introduction of rate registers. The resolution of the Conference with regard to rate registers is as follows :—

- (a) That the Bombay, Baroda and Central India Railway should be asked to introduce rate registers with all railways with which it interchanges traffic, these railways reciprocating with it, and submit a report to the Conference of 1928 ;
- (b) That other railways which have already introduced rate registers should be asked to continue their use, keeping a careful record of the results and submit reports to the same Conference ;
- (c) That pending submission of these reports, further extension of rate registers by other railways should be held in abeyance ;
- (d) That the Officer-in-charge of the Clearing House should be asked to express his opinion on the utility or otherwise of rate registers in the apportionment of traffic as soon as possible for the information of the Conference ;
- (e) That the Secretary, Indian Railway Conference Association, should submit to the Conference of 1927 a report on the progress made regarding the other subjects dealt with in his report.

3. It has been generally agreed that in through booking between railways Adjusted class
Class rates. where adjusted class rates are quoted, they should be replaced by class rates calculated on computed distances. The adjusted class rates at present operating can be divided into three classes, as shewn below :—

- (a) Equal rates (i) between stations that serve principal ports and junction stations of interested railways, and (ii) between junction stations of two railways ;
- (b) Rates which maintain the bed-rock difference in favour of the shorter route ;
- (c) Rates based on a fixed difference in favour of the shorter route.

In order to fix a method for arriving at the computed mileage for charge, the following formula was framed :—

- (1) To calculate a computed mileage, first take the distance by the shorter route, then multiply by the class rate and add the terminals of that railway. The result will be the rate which

has to be quoted by the railway with the longer route. When a bed-rock difference or a fixed difference is to be observed that will also be added. From the above result subtract the terminal of the railway with the longer route and divide the remainder by the class rate, the result will be the correct computed mileage ;

- (2) Rates are to be worked out on this computed mileage, adding the existing terminals and audit office can divide on mileage after deducting terminals as usual.

This formula was forwarded to the General Traffic Manager, B. B. & C. I. Railway, for his views, which have not yet been received. We are prepared to fall in with other railways in calculating these rates on computed distances and are trying to fix a standard method to arrive at the mileage for charge. The whole question is under discussion between the B. B. & C. I., N. W. R., and E. I. Railways, but no decision has yet been arrived at.

Standard schedules.

4. We have adopted Conference schedules in place of our schedules except "D", "C" and "K". The idea underlying standard schedules is that eventually all railways will have the same schedules, and that each schedule will be applicable to the same commodities. It is undoubtedly useful for railways to confine themselves, so far as possible, to certain particular schedules, and this has been facilitated by the schedules got out by the Indian Railway Conference Association. But it is believed that to have universal schedules covering the whole of Indian railways from Tuticorin to Peshawar is wrong in principle. Standard schedule rates are impracticable, for to put them into effect, a railway cheaply constructed, with low operating expenses, low price of commodities, passing through a poor country would make the same charge per maund per mile as one where conditions were absolutely different, and this can be justified on no proper system of rating whatever. It will be necessary to watch the matter with great care.

Substitution of maund schedules for wagon schedules in through booking.

5. We have substituted maund schedules for wagon schedules in through booking, in accordance with the recommendations of the Conference, thus greatly simplifying the calculation of rates.

Exceptional classification on small railways.

6. We have notified increased computed distance to correspond with the higher exceptional classifications allowed on feeder lines, viz., 50 per cent. so that the class rates can be calculated on the same basis as those applicable to the main line.

Alteration of rates at longer intervals.

7. We raised objections to the suggestion that rates should be altered at longer intervals, as this would hamper us in the quotation of rates. At present foreign railways are notified of changes in rates every two months, and the suggestion was that such advices should only be issued every six months. One of the main reasons for the suggestion was to avoid continuous alterations in the rate registers, but it was quite impracticable, and in view of the objections the matter has been dropped.

Continuous mileage.

8. Railways cannot give much effect to the adoption of continuous mileage until they agree not only (i) to standard schedules but also (ii) to make each schedule applicable to the same commodities, as stated above. There is a difficulty of principle in the way.

9. In the interests of simplification we have applied to the Railway Board for the exceptional rates granted to the G. I. P. Railway for iron or steel, hoops plates and sheets, loose, to be withdrawn, as very little traffic is concerned and it is inadvisable to retain exceptional rates unless they are really required.

10. Simplification of rating must conform to proper principles of rating, and the principles not be made to conform to the simplification.

CHAPTER XII.

The Working of the Railway Rates Tribunal of Great Britain.

Mr. A. Peel Goldney, deputy traffic manager of this railway, was on leave in England in 1925 and submitted a report on the working of the Tribunal dated 9th June 1925. His report is reproduced below.

REPORT ON THE RATES TRIBUNAL OF GREAT BRITAIN.

1. A report was asked for on the working of the Rates Tribunal, particularly on the following points :—

- (i) The manner in which rates and fares of a typical British railway are fixed and quoted to the public, and—
- (ii) The procedure and working of the Railway Rates Tribunal, particularly in their bearing on the subjects with which it is understood the Indian Rates Tribunal will deal ; viz.—
 - (1) Complaints of undue preference—Section 42 (2) of the Indian Railways Act.
 - (2) Complaints that rates are unreasonable in themselves.
 - (3) Complaints and disputes in respect of terminals—Section 46 of the Indian Railways Act.
 - (4) The reasonableness or otherwise of any conditions as to packing of articles specially liable to damage in transit or liable to cause damage to other merchandise.
 - (5) Complaints in respect of conditions as to packing attached to a rate, and—
 - (6) Complaints that railway companies do not fulfil their obligations to provide reasonable facilities under Section 42 (3) of the Indian Railways Act.

2. I first of all remark on the progress which the Rates Tribunal have made up to now. I then deal with each of the above points, and I comment on the features of the classification and the terms and conditions of carriage, that are of particular interest to Indian Railways. I also describe the working of the Traders' Co-ordinating Committee and the Railways' Representative Committee (the Rates and Charges Committee), which have proved themselves to be essential to the smooth working of the Railways Act ; and I give a brief account of the Railway Rates Tribunal.

3. The Rates Tribunal has not yet got down to very much that is of real interest in the consideration of a Rates Tribunal for India. What they have been engaged on so far is mostly of importance to English railways, under the special conditions which appertain to them.

4. The Rates Tribunal, in view of the difficulty experienced in America in attempting to ascertain the capital value of railways, did not attempt to estimate the capital value of English railways, and to fix the net revenue as a percentage of that capital value ; but they adopted the net revenue of

the year 1913, as representing a fair remuneration on the capital expenditure of the railways, plus certain additions, such as an allowance for capital spent but not yet remunerative, and for capital subsequently raised; and one-third of the value of economies effected—the remaining two-thirds to go to reduction of rates.

Very knotty points arose; for instance, Superannuation Fund money was spent on capital works, and objection was raised to this being reckoned as capital. To get over the difficulty, the railways have had to raise a corresponding amount of capital specially, in order to replace these sums. These knotty points are now in a fair way to be settled.

5. When the net revenue required and its basis have been fixed, the next step will be to estimate the working expenses of the railways, which are considerably affected by the decisions of the Wages Board, a body over which they have no control, and it will be necessary also to take into consideration the economies effected by the grouping, and by other means, in order to arrive at the gross revenue required.

The Rates Tribunal will then fix the standard and exceptional charges. In the meantime, the classification with the packing conditions and the standard terms and conditions, has been settled, and the railways have submitted to the Rates Tribunal their schedules of the standard charges proposed. The railways are also negotiating with the traders regarding the continuance of the present exceptional rates.

6. It will be many months before the Rates Tribunal can fix the charges, after considering the railways' proposals and the objections that will be made by the traders. A report on the result of the labours of the Rates Tribunal, when their effect can be observed, in about two years' time or so, will be extremely useful.

7. The Rates Tribunal have a five-fold task:—

- (a) to decide the basis of the revenue required,
- (b) to decide the revenue required,
- (c) to fix charges estimated to yield the required revenue, and, in the future,
- (d) to adjudicate on applications made by traders or railways for the modification of charges and conditions that are now being fixed; and—
- (e) to review annually the financial position of the railways, which logically involves an examination of the operation of the railways.

The situation has been so complicated that, up to date, they have not decided the basis (a). A solution of the difficulties confronting them on this point is, however, now in sight.

8. *Item 1.*—Rates and fares are to be fixed and quoted to the public as follows:—

- A (1) Railways are called upon to submit to the Rates Tribunal their proposals for standard charges. The Rates Tribunal will then invite traders to submit their remarks on, and objections to, these proposed standard charges, by a fixed date. After that date, the Rates Tribunal will sit and consider the proposed

charges and the objections received, and, after hearing both parties, will fix the standard charges, both at company's risk and at owner's risk, so that these charges, together with the exceptional charges, will bring in, as far as possible, the 1913 revenue plus certain additions such as a reasonable return on capital that had not fructified by 1913; and on additional capital raised since 1913 plus one-third of economies effected by the railways prior to the fixing of the standard charges.

When the standard charges have been fixed, the existing exceptional charges will be reviewed, and, provided they fall within 5 per cent. and 40 per cent. of the standard charges, they will be allowed to stand—subject to some few corrections, in agreement with the traders. Those which are less than 5 per cent. below the standard charges, will disappear, being raised to the standard charges. Those which can be picked up by the new intermediate classes of the classification will also disappear.

Those which are more than 40 per cent. less than the standard charges, will be referred to the Rates Tribunal for sanction, except the few which the railways wish to raise to a figure which is 40 per cent. below the standard charges; also all exceptional charges, which have not been used during the previous two years, will be cancelled.

- (2) It is expected that between 70 per cent. and 80 per cent. of the traffic will still be carried at exceptional rates. The basis of the proposed fares is 1½d. per mile 3rd class; 2d. per mile 2nd class; and 2½d. per mile 1st class. The charges on parcels and all traffic by passenger train must be pre-paid, except in very few exceptional cases. Credit accounts, however, on somewhat similar lines to ledger accounts in goods booking, are opened with approved persons.

B (1) Rates will be quoted to the public in the form of a rate book at each station, which will contain—

- (a) the scales of standard charges,
- (b) a calculated rate list 1 to 600 miles,
- (c) a list of chargeable distances (actual and adjusted) between that station and all other stations on the same railway and stations on foreign railways to which traffic is frequently booked.
- (d) the exceptional charges in force at that station, which will be quoted as lump-sum rates, and
- (e) the charges for collection and delivery.

The standard charges for goods and parcels will be tapering rates; and, as a general rule, those for parcels and for goods by passenger train, on the zone system, i.e., rates for stations between certain fixed distances, will be the same instead of varying according to the exact distance; for example, the charges will be the same for all stations exceeding 50 miles, but not exceeding 75 miles. Stations will not be supplied with route maps, or route lists, for the purpose of calculating rates, because the distance column in the rate book will show the chargeable distance to the station required. Despatching route lists will, however, be supplied as a guide to correct labelling and despatch of wagons.

- (2) Coaching fares and charges will be quoted to the public in the form of a framed fares list and a fares and rates book, at each station, which will show the scale charges and chargeable distances to all necessary stations; a calculated rate list, 1 to 600 miles, and the exceptional charges in the form of lump sum rates. The chargeable distances for passenger traffic are based on the shortest working distance, but do not always tally with those for goods traffic. An immense amount of labour is involved in revising all the goods and passenger chargeable distances, owing to the grouping, and the provisions of the Railways Act regarding circuitous mileage.

9. *Item 2.*—The procedure of the Rates Tribunal is as follows:—

- (1) "Application" includes any representation, or submission, or reference, which may be made to the court. "Applicant" shall include all persons making any application to the court. "Respondent" means the persons against whom the application is made, or on whom it is directed that an application shall be served.
- (2) An applicant shall initiate proceedings by an application in writing lodged with the Registrar. Where there is more than one applicant, they shall nominate in the application one person, being either one of the applicants, or a solicitor, or some person in their regular employment, and representing all applicants.
- (3) *Definite forms* for applications and all regular communications between the Tribunal and the applicant or respondent, are laid down, and communications must be made according to them.
- (4) The applicant shall include a request for directions as to the persons to whom notice is to be given of such application, and the applicant shall attend before the Registrar on a day to be appointed by him, when the Registrar shall give such instructions on which the applicant shall give such notice by advertisement, or by serving copies of the application, as he may be directed.
- (5) The Court may by order limit the time within which notice of objection is to be given, by persons entitled to object. After the expiration of the period, if objection shall have been given by only one person, he shall be deemed to be a respondent; but if notice of objections be given by more than one person, the applicant shall apply for directions as to whether all or which of the objectors shall be deemed respondents.
- (6) The Court shall cause public notice to be given of the date when the case will be heard, and shall give public notice that any party interested who shall give notice, not less than four days before the date so fixed, of his intention to appear, will be entitled to be heard.
- (7) If the persons who are interested in an application are numerous, one or more of such persons may, by order of the Court, be appointed to act as a representative respondent.
- (8) The application initiating any proceeding before the Court, shall be in writing, and signed by the applicant. It shall contain a clear and concise statement of the facts forming the ground of application, and the relief or remedy to which the applicant claims to be

entitled ; or of the matter for the determination of the Court, as the case may require.

- (9) Every application shall be stamped with the appropriate stamp, and filed with the Registrar. The Registrar shall make out a list of the applications so filed, according to the order in which they are received by him, and such list may be inspected at the office of the Court. Each application shall be marked with the year in which it is filed, and a serial number representing its place in the list of applications.
- (10) A copy of the application shall be endorsed with a notice to the respondent, requiring him to put in an answer to the application within 15 days, failing which the Court may proceed to hear the application in his absence.
- (11) In all cases, the parties may, by consent in writing, dispense with further formal proceedings, or some portion of them ; and orders, by consent, may be drawn up, and, if approved of by the Court, may be sealed with the seal of the Court.
- (12) Within 15 days from the service upon the respondent of the application, or a shorter or extended time as fixed by the Court, the respondent shall file with the Registrar, four copies of his answer to the application, and serve on the applicant a signed copy of the answer. The answer shall contain a clear and concise statement of the facts which form the ground of defence, or of any other objections relied upon. It shall be endorsed with the name and address of the respondent, and, if there be a solicitor acting for him, with the name and address of such solicitor.
- (13) Within 15 days after the answer of the respondent shall have been lodged, the applicant shall lodge with the Registrar a summons for directions as to pleadings, place and mode of trial, and the general conduct of the cause. The Registrar shall serve upon the applicant and each of the other parties to the cause a notice stating the date and time fixed by the Registrar for the hearing of the summons.
- (14) The Court may direct that the parties hold a preliminary meeting or inquiry for such purpose as they may direct. If either party intend to request the appointment of additional members of the Court from the panels set up under the Railways Act, such party shall include such request in his summons for directions.
- (15) If it appear to the Court that the statements in the application, answer, or further pleadings, do not sufficiently raise or disclose the issues in dispute, they may direct the parties to prepare issues and such issues, if the parties differ, shall be settled by the Court.
- (16) Any party may apply by summons to the Registrar, for leave to deliver interrogatories in writing for the examination of the opposite party, and such shall first be submitted to the Registrar for approval.

- (17) Either party may apply for an order directing the other party to produce documents relating to the matter in question. The Court shall fix the time within which such documents are to be produced. The Court may, at any time during the case, order the production, by any party, of documents relating to the case.
- (18) Any party may appear in person, or by counsel or solicitor, or a partner may appear on behalf of the firm. A party may appoint a person in his regular employment to act as his representative. Any such appointment shall be in writing. When any person not being the applicant or a respondent, shall claim to be heard, as being a person interested, he shall, at least four days before the commencement of the hearing, lodge with the Registrar a notice setting forth his name and the nature of his interest, and what modification he desires in the proposals before the Court.
- (19) The Registrar may either fix a day for the hearing of any case, or direct that the case be placed in the list of causes for hearing, to come on in due rotation. The applications shall be heard by the Court, so far as practicable, in the order in which they are entered in the list. The parties shall leave with the Registrar, before the day fixed for the hearing, any maps, plans, documents, etc., which may be useful in supporting pleading.
- (20) The attendance of witnesses shall be enforced by *sub poena*.
- (21) The evidence at the hearing of an application may be taken either by affidavit, or *viva voce*.
- (22) A cause may, by consent of the parties, be heard by the Registrar, or some other person appointed by the Court; and in such cases the findings may be made a rule of court.
- (23) The Court may, by consent of the parties, order any point of law raised by the pleadings, to be set down for hearing and disposed of, at any time before the hearing of the application.
- (24) The hearings of applications, and the arguments upon a point of law, shall take place in open court, at such place convenient for the determination of the pleadings thereon; due regard being had to the place of residence of the applicants and respondents, and of the witnesses.
- (25) If either the applicant or respondent does not appear at the time and place appointed for the hearing, the Court may hear and determine the application *ex parte*.
- (26) The Court may, from time to time, adjourn any proceedings before it.
- (27) The Court may give its decision in writing, signed by the members, and it may be sent or delivered to the representative parties, and it shall not be necessary to hold a sitting of the Court for the purpose of giving such decision.

- (28) Except in the case of disputes between two or more railway companies, each party shall bear his own costs; unless in the opinion of the Court, any such proceedings are frivolous and vexatious; in which case the Court may direct by whom, and in what proportion, the costs are to be borne and paid.
- (29) No appeal will lie from the Court upon a question of fact, or upon any question regarding the *locus standi* of an applicant, or the right of audience. An appeal *will* lie from the Court to a superior Court of Appeal upon a question of law.
- (30) The decision of the superior Court of Appeal will be final; provided that, where there has been a difference of opinion between the Courts of Appeal, the superior Court of Appeal in which a matter affected by such difference of opinion is pending, may give leave to the House of Lords, on such terms as to costs as such Court shall determine.
- (31) A Court may extend or abridge the time appointed by these rules, or fixed by any order, as the justice of the case may require.
- (32) The sittings of the Court shall be four in the year, to correspond with those of the regular Law Courts; but the Court, if it sees fit, may hear any application, matter, or thing, during the vacation; and any application or other proceeding, prior to hearing, may be made to the Court at any time when the Registrar's office is open.
- (33) The Registrar's office shall be open daily except on Sundays and public holidays.
- (34) Before any company increases or cancels any exceptional rate which has not been fixed by the Court, such company shall give not less than thirty days' notice by an advertisement in such newspaper or newspapers as may be directed by the Registrar, and by posting the same in large type for not less than thirty days at each railway station; provided however that, in any case where an exceptional rate is not in general use by a large number of traders, the Registrar may direct that, in lieu of such advertisements, the company shall give notice in writing to all traders, who, to the best of their knowledge, are accustomed to take the benefit of such exceptional rate.
- (35) If any railway company proposes to increase or cancel an exceptional rate which has been fixed by the Court, it shall apply for the sanction of the Court, and shall obtain from the Registrar, directions as to the manner and time of giving public notice.
- (36) The fees, a table whereof is given in the second schedule, may be demanded and taken in respect of the proceedings before the Court.
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- (37) *I.*—I attended a sitting of the Rates Tribunal to observe how cases were conducted before it.

2.—The occasion was a hearing of arguments and examination of witnesses regarding the settlement of the basis for fixing the net revenue that will be required by the railways as laid down in the Railways Act.

3.—Certain settlements had been arrived at with the Traders' Coordinating Committee, by a method approved of by the Minister of Transport, and the railways were seeking the sanction of the Tribunal to these settlements, and were leading evidence to show that the settlements were reasonable. Counsel for the London County Council criticised the settlements. The three members of the Tribunal sat in a row on a dais, and below them, also on the dais, sat the Secretary, the Assistant Secretary, and the Registrar of the Tribunal and a shorthand writer. The barristers and the principal parties and the representative of the Minister of Transport sat in the front rows, and the public at the back.

4.—The proceedings were carried out as in an ordinary court of law, except that, after the examination and cross-examination of each witness, the President of the Tribunal invited any one present to question the witness further.

10. *Sub-heads* (1). Complaints of undue preference and (6) complaints that railway companies do not fulfil their obligations to provide reasonable facilities.—

(i) The Railway and Canal Commission continues to exercise authority and adjudicate on these two points, as formerly. It seems that it was not thought desirable to abolish the Railway and Canal Commission, as regards railway matters, until the Rates Tribunal has been working for some time; and that, in the meantime, the former should retain its powers over those subjects which are more legal questions than questions of rates. The procedure of the Railway and Canal Commission is much the same as that of the Rates Tribunal. Their personnel is different at present, being composed of one judge and two K. C.'s, as compared with one K. C., one railway man, and one business man, composing the Rates Tribunal. The Railway and Canal Commission have had very few railway cases before them during the last few years, and, in future, they will have fewer still. The only ones which they are likely to have will be the rare cases that arise regarding the provision of reasonable facilities. The Railways Act provides that every amalgamated company shall afford other amalgamated companies all reasonable facilities for forwarding traffic *via* proper and convenient points of exchange so as to satisfy the reasonable requirements of the public. Facilities for the interchange of traffic, routes, etc., in operation on 1st August, 1914, are to be continued unless otherwise agreed. The Railway and Canal Commission may require any railway company to provide reasonable railway service, facilities, and conveniences, provided the company do not satisfy the Commission that capital required for the purpose cannot be provided without prejudicially affecting the interests of existing stockholders.

(ii) All questions of charges made for facilities will be settled by the Rates Tribunal when fixing the standard and exceptional charges. Cases of undue preference are not likely to go before the Railway and Canal Commission because traders are expected to raise any objections which they have to make, before the Rates Tribunal when the charges are being fixed; also the same evidence that would serve to prove a case of undue preference

would also serve to prove in the ordinary course, to the Rates Tribunal, the necessity for an alteration in the rate. Moreover, the Railway and Canal Commission cannot decide any alteration in a rate; they can only order that any undue preference be abated—the railway deciding exactly how that is to be done.

(iii) It is an accepted principle that competition is sufficient justification for quoting special preferential rates. For example, it has been ruled both by the Railway and Canal Commission and by the Rates Tribunal that Manchester Docks may be given lower rates than Manchester City, in order to enable the Docks to compete with Liverpool.

11. *Sub-head (2).*—Complaints that rates are unreasonable in themselves.

(i) Apart from exceptional rates, all rates will be on the basis of the standard schedules, which will be settled by the Rates Tribunal; and unless it could be shown that a specific rate was prejudiced by another for the same class of commodity, *e.g.*, an exceptional rate, it is doubtful if a charge of unreasonableness would be admitted. However, in the Railways Act it is provided that the Rates Tribunal has power to determine all questions of classification, rates and other charges.

(ii) After standard charges have been fixed, railways will be able to quote lower exceptional charges; and, if they find necessary, to raise them again to the standard charge; on notifying such changes to the Minister of Transport within 14 days. The Minister has powers to *veto* the change, after making a reference to the Rates Tribunal. Railways will not be able to alter an exceptional rate which has been fixed by a special decree of the Rates Tribunal, without getting special permission from the Rates Tribunal. Traders will have the right to apply to the Rates Tribunal objecting to any such change made by a railway. They will also have the right to apply for a charge to be lowered. It is considered that the expression "unreasonable in itself" is an out-of-date expression, as there is no such thing as a rate being unreasonable "in itself." Consideration will be given to all the circumstances affecting a rate including even the general level of gross earnings; in other words, "what the railways can bear," as well as "what the traffic can bear."

(iii) In practice, railways will have a considerable degree of latitude. It is recognised by the Rates Tribunal that elasticity in rates-making is required by varying trade conditions, and it does not intend their control to be too meticulous.

(iv) The new intermediate classes will pick up a good many of the existing exceptional rates; but, in spite of this, the number of exceptional charges will be very large, and it is expected that between 70 per cent. and 80 per cent. of goods traffic will be carried at exceptional rates.

(v) The standard charges for many commodities will be nearer the level of the exceptional charges for those commodities than the present class rates, which, in many instances, are far above the level of the exceptional rates, although many will still be much below the standard charge. Consequently, the margin allowed to railways for quoting exceptionable charges, not less than 5 per cent. and not more than 40 per cent. below the standard charges, will admit of considerable elasticity in rate-making. Railways will, in fact, have more latitude in quoting experimental rates than they have now, as the conditions are now very onerous for proving the necessity for raising any rate. This margin of between 5 per cent. and 40 per cent. below the standard charges

was fixed to a great extent by rule of thumb. In fact, 10 per cent. was at first suggested instead of 5 per cent. Only results, in practical working, can show whether these limits have been wisely fixed.

12. *Sub-head (3).*—Complaints and disputes in respect of terminals :—

The English Railways Act, 1921, in Section 28, gives the Rates Tribunal power to determine any question in regard to terminals. Section 40 distinguishes between “station terminals” and “service terminals”; and it lays down that a station-to-station rate shall be deemed to be composed of conveyance rate and terminal charges in proportion to the amounts included in the corresponding standard rate for the same service and accommodation. The fifth schedule to the Railways Act lays down that the “standard station terminal” is the charge which the Company may make for the use of the accommodation provided and for the duties undertaken by the company, for which no provision is made in this schedule, at the terminal station; and that the “standard service terminals” are the charges which the Company may make for loading, unloading, covering and uncovering merchandise. In a dispute regarding private siding charges, the railway is required to disintegrate a lump sum charge into its component parts; viz., conveyance rate and siding charge; and then to show that the siding charge is a reasonable charge for the actual services performed in connection with the siding. Terminals are standardised for all railways, and are different for each class.

13. *Sub-heads (4).* The reasonableness or otherwise of any conditions as to packing of articles specially liable to damage in transit, or liable to cause damage to other merchandise, and (5) complaints in respect of conditions as to packing attached to a rate:—

(i) Detailed instructions for certain articles, and general instructions for others, as to packing, are given in the classification. The instructions laid down as to the construction and use of fibre-board (card board) cases are, for instance, very elaborate. Nearly all points in dispute were settled by agreement between the Traders’ Co-ordinating Committee and the representatives of the railways. It is not likely that many cases under these heads will come before the Rates Tribunal for adjudication.

(ii) So far as was possible, packing conditions were made part of the classification; and, so far as it was feasible to do so, the packing required by the companies has been included therein, largely by agreement with the traders; and any complaint regarding such conditions would have to be dealt with by the Rates Tribunal as a classification question.

CLASSIFICATION OF MERCHANDISE.

14-A. The classification of merchandise was determined by the Rates Advisory Committee in accordance with the Railway’s Act, 1921. It contains :—

(1) (a) A description of the 21 numbered classes for goods of 6 tons and upwards in owner’s wagons; and, in railway companies’ wagons, for goods of 6 tons and upwards, 4 tons and upwards, 2 tons and upwards, and of any small quantity. The class rates will be on tapering or telescopic scales. Each of the old classes, A. B. C. I, 2 and 3, has been divided into two or more classes, and there are three new classes corresponding to the old 4, 5, and special. The lower class or classes in each case have been designed for the purpose of incorporating in the standard charges many of the exceptional rates now in existence.

(b) If a consignment consists of, say, 4 tons, of a commodity which is classified in one of the classes for 6 tons and upwards, say class 1, it is charged under the lowest of the classes for 4 tons and upwards, and so on.

(c) The Southern Railway is allowed a slightly higher scale for the lower classes as compensation for the great expense of getting into London.

(2) (a) The general classification of commodities, is preceded by the general regulations, many of which relate to conditions peculiar to England, and none are of special interest to Indian railways.

(b) The classification is very conveniently arranged, both in alphabetical order of commodities, and in order of classes. Packing regulations relating to specific articles are included in the body of the classification.

(3) The classification of timber of different kinds, and regulations.

(4) The classification of returned empties, and regulations.

(5) The classification of railway stock.

(6) The classification of dangerous goods, with index to classification, regulations, bye-laws relating to explosives, and rules for packing, specifications of containers for conveyance of dangerous goods, and flashing point tests.

(7) The classification of live stock, with regulations and definitions.

(8) The classification of perishable merchandise by passenger train.

(9) The classification of merchandise (other than perishable merchandise) and live stock by passenger train ; followed by—

Appendix number 1 ; a list of commodities which will be conveyed only at owner's risk.

Appendix number 2 ; a list of commodities which are frail or bulky in proportion to weight.

Appendix number 3 ; a table showing the number of certain animals to be deemed equivalent to horses or cattle.

(10) The classification of goods for the purpose of insurance under the Carriers' Act. This corresponds to the list of articles to be declared and insured, given in the second schedule of the Indian Railways' Act and referred to in Section 75. The lists are much the same, except that the following articles are not mentioned in the English list:—silks, shawls, opium, ivory, etc., musk, etc., and musical and scientific instruments. The list of articles is followed by insurance conditions, which are on the same lines as those in force in India.

STANDARD TERMS AND CONDITIONS.

14. B-i. The Rates Tribunal have fixed the standard terms and conditions of carriage of merchandise :—

A. Ordinary merchandise—at company's risk rates by goods train.

B. (a) Ordinary merchandise—at owner's risk rates by goods train.

(b) Merchandise which is accepted—by goods train, for carriage at owner's risk rates only.

C. Live stock—at company's risk rates—by goods train.

D. Live stock—at owner's risk rates—by goods train.

- E. Damageable goods not properly protected by packing at company's risk rates—by goods train.
- F. Coal, etc.—by goods train.
- G. Perishables—at company's risk rates—by passenger train.
- H. Perishables—at owner's risk rates—by passenger train.
- J. Milk—at owner's risk rates—by passenger train.
- K. Milk—at company's risk rates—by passenger train.
- L. Ordinary merchandise—at company's risk rates—by passenger train.
- M. (a) Ordinary merchandise—at owner's risk rates—by passenger train.
- (b) Merchandise which is accepted for carriage at owner's risk rates only—by passenger train.
- N. Live stock—by passenger train.
- O. Damageable goods, not properly protected by packing at company's risk rates—by passenger train.

(2) The special terms and conditions for dangerous goods are given in the "Classification of Merchandise." Senders indemnify the railways from all risk.

(3) Many of the standard terms and conditions are on similar lines to those in force on Indian railways. Others are due to the special circumstances of English railways. Some, however, which I give below, are of particular interest to Indian railways :—

- (i) (a) No regular railway receipt, such as we use in India, is given for goods accepted for despatch. The company shall, if so required, sign a document prepared by the sender acknowledging the receipt of the consignment, but no such document shall be evidence of the condition or of the correctness of the declared nature, quantity or weight of the consignment at the time it is received by them.
- (b) Responsibility is fixed, in case of loss and a consequent claim, by the sender leading evidence to prove what articles were consigned. This method has worked well in England. So many wagons loaded by senders are received from private sidings, that it would be impossible to check all articles consigned.
- (ii) Notice of a claim for compensation must be given to the railway very promptly.
- (iii) The company shall not be liable :—
 - (a) for loss from a package or from an unpacked consignment.
 - (b) for damage, deviation, mis-delivery, delay or detention, unless they are advised thereof in writing (otherwise than upon any of the company's documents) at the forwarding or delivering station or at the district or head office of the forwarding or delivering company within three days, and the claim be made in writing within seven days after the termination of the transit of the consignment or the part of the consignment in respect of which the claim arises.

- (c) for non-delivery of the whole of a consignment, or of any separate package forming part of a consignment, addressed in accordance with condition I hereof, unless they are advised of the non-delivery in writing (otherwise than upon any of the company's documents) at the forwarding or delivering station or at the district or head office of the forwarding or delivering company within 14 days, and the claim be made in writing within 28 days after receipt of the consignment by the company to whom the same was handed by the sender.

Provided that, if in any particular case a trader before action is brought proves to the satisfaction of the company, or, where the company are not so satisfied, of the *Railway Rates Tribunal*, that it was not reasonably possible for him to advise the company in writing or to make his claim in writing within the aforesaid times, and that such advice or claim was given within a reasonable time, the Tribunal may, if, having regard to all the circumstances, they consider it equitable, declare that nothing in this condition shall be a bar to the maintenance of proceedings against the company.

- (iv) A railway is obliged to give the consignee notice of arrival of his goods. The company shall, in every case when merchandise is consigned to a station (which in this condition includes a siding provided by the company for general public use) and is not to be delivered by the company's road vehicle, or barge, or by truck alongside ship, give notice in writing (or by telephone, if so agreed in writing) of arrival to the consignee or, where his address is not known or he refuses to take delivery, to the sender where it is reasonable and practicable so to do.
- (v) The transit shall be deemed to be at an end. In the case of merchandise not to be carted by the company, or to be retained by the company awaiting order, at the expiration of one clear day after notice of arrival is given in writing (or by telephone if so agreed in writing) to or at the address of the consignee or, where the address of the consignee is not known, to or at the address of the sender, or where the addresses of both sender and the consignee are not known, at the expiration of one clear day after the arrival of the merchandise at the place to which it is consigned.

After the termination of the transit, as defined by condition 11 hereof, unless otherwise agreed in writing, the company will hold the merchandise as warehousemen, subject to the usual charges and to the conditions that they will not be liable for any loss, mis-delivery or detention of or damage to—

- (a) Merchandise not properly protected by packing except upon proof that such loss, mis-delivery, detention or damage, arose from the negligence of the company or their servants, and would have been suffered if the merchandise had been properly protected by packing, or—
- (b) 1. Articles or property of the descriptions mentioned in the Carriers' Act, 1830, as amended by subsequent Acts, or—

2. Merchandise which has arrived at the destination station and for which the company give notice that they have not suitable accommodation, by whomsoever such loss, mis-delivery, detention, or damage may be caused and whether occasioned by negligence or otherwise.

Provided that this condition shall not relieve the company from any liability they might otherwise incur under these conditions in the unloading of the merchandise.

- (vi) A railway can hold the sender responsible for "to pay" charges—

The company's charges for carriage shall be payable by the sender without prejudice to the company's rights against the consignee or any other person.

Provided that, when it is stated on the consignment note that charges are payable by the consignee, the sender shall not be required to pay such charges unless the consignee fails to pay after reasonable demands have been made by the company for payment thereof.

- (vii) A railway cannot claim charges for the full journey if goods are not carried the full distance, if, for instance, they are destroyed by fire *en route*, either when booked at company's risk rates, or at owner's risk rates—

Where the merchandise is not carried through to the destination to which it was consigned by the sender, the charges payable to the company shall be those in operation for the journey actually completed, but shall not exceed the charges for the full transit.

- (viii) When goods are carried at company's risk rates. The company shall, subject to these conditions, be liable for any loss, or mis-delivery of or damage to merchandise, occasioned during transit as defined by these conditions, unless the company shall prove that such loss, mis-delivery or damage has arisen from—

- (a) Act of God.
- (b) Act of war, or of the King's enemies.
- (c) Arrest or restraint of Princes, or Rulers, or seizure under legal process.
- (d) Orders or restrictions imposed by the Government or any department thereof.
- (e) Act or omission of the trader, his servant, or agent.
- (f) Inherent liability to wastage in bulk or weight, latent defect or inherent defect, vice, or natural deterioration of the merchandise, or,
- (g) Casualty (including fire or explosion).

Provided that :—

- (1) Where loss, mis-delivery or damage arises and the company have failed to prove that they used all reasonable foresight and care in the carriage of the merchandise, the company shall not be relieved from liability for such loss, mis-delivery or damage.

(2) The company shall not incur liability of any kind in respect of merchandise where there has been fraud on the part of the trader.

(ix) When goods are carried at owner's risk rates, for which the sender is required by the Act to make a specific request :—

The company shall not be liable for loss, damage, deviation, mis-delivery, delay or detention of or to a consignment or any part thereof, except upon proof that the same arose from the wilful misconduct of the company or their servants.

Provided that nothing in this condition shall exempt the company from any liability they might otherwise incur in the following cases :—

(a) Non-delivery of the whole of a consignment or of any separate package forming part of a consignment, properly packed, and addressed in accordance with condition 1 hereof, unless such non-delivery is due to accidents to trains or to fire.

(b) Pilferage from packages of merchandise protected otherwise than by paper or other packing readily removable by hand, provided the pilferage is pointed out to a servant of the company on or before delivery.

(c) Mis-delivery where merchandise addressed in accordance with condition 1 hereof is not tendered to or placed at the disposal of the consignee within 28 days, or in case of perishable merchandise within a reasonable time which shall not be less than 72 hours after receipt of the consignment by the company to whom the same was handed by the sender.

Provided however that the company shall not be liable in the said cases of non-delivery, pilferage or mis-delivery, upon proof by them that the same has not been caused by the negligence or misconduct of the company or their servants.

It is considered reasonable that railways should be liable for pilferage from properly packed articles unless they can prove absence of negligence.

(x) When live stock is carried at company's risk rates :—
The company shall not be liable—

(a) for injury to a consignment or any part thereof except upon proof by the trader that the same was occasioned in transit by the neglect or default of the company or their servants.

(b) for loss of or from a consignment proved by the trader to have been occasioned in transit, or for deviation, mis-delivery, delay or detention, upon proof by the company that such loss, deviation, mis-delivery, delay or detention was not occasioned by the neglect or default of the company or their servants.

and when carried at owner's risk rates.—

The company shall not be liable for loss of or from a consignment or for injury, deviation, mis-delivery, delay or detention of or to a consignment or any part thereof, except upon proof by the trader that the same was occasioned in transit by the wilful misconduct of the company or their servants.

(xi) When live stock is carried either at company's or owner's risk rates—

The transit shall (unless otherwise previously determined) be deemed to be at an end as soon as a reasonable opportunity has been given by the company to the consignee to take delivery at the place to which the live stock is consigned, but shall, in no case, extend beyond 24 hours after the arrival of the live stock at such place.

Provided that, where telegraphic or telephonic communication is reasonable and practicable and either the sender or consignee has requested the company in writing at his expense to advise the consignee of the arrival of the live stock, the company shall give such telegraphic or telephonic advice to the consignee at the expense of the party making the request.

After the termination of the transit, as defined by condition 8 hereof, unless otherwise agreed in writing, the company will hold the live stock at the sole risk of the owner and subject (in addition to the charges for carriage) to reasonable charges for lairage or other accommodation or services.

The company's charges for carriage and also any charges and expenses for the custody, care or maintenance of the live stock, or for any other service performed, accommodation provided or expenses incurred while the live stock remains in the possession of the company or their agents, shall be payable by the sender without prejudice to the company's rights against the consignee or any other person.

Provided that, when it is stated on the consignment note that charges are payable by the consignee the sender shall not be required to pay such charges unless the consignee fails to pay after reasonable demands have been made by the company for payment thereof.

The company shall not in any case be liable :—

- (a) for the overloading of a truck or for one animal injuring another in cases where the charge for carriage is per truck or according to space occupied in the truck and the owner or his agent loads as many animals in such truck as he considers may be conveyed with safety.
- (b) for loss, injury, or delay caused by or arising from penning, stabling or loading animals together of different classes or sexes when such loss, injury or delay is not caused by the neglect or default of the company or their servants.

Also :—

Save and except as it provided by Statute, Statutory Order or Regulation, the company shall be under no obligation to feed or water live stock whilst in their possession or custody unless by special request and agreement; but the company may, in the absence of such request and agreement, feed or water live stock at the expense of the owner, if, in the opinion of the company, it is reasonable so to do, without incurring (in the absence of wilful misconduct) liability for any consequences thereof.

Nothing in the conditions shall deprive the company of any warranty implied in law as to the fitness of live stock for carriage in the ordinary way.

(xii) (a) damageable foods not properly protected by packing are carried at company's risk rates on the condition that—

The company shall not be liable for loss or damage except upon proof that the same (a) arose from the wilful misconduct of the company or their servants, or (b) would have been suffered if the goods had been properly protected by packing and the company would have been liable if the goods had been carried subject to the standard conditions applicable to the carriage of merchandise at company's risk rates.

But—

The company shall, subject to these conditions, be liable for loss proved by the trader to have been caused by delay to, or mis-delivery or detention of, or unreasonable deviation in the carriage of, goods, unless the company prove that such delay, mis-delivery or detention, or unreasonable deviation has arisen without negligence on the part of the company or their servants.

It is not considered necessary to quote owner's risk rates for such goods.

(b) Similar protection is given to a railway when holding such goods as warehousemen—after the termination of the transit, as defined by condition 11 hereof, unless otherwise agreed in writing, the company will hold the goods as warehousemen, subject to the usual charges and to the condition that they will not be liable for any loss, mis-delivery or detention thereof, or damage thereto, except upon proof that such loss, mis-delivery, detention or damage, arose from the negligence of the company or their servants and would have been suffered if the goods had been properly protected by packing, nor will the company be liable for loss, mis-delivery, or detention of, or damage to—

(i) Articles or property of the descriptions mentioned in the Carriers' Act, 1830, as amended by subsequent Acts, or,

- (ii) Goods which have arrived at the destination station and for which the company give notice that they have not suitable accommodation, by whomsoever such loss, mis-delivery, detention or damage may be caused and whether occasioned by neglect or otherwise.

Provided that this condition shall not relieve the company from any liability they might otherwise incur under these conditions in the unloading of goods.

- (xiii) Coal, coke and patent fuel are carried at a special scale of charges and—

The company shall not be liable for loss, damage, deviation, mis-delivery, delay or detention of, or to a consignment or any part thereof, unless occasioned by the neglect or default of the company or their servants.

And—

After the termination of the transit as defined by condition 6 hereof, or where the transit is suspended by the default or for the convenience of the trader, the company will hold the fuel subject to the usual charges and upon the condition that they shall not be liable for any loss, mis-delivery, detention or damage, unless occasioned by the neglect or default of the company or their servants.

- (xiv) Perishables are carried by passenger train both at company's risk and at owner's risk rates. The transit shall be deemed to be at an end—

In the case of perishable merchandise not to be carted by the company, or to be kept till called for, at the expiration of one clear day after the arrival of the perishable merchandise at the station to which it is consigned, and—

When perishable merchandise not to be carted by the company has not been removed by the consignee within twelve hours after its arrival at the station to which it is consigned, the company shall give notice of arrival in writing (or by telephone if so agreed in writing) to or at the address of the consignee, or where the address of the consignee is not known, to or at the address of the sender if known.

Provided that the company shall not in any case be liable for loss or damage arising from failure to give such notice except upon proof by the trader—

- (1) that the consignee had no reason to anticipate that the perishable merchandise had been forwarded, and/or—
- (2) that the failure to remove the perishable merchandise was not due to the neglect of the consignee or his servant or agent.

And—

After the termination of the transit, as defined by condition 8 hereof, unless otherwise agreed in writing, the company will hold the perishable merchandise as warehousemen,

subject to the usual charges and to the condition that they will not be liable for any loss, mis-delivery or detention of or damage to perishable merchandise,

(a) not properly protected by packing, except upon proof that such loss, mis-delivery, detention or damage arose from the negligence of the company or their servants and would have been suffered if the perishable merchandise had been properly protected by packing, or—

(b) for which the company have not suitable accommodation available at the destination station, by whomsoever such loss, mis-delivery, detention or damage may be caused, and whether occasioned by neglect or otherwise.

Provided that this condition shall not relieve the company from any liability they might otherwise incur under these conditions in the unloading of the perishable merchandise.

- (xv) When perishables are carried at owner's risk rates, a railway is responsible for—

Delay in transit exceeding 36 hours of any package or consignment addressed in accordance with condition 1 hereof, whereby the value of the perishable merchandise is deteriorated to the extent of three-fourths, if such deterioration is pointed out to a servant of the company on or before delivery, but in no case shall the company's liability exceed one-half the diminution in such value; unless the railway can prove absence of negligence or misconduct.

- (xvi) Similar conditions regarding transit being deemed to be at an end, and regarding the railway giving notice of arrival, are laid down for ordinary goods which are carried by passenger train; and when carried at owner's risk rates, the railway is not liable "in any case for more than 75 % of the net invoice value of the merchandise".

15. The Traders' Co-ordinating Committee and the Rates and Charges Committee.

- (1) The above two committees have proved of the utmost value. They have served to bring the traders and the railways together, and helped them to appreciate each other's point of view, and have enabled agreement to be reached on an immense number of points, which must otherwise have been fought out before the Rates Tribunal, at the cost of enormous labour and trouble and very considerable expense, in getting out additional information, and in counsels' fees, which are very heavy. The labour entailed in getting out the necessary information is very great, although this has been reduced to a minimum.
- (2) The Traders' Co-ordinating Committee is practically representative of all traders in the country. If any trader refuses to fall into line, and prefers to act on his own, he, naturally, does not carry much weight with the Rates Tribunal.
- (3) The Traders' Co-ordinating Committee was formed at the instance of the Federation of British Industries, by inviting Chambers of Commerce and other bodies to send representatives.

Big traders, with nobody to represent them, were also invited to combine and send representatives. Each body was allowed to send as many representatives as it chose, because it was found impossible to lay down how many representatives each was fairly entitled to send. There was, of course, the danger that the Committee would be unwieldy, but this risk was taken in the hope that some bodies would not send any representatives at all, and others would only send one or two; and so it turned out. The Committee was about 50 strong, which was not larger than could reasonably have been expected. The traders' and the railways' committees started working as large bodies, but finding that progress was very slow, they appointed sub-committees, who now settle all points subject to confirmation by the full committee. When any point is to be discussed with the railways, the sub-committee appoints four of its members to accompany the Secretary and these five, on behalf of the traders, meet the Secretary and four members of the Rates and Charges Committee on behalf of the railways. In this way matters are dealt with in a prompt and business-like manner.

- (4) Most points are settled by frank and friendly discussion at these meetings. Comparatively few points are carried to the Rates Tribunal for judgment owing to failure to reach an agreement.
- (5) The following is a copy of an explanatory note on the scope and functions of the Traders' Co-ordinating Committee:—

**EXPLANATORY NOTE ON THE SCOPE AND FUNCTIONS OF THE TRADERS'
CO-ORDINATING COMMITTEE.**

(a) The object of the Committee is to provide machinery by means of which the various trade interests can speak with one voice on behalf of the traders as a whole, thus meeting the railway companies on more equal terms.

(b) The scope of the Committee is limited to matters covered by the enquiry entitled "General Revision of Railway Rates and Charges" proceeding before the Rates Advisory Committee and Railway Rates Tribunal.

(c) The nature of the Committee is mainly consultative, and it is not contemplated that there should be any regular subscription at present.

(d) Meetings are held at irregular intervals:—

(i) when business before the Railway Rates Tribunal requires decision by the traders as a whole.

(ii) in London.

(e) The Secretary may, with the approval of the Chairman, invite the members of the Committee to give the views of their particular trade in writing when it appears unnecessary to call a meeting of the Committee.

(f) The secretarial work is performed by Mr. R. L. Drage of the Federation of British Industries, who is responsible to the Committee for the executive side of the work, and by Mr. W. B. Butler of the Association of British Chambers of Commerce, who arranges for the meetings of the Committee.

(g) The General Purposes Committee will consist of a small number of members of the Main Committee nominated by the bodies shown.

(h) The functions of the General Purposes Committee will be to deal with the legal and other expenses incurred by the Committee in connection with enquiries before the Tribunal, and other questions of administration.

(k) Questions of policy are not to be decided by the General Purposes Committee without consulting and obtaining the authority of the Main Committee.

..

(6) The members of the Main Committee are drawn from the following :

**TRADERS' CO-ORDINATING COMMITTEE.
MEMBERS.**

(1) MAIN COMMITTEE.

Trade Organisation or Industry.

- | | |
|--------------------------------|--|
| <i>Stone, clay & glass</i> | ..The Federated Quarry Owners of Great Britain.
Cement Makers' Federation.
National Employers' Council for the Clay Industries.
British Pottery Manufacturers' Federation.
Association of Glass Bottle Manufacturers. |
| <i>Iron & steel</i> | ..National Federation of Iron & Steel Manufacturers. |
| (a) <i>Production</i> | ..British Wire Rod Rollers Association.
Iron & Steel Wire Manufacturers' Association.
British Wire Rope Manufacturers' Association. |
| (b) <i>Engineering</i> | ..British Electrical & Allied Manufacturers' Association.
Agricultural Engineers' Association.
Machine Tool Trades' Association.
Boiler Manufacturers' Association.
Associated Crane Makers.
National Light Castings Association.
Railway Carriage & Wagon Builders & Financiers Parliamentary Association.
Association of Private Owners of Railway Rolling Stock.
British Cycle & Motor Cycle Manufacturers' and Traders' Union.
Society of Motor Manufacturers & Traders.
British Engineers' Association. |
| <i>Textiles</i> | ..Cotton Textile & Allied Trade.
Manchester Chamber of Commerce.
F. B. I. Wool Sub-Group.
West Riding Traders' Railway Committee.
Silk Association.
London Chamber of Commerce.
The Central Agency Ltd. |
| <i>Chemicals</i> | ..Association of British Chemical Manufacturers.
Society of British Match Manufacturers.
Federation of Bone Users & Allied Trades, Ltd. |

<i>Oils & fats</i>	..	.. Lubricating Oils and Grease. Petroleum, Fuel and Heavy Oils. Petrol and Motor Spirit. White Spirit. U. K. Soap Manufacturers' Association. Seed Oil & Cake Trade Association. National Seed Crushers' Association. National Cattle Food Trade Association.
<i>Food stuffs</i>	..	.. Brewers' Society. Whisky Association. British Incorporated Society of Meat Importers. Association of British Fisheries. Federation of Grocers' Association. Biscuit Manufacturers' Association. National Confectioners' Alliance.
<i>Agriculture</i>	..	.. National Farmers' Union. National Federation of Fruits & Potato Trades' Associations. Incorporated Association of British and Irish Millers. National Association of Corn and Agricultural Merchants. Live stock Traders' Association.
<i>Rubber</i>	..	.. India Rubber Manufacturers' Association.
<i>Leather</i>	..	.. United Tanners' Federation. Incorporated Federation Associations of Boot & Shoe Manufacturers.
<i>Non-Ferrous</i>	..	.. Non-Ferrous Metals Trade Railway Committee. Incorporated Swansea & District Freighter's Association. U. K. Lead Manufacturers' Association.
<i>Hardware</i>	..	.. Birmingham Chamber of Commerce.
<i>Paper</i>	..	.. Paper Maker's Association of Great Britain. Federation of Master Printers. Newspaper Society.
<i>Timber & Woodworking.</i>		National Council of the Furnishing Trades. Furniture Removers & Warehousemen's Association.
<i>Miscellaneous</i>	..	.. Wholesale Clothing Manufacturers' Federation. Wholesale Mantle & Costume Manufacturers' Federation. The Rope Twine & Net Manufacturers' Federation. The British Paper Box Manufacturers' Federation. The United Kingdom Paper Bag Manufacturers' Association. The Shirt, Collar & Tie Manufacturers' Federation. The British Corset Manufacturers' Association. The British Tin Box Manufacturers' Federation.

General members

.. Federation of British Industries.
 Association of British Chambers of Commerce.
 Mansion House Association on Railway and
 Canal Traffic.
 Traders' Traffic Conference.
 National Chamber of Trade.
 Incorporated Association of Retail Distributors.
 Waste and Scrap Merchants.
 Manchester & District Traders' Confederation.
 on Railway Rates and Charges ; and

(2) the General Purposes Committee is drawn from the following :—

Association of British Chambers of Commerce.
 Federation of British Industries.
 Mansion House Association.
 Traders' Traffic Conference.
 National Chamber of Trade.
 Incorporated Association of Retail Distributors.
 National Federation of Fruit & Potato Trades' Association.
 National Farmers' Union.
 Deputy Director, Federation of British Industries.
 Secretary, Association of British Chambers of Commerce.

16. BRIEF ACCOUNT OF THE RAILWAY RATES TRIBUNAL.

Acting under powers conferred upon him by the Regulation of the Forces Act, 1871, the Secretary of State of War, from the 5th August, 1914, took possession of most of the railways of Great Britain, which thus became "controlled." An agreement was made that the Government guaranteed to the Railway Companies their 1913 net revenue.

Before the late war, the railways were limited in charging powers by their statutory maxima. Goods rates were not increased during the war, but only the fares were raised.

After the war, fares were again raised to about 75% above pre-war level ; and goods rates were raised to about 100% above pre-war level.

Various reductions have been made since, and the *general level of charges* now stands at about 50% above the pre-war level.

On the 15th August, 1919, the Ministry of Transport Act became law. It provided for the appointment of a Minister of Transport, with wide powers of control over the railways and other transport undertakings.

Section 21 of the Ministry of Transport Act provides for the appointment of a Rates Advisory Committee. The Minister, however, is not placed under any obligation to follow the advice of the Committee. The Committee was appointed in October, 1919, with Mr. (afterwards Sir) Francis Gore-Browne, K.C., who was succeeded, on his death, by Mr. Walter Baker Clode, K.C.

In February, 1920, the Minister of Transport made a reference to the Committee as follows :—

The Minister having determined that a complete revision of the rates, fares, dues, tolls and other charges on the railways, is necessary, the Committee are to report as to (1) the principles which should govern the fixing of tolls, rates, charges ; (2) the classification of merchandise ; and (3) the quantum of the tolls, rates and charges, to be charged.

The Committee reported in December, 1920, as follows :—

- (i) The present general scheme of railway rates gives satisfaction, and should be continued.
- (ii) The great increase in the cost of materials and wages during the last few years, renders necessary new adjustments of rates; which involve sweeping away the maximum scales of rates and charges.
- (iii) The annual standard rates and tolls should be fixed by an independent tribunal.
- (iv) The standard rates to and from a station, should (as now) be composed of a conveyance rate, with a charge for station terminals; the terminals being payable only when use is made by a trader of the station accommodation or the services, as the case may be.
- (v) The rate to a private siding should (as now) be composed of a conveyance rate, with a charge for accommodation provided, and the services rendered by the railway companies at, or in connection with the private siding; which may be fixed either directly or by charging the station rate, and allowing a rebate of the difference between the terminals and the value of the accommodation and services. If, however, the trader makes use of the station, or of other accommodation provided by the railway company, or of any of the terminal services, he should be liable to be charged in accordance with the use so made.
- (vi) The conveyance rate should be a mileage rate per ton varying in an ascending scale, according to the classification of the goods conveyed; a new classification being fixed either by the Rates Advisory Committee, or by the new Tribunal to be set up.
- (vii) The mileage rate should be upon the cumulative principle, with a descending scale of rates as the distance increased.
- (viii) The rate should be computed on the basis of continuous mileage when the transit is over the lines of more than one railway company.
- (ix) A minimum charge should (as now) be made when the conveyance is over a short distance, and the new tribunal should decide what this distance should be.
- (x) The classification should be divided into a greater number of classes than now exists, a lower classification being accorded to goods forwarded in large quantities.
- (xi) Exceptional rates cannot be abolished, but every effort should be made to incorporate as many of the exceptional rates as possible in the standard rates. Exceptional rates which are less than 10% below the standard rate, should be disallowed; and no exceptional rate more than 40% below the standard rate should be allowed without the express sanction of the new Tribunal.
- (xii) The railway companies should be allowed to quote new exceptional rates, subject to reporting the same to the Ministry of Transport, who should be empowered to refer any such rate to the new Tribunal.

- (xiii) All exceptional rates which have not been used for more than a year should cease to exist.
- (xiv) The railway companies should be entitled to make a reasonable charge for collection or delivery.
- (xv) (a) All rates fixed by the Tribunal should show separately the amounts included for conveyance and terminals respectively.
 - (b) In the case of exceptional rates not so fixed, the railway should show separately how much of the rate is for conveyance, and how much for terminals and services rendered at, or in connection with, a private siding.
 - (c) Where the railway has failed, at the time of first placing the rates on its books, so to distinguish the amounts included for conveyance and terminals, the rate, in the case of station-to-station rates, should be deemed to be composed of conveyance rate and terminal charges in proportion to the amounts included in the standard rates fixed for similar goods to and from the same stations.
 - (d) The company should similarly show separately the charges for a private siding. It should be declared that the inclusion, in an exceptional rate, of an amount less than the standard charge for terminals should not of itself be a ground for treating the charge as an undue preference in respect of terminal charges.
- (xvi) The conditions upon which railway companies shall carry merchandise (other than dangerous goods) and live stock should be determined by the Rates Advisory Committee or the new Tribunal.
- (xvii) The conditions in regard to damageable goods not properly protected by packing should be so framed as not to throw an undue burden on the railway companies.
- (xviii) The new Tribunal should consist of three permanent members : one experienced in railway business, one in commercial affairs, and the chairman an experienced lawyer. In addition, a panel of railway men and a panel of men actively employed in commercial affairs should be set up ; and one person from each panel should be added to the permanent members to constitute the Tribunal.
- (xix) The Tribunal should determine the classification and the actual standard rates to be charged.
- (xx) The Tribunal should fix the charges so as to provide that each of the railway companies shall, with good management, be enabled, by charging such rates, to earn sufficient revenue to pay all their costs, charges, and expenses ; and to receive a fair rate of profit.
- (xxi) The Tribunal should also determine what variations should subsequently be made in rates and fares, and vary the classification.

- (xxii) No limitation, by way of maxima or otherwise, should be placed upon the rates to be fixed by the Tribunal. The railway companies should be prohibited from charging any rates above the standard rates fixed by the Tribunal, but should be entitled to apply to the Tribunal to increase the standard rates, or any of them; and any body of traders should be entitled to apply to the Tribunal to reduce the standard rates or any of them.
- (xxiii) Where the railway companies have agreed to continue any existing exceptional rates, or have guaranteed any new exceptional rates, without the interposition of the Tribunal, they should be entitled to reduce such exceptional rates; and subsequently to increase any rates so reduced to the amount at which they previously stood. No exceptional rates fixed by the Tribunal should be varied without the consent of the Tribunals; and any railway company or trader concerned, should be entitled to apply to the Tribunal to vary any exceptional rate.
- (xxiv) Local "conferences" of railway men and traders should be set up at the principal centres of trade, to act as conciliation boards, but should have no coercive powers.

On the 19th August, 1921, the Railways' Act became law. The law extends the life of the *Rates Advisory Committee* to complete the classification but creates a new Tribunal to deal with fixing of actual charges; and establishes a court, styled the Railway Rates Tribunal, which shall be a court of record, and have an official seal, which shall be judicially noticed. The permanent members (three in number) shall be whole-time officers, and shall hold office for such terms, not exceeding seven years, as may be determined at the time of appointment. A retiring member shall be eligible for re-appointment. They shall be appointed by His Majesty on the joint recommendation of the Lord Chancellor, the President of the Board of Trade, and the Minister of Transport: one of such members being a person of experience in commercial affairs, one a person of experience in railway business, and one, who shall be president, an experienced lawyer. The Tribunal was constituted in November, 1921, as follows:—

Sir Francis Gore-Browne, K.C., President.

Mr. George Cooper Locket; of experience in commercial affairs, and—
Mr. William Allam Jepson; of experience in railway business.

The salaries are:—for the President, £3,500 a year: for the other two, £3,000 a year each. Mr. Jepson was an Assistant General Manager, and Mr. Locket was concerned in the mining business. The Railway Rates Tribunal appointed a barrister as Registrar, and a member of the English civil service as Secretary, and a railway man as Assistant Secretary.

To the Registrar is delegated various minor duties of the Tribunal.

The Railways' Act provides for two panels; to assist the Rates Tribunal as may be required; one consisting of 36 persons nominated by the President of the Board of Trade, the Minister of Labour, and the Minister of Agriculture and Fisheries, as representing the trading and other interests of the public; and the other panel (referred to as the Railway Panel) consisting of eleven persons nominated by the Minister of Transport, after consultation with the railways, and one person to represent light railways.

The main functions of the Tribunal are :—

- (i) To complete the general revision of railway charges, commenced by the Rates Advisory Committee, by determining, in the first instance, the standard charges ; and in certain cases, the exceptional rates, to be charged by the railway companies ; and by settling standard terms and conditions of carriage, and other matters.
- (ii) To review periodically such standard charges, and exceptional rates.
- (iii) To determine questions relating to railway charges brought before the court both before and after the "appointed day" on which the new standard charges shall be brought into operation.

The Rates Tribunal normally sit in the Law Courts, London. They encourage consultations between the railways and the traders to settle their differences ; and the settlements arrived at, if approved, are then confirmed by the Rates Tribunal.

At the present time, during the interim period, between the passing of the Railways Act and the "appointed day" when the standard and exceptional charges will come into force, the charges existing on 15th August 1921, remain in force, and railways are entitled to quote charges without reference to the Rates Tribunal, provided that the charges in force on 15th August 1921 are not exceeded. If a railway wishes to exceed that limit, reference must be made to the Rates Tribunal. Also any trader may apply to the Rates Tribunal for the reduction of any rate in force.

It is particularly interesting to note the following, which is laid down in the Railways Act :—

- (i) The salaries of the Rates Tribunal and any other expenses incurred in the exercise and performance of their powers and duties, shall be deferred by the Minister out of moneys provided by Parliament ; and so far as the aforesaid expenses are not met out of the amount recovered by way of fees, they shall be repaid to the Minister by the amalgamated companies as part of their working expenses.
- (ii) The Rates Tribunal may hold sittings in any part of Great Britain, as may be convenient. The central office of the Tribunal shall be in London.
- (iii) Appeals from the Rates Tribunal shall lie to the Court of Appeal, or to the Court of Session, on a point of law only, and not on any question of fact.
- (iv) Traders may apply to the Rates Tribunal to modify the standard charges or other charges, or any conditions relative thereto.
- (v) On and from the appointed day, all exceptional rates in operation immediately before the day, shall cease to operate ; with the exception of those which (A) are not less than 5% below the standard rates, and (B) have been continued by agreement in writing between the railway companies and the traders ; but no rate which has not actually been used within the two years preceding the first day of January, 1923, shall be continued without reference to the Rates Tribunal.

- (vi) On and after the appointed day, the railway may grant new exceptional rates; which rates shall, within 14 days, be reported to the Minister, provided that they are not less than 5% or more than 40% below the standard rates. The Minister shall review such rates to see whether they may be continued or should be modified or cancelled.
- (vii) Any trader may, at any time, apply to the Rates Tribunal to fix a new exceptional rate.
- (viii) The railway companies shall submit proposals to the Railway Rates Tribunal regarding the terms and conditions of carriage for the different classes of traffic; and the Rates Tribunal shall consider the terms and conditions so submitted; and, after hearing any traders who may desire to be heard, shall settle the terms and conditions.
- (ix) Where an owner's risk rate is in operation, goods shall be carried at owner's risk conditions, when requested by the trader in writing; otherwise the company's risk rate shall apply.
- (x) Goods damageable, and not properly protected by packing, shall be carried by railways under the conditions settled by the Rates Tribunal. The railways shall not be under any obligation to carry damageable goods not properly protected by packing.
- (xi) The railways or the traders may apply to the Rates Tribunal to amend, alter, or add to, the terms and conditions of carriage.
- (xii) On request in writing by a trader, the railways shall quote an owner's risk rate, if the company's liability in respect of the merchandise in question is not insignificant. The difference between an ordinary rate and an owner's risk rate shall be such as, in the opinion of the Rates Tribunal, is fairly equivalent to the amount of the risk of the company.
- (xiii) When calculating a through rate or fare, the standard charge for each portion of the through route shall be that which would have been applicable to such portion, had the conveyance for the entire distance of the through route been upon the railway company owning such portion; and as if, throughout the through route the mileage had been continuously upon one railway; and shall be calculated on the shortest working distance between the two points over the railways of the forwarding companies; and effect shall be given to any provision for a special mileage allotted in respect of any portion of railway.
- (xiv) Railways may charge as for a minimum distance, as the Rates Tribunal may determine. The Rates Tribunal shall determine any dispute as to the reasonableness of any charge for the services of collection and delivery.
- (xv) Nothing contained in this Act shall impose any obligation on a railway to accept dangerous goods for conveyance. If any company accepts dangerous goods for conveyance, they shall be conveyed subject to such rules as the company may see fit; and the owner of such goods shall indemnify the company from all loss or damage.
- (xvi) The Rates Tribunal may decide on the chargeable distance in the case of circuitous routes. A circuitous route means a route which is longer by 30 per cent. or more, than the shortest route.

- (xvii) Every railway company shall keep for public inspection at each station, a copy of the general classification, and a book stating chargeable distances, scales of standard charges, exceptional rates, and any charges in force for collection and delivery.
 - (xviii) The charges to be fixed in the first instance for each amalgamated company, shall be such as will yield an annual net revenue equivalent to that of the year 1913, plus other allowances, such as a reasonable return on additional capital raised since January 1913, and on capital raised before January 1913, but which had not, at that date, become fully remunerative, plus one-third of economies effected.
 - (xix) The Rates Tribunal shall review the standard charges and exceptional charges of each amalgamated company at the end of the first financial year, and at the end of each succeeding year unless the Minister directs otherwise, in order to see if the required revenue is being obtained from those charges, and whether any modification is required.
 - (xx) Every railway shall afford to any other railway all reasonable facilities for the working of through traffic.
 - (xxi) The Minister may require the railway companies to compile and render accounts, in such manner as he may determine; also to compile and render statistics and returns, as he may decide.
- (18) The Rates Tribunal have settled the packing conditions, and the terms and conditions of carriage.

The Rates Tribunal, in their second annual report, remark that they have continued the policy adopted at the outset, of encouraging, by every means in their power, negotiations between the railway companies and representative bodies of traders: and they note with satisfaction the friendly relationship which exist between the railway companies and the traders.

The Rates Tribunal complete their third and last annual report with a statement of the position as regards the basis of the revenue required, which has not yet been fixed.

A. PEEL GOLDNEY,

Deputy Traffic Manager.

9th June, 1925.

CHAPTER XIII.

Proposed Railway Rates Tribunal of India.

Things being as they are, the necessity for taking preliminary steps towards setting up a Railway Rates Tribunal for India is clear, but looking at the matter from a purely utilitarian point of view, it is difficult to believe that a Railway Rates Tribunal is really required in India. One of the strongest arguments in favour of this view is the fact that the Commission which can be brought into being under chapter V of the Railways Act has never been set up. In the report of Sir William Ackworth's Committee the view was expressed that the Commission had never been constituted, because it was cumbersome and expensive, but it is believed that the real reason the Commission never sat was because no case that the traders considered of sufficient importance occurred to warrant it. Expense of litigation and delay in getting judgment do not prevent the trial of innumerable petty disputes in this country. Further, since 1st May last, when the Railway Rates Advisory Committee has been available for the hearing of complaints, only one has been brought before it and it is understood that only two others are pending.

2. The functions of the Railway Rates Advisory Committee are to investigate and make recommendations on :—

- (i) Complaints of "undue preference"—Section 42(2) of the Indian Railways Act ;
- (ii) Complaints that rates are unreasonable in themselves ;
- (iii) Complaints or disputes in respect of terminals—Section 46 of the Indian Railways Act ;
- (iv) The reasonableness or otherwise of any conditions as to packing of articles specially liable to damage in transit or liable to cause damage to other merchandise ;
- (v) Complaints in respect of conditions as to packing attached to a rate, and
- (vi) Complaints that Railways do not fulfil their obligations to provide reasonable facilities under Section 42(3) of the Indian Railways Act.

This Committee is looked upon as a preliminary to the appointment of a Railway Rates Tribunal, should one eventually be found necessary.

3. On the setting up of the Railway Rates Advisory Committee it was realised that it would be necessary for railways to take concerted action, and at the suggestion of the G. I. P. Railway, the Commercial Committee for Interchange considered informally the action the Committee should take. The reasons given for making this suggestion were :—

- (i) that individual railways must have been making preparations for representing matters before the Rates Advisory Committee, and that any information collected should be pooled, the interests of all railways being the same ;
- (ii) that many matters which will come before the Rates Advisory Committee will concern all railways, and cannot be settled as between one merchant and one railway ;
- (iii) that railways should agree so far as possible on similar lines of action when defending similar cases.

Chapter II on the main principles governing railway rates for the carriage of merchandise, chapter VII on undue preference, and the beginning of chapter IX on the method of fixing rates, of this report were forwarded to the Secretary of the Indian Railway Conference Association for the information of the members of the Commercial Committee for Interchange. At the meeting held at Secunderabad on the 20th July last and following days, it was decided :—

- (i) that when an application for the Rates Advisory Committee is received by a railway represented on the Commercial Committee, a copy of the application should be sent immediately to each member of the Commercial Committee and to the Secretary. This should be followed as quickly as possible by a statement giving the facts of the case and the general lines on which it is proposed to deal with it. On receipt of this statement the members of the Commercial Committee should send their views ;
- (ii) The member dealing with the case will send, confidentially, his statement for the Railway Board to the Secretary of the Indian Railway Conference Association, and the Railway Board's or the Rates Advisory Committee's decision, and he will send copies to each member of the Commercial Committee ;
- (iii) The Secretary of the Indian Railway Conference Association will write to each railway not directly represented on the Commercial Committee and ask them to send to him similar information ;

By these means the Secretary of the Indian Railway Conference Association will have a file of the documents of each case for reference.

4. The Railway Rates Advisory Committee is now in being, and it will be interesting to follow its action, but a very different state of affairs will exist if and when a Railway Rates Tribunal is set up. The decisions of the Railway Rates Advisory Committee will not be binding on the Railway Rates Tribunal. The decisions of the latter body will be on a very different footing. No Court or Tribunal can exist long without establishing a practice or habit for similar cases. Like issues tend to be decided in like manner. Precedent arises and so becomes a rule and after a time, a binding rule fettering the discretion and limiting the jurisdiction of the Court, but not only will the Tribunal be bound by its own decisions, but, it is reasonable to assume, by the English Common Law and by the decisions of the Railway and Canal Commissioners and the Railway Rates Tribunal of Great Britain in so far as not inconsistent with the provisions of the Indian Railways Act.

5. It does not seem practicable to have a Railway Rates Tribunal without the fixing of a standard railway revenue.

6. I give an apposite extract from Sir William Ackworth's "Elements of Railway Economics" as to the inconvenience of dealing with economic problems by legal machinery, which is taken from page 165 of the latest edition :—

" We are dealing in this book, not with law, but with economics.
 " So we may here note the inconvenience of dealing with economic
 " problems by legal machinery. A law court is not adopted for economic
 " discussion. It can only try definite issues between certain parties
 " according to the established rules of evidence and procedure. It can,
 " except in so far as it is handicapped by lack of familiarity with the

“Limiting commercial possibilities involved, try the issue ‘How much has the cost of carrying coal from A to B increased in a given time?’ And it can decide what percentage increase of the particular rate, other things being equal, which they probably would not be, would cover that increased cost. But put the issue this way: ‘The cost of carrying coal having been proved to have increased, and it being reasonable that the company should be recouped for its loss of revenue, what traffic shall be selected as best capable of bearing an increased rate, having regard to what is on the whole equitable to that traffic and most in the public interest?’ An issue such as this no law court can try. And yet, if the account given in the earlier chapters of this book of the nature of railway business has any truth in it, this is the issue that really should be tried.

“Let us test it by imagining a concrete case. Imagine that, owing to foreign competition, the coal export trade of Northumberland and Durham has shrunk to half its present volume. It needs no argument to show that the cost to the railway of carrying the remaining half will have largely increased. Half the capital invested in staiths and tips, in marshalling yards and storage sidings, in mineral engines and wagons, for dealing with this traffic, will be earning nothing. The general and maintenance expenses will run on with but a small reduction, and being charged on but half the traffic will be double as heavy per unit. The railway company can clearly make a case for increased rates. ‘But,’ says a law court, the ‘increase must be on export coal. We have no evidence of increased cost on other traffic. The parties who would be affected by increase in other rates are not before the Commission, and judgment against them cannot be given in their absence.’ We can imagine the answer that would be made by the company, not indeed in the law court, but in the form of economic discussion: we cannot raise the rates on export coal. To do so would be to kill what is left of the traffic. We must be content to carry on this traffic at the present, or perhaps even at lower rates, down to the point where the gross receipts cease to cover our out-of-pocket expenses in doing the business. But you admit we are entitled to raise our rates to recoup ourselves if we can. Give us then leave to double our rates on fifth-class traffic that can bear the rate. Though it be doubled, not a silk dress, nor an opera-glass, nor a musical-box the fewer will be sold because of it.”

7. It will be interesting here to state the evidence required by the Interstate Commerce Commission of the United States of America in support of the retention of, or increase in, railway rates. The Commission professes to judge rates both with reference to the cost of service and the value of service, and it is very much influenced by rates on the same commodity in the same general territory for similar distances. It is also influenced by rates on competitive commodities and rates on analagous commodities. Where the carriers are able to submit evidence as to the cost of service, it has considerable weight, but generally it is vulnerable from an accounting or statistical standpoint and it is always carefully scrutinised by the Commission. The commercial situation is almost invariably considered; that is to say, whether the competition of other railroads or the competition of other markets tends to require a departure from what otherwise might seem to be the normal rate. It cannot be said that the prescribing of rates by the Commission approaches a fixed science; but nevertheless the Commission professes to have laid down certain principles or rules by which to judge

the reasonableness of a rate, and some of this can be stated in a more or less general way, *e.g.*, that as distance increases, the rate ordinarily increases, but not in the same ratio, that is to say, the rates on the same commodities for the longer distances usually show a lower ton-mile earning than the rates for the short distances; that rates on the more valuable commodities are ordinarily higher than the rates on the less valuable commodities; that rates on a manufactured article are generally higher than the rates on the raw material; that rates on light and bulky articles are generally higher than rates on heavy articles, etc. None of these rules is binding, but such principles, if they may be so called, constitute guides in the exercise of the Commission's discretion which it may or may not disregard as it sees fit in any particular case.

8. Paragraph 7 has the authority of Mr. Rea, lately President of the Pennsylvania Railway. It shows clearly how very general are the principles actuating the members of the Commission, and to what a great extent decisions arrived at must depend upon their idiosyncrasies. Mr. Rea says that it cannot be said that the prescribing of rates by the Commission approaches a fixed science. As stated in paragraph 12 of chapter II, rate making is an art, not a science, and it is this fact that more than anything else renders its regulation by means of a tribunal so extremely difficult.

9. The Interstate Commerce Commission is influenced when considering the reasonableness of a rate, by rates on the same commodity in the same general territory for similar distances. This pre-supposes that the rates with which the comparison is made are themselves reasonable which supposition may be correct or incorrect, and great difficulty must be experienced in making due allowance for all the different factors which must be taken into account when fixing the different rates. Sir Robert Peel's dictum will be remembered; "There is nothing so misleading as facts except figures."

10. So far as the Railway and Canal Commissioners in Great Britain are concerned, cases in the main divide themselves, according to Ackworth, into two classes:—

- (i) Railways justify an increase as required to put an end to an anomaly, and
- (ii) Increases in rates are justified on the ground of increased cost to railways.

11. The following is taken from pp. 164 and 165 of "The Elements of Railway Economics":—

"In the first class a company has justified an increase as required to put an end to an anomaly. For instance, flour is carried at class C rates (which did not include cartage), and on the North-Eastern Railway these rates were fixed on a uniform mileage basis. For very many years it had been the traditional custom in Hull for the railways to collect flour from the mills free, by carts or lighters. Millers elsewhere complained that this gave an undue preference to the Hull millers in competition with them. The Court held that it was reasonable to redress the inequality by putting an end to the anachronism and bringing down the services given in return for the rate in one town to the level of the rest, rather than by giving to all the other towns the same advantages as to Hull. In other words the Court put on one side the primary economic principle which, as we have seen, underlies all business transactions, of 'what the traffic can bear.' It confined its attention to the narrower question 'what can the railway bear,' and it

“narrowed its consideration still further by asking, not what the railway can bear and yet make a livelihood regarding the traffic as a whole, but how can the railway make an aliquot part of its livelihood out of the particular traffic before the Court.

“In the second class of case, increases of rate have been defended on the ground of increased cost to the company. Here the decisions seem to establish three propositions as to the attitude of the Court. The increase of cost must not be temporary, but presumably permanent; it must be fairly commensurate with the increase of rate; and it must be incurred in respect of the traffic the rate on which it is proposed to increase. It may well be that an increase of cost shown to apply to the whole of the company’s business would justify an increase in certain rates, even though the company refrained from seeking permission to increase other rates. But increased cost of dealing with goods traffic would not apparently justify an increase of coal rates; increased cost of dealing with its traffic in Liverpool would not justify the North-Western in increasing its rates between London and Birmingham.”

12. The fore-going quotations show the impossibility of arriving at any decisions on railway rates questions on a scientific basis.

CHAPTER XIV.

Concluding Remarks.

Two of the chief difficulties in writing a report are to make it the proper length, and to contrive that the different parts are in proper proportion. The aim of writing is to persuade, to induce people to adopt one's point of view, and it is clear that the aim is jeopardised, if a report is so long that people are discouraged from reading it. It is important to make reports as short as practicable, avoiding the danger of compressing them so much that clearness is sacrificed.

2. One of the objects borne in mind in writing this report is to provide a hand-book for those in the rates section and those newly entering it, which will give a general view of the G. I. P. Railway rates system, and on this account a considerable amount of detail has been included which would otherwise have been omitted. Before this report was written in order to get access to the information given therein, it would have been necessary to search through many files and publications.

3. It is important from time to time to investigate thoroughly the different methods of work on a railway and bring them up-to-date. Methods are contrived to meet conditions which change and as the conditions change, methods should be altered to meet them. The opportunity of reviewing and re-arranging our rates machinery and methods has been of the greatest value.

4. In the British Empire Review of July 1925, in an article on "Mediæval Cavalry and Modern Tanks," the following appears:—

"The conduct of war as distinct from its technical details is a matter of pure common sense and throughout military history the hall mark of the great captains has been that they stripped the art of war of the entwining coils of professional custom and prejudice that habitually spring up like ivy, until they suffocate and draw the sap from the tree of common sense action."

The statement is equally true if we substitute for the words "conduct of war," "conduct of railway operations." We should at all times seek for new ideas, for they are of the greatest help to progress whether in conducting transportation or in any other sphere. We want to get free from conventional ways of thinking and to formulate our problems anew.

5. Mr. Goldney, apart from his direct contributions to this report, has been of the greatest assistance on account of his ripe experience and sound judgment. Mr. W. T. Griffiths has seen the report through the press. Mr. Paranjape, assistant traffic manager, and Messrs. Ringay and Karnik have given much help.

6. The books and reports, of which the greatest use has been made, are:—

1. Report on General Revision of Railway Rates and Charges, 1920, by Rates Advisory Committee;
2. Ackworth's Elements of Railway Economics.
3. Report of the Royal Commission of Enquiry into the railway and tramway services of New South Wales, 1924;
4. S. C. Ghose's Monograph on Indian Railway Rates;
5. Railroads: Rates and Regulations, by Ripley;
6. Transportation Rates and their regulation, by Brown;
7. Handbook of Commercial Information for India, by Cotton;
8. Rail-roads, Cases and Selections, by Jones and Vandeleur.

D. S. BURN,

Chief Traffic Manager.

15th November 1926.

APPENDIX "A".
GREAT INDIAN PENINSULA RAILWAY.

STATEMENTS SHOWING WORKING RESULTS FROM THE YEAR 1905 to 1924.

	CALENDAR YEARS.							
	1905	1906	1907	1908	1909	1910	1911	1912
GOODS.								
Total tonnage carried (<i>in thousands</i>)	5,616	5,789	5,819	5,536	6,357	6,647	7,295	8,308
Earnings (<i>in thousands</i>) Ra.	4,45,98	4,42,98	4,73,61	3,98,24	4,50,19	4,98,15	5,17,65	6,07,69
Average goods receipts per train mile ..	5.56	5.39	5.12	4.80	5.40	5.31	5.00	5.30
Average sum received for carrying one ton one mile ..	6.77	6.39	5.84	5.66	5.65	5.16	5.03	5.04
Net ton miles (<i>in thousands</i>) ..	1,264,748	1,331,814	1,556,035	1,351,682	1,530,649	1,852,730	1,975,360	2,315,345
Average haul per ton ..	225.21	230.04	267.42	244.17	240.79	278.75	270.80	278.69
COACHING.								
1. Number of passengers carried (including season tickets) (<i>in thousands</i>)—								
1st class No.	117	119	121	108	107	90	102	93
2nd "	908	929	956	897	863	711	742	733
Inter .. .. "	..	..	..	..	..	..	..	77
3rd mail "	989	1,065	966	918	822	923	1,065	931
3rd Ordinary "	23,076	25,058	27,234	27,172	27,036	29,477	30,846	33,247
2. Earnings from passengers carried (<i>in thousands</i>)—								
1st class Ra.	9,30	9,79	10,54	10,11	10,63	12,70	14,56	12,02
2nd "	13,98	14,64	14,67	13,76	13,19	14,38	15,14	13,53
Inter .. .. "	..	..	..	..	..	..	..	2,02
3rd mail "	18,31	19,05	18,85	17,44	15,78	17,16	20,71	16,62
3rd Ordinary "	1,02,96	1,14,05	1,25,75	1,21,53	1,25,55	1,42,94	1,49,08	1,59,69
3. Suburban traffic (including season tickets) also included under items 1 & 2 above. (<i>in thousands</i>)								
No.	10,337	10,652	11,329	11,170	11,066	10,947	11,694	11,931
Earnings (<i>in thousands</i>) Ra.	7,95	8,11	8,51	8,48	8,41	8,45	9,01	9,15
4. Average coaching receipts per train mile .. Ra.								
	2.47	2.54	2.39	2.23	2.16	2.41	2.53	2.51
5. Average sum received for carrying one unit one mile—								
1st class Pies.	11.15	10.85	10.87	10.83	10.85	14.00	13.49	12.87
2nd "	4.45	4.41	4.51	4.53	5.17	6.36	6.30	6.10
Inter .. .. "	..	..	..	..	..	..	..	4.40
3rd mail "	2.98	2.97	3.03	2.96	2.96	2.96	2.98	2.97
3rd Ordinary "	2.15	2.16	2.15	2.16	2.13	1.98	2.32	2.32
Average for all classes "	2.49	2.48	2.46	2.46	2.43	2.60	2.68	2.61
Other coaching traffic per ton per mile								
	35.32	35.80	36.20	35.71	35.71	35.76	34.77	34.04
6. Average distance travelled by passengers (excluding season ticket holders).								
1st class Miles.	192	177	180	193	202	223	222	214
2nd "	155	152	120	122	106	127	125	119
Inter .. .. "	..	..	..	..	..	..	..	123
3rd mail "	127	117	123	123	124	120	125	115
3rd Ordinary "	53	52	49	47	50	49	47	47

GREAT INDIAN PENINSULA RAILWAY.

STATEMENTS SHOWING WORKING RESULTS FROM THE YEAR 1905 to 1924.

	Quarter ending 31st March 1913.	FINANCIAL YEARS.					
		1913-14	1914-15	1915-16	1916-17	1917-18	1918-19
GOODS.							
Total tonnage carried (<i>in thousands</i>) ..	2,244	9,944	9,290	10,895	11,014	11,004	11,257
Earnings (<i>in thousands</i>) Rs.	1,82,73	6,35,02	5,44,79	6,83,16	6,90,41	7,24,59	8,06,30
Average goods receipts per train mile ..	5.99	5.57	5.24	5.51	5.03	5.24	5.87
Average sum received for carrying } one ton one mile) Pies.	5.62	4.76	4.89	4.51	4.07	4.37	4.54
Net ton miles (<i>in thousands</i>)	624,369	2,559,660	2,137,885	2,908,791	3,254,361	3,179,974	3,400,678
Average haul per ton	278.27	257.41	230.12	266.99	295.46	288.98	302.64
COACHING.							
1. Number of passengers carried (including season tickets) (<i>in thousands</i>)—							
1st class No.	25	94	88	87	109	128	167
2nd "	187	723	694	800	1,033	982	1,236
Inter "	36	146	152	166	181	188	239
3rd mail "	224	981	907	961	1,145	1,740	2,106
3rd Ordinary "	9,051	35,714	32,826	33,738	36,425	33,752	36,167
2. Earnings from passengers carried (<i>in thousands</i>)—							
1st class Rs.	8,70	13,30	11,86	10,95	14,62	20,69	23,44
2nd "	8,62	14,45	14,98	20,77	32,85	28,42	31,40
Inter "	76	3,63	3,81	4,30	5,01	7,43	8,24
3rd mail "	3,95	16,90	15,28	16,46	23,62	41,55	56,26
3rd Ordinary "	43,77	1,77,77	1,65,11	1,60,80	1,83,66	1,98,06	2,26,32
3. Suburban traffic (including season tickets) also included under items 1 & 2 above. No. (<i>in thousands</i>) ..							
	3,196	12,367	11,464	12,861	13,908	14,984	16,452
Earnings (<i>in thousands</i>) Rs.	2,33	9,21	8,72	9,53	10,15	11,76	13,55
4. Average coaching receipts per train mile Rs.							
	2.73	3.62	2.55	2.71	3.25	4.24	5.04
5. Average sum received for carrying one unit one mile—							
1st class Pies.	14.50	13.29	12.51	12.30	11.40	16.61	11.70
2nd "	6.72	6.18	5.93	3.90	3.63	5.57	6.70
Inter "	4.48	4.54	4.58	4.42	4.55	4.45	4.48
3rd mail "	3.00	2.93	2.98	2.99	3.00	3.53	3.48
3rd Ordinary "	2.36	2.32	2.28	2.26	2.34	2.80	2.87
Average for all classes	2.68	2.61	2.58	2.55	2.65	3.27	3.34
Other coaching traffic per ton per mile	33.78	35.47	31.17	33.42	33.02	33.13	33.93
6. Average distance travelled by passengers (excluding season ticket holders).							
1st class Miles.	214	216	220	205	236	173	247
2nd "	106	118	130	217	263	172	124
Inter "	95	109	109	107	120	173	149
3rd mail "	113	112	108	110	131	130	141
3rd Ordinary "	45	49	51	48	60	50	52

GREAT INDIAN PENINSULA RAILWAY.

STATEMENTS SHOWING WORKING RESULTS FROM THE YEAR 1905 to 1924.

	FINANCIAL YEARS.						
	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26
GOODS.							
Total tonnage carried (<i>in thousands</i>) ..	10,647	10,147	10,653	9,380	9,604	10,143	10,511
Earnings (<i>in thousands</i>) Rs	7,98.84	8,05.51	8,29.54	9,22.83	9,12.45	98,194	9,26.29
Average goods receipts per train mile ..	6.36	6.62	7.67	8.98	8.98	11.7	10.7
Average sum received for carrying } one ton one mile } Pies	5.05	5.20	6.01	6.78	6.93	6.47	6.65
Net ton miles (<i>in thousands</i>)	3,039,922	2,975,335	2,649,467	2,613,794	2,529,539	2,911,778	2,674,135
Average haul per ton	285.51	293.23	248.71	278.65	263.37	287.1	254.4
COACHING.							
1. Number of passengers carried (including season tickets) (<i>in thousands</i>)—							
1st class No.	195	211	191	160	141	139	146
2nd "	1,465	1,856	1,640	1,530	1,424	1,538	1,733
Inter "	275	229	135	131	122	104	111
3rd mail "	2,416	2,479	2,311	1,905	1,818	1,859	1,548
3rd Ordinary "	40,615	45,551	48,353	49,341	49,918	52,737	55,901
2. Earnings from passengers carried (<i>in thousands</i>)—							
1st class Rs.	28.42	27.42	30.93	28.58	26.80	25.90	25.17
2nd "	40.71	40.02	42.96	39.06	33.58	32.76	31.62
Inter "	11.11	10.88	9.63	9.33	8.41	7.77	8.08
3rd mail "	65.78	71.00	67.20	64.41	58.19	62.57	51.94
3rd Ordinary "	2,80.89	2,78.29	2,61.46	3,09.94	3,20.05	32,381	3,31.51
3. Suburban traffic (including season tickets) also included under items 1 & 2 above. No. (<i>in thousands</i>)							
Earnings (<i>in thousands</i>) .. Rs.	16,439	21,245	23,366	25,051	25,012	25,606	28,253
4. Average coaching receipts per train mile Rs.							
	5.14	4.90	4.66	4.99	5.01	5.02	4.63
5. Average sum received for carrying one unit one mile :—							
1st class Pies	13.30	14.69	22.22	24.85	23.03	22.8	20.6
2nd "	6.48	6.76	8.78	15.79	11.06	9.57	8.71
Inter "	4.32	4.68	5.03	7.06	7.10	7.09	6.84
3rd mail "	3.43	3.78	3.34	4.94	4.60	4.60	4.65
3rd Ordinary "	2.73	2.74	2.68	3.69	3.69	3.68	3.69
Average for all classes	3.20	3.28	3.27	4.43	4.26	4.22	4.19
Other coaching traffic per ton per mile	32.78	33.51	33.61	33.89	34.02	34.04	34.1
6. Average distance travelled by passengers (excluding season ticket holders).							
1st class Miles.	235	203	179	190	228	224	230
2nd "	139	110	124	71	110	115	106
Inter "	180	196	273	195	187	202	205
3rd mail "	152	145	167	131	134	140	138
3rd Ordinary "	57	51	46	39	41	40	39

APPENDIX "B".

STATEMENT SHOWING THE PRINCIPAL COMMODITIES OF MERCHANDISE TRAFFIC CONVEYED OVER THE G. I. P. RAILWAY SYSTEM DURING THE FINANCIAL YEARS 1913-14 TO 1925-26.

COMMODITIES.	1913-1914.		1914-1915.		1915-1916.		1916-1917.		1917-1918.		1918-1919.		1919-1920.	
	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
1. Coal and Coke	894,680	28,53,255	1,012,386	42,68,002	1,640,267	76,42,566	2,067,194	1,10,02,472	1,781,153	97,23,653	2,075,576	1,12,16,934	1,913,926	99,38,905
2. Cotton Raw	451,576	98,55,830	375,356	85,75,130	501,726	1,13,09,868	350,248	79,54,072	300,821	65,15,980	309,738	73,68,028	488,094	1,27,26,492
3. Twist & Yarn, Indian or European.	..	..	..	..	21,646	3,36,892	..	..	13,393	2,88,448	42,952	8,88,055	1,100	26,472
4. Piece Goods	33,705	7,97,708	51,475	12,24,239	98,867	21,37,161	83,567	18,24,677	..	..	65,656	15,89,736	87,856	25,55,439
5. Fodder	121,176	8,01,469	149,090	11,53,014	81,253	10,10,038	142,794	16,14,740	265,598	27,14,168	334,745	25,51,619	223,738	19,34,642
6. Rice	142,277	9,66,662	64,534	4,19,859	109,674	7,62,783	197,626	13,65,112	287,972	25,87,825	573,546	61,48,170	416,600	35,28,105
7. Wheat	500,709	58,18,370	231,251	19,15,375	237,562	21,58,865	284,943	30,48,423	434,624	49,20,775	339,841	30,95,223	335,120	32,13,783
8. Other Grains	525,938	50,51,949	710,019	64,85,645	967,640	87,24,622	737,136	67,26,506	679,425	66,31,846	830,140	91,23,998	702,585	71,51,462
9. Marble Stone .. ..	..	..	..	..	..	..	..	..	..	..	280,924	10,98,198	128,603	4,63,907
10. Iron, steel and other metals.	85,166	11,47,507	46,982	6,13,494	43,110	5,70,052	..	..	52,990	7,26,760	..	..	110,779	14,74,504
11. Manganese Ore	565,462	41,83,076	316,098	23,48,229	388,985	28,49,354	336,691	24,94,647	199,175	14,60,465	107,567	8,05,014	182,555	13,83,186
12. Castor Seed .. ..	..	..	30,656	2,12,736	96,189	2,52,581	..	..	72,131	6,37,772	8,049	77,119	6,994	59,583
13. Cotton Seed	220,930	23,17,550	222,262	21,25,103	266,343	26,74,843	103,591	10,21,363	19,323	1,71,358	98,872	11,27,084	270,175	32,53,925
14. Linseed	205,730	24,78,778	71,161	7,79,704	118,908	13,44,053	237,396	27,64,444	96,650	11,89,508	189,028	22,77,044	67,538	8,07,371
15. Rape and Mustard Seed ..	44,168	4,43,487	8,940	90,023	17,845	2,00,861	..	..	..	..	..	..	..	..
16. Til and Gingelly Seed ..	104,995	10,08,930	34,906	3,16,385	74,674	7,63,569	61,586	6,61,092	16,330	1,51,461	31,651	3,29,767	59,851	6,24,610
17. Kerosine Oil .. ..	..	..	..	..	..	..	..	..	91,074	11,84,259	..	..	109,911	16,15,877
18. Other Oils .. ..	..	..	..	..	..	..	13,593	2,02,830	53,708	8,41,904	49,857	2,84,861	35,611	5,85,272
19. Earth Nuts	52,783	4,67,131	32,674	3,48,140	78,793	8,37,238	59,484	7,55,419	40,988	5,68,665	12,619	1,38,105	31,968	4,50,960
20. Dried fruit and Nuts ..	..	..	..	..	..	..	..	..	..	..	31,839	3,97,755	32,633	4,91,435
21. Ry. Plant and Rolling Stock	..	..	..	..	..	..	74,624	7,53,703	144,655	17,55,040	71,422	7,53,146	36,710	2,31,790
22. Salt .. ..	..	..	267,784	24,20,478	285,325	25,98,207	273,679	24,61,204	270,348	25,54,187	330,315	29,46,067	271,709	25,43,057
23. Sugar, refined and unrefined	209,659	22,14,025	151,249	14,75,279	200,354	19,75,133	157,828	14,31,923	171,787	16,23,852	216,524	22,96,767	193,515	20,99,145
24. Timber unwrought and wood.	..	..	..	..	..	..	98,240	5,36,010	240,621	15,66,200	307,460	21,56,902	238,586	13,16,256
25. Hides .. ..	..	..	..	..	..	..	10,766	2,03,376	..	..	..	..	4,428	67,747
26. Other articles	2,193,794	1,93,00,995	1,848,714	1,55,21,245	1,791,505	1,49,22,773	1,864,855	1,71,03,846	1,710,493	1,70,63,201	1,468,113	1,60,81,372	1,328,049	1,31,44,769
Grand Total	6,352,748	5,97,07,022	5,625,537	5,02,92,080	6,960,666	6,30,71,473	7,155,841	6,39,25,868	6,943,759	6,48,77,327	7,746,434	7,27,50,963	7,278,634	7,16,88,694

COMMODITIES.	1920-1921.		1921-1922.		1922-1923.		1923-1924.		1924-1925.		1925-1926.	
	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.	Tons.	Amount.
1. Coal and Coke	1,627,045	85,13,803	1,378,640	74,03,007	1,229,664	67,24,768	956,307	49,68,452	1,115,169	54,21,049	1,134,972	52,61,699
2. Cotton Raw	420,953	1,20,18,227	519,282	1,57,47,034	489,321	1,83,17,594	430,930	1,58,94,557	412,256	1,52,75,493	397,027	1,38,69,188
3. Twist and Yarn, Indian or European	36,846	8,81,211	45,414	11,36,236	..	..	38,830	11,50,983	..	..	..	..
4. Piece Goods	82,356	24,26,137	93,028	30,57,428	83,407	34,03,953	76,663	31,08,989	..	..	155,637	47,51,018
5. Fodder	111,766	8,23,607	134,031	9,50,998	87,407	6,86,889	..	..	91,556	7,37,065	93,349	7,55,146
6. Rice	370,966	33,50,310	358,595	32,41,042	213,131	18,19,170	230,903	20,89,706	212,261	19,66,298	209,048	17,13,574
7. Wheat	307,019	33,06,238	234,322	28,88,214	232,129	31,18,178	305,497	42,44,408	390,510	56,27,930	339,705	44,74,016
8. Other Grains	832,285	1,02,89,613	739,063	92,46,198	622,820	86,59,108	764,644	1,10,02,142	796,729	1,16,75,825	744,619	99,50,292
9. Marble Stones	369,754	14,63,188	344,943	13,60,104	429,428	18,27,068	398,629	15,41,066	..	..	476,653	17,58,791
10. Iron, steel and other metals	125,114	15,79,446	139,024	19,32,688	146,536	24,93,274	281,514	41,80,457	263,099	40,58,026	222,619	36,97,157
11. Manganese Ore	343,861	28,14,870	197,476	15,99,242	350,503	32,72,294	236,078	22,22,685	244,523	23,54,544	268,456	24,84,986
12. Castor Seed .. .. .	..	..	20,074	2,60,989	35,466	5,10,978	48,040	6,95,524	..	..	..	..
13. Cotton Seed	220,457	29,34,907	297,963	39,98,984	344,810	46,79,719	212,879	27,87,426	..	..	..	..
14. Linseed	85,663	11,10,989	66,764	10,00,643	111,829	18,15,424	132,822	20,65,218	692,325	94,78,311	641,226	84,59,052
15. Rape and Mustard Seed	32,170	3,39,417	18,941	2,37,690	38,831	4,01,955	74,016	7,66,010	..	..	..	..
16. Til and Gingelly Seed	32,646	3,92,249	66,456	8,94,659	46,465	6,76,476	39,609	5,29,974	..	..	..	..
17. Kerosine Oil .. .. .	..	..	95,086	19,72,254	..	..	..	..	107,149	24,21,601	109,169	25,14,475
18. Other Oils .. .. .	..	..	32,473	5,36,350	..	..	..	..	..	..	41,545	7,03,509
19. Earth Nuts	25,214	3,15,495	53,576	6,16,462	66,297	7,85,972	49,203	6,37,748	..	..	..	..
20. Dried fruit and Nuts .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
21. Ry. Plant and Rolling Stock .. .. .	..	..	..	..	..	..	26,925	1,59,980	26,739	2,01,594	44,867	2,84,229
22. Salt	224,616	22,26,285	244,736	25,23,638	273,877	32,37,574	186,873	22,01,210	280,223	33,47,290	240,594	28,78,929
23. Sugar, refined and unrefined	39,637	4,97,302	196,676	21,36,226	..	..	72,375	10,76,336	101,330	15,49,819	118,488	17,41,612
24. Timber unwrought and wood	212,616	9,37,824	223,195	10,66,420	241,632	12,57,689	..	..	170,789	9,08,590	159,371	9,30,012
25. Hides	15,512	2,74,720	12,820	2,43,035	25,581	5,86,976	..	..	..	..	..	..
26. Other articles	1,649,346	1,69,83,247	1,432,532	1,32,34,848	1,933,200	2,22,27,030	2,133,764	2,37,18,995	2,361,181	2,64,79,843	1,850,739	1,95,68,872
Grand Total	7,165,842	7,34,79,085	6,945,110	7,72,84,377	7,002,334	8,65,02,087	6,696,501	850,41,766	7,265,839	9,15,01,268	7,248,084	8,57,96,549

APPENDIX "C."

STATEMENT SHOWING THE GROSS EARNINGS OF THE G. I. P. RAILWAY FOR FINANCIAL YEARS 1913-14 TO 1925-26.

Traffic.	1913-14		1914-15		1915-16		1916-17		1917-18	
1. General Merchandise.	5,97,07,022		5,02,92,080		6,30,71,473		6,39,25,868		6,48,77,327	
2. Revenue, Coal and Stores.	37,94,847		41,86,870		52,44,888		51,15,128		75,81,949	
3. Passengers.* ..	2,26,04,965		2,11,05,054		2,13,26,960		2,59,76,002		2,97,05,319	
4. Parcels, etc. ..	46,02,099		65,04,631		65,86,332		84,58,454		98,49,701	
5. Miscellaneous ..	8,86,251		10,47,159		7,85,493		11,72,911		14,97,172	
Total ..	9,15,95,184		8,31,35,794		9,70,15,146		10,46,48,363		11,35,11,468	
* Details of Passenger Traffic.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
1st class passengers.	86,768	13,27,672	81,593	11,84,490	82,543	10,93,628	103,574	14,60,163	120,616	20,66,832
2nd " " ..	354,090	14,09,710	354,024½	14,68,093	455,827½	20,45,156	649,544	32,49,603	555,775½	28,02,940
Inter " " ..	139,497	3,62,363	145,141½	3,80,137	158,013	4,28,532	175,480	4,99,823	185,550½	7,43,080
3rd Mail " " ..	980,554½	16,90,167	906,561	15,27,713	961,026½	16,45,978	1,144,830	23,62,496	1,740,407	41,54,620
3rd class Ordinary passengers.	29,029,830½	1,74,59,793	26,538,637½	1,62,15,535	26,816,242	1,57,61,067	28,924,774½	1,80,16,188	25,855,679	1,95,17,948
Season Tickets ..	131,499	3,55,259	126,981½	3,29,086	139,925½	3,52,599	154,408½	3,87,729	162,244	4,19,899
Total ..	30,722,239	2,26,04,964	28,152,939	2,11,05,054	28,613,577½	2,13,26,960	31,152,611	2,59,76,002	28,620,272	2,97,05,319
Traffic.	1918-19		1919-20		1920-21		1921-22			
1. General Merchandise	7,27,50,963		7,16,88,694		7,34,79,085		7,72,84,377			
2. Revenue, Coal and Stores	78,85,327		81,95,050		70,71,589		58,69,417			
3. Passengers *	3,45,65,796		4,26,90,229		4,27,61,048		4,12,17,841			
4. Parcels, etc.	1,10,43,999		1,14,76,040		1,08,81,375		1,12,11,048			
5. Miscellaneous	20,86,994		22,43,051		41,11,796		19,79,308			
Total ..	12,83,33,079		13,62,93,064		13,83,04,893		13,73,61,991			

* Details of Passenger Traffic.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
1st class passengers	154,745½	23,41,708	173,950½	28,37,010	175,292½	27,33,761	146,859½	30,80,422
2nd „ „	695,314	30,85,343	837,687½	40,01,430	971,377	39,03,556	6,93,455	41,74,181
Inter. „ „	237,103	8,23,505	273,268	11,10,723	227,833½	10,88,086	134,553½	9,62,781
3rd „ Mail „	2,196,247	56,26,269	2,415,979½	65,78,329	2,478,726½	70,99,874	2,310,944	67,20,077
3rd „ Ordinary „	27,767,710½	2,22,09,168	33,346,750	2,76,40,914	36,592,909	2,72,85,898	38,695,634½	2,54,80,176
Season Tickets	174,651	4,79,803	146,548½	5,21,823	186,012½	6,49,873	206,175	8,00,204
Total ..	31,225,771	3,45,65,796	37,194,184	4,26,90,229	40,632,151	4,27,61,048	42,187,621½	4,12,17,841

Traffic.	1922-23	1923-24	1924-25	1925-26
1. General Merchandise	8,55,02,087	8,50,41,766	9,15,01,268	8,57,96,549
2. Revenue, Coal and Stores	67,81,242	62,02,954	66,92,348	68,32,116
3. Passengers *	4,51,31,849	4,47,03,454	4,52,84,232	4,48,31,732
4. Parcels, etc.	1,09,82,379	1,02,51,698	1,04,40,305	1,01,61,544
5. Miscellaneous	20,92,479	22,41,886	30,09,761	38,49,670
Total ..	15,04,90,036	14,84,41,758	15,69,27,914	15,14,71,611

* Details of Passenger Traffic.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
1st class passengers	113,416½	28,42,749	95,607	26,66,314	95,220	25,78,546	96,904	24,32,307
2nd „ „	560,122	37,79,109	456,849	32,37,085	495,122½	31,56,978	657,732	36,79,056
Inter. „ „	130,498	9,33,283	121,456	8,41,462	104,149	7,77,744	107,768½	7,62,630
3rd „ Mail „	1,904,747	64,40,556	1,817,703	58,18,718	1,859,891½	62,57,789	1,546,290	51,81,181
3rd „ Ordinary passengers	37,883,731	3,01,84,641	36,616,079	3,11,07,118	37,853,923½	3,14,78,238	39,707,853½	3,17,00,441
Season Tickets	243,293½	9,51,511	253,994½	10,32,757	256,056	10,34,937	17,322,750	10,76,117
Total ..	40,835,808	4,51,31,849	39,361,688½	4,47,03,454	40,664,362½	4,52,84,232	59,439,298	4,48,31,732

APPENDIX "D"

G. I. P. Ry. Schedule Rates.

The abbreviations or symbols used in this appendix have the following indications :—

- C/270 } C followed by 270 or 300 indicates that the rates apply to consignments of 270 or 300 maunds and over, as the case may be.
C/300. }
- O. R. indicates that the rates apply at owner's risk.
- C.-C. indicates that the rates apply on the carrying capacity of the wagon used.
- D/500. D followed by 500 indicates that the distance in miles to which the rate applies is for distances of 500 miles and over.
- W/300. } W followed by 300, 400 or 450 indicates that the rate applies to loads not exceeding these weights in maunds per wagon.
W/400. }
W/450. } When a greater weight is loaded in the same wagon not exceeding the carrying capacity, it will be charged proportionately.
- W.-R. indicates that the wagon rate is applicable to four-wheeled wagons irrespective of the carrying capacity.
- W.-R./16 tons. W.-R. followed by 16 tons indicates that the rate is a wagon rate applicable to wagons of the capacity specified. When wagons of higher capacity are used, proportionate higher charges must be made.
- L indicates that the loading and unloading must be made by the consignor and consignee.
- N. O. C. indicates "not otherwise classified."
- S. indicates that a special condition for carriage is to be applied.
- p. indicates that prepayment of freight is compulsory.

Nomenclature, applicability and bases of schedules.	Commodities chargeable.	Conditions.
A. For any distances 074 pie per maund per mile. The terminal and short distance charges are not to be levied. The tolls per maund must be added.	Materials and stores belonging to the G. I. P. Ry. on revenue account.	W/162 per four-wheeled wagon exclusively loaded.
B. For any distances 09 pie per maund per mile. The terminal and short distance charges are not to be levied. The tolls per maund must be added.	Materials and stores belonging to the G. I. P. Ry. on capital account.	Do.

Nomenclature, applicability and bases of schedules.	Commodities chargeable.	Conditions.
<p>C.</p> <p>For any distances 1 pie per maund per mile. The terminal and short distance charges and tolls must be added.</p>	<p>Cotton, full-pressed (Over the G. I. P. section). When booked at O. R. charges will be made over the G. I. P. section 6 pies lower per maund than at the C. schedule rate except where lower station-to-station rates are quoted. Piece goods cotton or woollen, in bales, press-packed and bound with iron bands or packed in boxes or cases (Over the G. I. P. section). Wool, full-pressed. (Over the G. I. P. section)...</p>	<p>S.</p>
<p>C/B C/J (Combined schedule).</p>		
<p>C/B*</p> <p>For any distances 333 pie per maund per mile.</p>	<p>Agricultural implements (not machinery) packed and unpacked.</p>	<p>O. R.</p>
<p>C/J†</p> <p>For the first and up to 150 miles, 380 pie per maund per mile.</p>	<p>Alkali (Soda ash) Bicarbonate of soda, when booked from Bombay.</p>	<p>O. R., C/300, L. O. R., C/300, L.</p>
<p>For extra distances above 150 miles but not exceeding 250 miles to be added to the charge for 150 miles. 333 pie per maund per mile.</p>	<p>Bran. Crushed food. Crystals Soda, when booked from Bombay.</p>	<p>O. R. O. R., C/300, D/500. O. R., C/300, L.</p>
<p>For extra distances above 250 miles but not exceeding 500 miles to be added to the charge for 250 miles. 200 pie per maund per mile.</p>	<p>Flour Flour mills refraction (waste products from milled wheat).</p>	<p>O. R. O. R., W/160, L.</p>
<p>For extra distances above 500 miles but not exceeding 700 miles to be added to the charge for 500 miles. 130 pie per, maund per mile.</p>	<p>Grain and pulses. Grass, dry. Grass, green Oil cake,</p>	<p>L. O. R., W/160. L. p. O. R., W/160. L.</p>
<p>For extra distances above 700 miles to be added to the charge for 700 miles. 100 pie per maund per mile.</p>	<p>Onions, Potatoes } „ sweet }</p>	<p>O. R., C/300. O. R., C/300.</p>
<p>Terminal charges to be levied as follows :— (a) 6 pies per maund at each end in local booking ; (b) 8 pies per maund in through booking short distance charge of 3 pies per maund when the distance over the G. I. P. is less than 75 miles subject to the differential rule.</p>	<p>Seeds common Silicate of Soda, when booked from Bombay.</p>	<p>O. R., W/300, L.</p>
<p>C/G (in through booking only).</p>		
<p>For the first and up to 30 miles, 380 pie per maund per mile.</p>	<p>Bamboo chips, } Bamboos, } S } Bullies } Rafters }</p>	<p>O. R., W/160, L.</p>
<p>For extra distances above 300 miles but not exceeding 400 miles, to be added to the charge for 300 miles, 300 pie per maund per mile.</p>		
<p>For extra distances above 400 miles but not exceeding 500 miles to be added to the charge for 400 miles, 200 pie per maund per mile.</p>		

* Applies to distances less than 300 miles.

† Applies to distances 300 miles and over.

Nomenclature, applicability and bases of schedules.	Commodities chargeable.	Conditions.
<p>For extra distances above 500 miles but not exceeding 600 miles to be added to the charge for 500 miles, · 125 pie per maud per mile.</p> <p>For extra distances above 600 miles but not exceeding 700 miles to be added to the charge for 600 miles, · 115 pie per maund per mile.</p> <p>For extra distances above 700 miles to be added to the charge for 700 miles, · 100 pie per maund per mile.</p> <p>In addition to the above rate a terminal charge of 2 pies per maund and transshipment and toll charges must be added. The short distance charge is not to be levied. The minimum charge for each wagon is Rs. 10.</p>	<p>Camp equipage, S. Circus kit, p. Furniture, S. Household effects, S. Tents, and tent equipage, S. Theatrical kit, S.</p>	O. R., W/200, L.
<p>C/J (in through booking only). For the first and up to 150 miles, · 380 pie per maund per mile.</p> <p>For extra distances above 150 miles, but not exceeding 250 miles to be added to the charge for 150 miles, · 333 pie per maund per mile.</p> <p>For extra distances above 250 miles, but not exceeding 500 miles to be added to the charge for 250 miles, · 200 pie per maund per mile,</p> <p>For extra distances above 500 miles, but not exceeding 700 miles to be added to the charge for 500 miles, · 130 pie per maund per mile,</p> <p>For extra distances above 700 miles to be added to the charge for 700 miles, · 100 pie per maund per mile.</p> <p>In addition to the above rate, a terminal charge of 1 pie per maund and the transshipment and toll charges should be levied. The short distance charge is not to be added. The minimum charge for each wagon is Rs. 10.</p>	Bones, S. ..	O. R., W/300, L.
<p>C/M.</p> <p>For the first and up to 75 miles, · 380 pie per maud per mile.</p> <p>For extra distances above 75 miles but not exceeding 300 miles to be added to the charge for 75 miles, · 200 pie per maund per mile.</p> <p>For any distances above 300 miles to be added to the charge for 300 miles, · 100 pie per maund per mile.</p> <p>In addition to the above rate, a terminal charge of 8 pies in local and through booking will be levied. The short distance charge is not to be added.</p>	<p>Ballast, L. Bricks, L. Cement, Chalk,</p>	O. R., C.-C. O. R., C.-C. O. R., C.-C. L. O. R., C.-C. L.
<p>C/O. For the first and up to 75 miles, · 300 pie per maund per mile.</p>		

Nomenclature, applicability and bases of schedules.	Commodities chargeable.	Conditions.
For extra distances above 75 miles, not exceeding 400 miles, to be added to the charge for 75 miles,	Chunam (lime) .. ..L. .. Clay, .. ..L.p .. Earths, N. O. C. .. ..L. ..	O. R., C-C. O. R., C-C. O. R., C-C.
170 pie per maund per mile. For extra distances above 400 miles, to be added to the charge for 400 miles,	Iron and steel, Division B. Iron or steel scrap, Lime stone .. ..L. ..	O. R., C-C. L. O. R., C-C. L. O. R., C-C.
100 pie per maund per mile. A terminal charge of two pies per maund in local booking and one pie per maund in through booking must be added.	Myrobalan when booked to Bhopal and from Bhopal to Bombay.	O. R., W/436 L.
The toll charges should also be added.	Rags N. O. C. p. ..	O. R., W/300, L.
The short distance charge is not to be levied.	Sand p. ..	O. R., C-C. L.
The minimum charge for each wagon used is Rs. 10.	Soap stone (steatite) Tanstuffs, N. O. C. i.e., bark, leaves, nuts or fruits used in tanning.	O. R., C-C. L. O. R., C-C. L.
C/P (in through booking only).	Tiles common L. ..	O. R., W/300.
For the first and up to 75 miles, 250 pie per maund per mile.	Ashes L.p.	} O. R., C-C. L.
For extra distances above 75 miles but not exceeding 150 miles to be added to the charge for 75 miles,	Timber, unwrought * .. L. .. Timber, wrought, N. O. C.* ..	
170 pie per maund per mile.		
For extra distances above 150 miles but not exceeding 500 miles to be added to the charge for 150 miles,		
140 pie per maund per mile. For extra distances above 500 miles to be added to the charge for 500 miles,		
100 pie per maund per mile. In addition to the above rate a terminal charge of 1 pie per maund and the trans-shipment and toll charges should be levied.		
The short distance charge is not to be levied.		
C/Q.		
For the first and up to 100 miles, 20 pie per maund per mile.	Manure of all kinds Oil cake,	} O. R., C-C. L.
For extra distances above 100 miles but not exceeding 200 miles to be added to the charge for 100 miles,	Sulphate of Ammonia, Slag	
17 pie per maund per mile. For extra distances above 200 miles to be added to the charge for 200 miles,	Charcoal (in through booking only), Firewood, S. ..	O. R., W/300, L. O. R., W/300, L.
14 pie per maund per mile. For extra distances above 500 miles to be added to the charge for 500 miles,	(in through booking only)	
10 pie per maund per mile. The terminal charges to be levied are as under :—		
(a) In local booking, 1 pie per maund at the forwarding station and 1 pie per maund at the receiving station ;		
(b) In through booking, 1 pie per maund either at the forwarding or receiving station.		
The short distance charge is not to be added. The minimum charge for each wagon is Rs. 10.		

* Applies for timber, country only, and not imported timber.

Nomenclature, applicability and bases of schedules.	Commodities chargeable.	Conditions.
<p>D.</p> <p>For the first and up to 200 miles, · 15 pie per maund per mile.</p> <p>For extra distances above 200 miles not exceeding 400 miles, to be added to the charge for 200 miles, · 14 pie per maund per mile.</p> <p>For extra distances above 400 miles not exceeding 600 miles to be added to the charge for 400 miles, · 13 pie per maund per mile.</p> <p>For extra distances above 600 miles, to be added to the charge for 600 miles, · 12 pie per maund per mile.</p> <p>A terminal charge of 2 pies per maund in local booking and 1 pie per maund in through booking must be added.</p> <p>The short distance charge is not to be levied. The toll per maund must also be added.</p> <p>The minimum charge for each wagon used is Rs. 10.</p>	<p>Stone, N. O. C., L.</p>	<p>O. R., C-C.</p>
<p>K.</p> <p>For the first and up to 300 miles, · 35 pie per maund per mile.</p> <p>For extra distances above 300 miles not exceeding 400 miles to be added to the charge for 300 miles, · 30 pie per maund per mile.</p> <p>For extra distances above 400 miles not exceeding 500 miles to be added to the charge for 400 miles, · 25 pie per maund per mile.</p> <p>For extra distances above 500 miles, not exceeding 600 miles, to be added to the charge for 500 miles, · 20 pie per maund per mile.</p> <p>For extra distances above 600 miles, to be added to the charge for 600 miles, · 10 pie per maund per mile.</p> <p>The terminal and short distance charges and tolls must be added.</p>	<p>Fruits, fresh p . .</p> <p>Pipes,</p> <p>Pipes, earthenware, & stoneware Salt, N. O. C.</p> <p>(From Dadar, Wadala (at Dadar rates) via Dadar, Kurla, Ghat Kopar, Bhandup (at the rates from Ghat Kopar) Thana and Khopoli to Lonavla, Igatpuri and stations beyond and via).</p> <p>Salt, N. O. C.</p> <p>(Salt in bulk from Khewra station and Wardha siding to stations on the G. I. P. Ry. and via is charged at the existing station-to-station rates).</p> <p>Stoneware, C.C., B.G., C.C., M.G., L.</p> <p>Vegetables, N. O. C. p . .</p>	<p>O. R., C-C. L.</p> <p>O. R., C/300, L.</p> <p>W/400.</p> <p>O. R., W/450, L.</p> <p>O. R., W/300.</p> <p>O. R., C-C. L.</p>
<p>Q. (in local booking only).</p> <p>For the first and up to 100 miles, 5 annas per wagon per mile.</p> <p>For extra distances above 100 miles, not exceeding 200 miles, to be added to the charge for 100 miles, 4 annas and 6 pies per wagon per mile.</p>	<p>Bamboos and bamboo chips</p> <p>Camp equipage S. L. . .</p> <p>Charcoal, L.</p> <p>except when booked to Bombay.</p>	<p>O. R., W-R/16 tons.</p> <p>O. R., W-R/16 "</p> <p>O. R., W-R/16 "</p>

Nomenclature, applicability and bases of schedules	Commodities chargeable.	Conditions.
<p>For extra distances above 200 miles, not exceeding 300 miles, to be added to the charge for 200 miles, 4 annas per wagon per mile.</p> <p>For extra distances above 300 miles to be added to the charge for 300 miles, 3 annas and 6 pies per wagon per mile.</p> <p>A terminal charge of Rs. 5 on each wagon must be added.</p> <p>The tolls per wagon must be added.</p> <p>The minimum charge for each wagon is Rs. 10.</p>	<p>Circus kit</p> <p>Firewood S. L.</p> <p>**Flour mills refractions</p> <p>Furniture S.</p> <p>Grass dry * L.</p> <p> " green * L. p.</p> <p>Household effects L.</p> <p>Rafters and bullies, S. L.</p> <p>Tents and tent equipage S.</p> <p>Theatrical kit.. .. . S. L.</p>	<p>O. R., W-R/16 tons, L. p.</p> <p>O. R., W-R/16 tons.</p> <p>O. R., W-R/16 "</p> <p>O. R., W-R/16 "</p> <p>O. R., W-R.</p> <p>O. R., W-R.</p> <p>O. R., W-R/16 tons.</p> <p>O. R., W-R/16 "</p> <p>O. R., W-R/16 "</p> <p>O. R., W-R/16 "</p>
<p>R. (in local booking only).</p> <p>For the first and up to 100 miles, 8 annas per wagon per mile.</p> <p>For extra distances above 100 miles, not exceeding 200 miles, to be added to the charge for 100 miles, 7 annas per wagon per mile.</p> <p>For extra distances above 200 miles, not exceeding 300 miles to be added to the charge for 200 miles, 5 annas per wagon per mile.</p> <p>For extra distances above 300 miles to be added to the charge for 300 miles, 4½ annas per wagon per mile.</p> <p>A terminal charge of Rs. 5 on each wagon must be added.</p> <p>The tolls per wagon must be added.</p> <p>The minimum charge for each wagon used is Rs. 10.</p>	<p>Ashes, L.p.</p> <p>Timber, † unwrought, N. O. C.</p> <p>Timber, wrought, † N. O. C., L.</p>	<p>O. R., W-R/16 tons.</p> <p>O. R., W-R/16 "</p> <p>O. R., W-R/16 "</p>

* Cannot be booked to and from Agra Fort.

† For timber, country only and not for imported timber.

G. I. P. Railway Special Rates for Live Stock.

Applicability and bases of schedules.	Commodities chargeable.	Conditions.
<p style="text-align: center;">I</p> <p>When sent in cattle wagons by goods or mixed trains :— Re. 0-5-0 per vehicle per mile.</p>	<p>Low-priced horses, ponies, mules, donkeys, horned cattle and other animals (except pigs, sheep, goats, wild animals, camels or elephants).</p>	<p>At owner's risk. The number of animals in a vehicle is not to exceed 8 horses or 10 ponies or mules.</p>
<p style="text-align: center;">II</p> <p>In local booking and also in through booking from the G. I. P. Ry. :— Re. 0-0-5 per head per mile.</p>	<p>Pigs</p>	<p>Subject to a minimum charge as for 5 animals. In local booking prepayment of freight is optional.</p>
<p style="text-align: center;">III</p> <p>In through booking from a foreign railway:— The rates of the forwarding railway apply through to destination.</p>	<p>Pigs</p>	<p>Conditions of the forwarding railway apply through to destination.</p>
<p style="text-align: center;">IV</p> <p>In local booking and also in through booking from the G. I. P. Ry. :—</p> <p style="text-align: right;">At O.R. Per 4-wheeled vehicle per mile. Rs. a. p.</p> <p>For through booking between broadgauge lines, 0 4 0</p> <p>For through booking between metre or narrow gauge lines, 0 3 6 per mile.</p> <p>For through booking between rail- ways of different gauges, 50 animals or less, 0 4 0</p> <p>For every additional 10 animals or less loaded in the same vehicle, 0 1 0</p> <p>The charge at R. R. is 20 per cent. above O.R. rates.</p> <p>The charge to be made on the through distance and divided in mileage proportion.</p> <p>Any number found in excess of 75 in the same wagon should be charged 5 pies per head, per mile</p> <p>This rate applies also over each foreign railway (of any gauge) to destination, and is chargeable on the distance from sending station to destination and the total rate is divided in mileage proportion between the railways forming the route.</p>	<p>Sheep and goats</p>	<p>In wagon loads when carried in vehicles other than horse boxes, by goods or mixed trains conveyed together for the same sender and consignee.</p> <p>The number of animals to be loaded is not more than 75 in each wagon.</p> <p>In local booking prepayment of freight is optional.</p> <p>Risk note form B. or H. must be executed.</p>
<p style="text-align: center;">V</p> <p>In through booking from a foreign railway :— The rates of the forwarding railway apply through to destination.</p>	<p>Sheep and goats</p>	<p>The Conditions of the foreign railway apply through to destination.</p>

§ Low-priced cattle may be booked "To pay" by goods train in local booking only.

Conference Schedules.

Applicability, and bases of schedules.	Commodities chargeable.	Conditions.
<p style="text-align: center;">I</p> <p>For the first and up to 400 miles, • 2001 pie per maund per mile. For extra distances above 400 miles, to be added to the charge for 400 miles, • 1334 pie per maund per mile. In booking from or to Bombay a terminal of 2 pies per maund must be charged. The tolls per maund must be added. The minimum charge is 8 annas,</p>	<p style="text-align: center;">..</p> <p>Materials and stores belonging to a foreign railway in through booking.</p>	<p>O. R.</p>
<p style="text-align: center;">II.</p> <p>For the first and up to 100 miles, • 1740 pie per maund per mile. For extra distances above 100 miles, not exceeding 200 miles, to be added to the charge for 100 miles, • 1392 pie per maund per mile. For extra distances above 200 miles, to be added to the charge for 200 miles, • 1160 pie per maund per mile. In the case of bookings to and from Bombay a terminal of 2 pies per maund must be added. The tolls per maund are also to be added.</p>	<p style="text-align: center;">Do.</p>	<p>.. W/270 ; - O. R.</p>
<p style="text-align: center;">III</p> <p style="text-align: right;">At O.R. Per 4-wheeled vehicle per mile. Rs. a. p.</p> <p>For through booking between broad-gauge lines, 0 4 0 For through booking between metre or narrow gauge lines, 0 3 6</p> <p style="text-align: right;">per mile.</p> <p>For through booking between railways of different gauges, 50 animals or less. 0 4 0</p> <p>For every additional 10 animals or less loaded in the same vehicle, 0 1 0</p> <p>The charge at R.R. is 20 per cent. above O.R. rates.</p> <p>The charge to be made on the through distance and divided in mileage proportion.</p>	<p style="text-align: center;">..</p> <p>Pigs, sheep and goats</p>	<p>.. In wagon loads when carried in vehicles other than horse boxes, by goods or mixed trains conveyed together for the same sender and consignee. Risk note form B or H must be executed.</p>

Conference Schedules.)

Applicability, and bases of schedules	Commodities chargeable.	Conditions.
<p style="text-align: center;">At O.R. Per 4-wheeled vehicle per mile.</p> <p style="text-align: center;">Rs. a. p.</p> <p>For through booking between broad-gauge lines, 0 5 0</p> <p>For through booking between metre or narrow gauge lines, 0 3 6</p> <p>For through booking from a broad gauge railway to a metre or narrow-gauge railway, 0 5 0</p> <p>For through booking from a metre or narrow gauge railway to a broad gauge railway, 0 3 6</p> <p>The charge to be made on the through distance and divided in mileage proportion. The charge at railway risk is 20 per cent. above the owner's risk rates.</p>	<p>Low-priced horses, ponies, mules, donkeys, horned cattle, and other animals (except pigs, sheep, goats, wild animals, camels or elephants.)</p>	<p>When carried in vehicles other than horse boxes by goods or mixed trains conveyed together for the same sender and consignee. Risk note form B or H must be executed.</p>

APPENDIX "E".

TERMINAL CHARGES.

There must be express authority to charge terminals : see 3 Railway and Canal Traffic Cases 253. Express power to do so is conferred upon Railway administrations in India by s. 45 of the Indian Railways Act. Section 3 (14) of that Act defines terminals as including charges in respect of stations, sidings, wharfs, depôts, warehouses, cranes and other similar matters and of any services rendered thereat. What services are so chargeable in any particular case it is for the Railway Commissioners to decide. In Hall 15 Q. B. D., p. 505, it was held that station accommodation, the use of sidings, weighing, checking, clerkage, watching, and labelling, provided and performed by the Company in respect of goods traffic, may be, and prima facie are, the subject of terminal charges for services incidental to the duty or business of a carrier. That decision was followed by the Bombay High Court in 15 Bom. p. 537 ; at p. 541 confirmed on appeal. Under s. 46 (2) of the Indian Railways Act the Commissioners in deciding disputes as to terminal charges are to have regard only to the expenditure reasonably necessary to provide the accommodation in respect of which the charges are made. This involves interpretation of the word 'accommodation.' It would appear that it must be interpreted in terms of the definition in s. 3 (14) above quoted ; or else alternatively that the prohibition or restriction in s. 45 (2) is limited to land and buildings, railways, platforms and other accommodation in that sense of the word. It does not seem that the restriction can rightly be read to deprive the Company of the right to terminal charges (for services rendered) under sections 45 and 3 (14) of the Act read in the light of the decisions above quoted. Sir Frederick Peel in *Cowan v. the North British Railway Company*, 10 Railway and Canal at p. 175, held that while the station terminal is mainly given by way of remuneration for the accommodation a station affords in receiving and unloading goods, yet anything that remains to be done after loading and before departure in the nature of marshalling trucks and making them up into trains is one of the duties included in that terminal. This is a definite decision extending terminal charges beyond a charge merely for station accommodation in the restricted meaning of the word accommodation.

In the Report of the Rates Advisory Committee to the Minister for Transport the following occurs :—“ Terminals have up to the present been divided into station terminals, i.e., the accommodation provided at goods stations, and service terminals, i.e., the services rendered in loading or unloading and in covering and uncovering trucks. Prima facie, marshalling (i.e., putting wagons in station order) is incidental to conveyance and covered by the conveyance rate ; on the other hand sorting of wagons even at a station may be a service rendered at or in connexion with a private siding or may form part of the station terminal.”

Ackworth describes terminal services as including accounting, checking, weighing, invoicing, marshalling and unloading.

In view of the foregoing I am of opinion that the services which are covered by the terminal charge consist of :—

- (a) Station terminals for the accommodation provided at goods stations, and

- (b) Service terminals for the services rendered in loading and unloading, covering and uncovering wagons, weighing, checking, clerkage, watching and labelling.

Further, there is the authority of Sir Frederick Peel in *Cowan v. the North British Railway Company* quoted above for marshalling being included in the service terminals, and of the Rates Advisory Committee, for sorting being included in some instances.

It is probable that still further services are properly included under service terminals.

It is clear that if the terminals are to be arrived at statistically, if the interest is to be calculated on the capital expended on accommodation at goods stations, and the costs calculated for services in loading, unloading, covering and uncovering wagons, weighing, checking, clerkage, watching and labelling, terminals which were the same for all railways could not be reasonable in every instance. Not only does the cost of the services rendered in exchange for terminal charges vary railway by railway, but station by station, and as matter of actual fact it is impossible to arrive at their amount, which moreover is continually fluctuating with the state of the money market, the price of labour and materials.

APPENDIX "F."

Levy of terminals on traffic to and from Private Sidings.

1. The Secretary, Indian Railway Conference Association, forwards us a letter from the Chief Commercial Superintendent, S. I. Railway, suggesting that the Commercial Committee for Interchange discuss the above question at the meeting in July next, as he says that "it is contended that, where no work is performed by the railway—a terminal charge should not by right be levied. For example, a wagon load of goods is booked to a firm who has its own godown or factory on a private siding for which a shunting charge is paid; the wagon is shunted on to this private siding, and the contents are unloaded by the consignee. Should a terminal be levied in such a case?"

2. The Secretary, Indian Railway Conference Association, says that the subject will be discussed at the July meeting, and adds that, in the meanwhile, he will be glad to have our views on the subject.

3. The question is bound up with the problem of disintegrating exceptional, or lump sum, rates (which we usually call station to station rates), because until we know what proportion of a rate to or from a private siding is to be considered as a charge for terminal accommodation and services, it is, obviously, impossible to determine what rebate is to be made on a corresponding rate quoted to the adjacent station.

4. As regards class and schedule rates, the terminals charged are shown separately in our tariffs, but station to station rates, being quoted as lump sum rates inclusive of terminals, must be disintegrated, in order to arrive at the amount of the terminal charge included in the rate. Having arrived at the amounts charged as terminals for all description of rates, we shall have to consider how much of these amounts are to be charged for traffic to or from private sidings. The problem does not, of course, arise in connection with a rate which is quoted only to a private siding, as such a rate is not susceptible of comparison with a corresponding rate to a station, and is quoted as an inclusive lump sum rate based on the usual rating considerations and the circumstances of that particular siding.

5. The matter was dealt with at some length by the English Rates Advisory Committee, who did not come to any definite conclusion as to how lump sum rates were to be accurately disintegrated, but they recommended the lines on which the Rates Tribunal should proceed, when the problem came before that body, and they laid down how lump sum rates should, in the meantime, be disintegrated, until the Rates Tribunal have pronounced on the matter.

6. As this is a matter which is likely to come before the Indian Advisory Rates Committee, who will, most probably, follow the lead of the English Rates Advisory Committee and the Rates Tribunal, it will, I think, be useful to review the situation in Great Britain bearing on the subject.

7. The Railway Act 1921 authorises the railways to charge for all services, at or in connexion with private sidings which are not incidental to conveyance. Such services would, for instance, include labelling and supervising, or assisting in, the loading and unloading of wagons. On the other hand, there would appear to be no obligation on the railway company

to do any shunting, solely for the convenience of the trader and not arising from any negligence on the part of the company, either at, or before reaching the siding, or to hold wagons pending acceptance by the trader. The railway company however, has no alternative but to accommodate the wagons until the consignee is able to accept them. The duties of the company, in fact, are apparently confined for inward traffic, to the uncoupling of the wagon or wagons, at the junction with the private siding and the depositing of them inside, clear of the points, and for outward traffic, to the attaching of the engine to rakes of wagons previously marshalled by the siding owner.

8. It has been customary for the siding owner to pay for any shunting of haulage performed by the railway company on his own property, or for the accommodation occupied by wagons conveying his traffic which may be held up pending acceptance in his sidings. By reason, however, of the RAILWAY ORDER CONFIRMATION ACTS 1891-92, railway companies are not entitled to charge the trader for station and service terminals in respect of traffic dealt with at private sidings; they are entitled only to charge for actual conveyance to or from the siding, and a certain amount of haulage or marshalling on the siding or sidings may be incidental to conveyance and, therefore, not subject to extra payment by the siding owner. As "a give and take" arrangement, it has, in the past, been agreed that the siding owner shall pay the ordinary station rates without rebate in consideration of the services and accommodation the companies are called upon to provide in respect of the siding traffic.

9. As regards traffic passing to and from private sidings at rates which cover services which are not actually performed by the railway company, the trader is, of course, entitled to a rebate in respect of such services. Provision was made in the Railway and Canal Traffic Acts, 1894, for settling disputes on such points between railways and siding owners.

10. In order that the siding owner may estimate the exact amount to which he is entitled by way of rebate for the services he performs, it is obviously necessary that he should know the amount allocated to such services in the rate. The Railway and Canal Traffic Act of 1888 provides that the Railway Company shall make this necessary disintegration of the rate.

11. It has always been a grievance on the part of the siding owners that these amounts have been fixed arbitrarily by the railway companies. It is often asserted that the applicant for such disintegration rarely receives a proper and reasonable analysis of the rate, but a statement wherein the whole amount, or the greater portion of it, is allocated to conveyance, and little or nothing to station or service terminals.

12. It has been established in the Railway and Canal Commission Board that, where a rate charged to a private siding is equal in amount to the rate to a neighbouring station and the company provide at the station accommodation and services, the rate does actually include a charge for such services. In the well-known case of *Pidcock vs. Manchester, Sheffield and Lincolnshire Railway Company*, this charge was fixed in the same ratio as the actual rate charged bears to the maximum rate.

13. It is hoped that the Railway Act, 1921, will have the effect of simplifying the thorny question of disintegration of rates. It provides that the amounts included in each of the Standard rates shall be apportioned amongst the following services:—

- (a) Conveyance,
- (b) Station terminals and
- (c) Service terminals, i.e., loading, unloading, covering and uncovering.

Application may also be made to the Rates Tribunal for a similar disintegration of exceptional rates, including accommodation provided and services rendered at or in connection with a private siding. The Act also transfers to the Railway Rates Tribunal the powers, in connection with private siding rebates, formerly exercised by the Railway and Canal Commission. Finally it also makes provision for the regulation of agreements between the siding owner and the railway company.

14. I cannot here do better than quote from the Report of the English Rates Advisory Committee:—

- (1) “ There has long been a persistent demand on the part of the
 “ trader for the disintegration of these rates and for the publi-
 “ cation of particulars of the component parts, which they
 “ justify by a claim that the trader should not pay for a service
 “ which is not rendered and that if a consignor does not avail
 “ himself of the use of the station, as in the case of an owner
 “ of a private siding, he should not pay the station terminal,
 “ and if his goods are not loaded or unloaded, covered or uncover-
 “ ed or collected or delivered by the railway company, no payment
 “ should be made for the service not performed. If the maxi-
 “ mum rate is charged, there is no difficulty in apportioning the
 “ charge for conveyance and for the terminals and the balance
 “ (if any) is obviously for collection and delivery. But where
 “ a special or an exceptional rate is charged, the trader does not
 “ know how to disintegrate the rate, or what rebate he may
 “ claim in respect of services not rendered; and the division
 “ of the rate made by the Company is often disputed as not
 “ showing the real proportion in which the rate should be
 “ divided and the Railway and the Canal Commissioners have
 “ refused to be bound by the Company’s allocation of the
 “ respective portions of the rate.”
- (2) “ The railways say that, when they quote an exceptional rate
 “ from station to station, they fix an inclusive rate which they
 “ consider to be what the traffic will bear and sufficiently
 “ remunerative to themselves in all the circumstances and that
 “ it by no means follows that a rate reduced by the exclusion
 “ of various sums for terminals would be a remunerative of
 “ fair conveyance rate. Their stations are there and their
 “ servants are ready to render the services so that it may
 “ well be worth their while to quote an exceptional rate which
 “ will attract traffic without adding to their terminal costs,
 “ but it may not be remunerative to carry goods at a rate
 “ reduced by the exclusion of the computed terminal charges
 “ when, in fact, the omission to render the services has not
 “ reduced their costs.”
- (3) “ The claim of the trader is mainly on behalf of the owners of
 “ private sidings, who not only do not use the station, but
 “ also load and unload their own goods, and other traders (in
 “ particular, farmers) also claim that they load and unload
 “ their own goods and urge that the railway companies’ staff
 “ at the smaller stations is often insufficient to render the ser-
 “ vices and that if the companies were compelled to do the
 “ work they must increase their staffs.”

- (4) "The Railway companies are willing to concede that if standard rates and tariffs are fixed by an independent authority the rates and tariffs so fixed should show the amounts to be charged for conveyance and for terminal accommodation and services separately."

15. The Rates Advisory Committee were of opinion that there is to some extent justice in the claim of the trader, but that the counter arguments of the railway companies ought not to be ignored, and it recommended that the following alterations in the law should be made :—

- (1) "In the standard rates to be fixed by the tribunal the conveyance rate and terminals should be separately specified, and, when the tribunal is called upon to fix an exceptional rate, it should equally specify how much of the exceptional rate is for conveyance and how much for each terminal. When an exceptional rate is agreed between a railway company and a trader, the company should be at liberty when first placing the rate upon its rate book to apportion the total rate between conveyance and each item of terminal charges and if it does so this disintegration of the rate should be conclusive provided the sum shown for terminal charges is not illusory. If, however, the railway company does not at the time of first putting a rate upon its books make this disintegration, the rate, if it is station to station, should be deemed to be composed of conveyance rate station terminal and service terminals in the same proportions as in the case of standard rates fixed by the tribunal for similar goods carried to or from the same station, or if the rate is to or from a private siding, the company should be under the same obligation as now to deliver an account showing the division of the rate, but the division so made should not be held to be conclusive if challenged by a trader. A railway company, when disintegrating a rate, should be at liberty instead of setting out separately the actual figures of the component parts of the rates to indicate the amounts charged for terminals by reference to a number of scales set out in its books or by adopting the scale applicable to one of the standard classes fixed by the tribunal."
- (2) "Further, it should be laid down as a principle that, when a question of undue preference is under consideration, the mere fact that in an exceptional rate the terminal charges are of a particular amount should not of itself be a ground for claiming that other terminal charges should be of a similar amount. The question should depend on the whole of the circumstances in relation to the exceptional rate and the rate with which it is to be compared; and in comparing a rate to a station with a rate to a private siding account should be taken of the fact that the private siding has the benefit of some of the services rendered at the station, such as clerkage, supervision and in some cases sorting trucks in the goods yard, and that in some cases services are rendered in respect of traffic to or from the siding which are not rendered in respect of traffic to or from the station. In our opinion it would not be right in comparing a station rate with a siding rate either entirely to exclude terminals

" or to include the whole of the terminals ; each case should be decided upon its merits."

16. When the Rates Advisory Committee made their Report, the state of the law was that a private siding owner paid conveyance rate but ~~he was~~ free from any general obligation to pay the terminal charges quoted for the station. He was liable, however, to pay a reasonable sum for any services rendered by the company at or in connection with his siding. The Railway Rates Advisory Committee saw no reason for the alteration of the state of the law except that the duty of determining any difference should be placed upon the Rates Tribunal. They also recommended that, where there was an existing agreement between a company and a siding owner for the payment of terminals, that agreement should continue to operate for the period fixed by the agreement, until either a new agreement was made, or the amount of the reasonable charge was fixed by the Rates Tribunal ; also that, where there was no actual agreement but the siding owner had in fact paid station terminals and service terminals, the siding owner should continue such payments until the amounts were determined by agreement or fixed by the Rates Tribunal ; also that, where a new private siding is put in, the amount payable for service rendered at or in connection with such new siding shall be the amounts of the station and service terminals then in force, until an agreement is made or the charges fixed by the Rates Tribunal.

17. The Rates Advisory Committee further recommended that such charges, when fixed by the Rates Tribunal, should be determined solely upon the consideration of what sum is reasonable in all the circumstances.

18. A controversy was raised before the Rates Advisory Committee as to whether the charge to be made to a siding owner should be by way of addition to the bare conveyance rate charged to the nearest station, or should be by way of rebate off the station to station rate, *i.e.*, the rate which includes both conveyance and terminals. They have expressed the opinion that the correct amount can be arrived at by either method and that the companies should be allowed to continue the rebate practice.

19. The Rates Advisory Committee state that it is convenient to divide the services rendered by railways into (a) Conveyance and (b) Terminal services, making a special heading for services rendered at or in connection with private sidings. Under Conveyance they include the use of the line and of wagons or trucks, haulage and signalling on the running lines. Further, they state that terminals up to the present have been divided into station terminals, *i.e.*, the accommodation provided at goods stations, and service terminals, *i.e.*, the services rendered in loading and unloading and in covering or uncovering trucks ; also that, *prima facie*, marshalling (*i.e.*, putting wagons in station order) is incidental to conveyance and is covered by the conveyance rate ; on the other hand, sorting of wagons even at a station may be a service rendered at or in connection with a private siding or may form part of the station terminals.

20. In England terminals are composed of two parts, *viz.*, (1) Station Terminals and (2) Service Terminals. I give below a list of terminal charges which the British railways have proposed to the Rates Tribunal should be charged for the 21 new classes. It will be noticed that the charges vary for the different classes and that Service Terminals are subdivided under four heads.

Scale of charges in respect of Goods and Minerals, except Coal, Coke and Patent Fuel, by Merchandise train.

Class in respect of Merchandise to which charges are applicable.	Station Terminal at each end.	Service Terminals.			
		Loading.	Un-loading.	Covering.	Un-covering.
	Per ton.	Per ton.	Per ton.	Per ton.	Per ton.
	s. d.	s. d.	s. d.	d.	d.
1. In owner's Wagons	0 3	..	..	..	..
2. " " " "	0 5	..	..	..	..
3. " " " "	0 6	..	..	..	..
4. " " " "	0 10	..	..	..	..
5. " " " "	0 6	..	..	..	..
6. " " " "	0 10	..	..	..	..
7. " " " "	1 0	..	..	1·25	1·25
8. " " " "	1 2	..	..	1·25	1·25
9. In Railway Company's wagons.	1 4	..	..	1·50	1·50
10. " " " "	1 7	..	..	1·50	1·50
11. " " " "	2 0	0 6	0 6	2·50	2·50
12. " " " "	2 5	0 8	0 8	2·50	2·50
13. " " " "	2 5	0 8	0 8	2·50	2·50
14. " " " "	2 5	0 10	0 10	3·00	3·00
15. " " " "	2 5	0 11	0 11	3·00	3·00
16. " " " "	2 5	1 1	1 1	3·00	3·00
17. " " " "	2 5	1 4	1 4	3·00	3·00
18. " " " "	2 5	1 7	1 7	3·00	3·00
19. " " " "	2 5	2 2	2 2	5·00	5·00
20. " " " "	2 5	2 8	2 8	6·00	6·00
21. " " " "	3 7	4 0	4 0	9·00	9·00

Acworth describes terminal services as consisting of accounting, checking, weighing, invoicing, loading, marshalling and unloading.

21. I give below an extract from the Summary of the Rates Advisory Committee's Report:—

“All rates fixed by the Tribunal should show separately the amount included for conveyance and terminals respectively. In the case of exceptional rates not so fixed, the railway company

“ should be authorised to determine and show separately how much
 “ of the rate is for conveyance and how much for terminals respec-
 “ tively, or, in the case of rates to or from private sidings, how
 “ much is for conveyance and how much for services rendered at
 “ or in connection with the private siding ; but where the company
 “ has failed at the time of first placing the rates on its books so to
 “ distinguish the amounts included for conveyance and terminals,
 “ the rate in the case of station to station rate should be deemed to
 “ be composed of conveyance rate and terminal charges in proportion
 “ to the amounts included in the standard rates fixed for similar
 “ goods to and from the same station and in the case of rates to and
 “ from a private siding, the railway company should be under the
 “ same obligation as now to render an account showing the division
 “ of the rate, but such division should not be conclusive. It should
 “ be declared that the inclusion, in an exceptional rate, of an amount
 “ less than the standard charge for terminals should not, of itself,
 “ be a ground for treating the charge as an undue preference in res-
 “ pect of terminal charges.”

22. Authority in this country for charging terminals is based on the Indian Railways Act, and Section 45 of the Act authorises railways to levy “ reasonable terminals ” and the standard commentary on this section in the edition by Sanjiva Row states “ a ‘ terminal charge ’ means the charge for the use of the goods, station and ‘ for the various duties ’ which the Company performs in connection with the goods consigned to them for carriage. Terminal charges are usually levied on account of the carrying of the goods to and from the wagon, loading and unloading them, and for the use of the Company’s premises where the goods frequently remain for some time before they are taken away.”

23. Section 46 of the Railways Act deals with disputes as to what is a “ reasonable terminal ” and lays down that in deciding the question of dispute, the Commissioners shall have regard only to the expenditure reasonably necessary to provide the accommodation in respect of which the terminals are charged.

24. On this railway, and on other railways in this country, terminal charges are levied on all goods traffic except “ cross traffic ”, i.e., traffic which passes over a railway to and from stations on foreign railways. As regards station to station lump sum rates, it is understood that the terminals are included therein but the amount of the terminal in each case is not determined. It could, therefore, be said that at present there is no rate except the “ cross ” rate to which no terminal is applied.

25. The present maximum terminal permissible over the G. I. P. Railway is 12 pies per maund. At present the following terminals are levied over the G. I. P. Railway :—

Maund Terminals.

In local booking .. 6 pies per maund at forwarding station
 and 6 pies per maund at receiving
 station.

In through booking .. 8 pies per maund.

The terminal charges for schedule rate “ D ” and “ G ” are as shown below :—

In local booking .. 1 pie per maund at forwarding station and
 1 pie per maund at receiving station.

In through booking and for Schedule "CM"	..	1 pie per maund.
In local booking	..	4 pies per maund at forwarding station and 4 pies per maund at receiving station.
In through booking	..	8 pies per maund.

WAGON TERMINALS.

The wagon terminals are as under :—

In local booking	..	Rs. 5 per wagon.
In through booking	..	Rs. 3 per wagon.

In the case of cross traffic, no terminal is levied.

When the distance over the G. I. P. Railway is less than 75 miles, except in the case of cross traffic, a short distance charge of 3 pies per maund is levied, subject to the differential rule as to distance, in addition to the terminals specified above. If, however, the terminals and the short distance charge aggregate more than 12 pies, only 12 pies are charged.

26. It can be concluded from the foregoing :—

(1) that railways are entitled to charge for the following services performed at or in connection with private sidings, which are not incidental to conveyance, namely,

- (a) Supervising, or assisting in, the loading and unloading of wagons.
- (b) Covering or uncovering.
- (c) Labelling.
- (d) Shunting performed for the convenience of the trader.
- (e) Sorting trucks in the goods yard.
- (f) Holding wagons pending acceptance by the trader.
- (g) Clerkage.
- (h) Accounting.
- (j) Checking.
- (k) Weighing.
- (l) Invoicing.

(2) that, where a rate charged to a private siding is equal in amount to the rate to a neighbouring station and the railway provide at the station accommodation and services, the rate should be disintegrated, and on traffic to or from the private siding (a) that a rebate should be allowed in respect of those services which are not performed by the railway, or (b) that the amount allocated to terminals should not be charged, and a charge for the services actually performed should be made.

27. The British railways contended that all exceptional rates were inclusive rates fixed according to what the traffic could bear, that terminal facilities are provided at the station, which traders are able to use, if they wish, without adding to the terminal costs, and that it by no means follows that a rate reduced by the exclusion of various sums for terminals would be a remunerative rate, when, in fact, the omission to render the services has not reduced their costs. The traders, on the other hand, claim that no payment should be made for services not performed and that the railway staff is often insufficient to render the services and would have to be increased if the railway were compelled to do the work.